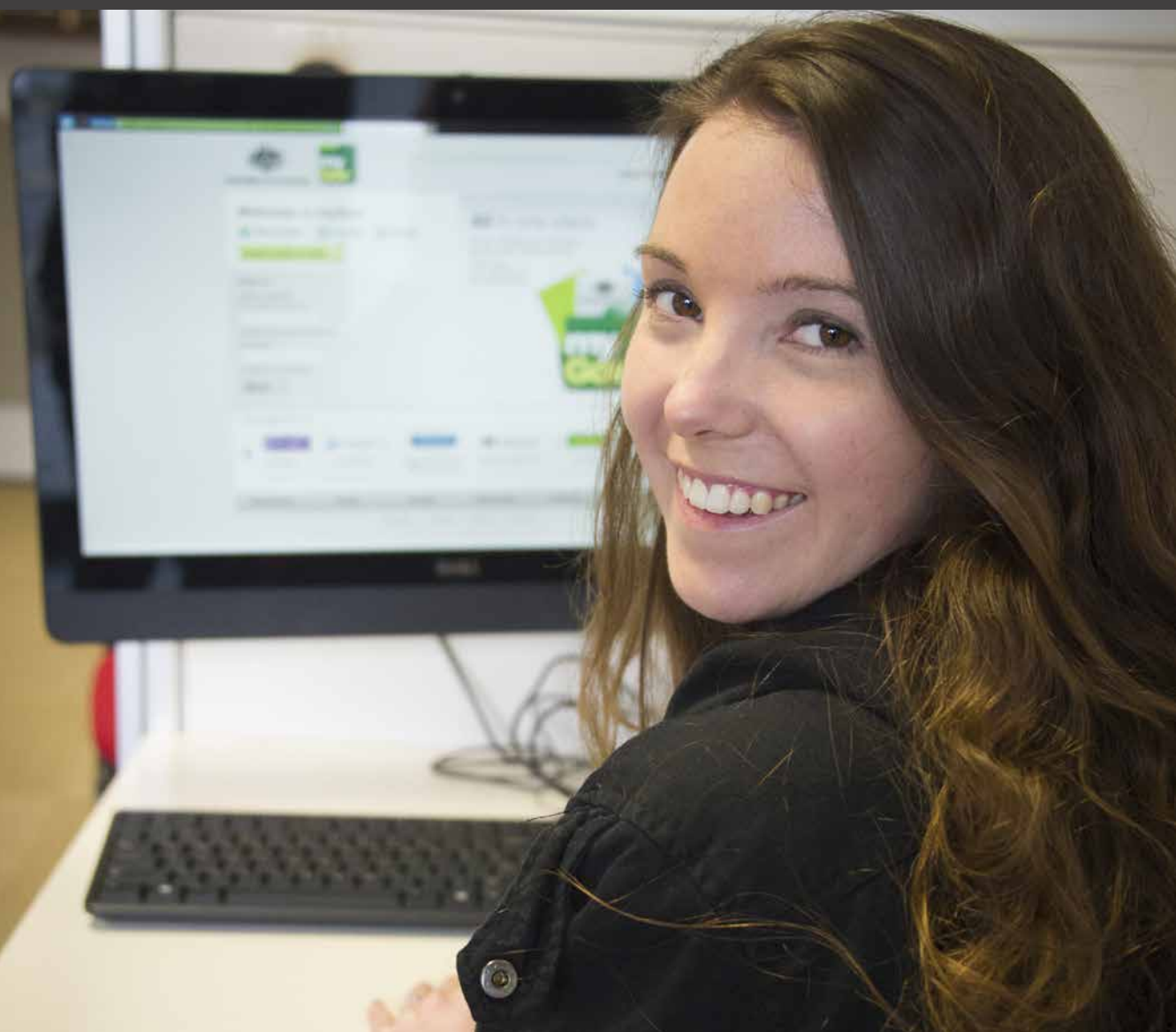




Australian Government
Department of Human Services

2015–16 Annual Report



This annual report was prepared in accordance with the *Resource Management Guide No. 135—Annual reports for non-corporate Commonwealth entities* issued by the Department of Finance in July 2016. The main purpose of the report is to describe the department's activities during 2015–16, reporting on the performance and financial information presented in the 2015–16 *Department of Human Services Portfolio Budget Statements*, and the 2015–16 *Department of Human Services Portfolio Additional Estimates Statements*. It aims to provide readers with a useful and informative picture of the department's performance during 2015–16.

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This annual report is available online at **humanservices.gov.au**

To speak to us in languages other than English please call **131 202**.

If you are deaf or have a hearing or speech impairment please call **1800 810 586** (a TTY phone is required to use this service).

More information about the Department of Human Services is available at **humanservices.gov.au** or connect with us on social media at:



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SECRETARY'S REVIEW

The Department of Human Services (the department) delivers a range of health and welfare payments and services to millions of people across Australia. We help people through our digital service offerings, by phone and in service centres. We come into contact with almost every Australian at some time in their lives. This is reflected in our mission—'connecting Australians to the services they need'.

Service Delivery—Business as usual

This year we have again been focussed on delivering services to customers, transforming how we operate and developing our staff capability. In 2015–16 we successfully delivered \$172.1 billion in payments to customers and providers. We finished the year with a small operating deficit of \$3.2 million compared with a surplus of \$65.8 million in 2014–15. We also met 31 of our 36 performance measures.

The department processed more than 3.8 million social security and welfare claims during the year and worked with separated parents to transfer monies to support approximately 1.2 million children. We handled around 56 million calls and 21 million visits to our service centres.

The department continued to expand its digital services. During the year around 720 million digital and online transactions were undertaken, including 130 million self-service Centrelink, Medicare and Child Support transactions using either mobile apps, the internet or phone self-service. Online claiming for health practitioners and patients also grew, making it simpler, quicker and more efficient with 588 million provider 'point of service' digital service transactions.

Each day, around 160 000 people are logging on to the myGov website, which gives users secure and easy access to a range of government online services. During the year we focused on making customer transactions with myGov faster and more reliable and by 30 June 2016 there were more than 9.5 million active myGov accounts.

While we are still meeting our performance measure of an average telephone wait time of less than 16 minutes, we acknowledge some customers find it frustrating when they have to wait. Our performance has improved since last year, with the average length of time a customer waited for their call to be answered for social security and welfare services at 15 minutes and 9 seconds, compared to 15 minutes and 40 seconds in 2014–15. To continue to reduce wait times, our priorities are to continue to modernise our systems, including telephony, and to improve our digital channels to support more customers to conduct their transactions at a time and place that is convenient to them.

Our Indigenous servicing specialists again worked directly with people and communities around the country. These staff not only deliver our services in a targeted way, but with a deep understanding of cultural beliefs and practices that may affect Aboriginal and Torres Strait Islander customers or service delivery.

This year we experienced delays in processing Youth Allowance claims when we migrated to a new operating system. The department is focussed on improving our processing of claims, including through improved information and communications technology (ICT) systems, staff training and redeployment of staff to meet peak demands.

We also continued to host services for other government departments and agencies in many of our sites and online. This includes services delivered on behalf of the Australian Taxation Office, the Department of Veterans' Affairs and the Department of Immigration and Border Protection.

Transformation

We have made significant progress in transforming how we operate over the past few years. This transformation is not just about ICT systems, but how we structure our business. For example, more than 60 per cent of our service centres are one-stop shops, giving customers access to more government services in a single place. The installation of new telephony technology during the year will also help the department better manage peaks in demand and responses to emergencies.

During 2015–16 the department again successfully implemented new initiatives as well as focusing on our service delivery to customers.

The Cashless Debit Card Trial started in 2015–16 to test whether restricting access to cash, alcohol and gambling will help address harm in communities. The trial has begun in Ceduna, South Australia, and Kununurra and Wyndham in Western Australia and the department is providing support by placing participants on and off the trial.

Taskforce Integrity, launched in November 2015, has already started to influence localised cultures of non-compliance and welfare fraud and to positively affect customer behaviour. Run by the department and supported by the Australian Federal Police (AFP), the taskforce is led by an AFP Assistant Commissioner. Since it began, the taskforce has raised over \$19.6 million in debts to the Commonwealth.

Work continued on implementing the Welfare Payment Infrastructure Transformation (WPIT) Programme—one of the largest business transformations of a social welfare system undertaken worldwide. WPIT will change how we deliver our services, make it easier for staff to do their jobs and increase system stability and responsiveness.

Our people

Our people are central to providing strong customer service and to transforming how we operate and we are committed to creating a workplace that is accessible and inclusive for all staff.

Building the skills and capability of our people is a high priority. The department provides regular learning and development opportunities, enabling staff to maintain and increase their skills and capability.

One of our key areas of focus for staff and customer support is our *Enough—Family and Domestic Violence Strategy 2016–19*. The strategy sets out five principles that underpin the department's approach: that family and domestic violence is never acceptable, that we avoid blame, respond respectfully, provide support and work collaboratively with government and non-government sectors. A critical part of our approach is recognising signs and talking to both staff and customers about this important, and very personal, issue.

We are developing a new Workplace Accessibility Plan which is designed to further support our recruitment of people with disability—currently 4.9 per cent, up 0.2 per cent on last year. Part of our overall strategy is the unique Dandelion Programme, a partnership between the department, Hewlett Packard Enterprise and Specialist People Foundation which creates training opportunities for people on the autism spectrum.

Reconciliation Australia has marked the department as a national leader in taking action towards reconciliation. We are well on the way to achieving our goal of increasing Aboriginal and Torres Strait Islander staff to 5 per cent of our total workforce by the end of 2017, with Indigenous staff now making up 4.2 per cent. This is an especially pleasing result, given the overall APS target of 3 per cent.

We are proud of the multicultural diversity of our people with almost a quarter of staff identifying as coming from a culturally and linguistically diverse background. The top six languages spoken by staff, who identified as having a first language other than English, included Italian, Vietnamese, Greek, Chinese, Spanish and Arabic. We acknowledge and recognise the value of our people's linguistic skills in servicing our customers. Our dedicated multilingual phone service provides customer assistance in 23 different languages.

Australians are always quick to help those in need in our community, and the department is no exception. Almost 15 per cent of our staff are registered for the Emergency Reserve and therefore willing to assist in recovery management and to ensure continuity of payments and services in the aftermath of emergencies and disasters. Most recently, we delivered more than \$11 million to South Australian and Western Australian residents who suffered loss during the Pinery and Waroona bushfires.

During the year, the department continued formal negotiations for a new enterprise agreement to cover all non Senior Executive Service staff. Two unsuccessful ballots were held in September 2015 and February 2016. Negotiations are continuing.

I am proud of the commitment of our staff. Many have been recognised with internal and external awards this year, including three staff receiving the Public Service Medal.

I appreciate the generosity of staff in supporting a range of charities under the workplace giving programme and other fundraising events. It reflects their desire to give back to the broader community and the values they bring to the workplace.

Once again I thank the staff of the department for the professionalism and dedication they bring to ensuring the best possible outcomes for the government, our customers, our partner agencies and the wider community.



A handwritten signature in black ink that reads "K Campbell". The signature is fluid and cursive.

Kathryn Campbell, CSC
Secretary
Department of Human Services

LETTER OF TRANSMITTAL



Australian Government
Department of Human Services

Kathryn Campbell CSC
Secretary

The Hon. Alan Tudge MP
Minister for Human Services
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to submit the Department of Human Services Annual Report for the year ending 30 June 2016, as required by section 46 of the *Public Governance, Performance and Accountability Act 2013*. The report has been prepared in accordance with the *Resource Management Guide No. 135—Annual reports for non-corporate Commonwealth entities*, issued by the Department of Finance.

The report meets my reporting requirements under the *Child Support (Registration and Collection) Act 1988*, the *Child Support (Assessment) Act 1989*, and the *Human Services (Medicare) Act 1973*.

The report also includes information on the data-matching program for the period 1 July 2015 to 30 June 2016 required by subsection 12(4) of the *Data-matching Program (Assistance and Tax) Act 1990*. I am required to provide the report on the data-matching program to the Information Commissioner.

In accordance with the Commonwealth Fraud Control Framework, the department has prepared fraud risk assessments and fraud control plans, to minimise the incidence of fraud through appropriate fraud prevention, detection, investigation, and reporting mechanisms. Reasonable measures have also been taken to recover the proceeds of fraud against the department.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'K Campbell'.

Kathryn Campbell
22 September 2016

Departmental overview



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1.1 OUR DEPARTMENT

PURPOSE

The department's purpose statement shown below is included in our 2015–16 *Corporate Plan* which is available at humanservices.gov.au

The department is the Australian Government's focal point for delivering social and health-related services and payments to the Australian community.

We are responsible for the design, development, delivery, coordination and monitoring of government services, social security, child support, students, families, aged care, and health programmes and superannuation release.

Through the delivery of health and welfare payments and services, we touch the lives of around 99 per cent of Australians. We develop innovative approaches to improve service delivery in close collaboration with the community and our partner agencies.

As part of this work, the department also provides support to Australians with changing circumstances, facing financial hardship or suffering from natural disasters.

A new purpose statement was developed for 2016–17 as a result of guidance under the Public Management Reform Agenda, as follows:

The department is responsible for the design, development, delivery, co-ordination and monitoring of government services, social security, child support, students, families, aged care, health programs and superannuation release to the community on behalf of the Australian Government.

The purpose is also published in the department's 2016–17 *Portfolio Budget Statements*.

ROLE AND FUNCTIONS

The department provides advice on service delivery matters to government to ensure effective, innovative and efficient implementation of government service delivery. It delivers a range of government and other payments and services to almost every Australian including:

- **Centrelink** payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds, and people living overseas as well as providing services at times of major change, including disaster recovery payments.

- **Aged care** payments to services funded under the *Aged Care Act 1997* including residential care, home care and flexible care services.
- **Medicare** services and payments that support the health of Australians such as Medicare, the Pharmaceutical Benefits Scheme, eHealth, the Private Health Insurance Rebate, the Australian Childhood Immunisation Register, the National Bowel Cancer Screening Register and the Australian Organ Donor Register.
- **Child Support** services for separated parents to provide the financial and emotional support necessary for their children's wellbeing.

The department also delivers other services including the Tasmanian Freight Equalisation Scheme and Early Release of Superannuation, as well as whole-of-government services such as myGov. The Administrative Arrangements Order made on 30 September 2015 transferred responsibility for Medicare Provider compliance to the Department of Health.

The department is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

OUTCOME AND PROGRAMME STRUCTURE

The department has one outcome and three programmes.

Figure 1: Outcome and programme structure 2015–16

<p>Outcome 1:</p> <p>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.</p>
<p>Programme 1.1</p> <p>Services to the Community—Social Security and Welfare</p>
<p>Programme 1.2</p> <p>Services to the Community—Health</p>
<p>Programme 1.3</p> <p>Child Support</p>

ORGANISATIONAL STRUCTURE

Figure 2: Organisational structure at 30 June 2016

Kathryn Campbell, Secretary* Grant Tidswell, A/g Secretary				
Payments Reform John Murphy Deputy Secretary		Service Delivery Operations Russell Egan, A/g Deputy Secretary		Participation, Aged Care, and Integrity Malisa Golightly Deputy Secretary
Chief Financial Officer Mark Jenkin, CFO Financial Management Kari Ahmer, NM Financial Accounting Kym Partington, NM Financial Systems Drago Stanojic, NM Group Financial Management Rohan Wong, NM CIO Group Financial Management Andrew Harvey, NM	♦ Payments Reform Assurance Robert McKellar, A/g NM Business Transformation Sue Kruse, GM Strategic Information Management and Data Aaron Wilkins, A/g NM Business Architecture Des Kirwan, A/g NM Change Management and Communications Sally Thauvette, A/g NM Programme Delivery Vacant, GM Programme Office Sabeena Oberoi, NM Commercial Partner Management Phil Lindenmayer, NM	Child Support Smart Centres Bill Volkers, GM Child Support Smart Centres, VIC and TAS Bruce Young, NM Child Support Smart Centres, WA, SA and QLD Jill Simpson, NM Child Support Smart Centres, NSW and ACT Tracey Sheather, NM Telephony Service Delivery Projects John Manthey, NM Smart Centres Jenny Teece, GM Smart Centres South Paul McNae, NM Smart Centres East Louise Hamilton, NM Smart Centres Central and West Bridget Brill, NM Smart Centres North Narelle Cameron, NM Smart Centres Channel Operations Matt Clarke, A/g NM Indigenous, Regional and Intensive Services Michelle Lees, GM Northern Australia Brian Wilkinson, SL Northern Queensland Peter Searston, SL South Australia Simon Edwards, SL Western Australia Sandy Mamo, SL Indigenous Services John Gibbs, NM Multicultural Services Margo Souden, A/g NM Assessment Services Sue Kitchin, A/g NM Social Work Services Monica Bacusi, A/g NM	Face to Face Service Delivery Kate Hay, A/g GM North NSW Chantal Oxenham, A/g SL South Queensland Mark le Dieu, SL Southern NSW Barbara Causon, SL Sydney Scott Chant, SL Central NSW William Garton, SL Northern Victoria Stan Neely, SL Tasmania David Mole, SL Eastern Victoria Anthony McArdle, A/g SL West Victoria Jane Steinkamp, A/g SL Central Queensland Marianne Evans, A/g SL Service, Performance and Coordination Darren Box, GM Customer Service Lorna Andrews, NM Service Delivery Performance and Analysis Brendan Jacomb, NM Demand, Supply and Scheduling Julia Stinson, A/g NM Service Integration and Digital Operations Trish Woolley, NM Change Coordination and Operations Design Julia Bell, A/g NM Business Process Operations Susan Morrison, NM Customer First Kylie Crane, NM	Participation Jo-Anne Mason, A/g GM Working Age Programmes and Compliance Melissa Hatch, NM Education and Job Seeker Contact Paul Creech, NM Aged Care and Disability Craig Storen, GM Aged Care Programmes Linda Young, NM Aged Care Reform Lisiane Barao-MacLeod, A/g NM Disability Laura Gannon, NM Business Integrity Mark Withnell, GM Serious Non-Compliance Mark Brown, NM Internal Fraud Control and Investigations Mary Jerrim, A/g NM Payment Integrity Jan Bailey, NM ■ Compliance Strategy Rhonda Morris, NM Taskforce Integrity Ray Johnson, AC Customer Compliance Karen Harfield, GM Compliance Risk Scott Britton, NM

Key:	Assistant Commissioner
AC	Acting arrangements are only shown
A/g	when the tenure is for four weeks or more.
CC	Chief Counsel
CDO	Chief Digital Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CTO	Chief Technology Officer
FOI	Freedom of Information
GC	General Counsel
GM	General Manager
ICT	Information and Communication Technology
NM	National Manager
SL	Service Leader

- * the Secretary was on leave from 3 May until 7 August 2016
- ♦ Reports directly to the Deputy Secretary, Payments Reform
- Temporary role
- Reports directly to the Deputy Secretary, Enabling Services
- ❖ Reports directly to the Secretary regarding policy matters
- ◆ Reports directly to the Chief Information Officer, CIO Group

Families, Older Australians and Payment Services David Learmonth Deputy Secretary	Enabling Services Jonathan Hutson Deputy Secretary	Health and Information Caroline Edwards Deputy Secretary	Shared Services Barry Jackson Deputy Secretary	CIO Group Gary Sterenberg Chief Information Officer
Families George Thiveos, GM New Parents, Child Care and Program Improvement Tina Anderson, A/g NM Families and Child Support Policy Dennis Mahony, NM Families Programme Assurance and Coordination Alison McCann, NM Older Australians Vicki Beath, GM Seniors, Carers and International Pam Saunders, NM Multicultural and Rural Programmes Tulip Chaudhury, NM Deduction and Confirmation Leigh Allison, A/g NM Customer Payment Services Marcus Markovic, GM Child Support System Redesign Mark Garrity, NM Centrepay Alex Anderson, NM Debt Management Debbie Weise, NM Appeals Angela Geerdink, NM	● Portfolio Strategic Manager Jason Armstrong Whole of Government Coordination Rosemary Deininger, GM Governance John Kalokerinos, NM Ministerial Coordination and Parliamentary Patrick Cremen, NM Functional and Efficiency Review Paul Hupalo, NM ❖ Deregulation and Portfolio Advice Simone Pensko, NM Legal Services Annette Musolino, CC Commercial Law Lisa Carmody, GC Business Transformation Legal Paul Menzies-McVey, EC Programme Advice and Ombudsman Maris Stipnieks, GC Privacy and Information Release Marc Mowbray-d'Arbela, GC FOI and Litigation Alice Linacre, GC People Legal and Customer Compensation Tim Ffrench, GC Community Engagement Kristen Hannah, GM Departmental Spokesperson Hank Jongen Customer and Media Engagement Scott Anderson, NM Production and Support Services Melanie Kalamaras, A/g NM Audit Jason McNamara, GM Audit Michael Robinson, NM	Health Service Delivery Melissa McClusky, GM Service Delivery Projects Lee Rasmussen, A/g NM Health Support and Performance Shareez Farouk, NM Payment and Claiming Stephen Kelly, NM Medicare Providers Steve Farrell, NM Medicare Public Monique Hamilton, A/g NM Health Programmes Kirsty Faichney, A/g GM Assistance Programmes Jane Crowe, A/g NM Digital Health Garth McDonald, A/g NM Pharmaceutical Benefits Donna Griffin, NM Medicare and Veterans Karen Hebditch, A/g NM Strategic Information Michelle Wilson, GM Information Services Craig Kelly, A/g NM Information Gateway and Research Matt Corkhill, NM Data, Analytics and Information Requirements Cranston Wilson, A/g NM	■ Special Adviser Tracy Muddle Corporate Operations Vanessa Graham, GM Property Robert Towner, NM Security Steve O'Loughlin, NM Procurement and Records Management Mark Young, NM People Capability Shane Bennett, A/g GM Workforce Planning Robyn Calder, NM Recruitment Alison Fitzgerald, NM Learning and Development Andrea Paschalis, NM Payroll and HR System Jacqui Hughes, NM People Services Adrian Hudson, A/g GM Workplace Health and Safety Carl Princehorn, NM People Support Owen Livermore, NM Workplace Relations Jody Nicholson, A/g NM Portfolio Project Office Kim Terrell, GM Project Delivery and Assurance Bianca Ruut, NM ■ Project Support Soraya Weber, NM Business Modernisation Marianne Cullen, GM Advisory Services Robert Higgins, NM Shared Services and Contract Management Liz Bundy, NM Government Partnerships and New Work Alex Dolan, NM	◆ Cyber Security Narelle Devine, NM Chief Technology Office Charles McHardie, CTO Enterprise Architecture Peter Mills, A/g NM ICT Product Architecture Rob Doughty, NM PMO and Business Relationship Management Elaine Ninham, NM Vendor Management Elise Poiner, A/g NM Business Information and Data Services Andrea Jones, NM Brisbane Delivery Centre Bob Lyons, GM Service Network Systems Michael Gee, A/g NM Brisbane Applications Support Josh Bosschietter, NM Child Support Applications Richard Hayward, NM Aged Care Redevelopment Rubyn Wipiiti, A/g NM Adelaide Delivery Centre Andrew Larkin, GM Enterprise Testing Denise Lanyon, NM Social Services Project Delivery Janice Silby, NM Enterprise Services Matt Smith, NM Business Integrity Systems Maurice Savelli, NM ■ Adelaide Campus and Coordination Jim McMahon, NM Canberra Delivery Centre Grazyna Zejdlar, A/g GM Insurance and Disability Services Devika Weereratne, NM Online Services Annette Hayes, A/g NM Child Care, Customer Communication and Corporate Systems Dale Naughton, NM Digital Services Lorraine Hollis, A/g NM Production Systems Delivery Centre Mitch Levy, A/g GM Families and Pensions Systems Graham Archer, NM Employment, Payment and Child Support Systems Derek Lawrence, A/g NM Health Systems Mike Mitchelmore, NM ICT Infrastructure Mike Brett, GM Service Operations Brynton Taylor, NM Infrastructure and Applications Engineering Belinda Gloyne, A/g NM Production Support Derek Byrnes, A/g NM

Executive responsibilities at 30 June 2016

SECRETARY

Responsible for supporting the Minister for Human Services in the delivery of portfolio responsibilities and the development of strategic policy advice. The Secretary provides strategic oversight, leadership and management of the department, ensuring the collaborative implementation and delivery of government policy and programmes and fostering a whole-of-government approach to service delivery. The Secretary is also responsible for managing key stakeholder relationships and contributing to the stewardship of the Australian Public Service.

DEPUTY SECRETARY, PAYMENTS REFORM

Responsible for leading the department's welfare payments transformation agenda, including the design and implementation of a business model for welfare payments and the development of a new ICT system.

DEPUTY SECRETARY, SERVICE DELIVERY OPERATIONS

Responsible for the effective operation of the department's face-to-face service centres and phone and processing smart centres delivering Centrelink, Medicare and Child Support services. The Deputy Secretary is also responsible for coordinating the department's response to emergencies, and for developing and delivering the department's Indigenous and multicultural servicing strategies. The Secretary appointed the current Deputy Secretary as the Chief Executive Centrelink, under paragraph 7(2)(b) of the *Human Services (Centrelink) Act 1997*.

DEPUTY SECRETARY, PARTICIPATION, AGED CARE AND INTEGRITY

Responsible for providing leadership and management of a range of welfare-related and aged care programmes delivered by the department on behalf of the Department of Social Services, the Department of Employment, the Department of Health, and other agencies. The Deputy Secretary is also responsible for the administration of the department's fraud and compliance programmes which aim to maintain the integrity of outlays in relation to social welfare and Medicare public claims.

DEPUTY SECRETARY, FAMILIES, OLDER AUSTRALIANS AND PAYMENT SERVICES

Responsible for providing leadership and management of welfare-related programmes delivered by the department on behalf of the Department of Social Services, the Department of Education and Training and other agencies. The Deputy Secretary is also responsible for the effective delivery of debt recovery and appeals across welfare programmes.

DEPUTY SECRETARY, ENABLING SERVICES

Responsible for leading the internal audit, community engagement, legal, whole-of-government coordination and strategic committee functions of the department.

DEPUTY SECRETARY, HEALTH AND INFORMATION

Responsible for the administration and delivery of new and existing programmes for the Department of Health, and other agencies and the provision of strategic information for the department. The Secretary has appointed the current Deputy Secretary as the Chief Executive Medicare, under paragraph 4(2)(b) of the *Human Services (Medicare) Act 1973*.

DEPUTY SECRETARY, SHARED SERVICES

Responsible for leading the human resources strategies and services, procurement, property and security, portfolio and project management frameworks, and contract and advisory services of the department. The Deputy Secretary is also responsible for developing shared services capability within the department and to a range of other Australian Government departments.

CHIEF INFORMATION OFFICER

Responsible for the development and delivery of the department's information and communications technology capability.

1.2 PORTFOLIO STRUCTURE

Figure 3: Human Services Portfolio structure

MINISTER FOR SOCIAL SERVICES The Hon. Christian Porter MP
MINISTER FOR HUMAN SERVICES The Hon. Alan Tudge MP
DEPARTMENT OF HUMAN SERVICES Secretary: Ms Kathryn Campbell CSC

MINISTER

Senator the Hon. Marise Payne was the Minister for Human Services between 18 September 2013 and 21 September 2015. The Hon. Stuart Robert MP was the Minister for Human Services between 21 September 2015 and 18 February 2016. On 18 February 2016 the Hon. Alan Tudge MP was appointed Minister for Human Services.

At 30 June 2016 the Minister was responsible for administering the following legislation:

- *Australian Hearing Services Act 1991*, except to the extent that it is administered by the Minister for Health
- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973*, except to the extent that it is administered by the Minister for Health. See Appendix A on page 230 for specific reporting required under the *Human Services (Medicare) Act 1973*.

1.3 OUR PARTNERS AND PORTFOLIO ENTITIES

AUSTRALIAN HEARING

Australian Hearing is a non-General Government Sector entity established under the *Australian Hearing Services Act 1991* (AHS Act). As such, Australian Hearing is not consolidated into the Commonwealth General Government Sector fiscal estimates. Accordingly, Australian Hearing is not reported in the Portfolio Budget Statements or the Portfolio Additional Estimates Statements. Australian Hearing is a corporate Commonwealth entity under the PGPA Act and is governed by a board appointed by the Minister for Human Services.

Australian Hearing delivers hearing services to eligible Australians under the Australian Government Hearing Services Program which is administered by the Office of Hearing Services within the Department of Health.

The department works closely with Australian Hearing, providing advice to the Minister in connection with the Minister's responsibilities regarding Australian Hearing. The department also liaises with relevant stakeholder departments such as the Department of Health, the Department of Finance, and the Department of Social Services in relation to Australian Hearing, to support the provision of advice to the Minister and the Secretary.

PARTNERSHIPS WITH AUSTRALIAN GOVERNMENT AGENCIES

The department is responsible for delivering payments and services on behalf of a wide range of Australian Government agencies. The department's partnerships with these agencies are characterised by early engagement, regular consultation, recognition of expertise and information sharing. For example, the department is working closely with the Digital Transformation Office and other relevant agencies on the design and implementation of the Government's Digital Transformation Agenda.

The department also supports the delivery of Australian Government outcomes through working with Australian Government agencies on a range of activities that include data exchange, the National Emergency Call Centre Surge Capability, shared corporate services, co-location, myGov and ICT infrastructure support.

For more information on the payments and services delivered on behalf of Australian Government agencies visit humanservices.gov.au

PARTNERSHIPS WITH STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS

The department continued to work collaboratively with state, territory and local governments, as well as other organisations, to deliver payments and services.

The department also leads a number of whole-of-Government transformation projects, including the ongoing development and refinement of myGov, and a whole-of-government solution to enhance speech capability using 'voice print' technology for customers. We continue to contribute to two Australian Taxation Office projects to deliver Australian Business Number (ABN) linking to myGov and Relationships and Authorisations Management.

INTERNATIONAL PARTNERSHIPS

The department administers formal social security agreements with 30 countries. These agreements outline the shared responsibility for social security coverage and entitlements when people move between the agreement countries. At 30 June 2016, 75 104 customers were paid an Australian pension under international agreements compared to 69 751 in the previous year.

PART | 2

Report on performance



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2.1 ANNUAL PERFORMANCE STATEMENT 2015–16

Annual Performance Statement 2015–16

Statement of preparation

I, Kathryn Campbell, as the accountable authority of the Department of Human Services, present the 2015–16 annual performance statement of the Department of Human Services, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In my opinion, the annual performance statement is based on properly maintained records, accurately reflects the performance of the department, and complies with subsection 39(2) of the PGPA Act.

2015–16 Corporate Plan Purpose

The department is the Australian Government’s focal point for delivering social and health-related services and payments to the Australian community.

The department is responsible for the design, development, delivery, co-ordination and monitoring of government services, social security, child support, students, families, aged care, and health programmes and superannuation release.

Through the delivery of health and welfare payments and services, the department touches the lives of around 99 per cent of Australians. The department is developing innovative approaches to improve service delivery in close collaboration with the community and our partner agencies.

As part of this work, the department also provides support to Australians with changing circumstances, facing financial hardship or suffering from natural disasters.

(The relevant Outcome in the *Portfolio Budget Statements 2015–16 Budget Related Paper No. 1.15B* is Outcome 1).

Results

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Achievement of customer satisfaction standards.
Target	≥85% of survey respondents are satisfied overall with their most recent interaction. The description of the target has been updated since the 2015–16 Corporate Plan.
Source	2015–16 Corporate Plan, p.16 2015–16 Portfolio Budget Statements, p.34
Result	66.8% of customers were satisfied. Customer satisfaction is calculated using an ongoing independent survey of a random sample of recent customer interactions with the department. The highest scores were provided regarding 'Staff treated you with respect' and 'Staff treated you fairly', suggesting the most satisfaction with these aspects of service delivery. Customers provided the lowest scores regarding 'Time to receive service' and 'Ease of service access', suggesting the least satisfaction with these.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Departmental interactions completed via digital channels.
Target	≥5% increase in the total number of interactions conducted via digital channels compared to 2014–15.
Source	2015–16 Corporate Plan, p.16 2015–16 Portfolio Budget Statements, p.34
Result	There was a 21.3% increase in the total number of interactions completed via digital channels. Increased uptake of the department's digital platforms has had a positive influence on the performance of this measure. As more transactions were moved into the digital environment, online services and mobile applications were also enhanced to be more intuitive and easier to use.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Availability of ICT systems that support 24/7 customer access.
Target	ICT systems that support 24/7 customer access are available ≥98% of the time.
Source	2015–16 Corporate Plan, p.16 2015–16 Portfolio Budget Statements, p.34
Result	ICT systems that support 24/7 customer access were available 98% of the time, ensuring very high levels of system availability.

Criterion	Achievement of payment quality standards: <ul style="list-style-type: none"> Centrelink: delivery of correct customer payments.
Target	≥95% of Centrelink customer payments delivered correctly.
Source	2015–16 Corporate Plan, p.17 2015–16 Portfolio Budget Statements, p.34
Result	98.4% of customer payments were delivered correctly. Performance is consistent with past trends, and has improved as the department continues to review and streamline processes.

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Key initiatives delivered as agreed within timeframes and on budget: <ul style="list-style-type: none"> Welfare Payment Infrastructure Transformation Budget measures.
Target	The delivery of Welfare Payment Infrastructure Transformation (WPIT) Budget measure initiatives as agreed within timeframes and on budget is achieved .
Source	2015–16 Corporate Plan, p.17 2015–16 Portfolio Budget Statements, p.34
Result	<p>Achieved. The WPIT Budget measures were delivered as agreed within timeframes and on budget.</p> <p>As part of Tranche One of the WPIT Programme, a Request for Expression of Interest for a Core Software Vendor was completed and the subsequent Request for Tender was released and evaluation of responses undertaken, with a preferred tenderer to be identified in 2016–17. Preparation was completed for the procurement of System Integrators.</p> <p>The planning and design work underpinning the transformation of the department’s delivery of services is well advanced in describing the Target Business Model and a Concept of Operations for the future welfare payment system. These models support the streamlining of business processes and building of enabling ICT platforms that will occur in subsequent tranches of the WPIT Programme to deliver a modernised user experience to the public.</p> <p>The digital projects have completed extensive design work and identified improved solutions and new benefits for implementation through project delivery in 2016–17. The in-depth planning of the future business model and engagement of policy agencies and other stakeholders has contributed to the development of robust business designs and analytical tools to further support the programme.</p> <p>The department continues to manage the inherent complexity of the technological requirements and the demanding programme schedule.</p>

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Key initiatives delivered as agreed within timeframes and on budget: <ul style="list-style-type: none"> Strengthening the Integrity of Welfare Payments Budget measures.
Target	The delivery of the Strengthening the Integrity of Welfare Payments Budget measure initiatives as agreed within timeframes and on budget is achieved .
Source	2015–16 Corporate Plan, p.17 2015–16 Portfolio Budget Statements, p.34
Result	<p>Achieved. The Strengthening the Integrity of Welfare Payments Budget measures were delivered as agreed within timeframes and on budget.</p> <p>For the Employment Income Matching project, as at 30 June 2016, \$401.2 million in savings has been raised against an annual target of approximately \$329 million, and over 101,000 compliance interventions have been completed against an annual target of 84,000.</p> <p>For the AUSTRAC Data Matching project, as at 30 June 2016, \$8.4 million savings had been achieved against an annual target of \$3 million. Noting that savings have exceeded the target, the unexpected higher level of complexity and time involved in both the analysis and investigation of the financial circumstances involved has enabled only 287 reviews to be undertaken with the allocated resources against an annual target of 626. Financial specialists have been recruited and more streamlined analysis and investigation processes developed and implemented including the ability to triage less complex matters at an earlier point. This will increase the number of reviews by enabling a better balance between complex and less complex matters to be undertaken in future years with the available resources.</p> <p>The Real Time Risk Profiling initiative progressed ahead of schedule.</p> <p>The capability to implement the Strengthening Obligations for Students initiative was developed and achieved through a series of ICT releases to prepare for a phased implementation. The delivery of scoping studies for the Administrative Sanctions and Prosecution Referrals initiatives was also achieved.</p> <p>The Taskforce Integrity initiative was delivered as agreed within timeframes and on budget. The taskforce has leveraged existing relationships with law enforcement agencies, including the Australian Federal Police as well as the Commonwealth Director of Public Prosecutions to identify potential non-compliance and welfare fraud. Communication products developed by the Taskforce have promoted key Taskforce messaging for payment recipients to 'do the right thing' and make sure their details are up to date. A focus on geographic locations supported a coordinated approach to deliver the compliance reviews on time and within budget.</p>

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Key initiatives delivered as agreed within timeframes and on budget: <ul style="list-style-type: none"> Jobs Budget measures.
Target	The delivery of the Jobs Budget measure initiatives as agreed within timeframes and on budget is achieved .
Source	2015–16 Corporate Plan, p.18 2015–16 Portfolio Budget Statements, p.34
Result	<p>Achieved. The department’s components of the Jobs Budget measures were delivered as agreed within timeframes and on budget. These included systems enhancements and service delivery process changes to:</p> <ul style="list-style-type: none"> support the Department of Employment in paying the Approved Program of Work Supplement to participants in the National Work Experience Programme assess and refer eligible job seekers to Transition to Work providers identify and classify people as Early School Leavers against the new rules make referrals to ParentsNext Project providers and undertake compliance activities where ParentsNext participants fail to meet their compulsory requirements. <p>A further set of initiatives is on track for implementation, subject to the passage of legislation.</p>

Criterion	Key initiatives delivered as agreed within timeframes and on budget: <ul style="list-style-type: none"> Families Budget measures.
Target	The delivery of the Families Budget measure initiatives as agreed within timeframes and on budget is achieved .
Source	2015–16 Corporate Plan, p.18 2015–16 Portfolio Budget Statements, p.34
Result	<p>Achieved. The Families Budget measures were delivered as agreed within timeframes and on budget.</p> <p>The Large Family Supplement was ceased. Ceasing the supplement was a savings measure that resulted in some customers receiving less Family Tax Benefit or cancellation of payment in some cases.</p> <p>The Extending Immunisation Requirements initiative was implemented within agreed timeframes and on budget. The desired policy outcome of the initiative is to increase immunisation rates for families with children of all ages receiving family assistance payments.</p> <p>The Better Targeting of Parental Leave Pay initiative is subject to the passage of legislation.</p>

Criterion	Key initiatives delivered as agreed within timeframes and on budget: <ul style="list-style-type: none"> Income Management Budget measures.
Target	The delivery of Income Management Budget measure initiatives as agreed within timeframes and on budget is achieved .
Source	2015–16 Corporate Plan, p.18 2015–16 Portfolio Budget Statements, p.34
Result	<p>Achieved. The Income Management Budget measures were delivered as agreed within timeframes and on budget. This initiative has resulted in more streamlined and automated Income Management processes. Effective project management was in place to regularly monitor the performance of the initiative throughout the year.</p>

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services: <ul style="list-style-type: none"> Centrelink: delivery of correct payments for Indigenous Australians.
Target	≥95% of Centrelink Indigenous customer payments delivered correctly.
Source	2015–16 Corporate Plan, p.19 2015–16 Portfolio Budget Statements, p.34
Result	<p>99.3% of payments were delivered correctly. The department has invested in Indigenous cultural awareness training to improve the skills of staff in providing services to Indigenous Australians. There is also an ongoing commitment to recruiting Indigenous employees, particularly in roles and locations with a high population of Indigenous Australian customers. This includes ensuring staff servicing in Remote Service Centres, Remote Visiting Teams and within the Remote and ABSTUDY Smart Centres have appropriate levels of Indigenous cultural and contextual training, as well the technical skills to effectively undertake their roles.</p> <p>This focus on Indigenous cultural and environmental awareness and understanding means that staff ask the right questions and undertake the necessary follow up actions to achieve effective payment integrity outcomes. This has had a positive impact on payment correctness outcomes for Indigenous customers in remote communities where issues with literacy and numeracy can present barriers to dealing with social security and welfare processes.</p>

Criterion	Achievement of face-to-face service level standards: <ul style="list-style-type: none"> Average wait time.
Target	The average length of time a customer waits to access face-to-face services in the department's service centres is ≤ 15 minutes .
Source	2015–16 Corporate Plan, p.19 2015–16 Portfolio Budget Statements, p.34
Result	The average wait time was 10 minutes and 58 seconds . Performance has improved when compared with performance in 2014–15. The continued uptake of the department's digital platforms has positively influenced demand on face-to-face servicing. An increase in the range of services provided in co-located service centres has also allowed the department to better manage peak service delivery loads.

Criterion	Achievement of telephony service level standards: <ul style="list-style-type: none"> Average speed of answer.
Target	The average length of time a customer waits to have a call answered through the department's telephony services is ≤ 16 minutes .
Source	2015–16 Corporate Plan, p.19 2015–16 Portfolio Budget Statements, p.34
Result	<p>The average speed of answer was 15 minutes and 9 seconds. The flexible structure of Smart Centres enables staff to move between telephony and processing based on demand. The use of surge capacity has also been effective in targeting high volume transactions.</p> <p>The department also implemented a proactive strategy for Interactive Voice Response (IVR) and website messaging to better support customer contact and a new telephony platform which provides the ability to route calls more effectively. In the longer term, this system will also provide better call analytics capability, allowing the department to identify why people call and ensure more targeted messaging in IVR and social media activity.</p>

Program 1.1 – Services to the Community – Social Security and Welfare

Criterion	Achievement of processing service level standards: <ul style="list-style-type: none"> Claims processed within standard.
Target	≥82% of Social Security and Welfare claims are processed within standard.
Source	2015–16 Corporate Plan, p.20 2015–16 Portfolio Budget Statements, p.34
Result	78.5% of claims were processed within standard. A revised calculation method was adopted for 2015–16, therefore the result is not comparable to earlier years. Processing timeliness was impacted by a range of factors, including continuing high demand for services, staff attrition, and the need to mobilise staff in response to various natural disasters. Recruitment and training activity later in the year improved performance and the department continues to modernise its ICT platforms to improve productivity and performance in 2016–17.

Criterion	Internal Reviews: <ul style="list-style-type: none"> Percentage of reviews finalised within standard.
Target	≥70% of internal reviews that are finalised within the 49 day standard.
Source	2015–16 Corporate Plan, p.20 2015–16 Portfolio Budget Statements, p.35 2015–16 Portfolio Additional Estimates Statements, p.31
Result	76.5% of internal reviews were finalised within standard. On hand review numbers and the age of reviews both reduced, resulting in a significant improvement in performance when compared with 2014–15.

Criterion	Achievement of payment integrity standards: <ul style="list-style-type: none"> Centrelink: debt under recovery.
Target	≥60% of Centrelink debt has a current debt recovery arrangement in place.
Source	2015–16 Corporate Plan, p.20 2015–16 Portfolio Budget Statements, p.35
Result	Debt recovery arrangements were in place for 63.5% of Centrelink debt. Customers who have a debt and are receiving a Centrelink payment repay debts via deductions from their ongoing entitlements. This is an automated process and constitutes the majority of outstanding debt. The department further enhanced its debt recovery effort with the Expand Debt Recovery initiative, which commenced in March 2016.

Program 1.2 – Services to the Community – Health

Criterion	Satisfaction with Medicare provider service delivery: <ul style="list-style-type: none"> Practitioners.
Target	≥70% of General Practitioners indicated that they were satisfied or neutral with the services provided. The description of the target has been updated since the 2015-16 Corporate Plan.
Source	2015–16 Corporate Plan, p.21 2015–16 Portfolio Budget Statements, p.39
Result	91% of General Practitioners indicated they were satisfied or neutral. General Practitioners indicated high levels of satisfaction for all aspects of service in general, and in particular respect for the rights and privacy of people, and accuracy of claims and payments.

Criterion	Satisfaction with Medicare provider service delivery: <ul style="list-style-type: none"> Pharmacists.
Target	≥70% of Pharmacists indicated that they were satisfied or neutral with the services provided. The description of the target has been updated since the 2015-16 Corporate Plan.
Source	2015–16 Corporate Plan, p.21 2015–16 Portfolio Budget Statements, p.39
Result	99% of pharmacists indicated they were satisfied or neutral. Pharmacists indicated very high levels of satisfaction for all aspects of service in general. The highest levels of satisfaction were respect for the rights and privacy of people, accuracy of claims and payments, accuracy of advice, and ease of understanding of information.

Criterion	Satisfaction with Medicare provider service delivery: <ul style="list-style-type: none"> Practice managers.
Target	≥70% of Practice managers indicated that they were satisfied or neutral with the services provided. The description of the target has been updated since the 2015-16 Corporate Plan.
Source	2015–16 Corporate Plan, p.21 2015–16 Portfolio Budget Statements, p.39
Result	87% of practice managers indicated they were satisfied or neutral. Practice managers indicated high levels of satisfaction with service in general and respect for the rights of people, including privacy.

Criterion	Achievement of customer satisfaction standards.
Target	≥85% of survey respondents are satisfied overall with their most recent interaction. The description of the target has been updated since the 2015-16 Corporate Plan.
Source	2015–16 Corporate Plan, p.22 2015–16 Portfolio Budget Statements, p.39
Result	77.6% of customers were satisfied. Customer satisfaction is calculated using an ongoing independent survey of a random sample of customer interactions with the department. The highest scores were provided regarding 'Staff treated you fairly' and 'Staff treated you with respect', suggesting the most satisfaction with these aspects of service delivery. The lowest scores were provided regarding 'Ease of service access' and 'Time to receive service', suggesting the least satisfaction with these.

Program 1.2 – Services to the Community – Health

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Medicare Benefits Schedule digital claiming rate.
Target	≥96% of Medicare claimed services are lodged electronically across all digital Medicare service channels.
Source	2015–16 Corporate Plan, p.22 2015–16 Portfolio Budget Statements, p.39
Result	96.1% of Medicare claimed services were lodged electronically across all digital Medicare service channels. The department engaged extensively with practices and providers to increase their digital claiming rate.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Departmental interactions completed via digital channels.
Target	≥5% increase in the total number of interactions conducted via digital channels compared to 2014–15.
Source	2015–16 Corporate Plan, p.22 2015–16 Portfolio Budget Statements, p.39
Result	There was a 5.3% increase in the total number of interactions completed via digital channels compared to 2014–15. The department is continuing to develop its digital claiming channels and electronic claiming continues to increase. The department engaged extensively with practices and providers to increase their digital claiming rate during the year. This performance measure is reaching maturity and is under review.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Availability of ICT systems that support 24/7 customer access.
Target	ICT systems that support 24/7 customer access are available ≥98% of the time.
Source	2015–16 Corporate Plan, p.23 2015–16 Portfolio Budget Statements, p.39
Result	ICT systems that support 24/7 customer access were available 99.4% of the time. The systems that contributed to the achievement of the measure target demonstrated consistently strong performance.

Criterion	Achievement of payment quality standards: <ul style="list-style-type: none"> Medicare: delivery of accurate medical benefits and services.
Target	≥98% of medical benefits and services are delivered accurately.
Source	2015–16 Corporate Plan, p.23 2015–16 Portfolio Budget Statements, p.39 2015–16 Portfolio Additional Estimates Statements (PAES), p.34. The reference to pharmaceutical benefits was removed in the 2015–16 PAES. On 1 April 2015, manual intervention in the Pharmaceutical Benefits Scheme Claims processing system ceased. Claims processing was the only transaction within the Pharmaceutical Benefits Scheme in which payment quality was measured.
Result	98% of medical benefits and services were delivered accurately. Strong performance was maintained against this KPI in 2015–16. The department sought to build on its performance through addressing skills gaps across the service delivery network, including developing staff support materials and a focus on increased training and end to end processes.

Program 1.2 – Services to the Community – Health

Criterion	Achievement of face-to-face service level standards: <ul style="list-style-type: none"> Average wait time.
Target	The average length of time a customer waits to access face-to-face services in the department's service centres is ≤15 minutes .
Source	2015–16 Corporate Plan, p.23 2015–16 Portfolio Budget Statements, p.39
Result	The average length of time customers waited to access face-to-face services in the department's service centres was 8 minutes and 8 seconds . The continued uptake of Medicare digital claiming from the point of service has effectively reduced demand on face-to-face servicing. Further, an increase in the range of services provided in co-located service centres has also allowed the department to better manage peak service delivery loads. The effective migration of claim processing through provider initiated electronic claiming at the doctor's surgery means fewer customers need to attend a service centre to claim their rebate.

Criterion	Achievement of telephony service level standards: <ul style="list-style-type: none"> Average speed of answer: Pharmaceutical Benefits Scheme (PBS) Authorities and eHealth Providers.
Target	The average length of time a PBS Authorities and eHealth provider waits to have a call answered through the department's telephony services is ≤30 seconds .
Source	2015–16 Corporate Plan, p.24 2015–16 Portfolio Budget Statements, p.39
Result	The average speed of answer was 40 seconds . Performance against this measure was affected by the transition to a new telephony system and preparation for the implementation of an online solution. A focus on improved demand management and performance in the final quarter resulted in an improved average speed of answer of 29 seconds in the April to June period.

Criterion	Achievement of telephony service level standards: <ul style="list-style-type: none"> Average speed of answer: Providers.
Target	The average length of time a health provider waits to have a call answered through the department's telephony services is ≤2 minutes .
Source	2015–16 Corporate Plan, p.24 2015–16 Portfolio Budget Statements, p.39
Result	The average speed of answer was 1 minute and 27 seconds . The ongoing implementation of the department's Service Delivery Operating Model provided flexibility and increased responsiveness to help manage call volume peaks and troughs. This was supported by the continued roll-out and enhancement of training to staff.

Program 1.2 – Services to the Community – Health

Criterion	Achievement of telephony service level standards: <ul style="list-style-type: none"> Average speed of answer: Customers.
Target	The average length of time a customer waits to have a call answered through the department's telephony services is ≤7 minutes .
Source	2015–16 Corporate Plan, p.24 2015–16 Portfolio Budget Statements, p.39
Result	The average speed of answer was 6 minutes and 51 seconds . The flexible structure of Smart Centres enables staff to move between telephony and processing based on demand. Increased cross-skilling of staff across the main contact types improved customer access and assisted with reducing wait times.

Criterion	Achievement of processing service level standards: <ul style="list-style-type: none"> Claims processed within standard.
Target	≥82% of health claims are processed within standard.
Source	2015–16 Corporate Plan, p.25 2015–16 Portfolio Budget Statements, p.39
Result	99.3% of claims were processed within standard. The flexible structure of Smart Centres enables staff to move between telephony and processing based on demand. A coordinated approach to managing workloads and priorities across the department contributed to strong performance and achievement of the target.

Criterion	Achievement of payment integrity standards: <ul style="list-style-type: none"> Medicare: Completed customer compliance cases.
Target	≥300 Medicare customer compliance cases are completed.
Source	2015–16 Corporate Plan, pg.25 2015–16 Portfolio Budget Statements, pg.39 2015–16 Portfolio Additional Estimates Statements (PAES), p.34. The target was updated in the 2015–16 PAES for completed Medicare audit and review cases as a result of machinery of government changes. The figure represents Medicare public compliance cases only as provider audits and reviews were transferred to the Department of Health.
Result	1557 compliance cases were completed. The department participated in a joint strike force with the New South Wales Police. The strike force focussed on key persons of interest who were lodging false Medicare claims on their own records, the records of family members or the records of other individuals, using information obtained illegally. Reviews were undertaken of the Medicare records identified as being compromised by the key persons of interest and the New South Wales Police are responsible for referring the matters associated with the strike force to the Commonwealth Director of Public Prosecutions for prosecution consideration.

Program 1.3 – Services to the Community – Child Support

Criterion	Achievement of customer satisfaction standards.
Target	≥85% of survey respondents are satisfied overall with their most recent interaction. The description of the target has been updated since the 2015-16 Corporate Plan.
Source	2015–16 Corporate Plan, p.26 2015–16 Portfolio Budget Statements, p.41
Result	75.6% of customers were satisfied. Customer satisfaction is calculated using an ongoing post-call IVR survey from a random sample of customers immediately following an interaction with the department. The highest scores were provided regarding ‘The customer service officer has the knowledge and technical ability to help me’ and ‘Worked with me to resolve issue’, suggesting the most satisfaction with these aspects of service delivery.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Departmental interactions completed via digital channels.
Target	≥5% increase in the total number of interactions conducted via digital channels compared to 2014–15.
Source	2015–16 Corporate Plan, p.26 2015–16 Portfolio Budget Statements, p.41
Result	There was a 13.6% increase in the total number of interactions completed via digital channels. Staff were provided with digital training to support customers to transition to digital services, leading to an increase in customers using the online system.

Criterion	Achievement of digital service level standards: <ul style="list-style-type: none"> Availability of ICT systems that support 24/7 customer access.
Target	ICT systems that support 24/7 customer access are available ≥98% of the time.
Source	2015–16 Corporate Plan, p.26 2015–16 Portfolio Budget Statements, p.41
Result	ICT systems that support 24/7 customer access were available 99.9% of the time. The systems that contributed to the achievement of the KPI target demonstrated consistently strong performance.

Criterion	Child Support collection rate (Child Support collect only).
Target	≥91.7% of all child support liabilities raised since the inception of the child support scheme that have been credited.
Source	2015–16 Corporate Plan, p.27 2015–16 Portfolio Budget Statements, p.41
Result	93.5% of all child support liabilities raised since the inception of the child support scheme have been credited. Performance remained stable during the year, reflecting the department’s ongoing focus on collecting child support in a timely way for the benefit of children.

Program 1.3 – Services to the Community – Child Support

Criterion	Percentage of domestic active paying parents with less than one month liability outstanding (Child Support collect only).
Target	≥63% domestic active paying parents in child support collect cases have less than one month liability outstanding.
Source	2015–16 Corporate Plan, p.27 2015–16 Portfolio Budget Statements, p.41
Result	65.9% of domestic active paying parents in child support collect cases have less than one month liability outstanding. Performance remained stable during the year. The department employs a range of measures to help ensure timely child support payments, such as automatic deductions from a parent's salary and wages.

Criterion	Achievement of telephony service level standards: <ul style="list-style-type: none"> Average speed of answer.
Target	The average length of time a customer waits to have a call answered through the department's telephony services is ≤3 minutes.
Source	2015–16 Corporate Plan, p.27 2015–16 Portfolio Budget Statements, p.41
Result	The average speed of answer was 2 minutes and 53 seconds. The flexible structure of Smart Centres enables staff to move between telephony and processing based on demand. A coordinated approach to management of workloads and priorities across the department contributed to the achievement of the target.

Criterion	Achievement of processing service level standards: <ul style="list-style-type: none"> Claims processed within standard.
Target	≥82% of Child Support claims are processed within standard.
Source	2015–16 Corporate Plan, p.28 2015–16 Portfolio Budget Statements, p.41
Result	90.6% of claims were processed within standard. The flexible structure of Smart Centres enables staff to move between telephony and processing based on demand. A coordinated approach to management of workloads and priorities across the department contributed to the achievement of the target.

Analysis of performance against Purpose

The department met 31 of its 36 performance measures in 2015–16 through the delivery of its social security and welfare, health and child support programmes. This compares with 2014–15, when the department met 27 of its 32 performance measures.

The department achieved strong results against its service level standards for the face-to-face, telephony and digital servicing channels in 2015–16.

The department's telephony services continued to experience significant demand. During the year, the department implemented a new telephony platform which provides the ability to route calls more effectively.

In addition, through its Smart Centres, the department continued to implement a flexible structure to move staff between telephony and processing based work to meet demand. The integration of new systems to support a range of payments during the year required the provision of increased training and the deployment of additional staff for processing of claims. These new systems are designed to simplify and improve claims processing performance.

The department continued to draw on its strong emergency management capabilities to mobilise its resources to support people and communities impacted by natural disasters, including bushfires in South Australia and Western Australia and storms and floods in New South Wales and Tasmania.

Community expectations regarding digital service delivery continue to shift and the department is developing its systems and processes to support the achievement of greater self-sufficiency. The department's ICT platforms provided very high levels of availability to support the greater uptake of digital platforms. This, together with an increase in the range of services provided in co-located service centres allowed the department to better manage peak service delivery loads and improve face-to-face performance.

The department's key initiatives were delivered as agreed within timeframes and on budget, noting that some measures are subject to the passage of legislation.

The department continued its work on business transformation, which includes replacing its ageing welfare payment ICT system through the implementation of Tranche One of the Welfare Payment Infrastructure Transformation Budget measures. This major reform aims to position the department to meet the future policy needs of the Australian Government and provide faster, more connected and automated digital services.

Consistent with government and community expectations of high standards of payment integrity, the department delivered and extended a range of payment integrity initiatives, encouraging greater voluntary compliance and detecting and pursuing fraud and non-compliance.

The department continued to improve the quality of the payments and services it delivers by streamlining and improving its processes, including its governance, project and risk management frameworks.

2.2 PROGRAMME 1.1 SERVICES TO THE COMMUNITY—SOCIAL SECURITY AND WELFARE

The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to a range of payments and services. This includes payments to support retirees, the unemployed, families, carers, parents, students, people with disability and Indigenous Australians.

In 2015–16 the department delivered \$115.8 billion in payments to customers. See Table 1 for the number of new claims, both granted and rejected, for major payments.

Table 1: Total number of social security and welfare claims finalised by major payment type^{1, 2}

Payment Type	Claims finalised 2013–14 ²	Claims finalised 2014–15 ²	Claims finalised 2015–16
Family Tax Benefit	622 000	591 000	603 000
Parental Leave Pay	241 000	270 000	310 000
Child Care Benefit	317 000	300 000	383 000
Dad and Partner Pay	90 000	89 000	100 000
Parenting Payment	146 000	171 000	199 000
Newstart Allowance	647 000	671 000	696 000
Carer Payment and Carer Allowance	267 000	242 000	234 000
Disability Support Pension	141 000	112 000	106 000
Age Pension	153 000	174 000	156 000
Youth Allowance and Austudy	475 000	496 000	493 000

- 1. Numbers in this table have been rounded.
- 2. Numbers include abridged claims to reflect the total number of Newstart Allowance, Parenting Payment, Youth Allowance and Austudy claims handled. An abridged claim is a shortened version of a claim used when a person who had recently lost qualification for a payment reapplies.

FAMILIES

Family Tax Benefit (FTB)—assists families with the day-to-day cost of raising children. FTB has two parts—FTB Part A which is a per-child payment and FTB Part B which is a per-family payment. Both payments are income tested and the amount paid is based on a family's individual circumstances.

Child Care—Child Care Benefit assists with child care fees. Child Care Rebate assists with out-of-pocket expenses for child care. Jobs, Education and Training Child Care Fee Assistance supports eligible parents to enter or re-enter the workforce.

Children aged under 20 years must now meet immunisation requirements to be eligible for child care payments and the FTB Part A supplement.

Paid Parental Leave Scheme—comprises two income-tested and work-tested payments for eligible parents to take time off work to care for a new baby or recently adopted child. The two payments are Parental Leave Pay and Dad and Partner Pay.

Parenting Payment—is an income support payment for parents or guardians to help with the cost of raising children. Parenting Payment customers must be single and care for at least one child aged under eight years, or partnered and care for at least one child aged under six years.

Parenting Payment customers need to meet income and assets tests (including a partner's income and assets if partnered), meet residency requirements, and meet participation requirements if needed.

Newborn Upfront Payment and Newborn Supplement—these provide an increase to a person's rate of FTB Part A for up to 13 weeks to assist with the upfront costs of a newborn child, a child aged under one year who becomes entrusted to a person's care, or a child placed for adoption. Families cannot receive Parental Leave Pay as well as Newborn Upfront Payment and Newborn Supplement for the same child.

Stillborn Baby Payment—assists families with the extra costs associated with a stillborn child. Families cannot receive Parental Leave Pay and Stillborn Baby Payment for the same child.

Schoolkids Bonus—is paid in January and July each year. Families receive up to \$430 per year for each primary school child and up to \$856 per year for each secondary school child. From 1 January 2015 an income test was applied. Schoolkids Bonus is being phased out, and the final instalment of the payment was paid in July 2016.

For more information see Outcome 2 in the Department of Social Services Annual Report 2015–16 at dss.gov.au

Helping Young Parents and Supporting Jobless Families

The Helping Young Parents trial helped young parents aged 19 years or younger to create a positive future for themselves and their children.

The Supporting Jobless Families trial focused on preparing parents to return to work when their youngest child reached school-age, and helped parents to ensure their children were ready to start school.

Both trials ceased on 31 March 2016 and were replaced by ParentsNext. ParentsNext Project providers work with parents to help them to identify their education and employment goals, develop pathways to achieve their goals and link them to activities and services in the local community.

ParentsNext is delivered in 10 local government areas in New South Wales, Queensland, South Australia, Victoria, Western Australia and Tasmania. The department refers eligible customers in these areas to a ParentsNext project provider.

School Enrolment and Attendance Measure

The School Enrolment and Attendance Measure is designed to improve educational outcomes for children by linking school enrolment and attendance to income support payments.

The department works closely with the Northern Territory Department of Education and provides intensive social work support to parents to identify and overcome barriers preventing their children regularly attending school.

PEOPLE WITH DISABILITY AND CARERS

Disability Support Pension (DSP)—provides financial support for people who have a physical, intellectual or psychiatric condition that limits their ability to work, or who are permanently blind. In 2015–16, around 106 000 claims for DSP were finalised compared to around 112 000 in 2014–15.

Sickness Allowance—provides a short-term payment for people who are employed or self-employed, or in some cases are full-time students, who are temporarily unable to do their usual work or study due to a medical condition. In 2015–16 the department finalised 36 226 new Sickness Allowance claims compared to 30 161 in 2014–15. The figures for 2014–15 are different to the figures published in the 2014–15 Annual Report due to the inclusion of finalised claims (granted and rejected), compared to claims granted.

Mobility Allowance—helps people with disability, illness or injury who are unable to use public transport without substantial assistance to participate in approved activities by providing support with transport costs. Depending on the contents of their package of support from the National Disability Insurance Scheme, some people may not be eligible for Mobility Allowance. In 2015–16, the department finalised 12 206 new Mobility Allowance claims compared to 11 515 in 2014–15. The figures for 2014–15 are different to the figures published in the 2014–15 Annual Report due to the inclusion of finalised claims (granted and rejected), compared to claims granted.

Rent Assistance—is an additional payment to help customers receiving an income support payment to pay their rent, generally in the private rental market. Private rent can also include amounts paid for site fees, mooring fees, board and lodgings, some retirement village fees, and fees paid to occupy a non-Australian Government funded bed in an aged care facility such as a hostel or nursing home.

Carer Payment—is an income support payment for people who are unable to support themselves through substantial paid employment because they provide full-time care to a child or adult with a severe disability, medical condition, or who is frail aged. In 2015–16, 49 125 new claims for Carer Payment were granted compared to 53 607 in 2014–15.

Carer Allowance—is an income supplement for carers who provide additional daily care and attention for a child or adult with disability or medical condition, or who is frail aged. In 2015–16, 96 338 new claims for Carer Allowance were granted compared to 101 021 in 2014–15.

See Appendix B on page 231 for the department's *Carer Recognition ACT 2010* report and for disability reporting.



Yoda's a guiding force in Phillip's life

Yoda plays a big part in Phillip's life, coming with him to work at the Hobart smart centre each day. Phillip lost his sight when he was six years old, as a result of Retinoblastoma—cancer of the eye.

Yoda helps Phillip to avoid obstacles and find things like doors, bus stops, and shop counters. At home he just runs around like a normal dog. Yoda is still finding his paws, but he has worked out a few little tricks.

Phillip says: 'Even though it's only been a month since Yoda came to live with me, he likes to carry around the Care Bear toy he stole from my son.

'He's worked out if he leaves this Care Bear lying around, people will bring it back to him and he will get a pat.'

When I'm at work with Yoda by my side, I have two headsets—one which I use to listen and talk to people and the other I use to hear my computer talking to me. My computer tells me what's displayed on the screen so I can find the information I need to help the customer I'm speaking to.'

Getting a Guide Dog ready to assist someone who is vision impaired costs about \$35 000. Inspired by Yoda and Phillip's story this year the department raised nearly \$20 000 to help train a Guide Dogs puppy—enough money to earn naming rights for a new puppy 'recruit' we named Benson.

Participation for people with disability

During the year the department continued work on improving participation outcomes for people with disability and reviewing customer eligibility for DSP. Ongoing participation measures include:

- requirements for eligible DSP recipients aged under 35 years, with an assessed work capacity of eight or more hours a week, to have a participation plan which includes compulsory activities that focus on employment and improving their ability to find and maintain work
- changes to the DSP assessment process and changed portability rules for customers who travel overseas
- reviews of DSP recipients aged under 35 years who were granted DSP between 1 January 2008 and 31 December 2011. Following the reviews, some recipients may be required to participate in a Program of Support. A Program of Support is an Australian Government funded programme to help people prepare for, find or maintain work.

National Disability Insurance Agency and the National Disability Insurance Scheme

The department has a strong and cooperative relationship with the National Disability Insurance Agency (NDIA). In 2015–16 the department continued to build on the range of services we provide to the NDIA to support the rollout of the National Disability Insurance Scheme (NDIS).

Under the NDIA ICT Programme, the NDIA was successfully transitioned to a departmental ICT offering including: desktop computing; telephony; data networking; systems for the management of corporate functions such as human resources, finance and procurement; management information and data warehousing; and a suite of internally and externally facing business applications specifically developed for the management of the NDIS.

Transition and transformation of the NDIA's ICT environment has delivered:

- end user computing services
- a business application suite
- information management and actuarial technologies, to support NDIA's enterprise-strength data warehousing and management information and reporting capability
- corporate applications technology and services that support the provision of human resources, finance and procurement functions to the NDIA.

Additional services the department provided to the NDIA include:

- access to the department's contact centre staff and ICT infrastructure to support general enquiries and participant and provider access to the scheme
- other shared corporate services, including fleet management and records management.

The department commenced providing an expanded range of corporate shared services on 1 July 2016.

The initial NDIS programme and the additional services provided have allowed participants, including those in rural and remote locations, to connect and interact with the scheme, providers and the NDIA. It also allows the NDIA to collect, analyse and share information on disability services efficiently, ultimately allowing the NDIA to streamline its processes and procedures and improve the quality of its services.

National Disability Strategy

The Australian Government's *National Disability Strategy 2010–2020* sets out a 10-year national plan for improving life for people with disability, their families and carers. The strategy sets out a commitment by all levels of government, industry and the community for a national approach to policy and programme development. It also represents a shared vision for an inclusive society that enables people with disability to fulfil their potential as equal citizens.

Priority areas for action include learning, skills and economic security, which support education and employment opportunities as the main pathways to long-term economic security and wellbeing.

The department's protocol for engaging people with disability helps the department to involve customers with disability in developing and evaluating new online services. Under the protocol the department also engages with our staff with disability, including through our Workplace Diversity and Inclusion Strategy and staff surveys about the challenges and opportunities of ICT-based workplace adjustments.

We provide managers and staff with information, training and support which promote awareness and acceptance of the rights of people with disability with just under 700 eLearning and facilitated sessions completed in 2015–16.

During the year our social workers continued to provide confidential counselling and support to people with disability experiencing family or domestic violence through interventions, crisis support, short-term counselling and referrals to local specialist support services in their community.

The department delivers a range of payments and services to customers with disability. For more information see 'People with disability' on the department's website at humanservices.gov.au

OLDER AUSTRALIANS

Age Pension

To support older people, the department made Age Pension payments to more than 2.5 million customers in 2015–16. The minimum age to qualify for Age Pension is 65 years. In 2015–16:

- 58 per cent of age pensioners received the full rate pension and 42 per cent received a part rate pension as a result of income and assets. This is the same as in 2014–15
- 119 877 Age Pension new claims were granted compared to 136 586 in 2014–15
- women made up 55 per cent and men 45 per cent of the Age Pension population, compared to 56 per cent and 44 per cent respectively in 2014–15
- the department paid \$43.9 billion in Age Pension payments compared to \$41.6 billion in 2014–15.

Rebalance Assets Test

During the year the department prepared for the introduction of the Rebalance Assets Test measure on 1 January 2017. The threshold amounts customers can have before their pension is reduced or their allowance is not payable will increase. Assets-tested pensions will be reduced by \$3.00 per fortnight for every \$1000 of assets in excess of the new thresholds, instead of the current \$1.50 per fortnight.

Approximately 91 000 customers whose pension is expected to be cancelled on 1 January 2017 due to this measure will still qualify for a Health Care Card and, for those over pension age, a Commonwealth Seniors Health Card that will not be income-tested.

Cap on tax free component for defined benefit income streams

The department implemented the Cap Deductible Amount for Defined Benefit Income Streams measure on 1 January 2016. This initiative capped the income test deductible amount (also known as tax free component) at a maximum of 10 per cent of gross payments received. Previously the tax free component was not capped. In 2015–16 this measure affected 47 938 customers.

Real estate valuations

To qualify for a pension, benefit or allowance the department takes into account the value of a person's assets. The individual circumstances of a customer and their real estate (excluding the family home) are analysed to determine the appropriate valuation action. Most valuations are for real estate assets owned by people claiming Age Pension.

When needed, the department arranges for a professional valuation or estimate verification of assets. To maintain the current value, an annual indexation percentage is applied to eligible assets. In December 2015 the department completed a tender process for valuation services, with MVS Valuers Australia Pty Ltd now providing valuation services to the department. RP Data Pty Ltd is providing estimation and indexation services to the department.

Delivering aged care payments

The department delivers subsidies and supplements to approved aged care providers on behalf of the Department of Health and the Department of Veterans' Affairs (DVA). The aim is to help aged care providers deliver cost-effective, quality care for frail, older people and support for their carers. The department's role is to provide timely and accurate payments efficiently and effectively.

Table 2: Aged care overview

	2013–14	2014–15	2015–16	% change since 2014–15
Residential claims processed	32 541	34 695	32 128	–7.4
Home Care Packages claims processed ¹	26 835	23 393	21 875	–6.5
Flexible care (transition care) claims processed	939	1 095	941	–14.1
Total claims processed	60 315	59 183	54 944	–7.2
Total amount paid ²	\$11.3 billion	\$12.1 billion	\$13.2 billion	+9.1
Residential aged care services (aged care homes)	2 693	2 683	2 672	–0.4
Home Care Packages services ¹ (facilities providing community-based packages)	2 181	2 132	2 107	–1.2
Flexible care services (transition care)	88	83	83	0.0
Active services transmitting (online claiming)	3 403	2 947	3 805	+29.1

1. Home Care Packages commenced on 1 August 2013. Statistics to 31 July 2013 include Community packages and Flexible care (extended care at home) data.

2. Including \$1.2 billion paid on behalf of DVA for 2015–16.

Aged Care Education and Training Incentive Programme

Prior to 1 April 2016 the Aged Care Education and Training Incentive Programme provided incentive payments to eligible aged care workers employed by approved facilities on undertaking specified education and training programmes. Eligible aged care workers who successfully completed a course could apply for two incentive payments at the commencement and completion of their study.

In the 2015 Mid-Year Economic and Fiscal Outlook the government announced the merger of the Aged Care Workforce Development Fund and the Rural Health Outreach Fund into the Health Workforce Fund to create a single streamlined fund. As part of the integration, the programme ceased for new students from 1 April 2016. Payments will continue for students who entered the scheme before this date.

Incentive payment amounts depend on the level of study. The programme helps aged care workers to improve their qualifications as a personal care worker, enrolled nurse or a registered nurse within the aged care sector.

Table 3: Aged Care Education and Training Incentive Programme

	2013–14	2014–15	2015–16
Participants in vocational education and training	9 922	9 253	5 857
Participants in enrolled nurse training	2 234	1 899	1 267
Participants in registered nurse training	1 413	1 366	905
Total amount paid	\$11.3 million	\$10.4 million	\$6.5 million

Income and assets assessments for people entering aged care

The department continued to perform means testing assessments for older people entering aged care in 2015–16. The means test for consumers entering residential aged care is based on a combined assets and income-based assessment and calculation. The means test for consumers accessing a Home Care Package is based on an income-based assessment only.

Supporting aged care reforms

In 2015–16 the department implemented the following Aged Care Reform measures:

- removal of exemption of rental income from the aged care means test
- new arrangements for pre-entry leave
- efficiencies in the home care claiming process by removing the requirement for providers to supply hours of service information for home care consumers
- a new online claiming system for home care providers.

In 2015 the department supported the Department of Health in implementing the new My Aged Care system, delivering the following three components:

- connecting the My Aged Care client portal to the myGov website to allow aged care clients (and/or their carers/representatives) to access and view their personal aged care information
- an identity matching service as part of the aged care registration service
- a new service allowing the department to receive aged care assessment approvals from the My Aged Care system for residential, home care and transition care.

Transfer to Age Pension

Customers are now able to access an improved online transfer from income support payments to Age Pension. The online transfer to Age Pension was delivered on 20 June 2015. Once a customer becomes eligible to lodge a transfer to Age Pension, the service offer is available to them in their online account. This service reuses information already known about the customer to pre-populate fields, and customers are able to provide additional information online. Both the customer and the department benefit from significant time saving.

JOBSEEKERS AND STUDENTS

Newstart Allowance—provides financial help to people looking for work. Customers must be aged 22 years or over but under age pension age and looking for suitable paid work. Newstart Allowance customers need to meet income and assets tests and residency requirements, and be able to meet mutual obligation requirements. In 2015–16 the department finalised approximately 696 000 Newstart Allowance claims compared to approximately 671 000 in 2014–15.

Youth Allowance—is an income support payment for students, trainees and apprentices generally aged 16 to 24 years, or job seekers generally aged 16 to 21 years. Youth Allowance customers need to meet income and assets tests and residency requirements. In 2015–16 the department finalised approximately 417 000 Youth Allowance claims compared to approximately 424 000 in 2014–15.

Austudy—provides financial help to full-time students and apprentices aged 25 years or over. In 2015–16 the department finalised approximately 75 000 new Austudy claims compared to approximately 72 000 in 2014–15.

ABSTUDY—provides a means-tested allowance and other supplementary benefits to eligible Indigenous students. In 2015–16 the department finalised approximately 37 000 ABSTUDY claims compared to 37 155 in 2014–15.

Pensioner Education Supplement—is available as extra assistance towards ongoing study costs to recipients of some Department of Human Services and DVA income support payments. The supplement is available to full-time students and in certain circumstances to students approved to undertake part-time study of at least 25 per cent of a full study load. In 2015–16 the department finalised approximately 53 000 Pensioner Education Supplement claims compared to 63 302 in 2014–15.

Job Commitment Bonus—is a new payment to encourage long-term unemployed young Australians to find and keep work. The payment is targeted at job seekers aged 18 to 30 years who have been unemployed for 12 months or more and are receiving Newstart Allowance or Youth Allowance. There are two Job Commitment Bonus payments. The first Job Commitment Bonus is \$2500 for 12 months of continuous gainful work. The second Job Commitment Bonus is \$4000 for a further 12 months of continuous gainful work. In 2015–16 the department finalised 4291 claims for the first \$2500 Job Commitment Bonus.

Special Benefit—helps people in severe financial hardship who are not able to support themselves and their dependants and are not eligible for another payment. In 2015–16 the department finalised 9538 claims compared to 9560 in 2014–15.

Meeting participation requirements for job seekers

Job seekers receiving Newstart Allowance, Youth Allowance (other), Parenting Payment Single or Special Benefit (paid under Newstart Allowance conditions) must satisfy mutual obligation requirements to remain eligible for payment.

The department's job seeker compliance model applies to job seekers receiving participation payments who have compulsory mutual obligation requirements.

The model aims to ensure job seekers attend appointments and participate in activities to help get them back into work. Job seekers who become disengaged from employment services or activities are re-engaged as quickly as possible. When a job seeker does not have a reasonable excuse for not meeting their mutual obligation requirements, a financial penalty may apply.

Non-Attendance Reports can lead to payment suspensions as part of the job seeker compliance model. Employment service providers can use the reports as a re-engagement tool when a job seeker does not attend an appointment. The job seeker's payment is automatically restored, including any back payment, as long as the job seeker attends a new appointment which is booked for them by their provider.

From 1 July 2015 employment service providers could also submit a Provider Appointment Report to the department where, following discussion with the job seeker, the provider has determined the job seeker did not have a reasonable excuse for missing the initial scheduled appointment. A Provider Appointment Report requires the department to undertake an investigation of a non-attendance failure which may result in a financial penalty.

In 2015–16 the department undertook 728 248 job seeker compliance investigations and actioned 2 074 739 Non-Attendance Reports. This compares to 549 426 job seeker compliance investigations and 1 185 398 Non-Attendance Reports in 2014–15.

Table 4: Recipients with mutual obligation requirements by payment type

Payment type	At 27 June 2014	At 26 June 2015	At 24 June 2016
Newstart Allowance	705 814 ¹	748 719 ³	732 100 ⁴
Youth Allowance	113 998 ¹	112 620 ³	98 100 ⁴
Special Benefit ²	705 ¹	758 ³	1 030 ⁴
Parenting Payment Single	49 935 ¹	51 647 ³	50 406 ⁴
Total	870 452	913 744	881 636

1. Source: Department of Social Services (DSS) on 8 July 2014.

2. The majority of Special Benefit recipients are not activity tested.

3. Source: DSS on 6 July 2015.

4. Source: DSS on 6 July 2016.

Engaging Early School Leavers

The Engaging Early School Leavers measure was implemented on 1 January 2016. Previously Youth Allowance (other) recipients were identified as an early school leaver if they had not completed Year 12 (or equivalent) or a Certificate II. From 1 January 2016 Youth Allowance (other) recipients who had not completed Year 12 (or equivalent) or a Certificate III or higher were identified as an early school leaver.

Under this programme early school leavers may have to look for work if they are not in full-time study, or are not in a combination of study and part-time work for 25 hours per week.

National Work Experience Programme

The National Work Experience Programme commenced on 1 October 2015. Under the programme, where there is potential for short-term or ongoing paid employment, jobactive and disability employment service providers will be able to place job seekers in up to four weeks unpaid work experience at a maximum of 25 hours per week.

Unpaid work experience undertaken through the National Work Experience Programme is an approved programme of work and participating job seekers receive the Approved Programme of Work Supplement of \$20.80 per fortnight in addition to their income support payment.

Transition to Work—Intensive Support

The Youth Employment Strategy—Intensive Support—Transition to Work (TTW) measure commenced on 1 January 2016. TTW is a new service targeting young job seekers who are early school leavers and not engaged in employment, education or training, to ensure they are on a productive pathway. The service is for eligible participants aged 17 to 21 years. The department's role is to identify and refer eligible participants to TTW providers.

Employment Services Assessments

Employment Services Assessments (ESAs) identify the most appropriate type of employment services for people with medical conditions and other barriers to employment. ESAs are also used to identify assistance that may help a job seeker prepare for, find and maintain work, taking into account any partial work capacity.

Job Capacity Assessments

Job Capacity Assessments (JCAs) help the department determine the impact of medical conditions and disabilities on customers' ability to work and whether they would benefit from employment assistance. A JCA is used as part of determining medical eligibility for DSP.

Customers may be referred for a JCA if they are:

- claiming DSP
- undergoing a review of medical eligibility for DSP, or
- seeking indefinite portability of their DSP.

Assessors

The department employs 553 qualified health and allied health professionals in multi-disciplinary teams in locations across Australia to undertake ESAts and JCAs. The health and allied health professionals employed by the department include:

- psychologists
- physiotherapists
- medical advisers
- occupational therapists
- rehabilitation counsellors
- exercise physiologists
- registered nurses
- speech pathologists
- social workers.

Table 5 shows the number of medical and non-medical ESAts and JCAs that the department completed each year.

Table 5: Type of assessments completed

	2013–14	2014–15	2015–16
ESAt non-medical	27 464	24 375	13 596
ESAt medical	179 371	182 923	159 250
Job Capacity Assessment	115 517	95 028	97 698
Total	322 352	302 326	270 544

Health Professional Advisory Unit

The Health Professional Advisory Unit is a multi-disciplinary unit comprising seven medical advisers and 12 health and allied health professionals across a virtual network. The unit strengthens DSP decision making by providing expert advice to departmental assessors and decision makers, and builds relationships between the department and customers' doctors. The unit is also closely involved in providing expert advice on matters before the Administrative Appeals Tribunal and to external government-contracted doctors. In 2015–16 the unit received 2458 referrals compared to 3473 referrals in 2014–15.

2.3 PROGRAMME 1.2 SERVICES TO THE COMMUNITY—HEALTH

MEDICARE

Medicare is Australia’s universal health care system, which gives eligible people access to cost effective medical, optometry and hospital care and, in special circumstances, other allied health services.

In 2015–16, 24.6 million people were enrolled in Medicare and \$21.4 billion was paid in benefits. The percentage of claims made digitally continues to grow achieving a high result of almost 96.1 per cent with approximately 40 per cent of all health practices digitally lodging 100 per cent of Medicare claims generated at their practice.

Eligibility overview

To be eligible for services under Medicare a person must be one of the following:

- an Australian citizen residing in Australia
- a permanent resident or a New Zealand citizen residing in Australia
- an applicant for permanent residency, meeting certain other criteria—restrictions and other requirements apply to people who have applied for a parent visa
- covered by a ministerial order
- a resident or citizen of a country with which Australia has a reciprocal health care agreement—only for medically necessary treatment while visiting Australia.

Table 6: Medicare enrolments

	2013–14	2014–15	2015–16	% change since 2014–15
People enrolled at 30 June	23.8 million	24.2 million	24.6 million	+1.7
Active cards at 30 June	13.5 million	13.7 million	13.9 million	+1.5
New enrolments	603 070	581 922	588 574	+1.1

Medicare Entitlement Statements

People who do not meet the eligibility criteria for Medicare may apply to be exempt from paying the Medicare levy. If the application is approved, the department issues a Medicare Entitlement Statement which the person must lodge at the Australian Taxation Office (ATO) with their income tax return.

Table 7: Medicare Entitlement Statements

	2013–14	2014–15	2015–16	% change since 2014–15
Accepted applications	134 813	141 625	122 529	–13.5
Rejected applications	6 044	3 699	2 452	–33.7
Total applications	140 857	145 324	124 981	–14.0

Medicare Safety Net

The Medicare Safety Net helps eligible individuals, couples and families with the cost of out-of-hospital medical expenses.

Eligible out-of-pocket expenses count towards a Medicare Safety Net threshold. Once this threshold is reached a higher Medicare benefit is paid.

There are two Medicare Safety Net thresholds—the Original Medicare Safety Net and the Extended Medicare Safety Net.

The Original Medicare Safety Net threshold for the 2016 calendar year is \$447.90 and applies to all Medicare cardholders. The amount that counts towards this threshold is the gap amount, which is the difference between the Medicare Benefits Schedule (MBS) fee that the government has set for the service and the Medicare benefit.

The Extended Medicare Safety Net has two threshold levels for the 2016 calendar year—\$647.90 for Commonwealth concession card holders and FTB Part A recipients, and a general threshold of \$2030 for all other Medicare cardholders (singles and registered families). The amount that counts towards this threshold is the out-of-pocket cost, which is the difference between the doctor's charge and the Medicare benefit.

Medicare claiming

A health professional can bulk bill a patient—this means the health professional can claim the Medicare benefit directly from the department as full payment for the service and not charge the patient a fee.

If a health professional charges the patient a fee, the patient can claim by:

- paying the account, and then, if the health professional or practice offers electronic claiming, practice staff can lodge the claim electronically with the department and the benefit will be paid into the patient’s bank account, usually on the next working day or sometimes sooner
- paying the account and then claiming the benefit from the department either online through myGov, using the Express Plus Medicare mobile app, by mail, in person at a service centre, or by phone
- lodging the unpaid account with the department and receiving a cheque made payable in the health professional’s name that is given to the health professional along with any outstanding balance.

Claims for in-hospital services received by patients can be made through simplified billing arrangements. This means claims are lodged by hospitals, billing agents, providers and day surgeries with the department and private health insurers—either through the Electronic Claim Lodgement Information Processing Service Environment (ECLIPSE), Simple Mail Transfer Protocol (SMTP) systems, or manually.

Table 8: Medicare services and benefits by claim type¹

	2013–14	2014–15	2015–16	% change since 2014–15
Bulk billing	276.8 million	290.6 million	305.2 million	+5.0
Patient claiming	53.9 million	53.3 million	53.3 million	+0.2
Simplified billing	27.5 million	29.6 million	30.5 million	+3.0
Total services processed	358.3 million	373.5 million	389.0 million	+4.1
Bulk billing	\$13.0 billion	\$14.0 billion	\$14.8 billion	+5.7
Patient claiming	\$4.2 billion	\$4.2 billion	\$4.2 billion	+0.3
Simplified billing	\$2.1 billion	\$2.3 billion	\$2.4 billion	+4.3
Total benefits paid	\$19.3 billion	\$20.5 billion	\$21.4 billion	+4.4
Average benefit per service	\$53.82	\$54.90	\$55.05	+0.3
Average period (date of lodgement to processing)	1.9 days	1.7 days	1.6 days	–5.9

1. Numbers may differ due to rounding.

Table 9: Medicare services by payment type

	2013–14 million	%	2014–15 million	%	2015–16 million	%
Cheque to claimant	3.3	0.9	3.0	0.8	2.7	0.7
EFT to claimant	36.6	10.2	35.6	9.5	35.3	9.1
EFTPOS payment to claimant	8.6	2.4	9.8	2.6	11.0	2.8
EFT to health professional	276.8	77.3	290.6	77.8	305.2	78.4
Pay doctor via claimant cheque	5.4	1.5	4.8	1.3	4.3	1.1
Payment to private health fund or billing agent	27.5	7.7	29.6	7.9	30.5	7.8
Total services¹	358.3	100	373.4	100	389.1	100

1. Numbers may differ due to rounding.

Medicare electronic claiming

The six options for lodging Medicare claims electronically are:

- **Medicare Online**—a secure internet connection for lodging claims from a health practice using practice management software
- **Medicare Express Plus Mobile app**—provides consumers a digital means to claim on the go through their Mobile App for all MBS items providing a receipt is attached
- **Medicare Easyclaim**—a secure EFTPOS terminal (stand-alone or integrated with practice management software) for lodging claims from a health practice
- **ECLIPSE**—a secure connection for claiming services provided in hospitals used by providers, public and private hospitals, billing agents and private health insurers
- **Claiming Medicare Benefits Online**—provides consumers a digital means to claim through Medicare online account via myGov for 23 of the most common MBS items. An image of the receipt is uploaded with the claim
- **SMTP**—uses an electronic format similar to email for claiming bulk billing and simplified billing services
- **Health Professional Online Services (HPOS)**—provides secure access for health professionals to bulk bill Medicare directly for any medical and some allied health services received by the patient and to submit Medicare patient claims on behalf of their patients—see also *Online services for health professionals* on page 172.

Most health practitioners lodge bulk bill claims electronically, benefiting from streamlined processing and improved cash flow. At 30 June 2016, 98.3 per cent of bulk billed claims were lodged electronically (see Figure 4 on page 46) compared to 98 per cent at 30 June 2015.

Electronic patient claiming continued to grow with 94 per cent of general practitioner claims compared to 90.9 per cent in 2014–15. Electronic specialist claims also increased, with 79.2 per cent lodged electronically in 2015–16 compared to 70.9 per cent in 2014–15.

At 30 June 2016, 99.5 per cent of in-hospital services were processed electronically using simplified billing, of which 80 per cent was processed using ECLIPSE compared to 74.1 per cent at 30 June 2015. The balance of in-hospital services were processed electronically using the SMTP system.

Figure 4: Medicare services by claim type—electronic and manual 2015–16

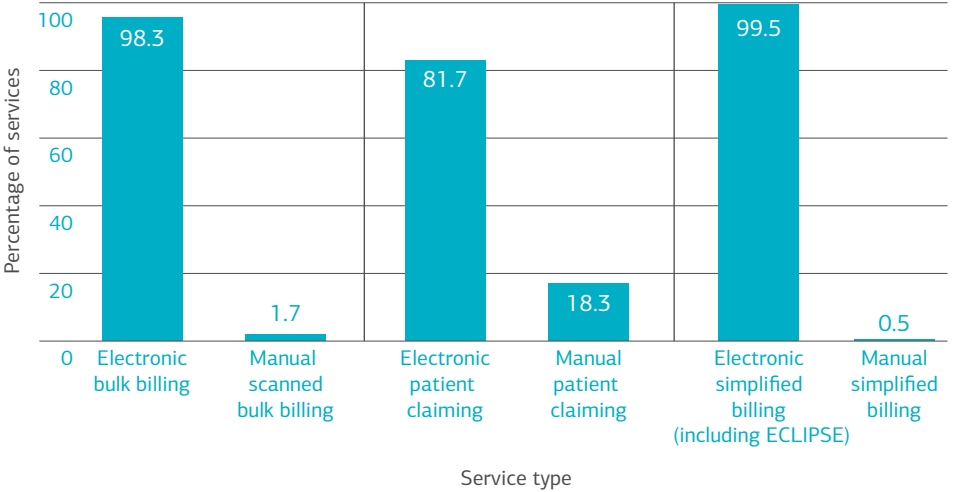


Figure 5: Practices transmitting electronically 2013–14 to 2015–16

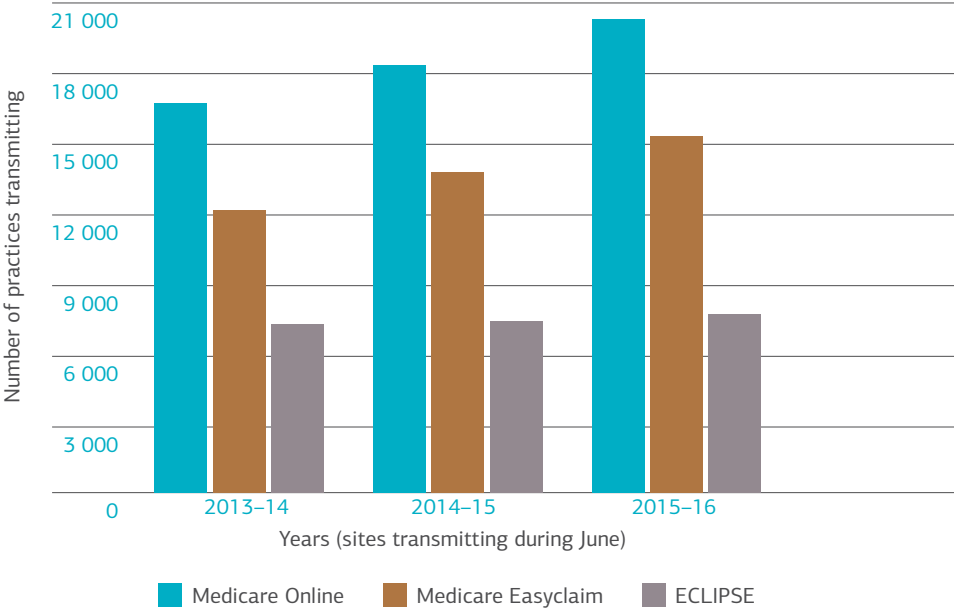


Table 10: Volumes of services transmitted electronically

	2013–14	2014–15	2015–16	% change since 2014–15
Medicare Online				
Bulk billing	253.5 million	265.4 million	279.9 million	+5.5
Patient claiming	27.5 million	30 million	32.2 million	+7.3
Medicare Easyclaim				
Bulk billing	16.3 million	19.1 million	19.9 million	+4.2
Patient claiming	8.3 million	10 million	11.2 million	+12.0
ECLIPSE				
Simplified billing	19.2 million	21.9 million	24.4 million	+11.4
SMTP				
Bulk billing	141 500	74 500	0 ¹	–100
Simplified billing	8.2 million	7.5 million	5.9 million	–21.3
Claiming Medicare Benefits Online				
Patient claiming	251 500	352 400	208 200	–40.9
Total services	333.5 million	354.4 million	373.7 million	+5.4
Percentage of overall claims lodged electronically	93.1	94.9	96.1	+1.2

1. SMTP ceased as a Bulk Bill lodgement channel as at 1 July 2015.

Medicare Compensation Recovery

Medicare Compensation Recovery aims to recover any Medicare benefits, nursing home benefits, residential care or home care government subsidies paid to a claimant as a result of their compensable injury or illness. When a person receives a lump sum compensation payment of more than \$5000, they may have to pay the costs of these back to the Australian Government before they receive their compensation payment.

Table 11: Compensation Recovery

	2013–14	2014–15	2015–16	% change since 2014–15
Cases finalised	52 678	50 268	87 504	+74.1
Total amount of benefits recovered	\$51.4 million	\$48.5 million	\$42.6 million	–12.2

HEALTH PAYMENTS AND SERVICES

Veterans' Affairs processing

The department is responsible for making payments to health professionals for health services on behalf of the Department of Veterans' Affairs (DVA). The department assesses claims and processes payments for the treatment of eligible DVA clients for medical, specialist, diagnostic imaging, pathology, allied health and dental services, and for private hospital admissions and prostheses.

DVA's gold cards (for all clinically necessary health care needs, and all health conditions whether they are related to war service or not), white cards (for care and treatment of war caused or service related specific conditions) and orange cards (for pharmaceuticals only) for eligible veterans are produced by the department on behalf of DVA.

In 2015–16 the department continued to develop and promote electronic service delivery by implementing DVA Webclaim for services in the DVA medical schedule. DVA Webclaim offers an alternative to manual claiming and delivers significantly faster payments and reconciliation for health professionals.

DVA electronic claiming increased from 79.3 per cent in 2014–15 to 85.7 per cent in 2015–16. Electronic claiming for allied health services increased from 46.4 per cent in 2014–15 to 65.6 per cent in 2015–16.

Electronic claiming for medical services increased from 90.7 per cent in 2014–15 to 93.5 per cent in 2015–16.

Electronic claiming for hospitals increased from 70.8 per cent in 2014–15 to 77.9 in 2015–16. Manual claiming for DVA decreased from 19.7 per cent in 2014–15 to 13.9 per cent in 2015–16.

Table 12: Department of Veterans' Affairs processing

	2013–14	2014–15	2015–16	% change since 2014–15
Cards produced	248 375 ¹	20 146	17 866	–11.3
Services processed	19.9 million	19.0 million	18.4 million	–3.2
Total benefits paid	\$2.2 billion	\$2.1 billion	\$2.0 billion	–4.8

1. This number is considerably higher than other years due to a re-issue of new cards to all DVA cardholders.

Australian Childhood Immunisation Register

The Australian Childhood Immunisation Register records and maintains information about vaccinations given to children and young individuals under 20 years of age.

Recognised vaccination providers, young individuals or a child's parent or guardian can access immunisation records. These records assist with determining eligibility for various family assistance payments. Parents and guardians can also obtain immunisation history statements for their children who are under 14 years of age. Young individuals aged 14 years or over can access their own immunisation history statements. They can be used as proof of immunisation for enrolment in school or child care.

Table 13: Australian Childhood Immunisation Register

	2013–14	2014–15	2015–16	% change since 2014–15
Valid immunisation episodes recorded at 30 June	4.7 million	4.8 million	4.1 million	–14.6
Children aged under seven years registered at 30 June	2.2 million	2.2 million	2.3 million	+4.5
Children and young individuals aged under 20 years registered at 30 June ¹	NA	NA	6.3 million	NA
Total amount paid to immunisation providers ²	\$9.3 million	\$9.7 million	\$9.7 million	0.0

1. The Australian Childhood Immunisation Register expanded from recording vaccinations given to children aged under seven years to children and young individuals aged under 20 years after the commencement of the *Australian Immunisation Register Act 2015* on 1 January 2016.
2. Payments are made when a health professional notifies the department that they have completed an age-based immunisation schedule for a child. Each schedule includes a list of vaccinations needed against a number of diseases. Therefore the payment amount to health professionals does not reflect the number of valid immunisation episodes in a year.

Table 14: Percentage of children registered with appropriate immunisation coverage at 30 June

	2013–14 %	2014–15 %	2015–16 %	% change since 2014–15
Children aged 12–15 months	90.9	92.1	93.3	+1.3
Children aged 24–27 months	92.6	89.0	91.3	+2.6
Children aged 60–63 months	91.9	92.3	93.1	+0.9

Australian Organ Donor Register

The Australian Organ Donor Register is the national register for people to record their decision about becoming an organ and/or tissue donor for transplantation after death.

The register enables authorised medical personnel to verify a person's decision about donating their organs and/or tissue for transplantation. People can register their donation decision online through myGov and on the department's website, which also provides general information about organ and tissue donation for transplantation.

Table 15: Australian Organ Donor Register

	2013–14	2014–15	2015–16	% change since 2014–15
Consent registrations ¹ (including registrations of people aged between 16–17 years) at 30 June	1 762 648	1 833 085	1 958 925	+6.9
Intent registrations ² at 30 June	4 258 713	4 276 626	4 275 431	–0.03
Total registrations	6 021 361	6 109 711	6 234 356	+2.0
Received calls to enquiry line	18 652	17 998	19 301	+7.2

1. A legally valid consent registration occurs when someone provides a signed registration form to the Australian Organ Donor Register.

2. Intent registrations occur when people electronically register their decision to donate.

External Breast Prostheses Reimbursement Program

Under the External Breast Prostheses Reimbursement Program women who have had a partial or full mastectomy and/or lumpectomies as a result of breast cancer are reimbursed up to \$400 for each new and replacement external breast prosthesis. Women can make a claim for new or replacement prostheses every two years.

Table 16: External Breast Prostheses Reimbursement Program

	2013–14	2014–15	2015–16	% change since 2014–15
Number of claims processed	16 078	15 200	14 986	–1.4
Total amount paid	\$6.4 million	\$6.1 million	\$6.2 million	+1.6

National Bowel Cancer Screening Register

The National Bowel Cancer Screening Program aims to reduce the rate of bowel cancer and associated mortality.

The department's role is to administer the National Bowel Cancer Screening Register which:

- identifies and invites eligible people to participate
- makes payments to medical professionals for providing information to the register about consultations and medical procedures for programme participants who have received positive test results
- operates the information phone line for the general public and health professionals.

In 2015–16 the department invited eligible people who turned 50, 55, 60, 64, 65, 70, 72 and 74 years in 2016 to undertake screening.

As part of the 2016 Budget the government announced the establishment of a National Cancer Screening Register from 1 May 2017. The National Cancer Screening Register, to be delivered by Telstra Health, will include state and territory administered cervical screening registers and the National Bowel Cancer Screening Register currently administered by the department.

Table 17: National Bowel Cancer Screening Program

	2013–14	2014–15	2015–16	% change since 2014–15
Invitations distributed	1 426 814	1 331 711	1 585 211	+19.0
Information line calls received	100 591	159 967	183 209	+14.5

Continence Aids Payment Scheme

The Continence Aids Payment Scheme gives eligible people with severe and permanent incontinence yearly or twice-yearly payments to help buy continence aids products.

Table 18: Continence Aids Payment Scheme

	2013–14	2014–15	2015–16	% change since 2014–15
Number of applications processed	31 776	30 212	29 221	–3.3
Total amount paid	\$66.8 million	\$74.1 million	\$80.2 million	+8.2

Child Dental Benefits Schedule

The Child Dental Benefits Schedule provides families, teenagers and approved care organisations with financial support for basic dental services for eligible children. Dental services include examinations, x-rays, cleaning, fissure sealing, fillings, root canals and extractions. Benefits for basic dental services are capped at \$1000 per child over two consecutive calendar years.

To be eligible children must:

- be aged between two and 17 years on any one day of the calendar year
- receive, or their family, guardian or carer receives, certain Australian Government benefits, such as FTB Part A, for at least part of the calendar year, and
- be eligible for Medicare.

In 2015–16 the department processed 5.1 million services and paid \$312.7 million in benefits compared to 4.9 million services and \$311.2 million in benefits in 2014–15.

Private Health Insurance Rebate

The rebate on private health insurance reimburses or discounts the cost of private health insurance cover. It is available to all people who are eligible for Medicare and have a complying health insurance policy.

The rebate is income-tested. The level of rebate that people are entitled to claim depends on their age and income.

The rebate can be claimed in one of two ways:

- an upfront reduction in the cost of premiums—the Premiums Reduction Scheme (administered by the department)
- a tax offset in annual income tax returns (administered by the ATO).

Table 19: Private Health Insurance Rebate

	2013–14	2014–15	2015–16	% change since 2014–15
Memberships registered	6.6 million	6.9 million	7.0 million	+1.45
Total paid to private health funds	\$5.6 billion	\$5.8 billion	\$5.9 billion	+1.7

Hearing Services Program

The Australian Government provides hearing services to people who are assessed as eligible by the Office of Hearing Services within the Department of Health. The department processes and pays claims via the HPOS eClaim facility to accredited hearing service contractors for the Hearing Services Program. The department administers the programme on behalf of the Department of Health.

Table 20: Hearing Services Program services and payments

	2013–14	2014–15	2015–16	% change since 2014–15
Services processed ¹	1 265 890	1 320 763	1 394 933	+5.6
Total amount paid ²	\$337.0 million	\$378.0 million	\$404.6 million	+7.0

1. Services provided to individuals.
2. Payments made to hearing service contractors.

Practice Incentives Program

The Practice Incentives Program (PIP) consists of 11 incentives—see Table 21 below. The incentives are paid to medical practices and individual providers to encourage improvements to general practice. See Table 22 on page 55 for data on practice participation in the program.

Table 21: Practice Incentives Program payments

After hours	Incentive payments to practices encourage general practitioners (GPs) to provide their patients with appropriate access to after hours care.
Aged care access	Service Incentive Payments (SIPs) to GPs encourage increased and continuing services in Australian Government funded residential aged care facilities.
Asthma	Sign-on payments to practices encourage GPs to better manage the clinical care of people with moderate to severe asthma. SIPs are available to GPs for each asthma cycle of care completed for a patient with moderate to severe asthma.
Cervical screening	Sign-on and outcomes payments to practices encourage GPs to screen women who have not had a cervical smear in the past four years, increasing overall screening rates. SIPs are available to GPs for each cervical smear taken on a woman aged between 20 and 69 years who has not had a cervical smear in the past four years.
Diabetes	Sign-on and outcomes payments to practices encourage GPs to provide earlier diagnosis and effective management of people with established diabetes mellitus. SIPs are available to GPs for completing an annual diabetes cycle of care.
eHealth	Incentive payments encourage practices to adopt new eHealth technology as it becomes available, to improve administration processes and the quality of care provided to patients.
Indigenous health	Payments to practices encourage GPs to provide better health care for Aboriginal and Torres Strait Islander patients, including best practice management of chronic disease.
Procedural GP payment	Incentive payments to practices encourage rural GPs to provide procedural services.
Quality prescribing	Payments to practices encourage GPs to keep up to date with information on the quality use of medicines by taking part in activities recognised or provided by the National Prescribing Service.
Rural loading	A rural loading is applied to the PIP payments of practices where the main location is outside a major metropolitan area.
Teaching	Incentive payments to practices encourage GPs to provide teaching sessions to undergraduate medical students, to ensure the practitioners of tomorrow are appropriately trained and have actual experience of general practice.

Table 22: Practice participation in the Practice Incentives Program

	2013–14	2014–15	2015–16	% change since 2014–15
Total number of practices participating	5 250	5 392	5 550	+2.9
Practices registered per incentive¹				
After hours ²	NA	NA	4 787	NA
Asthma	3 346	3 575	3 799	+6.3
Cervical screening	3 418	3 637	3 851	+5.9
Diabetes	3 410	3 632	3 846	+5.9
eHealth	4 618	4 876	5 037	+3.3
Indigenous health	3 763	4 041	4 351	+7.7
Practices receiving outcomes payments³				
Procedural GP ⁴	375	373	367	–1.6
Cervical screening	516	484	467	–3.5
Diabetes	1 001	1 091	1 168	+7.1
Indigenous health	5 086	5 691	6 186	+8.7
Other information				
Indigenous health incentive patient registration payments	62 266	64 780	76 360	+17.9
Teaching session payments	230 662	211 196	223 894	+6.0
Service Incentive Payments ⁵ (asthma, cervical, diabetes, aged care access incentive)	62 978	67 555	69 705	+3.2
Total amount paid at 30 June	\$218.6 million	\$228.1 million	\$340.1 million	+49.1

1. Practices are automatically registered for the teaching, rural loading and quality prescribing incentives when approved for the program.
2. Practice Incentive Program—After Hours commenced 1 July 2015.
3. Outcome payments are made to practices that have reached the target level required to receive the incentive under the program. For the cervical screening and diabetes incentives, this is the number of practices that received an outcomes payment in the May quarter. For the Indigenous health incentive, this is the total number of outcomes payments.
4. This is the number of practices that received a procedural GP payment.
5. This is the total number of service incentive payments which includes the asthma incentive, cervical screening incentive, diabetes incentive and the GP aged care access incentive.

Practice Nurse Incentive Program

The Practice Nurse Incentive Program provides incentive payments to practices that support an expanded role for nurses working in general practice.

General practices across Australia, including those in urban areas, as well as Aboriginal Medical Services and Aboriginal Community Controlled Health Services, may be eligible for an incentive to help with the costs of employing a practice nurse. To be eligible, the practice must be accredited under the Royal Australian College of General Practitioners Standards for general practices.

Table 23: Practice Nurse Incentive Program

	2013–14	2014–15	2015–16	% change since 2014–15
Practices approved	4 252	4 338	4 594	+5.9
Payments made ¹	\$295.8 million	\$314.3 million	\$335.7 million ¹	+6.8

1. Payments made in 2014–15 and 2015–16 includes the incentive paid and the DVA loading.

Mental Health Nurse Incentive Program

The Mental Health Nurse Incentive Program funds community-based general practices, private psychiatric practices and other appropriate organisations so they can employ mental health nurses to help provide coordinated clinical care for people with severe mental disorders. Following the Australian Government's response to the Review of Mental Health Programs and Services, funding for the Mental Health Nurse Incentive Program transitioned to Primary Health Networks from 1 July 2016.

Table 24: Mental Health Nurse Incentive Program

	2013–14	2014–15	2015–16	% change since 2014–15
Organisations registered	381	341	333	–2.3
Payments made ¹	\$31.7 million	\$32.7 million	\$30.5 million	–6.7

1. Payments made by the department ceased in May 2016 as part of the transition of the Mental Health Nurse Incentive Program funding to Primary Health Networks from 1 July 2016.

Rural health programmes

Three rural health programmes administered by the department offer incentives and support for medical practitioners providing services in rural areas.

GENERAL PRACTICE RURAL INCENTIVES PROGRAM

The General Practice Rural Incentives Program aims to encourage medical practitioners to practice in rural and remote communities and to promote careers in rural medicine.

Table 25: General Practice Rural Incentives Program

	2013–14	2014–15	2015–16	% change since 2014–15
Medical practitioners paid	11 529	12 630	17 243	+36.5
Payments made	12 688	14 600	21 051	+44.2
Total amount paid	\$137.6 million	\$157.8 million	\$110.8 million	–29.8

RURAL PROCEDURAL GRANTS PROGRAM

The Rural Procedural Grants Program assists GPs who provide procedural or emergency medicine services in rural and remote areas to attend training courses in maintaining and improving skills, with up to \$20 000 paid per GP a year.

In 2015–16, 2054 GPs were paid a total of \$19.3 million compared to 2014–15 when 1992 GPs were paid a total of \$18.9 million.

RURAL LOCUM EDUCATION ASSISTANCE PROGRAM

The Rural Locum Education Assistance Program provides financial assistance to urban GPs who undertake emergency medicine training. They must commit to a four-week general practice locum placement in a rural locality within two years of finishing their training.

In 2015–16, 20 GPs were paid a total of \$96 000 compared to 2014–15, when 20 GPs were paid a total of \$90 000.

Medical indemnity

The Australian Government’s medical indemnity framework consists of a number of schemes to strengthen the longer-term viability and success of the medical insurance industry. To achieve this, the government provides financial support to reduce the impact of large claims and makes medical indemnity insurance more affordable for medical practitioners. The department administers the schemes under the *Medical Indemnity Act 2002* and associated legislation.

EXCEPTIONAL CLAIMS INDEMNITY SCHEME

Under the Exceptional Claims Indemnity Scheme medical practitioners are protected against personal liability for eligible claims that exceed the level of their insurance cover. In 2015–16 no claims were submitted against this scheme.

HIGH COST CLAIMS INDEMNITY SCHEME

Under the High Cost Claims Indemnity Scheme the government funds 50 per cent of the cost of medical indemnity insurance payouts that are greater than the threshold amount, up to the limit of a medical practitioner’s insurance cover.

Table 26: High Cost Claims Indemnity Scheme

	2013–14	2014–15	2015–16	% change since 2014–15
Claims received	231	445	310	–30.3
Total benefits paid	\$30.1 million	\$47.2 million	\$49.9 million	+5.7

PREMIUM SUPPORT SCHEME

Under the Premium Support Scheme eligible medical practitioners receive a subsidised reduction in their insurance premiums. Insurers are then reimbursed the subsidised amount. The scheme subsidises 60 per cent of the cost of the premium beyond the 7.5 per cent threshold.

Table 27: Premium Support Scheme

	2013–14	2014–15	2015–16	% change since 2014–15
Eligible practitioners	1 671	1 400	1 237	–11.6
Amount paid	\$9.3 million	\$7.8 million	\$8.0 million	+2.6
Administration fees	\$1.4 million	\$1.3 million	\$1.4 million	+7.7

RUN-OFF COVER SCHEME FOR DOCTORS

Under the Run-off Cover Scheme, the government covers the cost of claims for eligible medical practitioners who have left the private medical workforce. The government uses funds paid into the scheme by medical indemnity insurers to cover incidents that occur in connection with a medical practitioner's practice. Indemnity cover for eligible medical practitioners reflects the last claims arrangement they had with their insurer.

Table 28: Run-off Cover Scheme

	2013–14	2014–15	2015–16	% change since 2014–15
Claims received	60	81	56	–30.9
Total benefits paid	\$2.0 million	\$5.6 million	\$2.6 million	–53.6

The Run-off Cover Support Payment is imposed as a tax on each medical indemnity insurer for each contribution year. This is used to fund eligible claims made under the Run-off Cover Scheme.

Medical indemnity insurers are reimbursed for implementation and compliance costs. In 2015–16, \$1.6 million in administration fees was paid compared to \$1.8 million in 2014–15. No implementation fees were paid.

INCURRED-BUT-NOT-REPORTED INDEMNITY CLAIMS SCHEME

Under the Incurred-But-Not-Reported Indemnity Claims Scheme the government covers the costs of claims from medical defence organisations that do not have adequate reserves to cover their liabilities. United Medical Protection—now known as Avant Insurance Limited—is the only medical defence organisation actively participating in the scheme.

Ongoing costs associated with the scheme are partly funded through a contribution payment called the United Medical Protection Support Payment which is imposed on people who were members of United Medical Protection on 30 June 2000. To be eligible, incidents that led to claims must have occurred before 30 June 2002.

Table 29: Incurred But-Not-Reported Indemnity Claim Scheme

	2013–14	2014–15	2015–16	% change since 2014–15
Claims received	65	65	54	–16.9
Total benefits paid	\$7.8 million	\$2.3 million	\$5.9 million	+156.5

MIDWIFE PROFESSIONAL INDEMNITY SCHEME

The Midwife Professional Indemnity Scheme gives financial help to eligible insurers who provide indemnity to eligible midwives. The scheme includes a government contribution to assist with claims made against midwives. It benefits private independent midwives by providing indemnity insurance policies. In 2015–16 no claims were made under this scheme.

Administration fees are paid to midwife professional indemnity insurers to compensate for the work they undertake to administer the scheme.

In 2015–16, \$150 000 in administration fees was paid compared to \$175 000 in 2014–15.

Visiting medical practitioners

The department administers a payment and information system for hospital staff on behalf of the Western Australian Government. The payment is for claims processing from visiting health professionals who treat public hospital patients under individual contracts with participating public hospitals in Western Australia.

Table 30: Visiting medical practitioners

	2013–14	2014–15	2015–16	% change since 2014–15
Number of services	292 216	264 834	257 136	–2.9
Total value	\$78.9 million	\$78.4 million	\$77.9 million	–0.7

National Health Funding Administrator Payments System

The National Health Funding Administrator Payments System facilitates payments from the Australian Government to states and territories for public hospital services through the National Health Funding Pool, as required under the National Health Reform Agreement.

The department provides programme, corporate and support services to the National Health Funding Body and the Administrator of the National Health Funding Pool to carry out their functions. All eight jurisdictions are successfully using the payments system. In 2015–16 payments of \$37.8 billion were made compared to \$35.2 billion in 2014–15.

Health professional education services

The department provides high quality, accessible information and education resources and services to help health professionals access programmes.

In 2015–16 the department:

- engaged internal and external stakeholders to develop information and education resources for health professionals
- facilitated 45 training workshops with 1436 attendees under the national training programme for pharmacy interns.

The department also developed targeted resources to assist health professionals in understanding Medicare and the PBS. These new resources include:

- an Online PBS Authorities eLearning module
- a Provider Digital Access eLearning module
- Billing Medicare in Public Hospitals eLearning programme
- a Practice Incentives Program eHealth Incentive eLearning module.

Additionally a new ‘gateway’ into the eLearning programs via profession or topic was implemented.

In 2015–16 more than 60 700 educational products were downloaded from the department’s website and there were more than 128 000 visits to its education pages. This compares to 17 600 product downloads and 196 000 website visits in 2014–15.

PHARMACEUTICAL BENEFITS SCHEME

The Pharmaceutical Benefits Scheme (PBS) provides timely, reliable and affordable access to necessary medicines for Australian residents and eligible overseas visitors. Under the PBS the government subsidises the cost of medicine for most medical conditions.

Under the Repatriation Pharmaceutical Benefits Scheme (RPBS) eligible veterans, war widows and widowers can access some additional medicines and dressings at concession rates and, if clinically justified, items not listed in either the PBS or RPBS schedules.

In administering both schemes the department processes pharmacy claims, approves authority prescriptions, approves pharmacies and certain doctors to supply PBS medicines, and approves private hospitals and participating public hospitals to supply PBS medicines to eligible patients.

Table 31: PBS and RPBS expenditure

	2013–14	2014–15	2015–16	% change since 2014–15
PBS benefits paid	\$9.3 billion	\$9.2 billion	\$10.9 billion	+18.5
RPBS benefits paid ¹	\$0.4 billion	\$0.4 billion	\$0.3 billion	–25.0
Total benefits paid	\$9.6 billion	\$9.5 billion	\$11.2 billion	+16.7
PBS services processed	211.8 million	213.9 million	210.1 million	–1.8
RPBS services processed ¹	12.3 million	11.6 million	10.5 million	–9.5
Total services processed	224.1 million	225.6 million	220.6 million	–2.2

1. Payments/services processed on behalf of DVA.

PBS eligibility

The price paid for PBS medicines depends on a person's level of eligibility, and whether the approved supplier provides up to the optional maximum \$1 co-payment discount that took effect from 1 January 2016. The two levels of eligibility are the general rate and the concession rate. See also *PBS Safety Net* below.

The patient contribution at the general rate rose to \$38.30 from 1 January 2016. All Australian residents and eligible overseas visitors can access PBS medicines at the general rate.

Patients and their families with a valid concession card from the department or DVA are eligible for the concession rate of \$6.20.

These figures are adjusted on 1 January each year in line with the consumer price index. Patients may pay extra for more expensive brands of medicines.

PBS Safety Net

The PBS Safety Net helps patients with the cost of their medicines when they or their families require a lot of prescription medicines in a calendar year.

The PBS Safety Net thresholds were adjusted from 1 January 2016, in line with the consumer price index. The 2016 general threshold is \$1475.70 and the concession threshold is \$372 for concession card holders. After patients reach the relevant threshold, a pharmacist can issue them and their family members covered by the scheme a PBS Safety Net card. Their contribution for PBS medicines for the rest of the year will then be:

- \$6.20 for general patients
- free for concession card holders.

Patients may pay extra for more expensive brands of medicines.

Indigenous people's access to the PBS

The department administers special PBS arrangements in remote Indigenous communities through Aboriginal Health Services and some state and territory-funded health services. Patients of approved remote area Aboriginal Health Services can access PBS medicines directly from the Health Service at no cost. Supply of these medicines to patients can be made by either a medical practitioner or an Aboriginal Health Worker or nurse working under the supervision of a medical practitioner, where consistent with State or Territory law.

At 30 June 2016 there were 164 approved Aboriginal Health Services around the country compared to 173 services at 30 June 2015.

The Closing the Gap PBS Co-Payment helps Aboriginal and Torres Strait Islander peoples living with chronic disease, or at risk of it, with the cost of PBS medicines. Since 1 July 2010 eligible patients have received PBS medicines free of charge or at the concession patient contribution rate.

Travelling with Pharmaceutical Benefits Scheme medicines

Under the *National Health Act 1953* it is illegal to take or send PBS subsidised medicines out of Australia for reasons other than for the personal use of the exporter or another person, such as a child or elderly relative accompanying the exporter.

The Travelling with PBS Medicines Enquiry Line provides information and advice to people about their responsibilities and rights when travelling overseas with PBS medicines.

In 2015–16 the enquiry line received almost 2500 calls which was the same as 2014–15. There were 43 875 website visits compared to 35 000 website visits in 2014–15.

Online claiming for PBS

Online claiming for PBS allows approved suppliers to lodge prescription claims with the department each time a PBS or RPBS medicine is dispensed. At 30 June 2016, 99.9 per cent of approved suppliers of PBS or RPBS medicines used online claiming, maintaining the same percentage as at 30 June 2015.

Authority-required prescriptions

The Schedule of Pharmaceutical Benefits lists authority-required PBS prescriptions for the treatment of specific conditions which may require approval from the department before they can be prescribed to patients. An authority prescription also provides the option of seeking an increased quantity or repeat prescriptions of PBS or RPBS medicines. In 2015–16 the department received 6.8 million authority requests compared to 6.9 million in 2014–15.

On 7 May 2016, the department commenced a limited trial of the new Online PBS Authorities system, accessed via Health Professional Online Services. Approved prescribers participating in the trial were able to apply for PBS authority approvals online rather than telephoning the department.

Approving suppliers of PBS medicines

Under the *National Health Act 1953*, and with agreement from the Australian Community Pharmacy Authority (ACPA), the department can grant approvals to community pharmacies to supply PBS medicines. The number of applications referred to ACPA increased from 349 in 2014–15 to 441 in 2015–16:

- 100 per cent of applications were referred to ACPA within nine working days of registration
- 100 per cent of applications recommended by ACPA were advised within five working days of the decision.

Table 32: Approved PBS suppliers at 30 June

	2013–14	2014–15	2015–16	% change since 2014–15
Approved pharmacies	5 457	5 511	5 588	+1.4
Approved medical practitioners	23	21	19	–9.5
Approved hospital authorities—private hospitals	104	116	122	+5.2
Approved hospital authorities—public hospitals participating in pharmaceutical reforms	159	161	161	0.0
Approved hospital authorities—highly specialised drugs only	78	77	79	+2.6

DIGITAL eHEALTH

The department delivers core components of the National eHealth strategy including:

- the Healthcare Identifiers Service
- the My Health Record programme
- the National Authentication Service for Health.

Healthcare Identifiers Service

The Healthcare Identifiers Service (the HI Service) is the national system for uniquely identifying individuals and healthcare providers and organisations. Healthcare identifiers help to ensure that patients and their healthcare providers can have confidence that the right information is assigned to the right patient at the point of care. Healthcare identifiers are not health records and are not necessary to receive or claim healthcare benefits.

As the HI Service Operator (as defined in the *Healthcare Identifiers Act 2010*), the department assigns, collects, stores and maintains healthcare identifiers.

In 2015–16 the department:

- assigned 591 597 identifiers to individuals (585 330 in 2014–15)
- collected or assigned 35 806 identifiers to healthcare providers (33 387 in 2014–15)
- assigned 796 identifiers to healthcare organisations, such as hospitals and pharmacies (531 in 2014–15).

The department continued to make improvements for matching of individual healthcare identifiers to improve usability of the HI Service for healthcare providers and organisations.

The HI Service annual report contains full details of HI Service operations and is tabled in Parliament each year.

My Health Record

The department delivers registration, enquiry services and some technical services for the My Health Record programme, previously called the Personally Controlled Electronic Health Record programme. The department delivers My Health Record services on behalf of the Department of Health.

In 2015–16 the department assisted the Department of Health to implement changes as part of the government's 2015 Budget measure My Health Record—A New Direction for Electronic Health Records in Australia. This included supporting the My Health Record opt-out participation trial by:

- notifying almost one million individuals in north Queensland and the Nepean and Blue Mountains areas of New South Wales about the trial
- delivering face-to-face and phone services to support individuals located in the trial areas.

National Authentication Service for Health

The National Authentication Service for Health (NASH) delivers authentication services to health-care providers and supporting organisations through the provision of Public Key Infrastructure (PKI) certificates and associated services.

Health-care providers and supporting organisations can use NASH PKI certificates to access the My Health Record system and send messages securely to other health-care provider organisations.

In 2015–16 the department issued:

- 3079 certificates to health-care provider organisations
- 3953 certificates to health-care provider individuals
- six certificates to supporting organisations.

2.4 PROGRAMME 1.3—CHILD SUPPORT

CHILD SUPPORT

The department assists separating and separated families to ensure their children are supported through the Child Support Scheme. This includes working with other government departments and community agencies to make sure that separated parents have access to the range of support services available.

Child support assessment, registration, collection and disbursement services are provided to parents and non-parent carers such as grandparents, legal guardians or other family members. We also provide separated parents with a range of referral services and products to help them with their child support needs. The person entitled to receive support payments can elect to transfer child support privately (Private Collect) or ask the department to transfer the payments (Child Support Collect).

Child Support transfers

In 2015–16 the department worked with separated parents to transfer \$3.5 billion to support approximately 1.2 million children. This is the same as in 2014–15.

Table 33: Amount of child support transferred between parents¹

Total child support transferred	2013–14 \$ billion	2014–15 \$ billion	2015–16 \$ billion
Child Support Collect	1.5	1.5	1.5
Private Collect ²	2.0	2.0	2.0
Total	3.5	3.5	3.5

1. Numbers in this table have been rounded.

2. The amount of Private Collect transferred assumes 100 per cent of Private Collect is collected.

Private Collect

The department encourages separated parents to manage their child support responsibilities independently through Private Collect arrangements. In 2015–16, 52.6 per cent of cases used Private Collect arrangements. This compares to 53 per cent in 2014–15 and 53.3 per cent in 2013–14.

Child Support Collect

Parents can ask the department to collect and transfer their child support.

In 2015–16, \$1.5 billion was collected. This is the same as in 2014–15.
See Table 33 on page 67.

Table 34 outlines the percentage of child support debt under a payment arrangement.

Table 34: Percentage of child support debt under an arrangement

	2013–14 %	2014–15 %	2015–16 %
Child support debt under an arrangement	40.5	39.1	37.4

Active paying parents with debt under arrangement and without debt

Active paying parents are responsible for paying child support in at least one active child support case, not including cases that ended with arrears. Of all active paying parents 76.3 per cent had no debt at the end of June 2016 compared to 75.8 per cent at the end of June 2015.

The remaining active paying parents had an outstanding child support debt. Of these 51.8 per cent had a payment arrangement in place in 2015–16 compared to 51.9 per cent in 2014–15.

Table 35 below shows the percentage of active paying parents who do not have a child support debt, as a proportion of all active paying parents. It also shows the percentage of active paying parents with a child support debt and a payment arrangement in place, expressed as a proportion of all active paying parents with a child support debt. The department focuses on reducing debt through its compliance and enforcement programmes.

Table 35: Active paying parents with debt under arrangement and without debt

	2013–14 %	2014–15 %	2015–16 %
Active paying parents without debt	75.7	75.8	76.3
Active paying parents with a child support debt which is under a payment arrangement	51.1	51.9	51.8

Change of assessment and objections to child support decisions

In 2015–16 the number of parents applying for a change of assessment fell by 4.7 per cent from 18 092 in 2014–15 to 17 232 in 2015–16.

The number of objections to change of assessment decisions decreased 5.5 per cent from 3056 in 2014–15 to 2888 in 2015–16. Parents who object to child support decisions, including change of assessment, can expect to have a final decision within 60 days for domestic customers and 120 days for international customers.

2.5 SERVICES FOR PEOPLE NEEDING OTHER SUPPORT

SUPERANNUATION PROGRAMMES

Small Business Superannuation Clearing House

The Australian Taxation Office Small Business Superannuation Clearing House is a free government service to assist small businesses with 19 or fewer employees or an annual aggregated turnover of below \$2 million to meet their superannuation guarantee obligations and to reduce red tape. Under superannuation guarantee requirements small businesses must make superannuation payments at least four times a year.

The department manages the Clearing House on behalf of the ATO. The Clearing House simplifies the process into a single, electronic payment for all employees and sends the contributions to the nominated superannuation funds—avoiding the need for small businesses to deal with multiple funds.

Early Release of Superannuation Benefits

The Early Release of Superannuation Benefits programme allows eligible people to draw on their superannuation benefits under specified compassionate grounds in a time of need. Releases are limited to assistance in meeting costs for an applicant or their dependant for various reasons, such as medical expenses, home and vehicle modifications for people with severe disability, funeral expenses, palliative care and mortgage arrears. Early release can also be approved under financial hardship grounds.

The department's role is to assess applications for early release and provide approval letters when release conditions are satisfied. We also confirm that a person has received a qualifying income support payment for the required period. Final decisions to release superannuation benefits rest solely with the superannuation funds.

Table 36: Early Release of Superannuation Benefits on compassionate grounds

	2013–14	2014–15	2015–16	% change since 2014–15
Applications received	19 286	19 367	29 379	+51.7
Applications approved in full or in part	12 243	14 261	15 161	+6.3
Amount approved for release	\$150 991 150	\$183 772 297	\$204 954 883	+11.5
Average amount released per approval	\$12 333	\$12 886	\$13 519	+4.9

VULNERABLE PEOPLE

Family and domestic violence

The department supports staff and customers affected by family and domestic violence by providing information, referrals and support services. For customers we use a risk identification and referral model to ensure a consistent approach to identifying and assisting customers, based on their individual circumstances.

For staff affected by family and domestic violence we have a phone support service and a range of training available to raise awareness and assist our staff and managers in supporting affected colleagues.

Community Engagement Officers

Community Engagement Officers (CEOs) provide targeted assistance to vulnerable customers, including people experiencing homelessness. These officers work to ensure that vulnerable customers maintain access to payments and associated services, as well as increasing their ability to self-manage their business with the department and other organisations.

CEOs offer information, assistance and outreach to community organisations that support people with complex needs. This is to help them to better understand the department's services and customer entitlements and obligations. Organisations can include rehabilitation centres, psychiatric hospitals, post-prison release accommodation, hostels, boarding houses, refugees, drop-in centres and organised meeting places.

In 2015–16 a network of 96 CEOs continued to operate throughout Australia.



Enough: Family and Domestic Violence Strategy

Our customer facing staff are a vital resource for us in identifying and responding effectively to people suffering family and domestic violence.

Family and domestic violence is conduct that is violent, threatening, coercive or controlling, or intended to cause the family or household member to be fearful—it is never acceptable.

Increasingly Australians are aware of how many people are affected by family and domestic violence. Our department comes into contact with almost every Australian at some time in their lives, and is one of Australia's largest employers. This puts us in a unique position to take action and play a vital role in assisting both our customers and our staff affected by family and domestic violence.

Through our *Enough: Family and Domestic Violence Strategy 2016–19*, we are continuing to provide information that is accessible, up-to-date and accurate to customers and staff about domestic and family violence. We also continue to work on our risk identification to support people who are concerned about their safety, and will make referrals for both customers and staff to services which can provide further specialist help. Training for staff, including for managers and team leaders, is an important component of our strategy.

By working together, with our staff, our customers and our community, we can contribute to building a society where families are healthy, safe and strong.

Youth Protocol

The Youth Protocol aims to protect young people from homelessness, abuse and violence. It clarifies the roles and responsibilities of the Australian Government and state and territory child protection agencies in providing support for at risk young people aged between 12 and 17 years who are seeking income support.

Services for prisoners

Prison services are provided nationally to prisons and youth justice centres. Programme protocol agreements with state and territory correctional authorities support strategies that help reintegrate prisoners into the community, including:

- preventing social welfare payment debts
- ensuring Child Support assessments for adults in prison are accurate
- completing Employment Services Assessments and Job Capacity Assessments
- providing Medicare services
- providing income support on release
- assisting Indigenous customers with study expenses.

The department has a strong and cooperative relationship with state and territory corrective services. During 2015–16 the department's Prison Liaison Officers participated in Prison Open Days providing information about payments and services to support reintegration.

Research into services for 'disconnected' peoples

The department finalised a joint research project with RMIT University investigating ways to improve service delivery for people with complex needs who are disconnected from their community's economic and social life. In partnership with the Bridgewater region in Tasmania, the three-year longitudinal study identified the value of actively involving the local community in deciding priority areas and co-designing new service approaches.

SOCIAL WORK SERVICES

Social workers work at the intensive end of the department's service delivery model, with priority given to customers who are at risk of suicide or mental distress, young people without adequate support and people affected by domestic and family violence, mental illness, homelessness and hardship.

At 30 June 2016 the department had 745 social workers located in service centres, smart centres, and rural and remote servicing teams and compliance teams. Social workers responded to 304 531 referrals for support in 2015–16 compared to 278 308 in 2014–15.

Priority areas

SUICIDE AND MENTAL DISTRESS

Social workers provide support and intervention to customers at risk of suicide or suffering mental distress. This includes ensuring the person is safe, making referrals for further assistance, and providing support to service officers engaging with customers who are at risk. In 2015–16 social workers responded to 4489 referrals for customers at risk of suicide compared to 4251 referrals in 2014–15, and 50 171 referrals for customers experiencing mental health issues compared to 39 511 in 2014–15.

YOUNG PEOPLE WITHOUT ADEQUATE SUPPORT

Social workers provide targeted intervention and support for vulnerable and unsupported young people aged under 25 years. This work assists young people to become more independent and engage in work, training or study by ensuring they are connected with appropriate services in their community that will help address their basic needs, such as accommodation. In 2015–16 social workers worked intensively with 5146 young people compared to 4943 in 2014–15.

SUPPORT FOR PEOPLE AFFECTED BY DOMESTIC AND FAMILY VIOLENCE

Social workers provide private and confidential interviews for counselling and support for people affected by domestic and family violence. They help customers consider their options and determine their eligibility for any payments and services where domestic and family violence is a factor.

In 2015–16 social workers received 61 548 referrals for people experiencing domestic and family violence compared to 48 468 referrals in 2014–15.

SUPPORT FOR PEOPLE EXPERIENCING HOMELESSNESS AND HARDSHIP

Social workers assist individuals and families with multiple complex needs through early intervention and crisis support, case planning, counselling, and referrals to government and community agencies.

In 2015–16 social workers received 59 434 referrals for customers experiencing homelessness or accommodation issues compared to 62 044 referrals in 2014–15. Social workers received 89 898 referrals for customers experiencing financial issues and/or hardship in 2015–16 compared to 83 549 in 2014–15.

Specialist social work programmes

SUPPORTING REPATRIATED CUSTOMERS

Through referrals from the Department of Foreign Affairs and Trade the department continued to assist vulnerable customers being repatriated to Australia, who do not have family, kin or support networks and require social worker assistance to reintegrate into the community.

CARER SPECIALIST ASSESSMENTS

In 2015–16 there were 688 referrals to carer specialist assessment social workers compared to 906 in 2014–15. Social workers also assessed 196 claims from carers aged under 18 years (223 in 2014–15) and 1744 claims from carers aged over 80 years (1642 in 2014–15). These customer groups are recognised as having multiple complex needs and often need social work intervention.

SOCIAL WORK SERVICE AND JOB SEEKER COMPLIANCE MODEL

Social workers, in consultation with senior service officers, undertake Comprehensive Compliance Assessments, which support the job seeker compliance model. The information gathered by social workers in assessments guides decision-making about serious failures and barriers to participation. See also *Meeting participation requirements for job seekers* on page 38.

SOCIAL WORK SERVICES DURING EMERGENCY RECOVERY

In 2015–16 social workers assisted people affected by the South Australia Pinery bushfires in November 2015 and the Western Australia Waroona bushfires in January 2016. They provided support in recovery centres, service centres, in the community and via phone services. Social workers also supported people claiming the Australian Victim of Terrorism Overseas Payment (AVTOP) for the November 2015 Paris attacks and the March 2016 Brussels attacks. See also *Emergency responses* on page 91.

In July 2015 social workers attended the one-year anniversary memorial for Australians who died in the Malaysian Airlines Flight MH17 plane crash, to support family members attending the ceremony.

In December 2015, at the request of the Department of the Prime Minister and Cabinet, social workers were present at the unveiling of the memorial for the 2004 Indian Ocean Tsunami to support affected individuals and family members on the day.



Helping farmers get back on their feet

In northern New South Wales there's a small team doing what they can to assist rural customers who are trying to survive on parched land that is their home and livelihood.

Three Farm Household Case Officers from the department work with farmers receiving Farm Household Allowance. The payment is to help farmers improve their long-term financial security and is paid for up to three years.

The team draws on the expertise of Complex Assessment Officers and Financial Information Service Officers from the department and the Rural Financial Counselling Service to make sure farmers get the best financial and other support available.

While the staff say supporting farmers who are doing it hard is emotional at times, the job is also very rewarding. Being able to help a customer from start to finish and see them back on their feet makes it all worthwhile. Congratulations to team members for their Highly Commended award in 2015 as part of the department's awards and recognition programme.

RURAL SERVICES

Drought coordinators

As part of the social and community support component of the government's drought assistance package, the department had seven drought coordinators who serviced drought-affected areas in northern New South Wales, western Queensland, Western Australia and the border of Victoria and South Australia. This measure ceased on 30 June 2016.

Farm Household Allowance

The department delivers the Farm Household Allowance payment. Since the commencement of the programme in 2014 over 6000 customers have been granted Farm Household Allowance.

Farm Household Allowance customers are required to complete a Farm Financial Assessment and enter into a Financial Improvement Agreement to improve their capacity for financial self-reliance.

In May 2016, the department provided support to the government response to the downturn in the dairy industry. The response included:

- appointing a Dairy Industry Liaison Officer between June and December 2016
- revising itineraries for the Australian Government Mobile Service Centres to visit potentially affected areas
- providing extra staff to process claims for Farm Household Allowance and to answer calls to the Farmer Assistance Hotline.

INDIGENOUS PEOPLE

Indigenous Servicing Strategy

In November 2015 the department launched the *Indigenous Servicing Strategy 2016–17*. The strategy provides a clear strategic direction to all departmental staff delivering services to Aboriginal and Torres Strait Islander peoples. It identifies priority areas and ways to measure progress, and it ensures Aboriginal and Torres Strait Islander peoples receive the right service for their circumstances.

The strategy identifies a series of goals covering priority areas of health, child support, ABSTUDY, voluntary Indigenous identification, and Centrelink debt and compliance. Each goal has measures and suggested strategies to support the department in achieving improvements in these areas.

Indigenous servicing specialists

Indigenous Programme Support Managers (IPSMs) help the department and Australian Government agencies to work with Aboriginal and Torres Strait Islander peoples and communities to deliver integrated services and programmes. IPSMs provide strategic advice to stakeholders to identify customer and community servicing needs, as well as expertise about cultural beliefs and practices that may affect Aboriginal and Torres Strait Islander staff or service delivery. IPSMs are members of departmental strategic and leadership forums that develop Indigenous servicing strategies. At 30 June 2016 there were 11 IPSMs compared to 12 IPSMs in 2014–15.

Indigenous Service Officers (ISOs) help address strategic and operational issues relating to service delivery to Aboriginal and Torres Strait Islander peoples and communities. By delivering key messages about the department's services, ISOs aim to increase the level of understanding, awareness and access to services and programmes. ISOs also offer intensive support to assist vulnerable Aboriginal and Torres Strait Islander peoples and communities to engage with the department to access assistance. At 30 June 2016 there were 73 ISOs compared to 81 ISOs in 2014–15.

Remote servicing model

The department's remote servicing model responds to the unique challenges facing customers in remote regions. The model includes service centres, remote service centres, Agents, Access Points, online options, remote servicing teams, and place-based services supported by an integrated remote smart centre that provides phone and claims processing services.

We have partnerships with many organisations, including other Australian Government departments and state, territory and local governments to deliver services in remote areas.

The department focuses on engaging directly with customers, particularly those living in remote Indigenous communities, to shape services that are culturally-appropriate, effective and empowering.

Remote servicing teams

Remote servicing teams involve a small number of staff providing departmental services to remote Indigenous communities through regular visits.

The department recruits local Indigenous staff to work in remote servicing teams wherever possible. As well as improving community employment levels, staff from remote communities are more likely to speak Indigenous languages and understand local customs, traditions and relationships. Indigenous staff also provide role models for young Indigenous people in remote communities in relation to workforce participation.

Interpreting services

The department gives Indigenous customers with limited or no English free access to Indigenous interpreters through the Aboriginal Interpreter Service (AIS) in the Northern Territory and the Kimberley Interpreter Service (KIS) in Western Australia. The department is the largest government user of both services.

Indigenous interpreters are located in high-demand service centres and also frequently assist departmental staff working in remote and extremely remote Indigenous communities. In 2015–16 the AIS provided 9563 hours of interpreting services (9538 hours in 2014–15), and the KIS provided 548 hours of interpreting services (465 hours in 2014–15).

To supplement these services, the department has a small number of Indigenous Language Officers in targeted locations with a known language need but with limited or no access to formal interpreter services.

National Indigenous Coalition

The National Indigenous Coalition (NIC) is the department's peak strategic advisory forum providing an Indigenous voice on effective delivery of payments, services and products for Aboriginal and Torres Strait Islander peoples.

The NIC is consulted to ensure effective development of strategies that support and secure outcomes for Aboriginal and Torres Strait Islander customers, communities and employees.

There were two NIC face-to-face conferences held during the year, one in October 2015 and the other in May 2016, as well as eight teleconferences.

Providing spatial services for government and the community

The Australian Government Indigenous Locations dataset (AGIL) is the government's authoritative source of data for Indigenous locations. The department manages AGIL which contains locational data for over 3800 community names in approximately 1600 discrete Indigenous locations. Government departments, private industry and community groups across Australia use AGIL regularly. AGIL is also included in a National Map maintained by National ICT Australia.

The AGIL dataset is available to the general public via **data.gov.au** where it can be viewed or downloaded at no cost. In 2015–16 the AGIL dataset was viewed 538 times (935 in 2014–15) and downloaded 130 times (204 in 2014–15).

MONEY MANAGEMENT

Financial Information Service

The Financial Information Service (FIS) is an education and information service for the public. FIS officers help people to make informed decisions about investment and financial issues for their current and future financial needs. FIS operates on the principle that a better understanding of financial affairs gives people more choices leading to a better lifestyle both now and in retirement.

FIS is a free, independent and confidential service and offers assistance to people in various circumstances, including approaching retirement, facing redundancy, going into aged care, experiencing separation, divorce or death of a partner, or receiving a compensation payout.

FIS is available by phone, appointment and through a programme of seminars, some of which FIS officers again delivered this year through internet broadcasts.

In 2015–16 FIS officers:

- answered more than 57 300 phone calls compared to 35 400 in 2014–15
- conducted more than 58 800 interviews compared to 56 700 in 2014–15
- delivered 4880 hours of outreach services compared to 4672 in 2014–15
- held 2720 seminars for more than 77 600 participants compared to 2606 seminars and 79 300 participants in 2014–15
- conducted mini-FIS seminars on the department's website as video-on-demand broadcasts.

Centrepay

Centrepay is a voluntary bill paying service which assists recipients of Centrelink income support to manage their expenses, by providing a facility to have regular deductions made directly from their welfare payments to businesses. Centrepay is free for customers, while businesses are charged a fee to recover Centrepay operating costs. At 30 June 2016:

- 669 561 income support recipients were using Centrepay compared to 661 640 in June 2015
- 12 966 businesses received a Centrepay deduction compared to 13 235 in June 2015.

In 2015–16, 27 million deductions were made to the value of \$2.5 billion compared to 25.9 million deductions to the value of \$2.4 billion in 2014–15.

During the year the department continued to improve Centrepay. Changes included:

- implementing a revised Centrepay framework from 1 July 2015, which incorporates new Centrepay Policy and Terms and new Procedural Guides for Businesses and Customers. The department will conduct a post-implementation review of the revised Centrepay framework commencing in July 2016
- establishing a new assurance framework for Centrepay, based on prevention, detection and appropriate responses to non-compliance. Centrepay businesses receive more education and support to comply with the Centrepay Policy and Terms, but are also potentially subject to strong responses for serious breaches
- introducing in March 2016 two new categories of services (service ‘reasons’) for which businesses may be approved to receive Centrepay deductions, namely ‘Savings’ and ‘Disability and Community Service’. Consultation is continuing on possible service reasons for ‘Concessional Financial Services’ and ‘Lay-by’
- commencing twice-yearly open stakeholder forums in January and July each year. These provide stakeholders with information about ongoing developments and plans for Centrepay and offer an additional avenue for feedback and queries about Centrepay policy and service delivery.

As part of the transition to the new Centrepay Policy and Terms, a 12-month grandfathering period was provided for businesses and customers using Centrepay for funeral insurance or unregulated consumer leases for household goods. On 24 May 2016, the Aboriginal Community Benefit Fund Pty Ltd and related companies applied to the Federal Court of Australia to challenge the department’s decision to exclude funeral insurance from Centrepay. On 30 June 2016 the Federal Court of Australia quashed the department’s decision of 1 July 2015 to exclude funeral insurance from Centrepay. The department filed an appeal on 14 July 2016 to the Full Federal Court of Australia.

Rent Deduction Scheme

Through the Rent Deduction Scheme, customers can have their public housing payments deducted from their income support and sent directly to their state or territory housing authority. The scheme is an easy, free way for customers to pay their government housing obligations.

At 30 June 2016, 338 989 customers were using the scheme (331 217 in 2014–15). This represents an increase of 2.35 per cent on the previous year.

In 2015–16, 9.34 million rent deductions were made (9.04 million in 2014–15). This represents an increase of 3.31 per cent on the previous year.

Income Management

Income Management helps people in specified locations receiving income support to manage their money to meet essential household needs and expenses for themselves and their families.

Under Income Management a percentage of a person's income support, and 100 per cent of lump-sum payments, are allocated to pay for priority items such as food, housing, clothing, utilities, education and medical care. The remaining percentage of a customer's payment is paid to them in the usual way to be used at their discretion. While Income Management does not change the amount of payment a person receives, it affects the way that a person receives the payment.

Money that is income managed cannot be spent on alcohol, tobacco, pornography or gambling.

Table 37: Income management measures by location

Income Management locations	Income Management measures					
	Voluntary	Child Protection	Vulnerable Welfare Payment Recipient	Supporting People at Risk	Disengaged Youth	Long Term Welfare Payment Recipient
Western Australia						
Perth	✓	✓				
Peel region	✓	✓	✓			
Kimberley	✓	✓				
Ngaanyatjarra Lands	✓	✓	✓			
Laverton	✓	✓	✓			
Northern Territory	✓	✓	✓	✓	✓	✓
New South Wales						
Bankstown	✓	✓	✓			
Queensland						
Rockhampton	✓	✓	✓			
Logan	✓	✓	✓			
Livingstone	✓	✓	✓			
Cape York ¹	✓					
Victoria						
Greater Shepparton	✓	✓	✓			
South Australia						
Greater Adelaide ²	✓	✓				
Playford	✓	✓	✓			
Ceduna region ³	✓	✓	✓			
Anangu Pitjantjatjara Yankunytjatjara lands	✓	✓	✓			

1. Cape York-specific Income Management applies in the communities of Aurukun, Coen, Doomadgee, Hope Vale and Mossman Gorge as part of a broader programme of welfare reform for the area.
2. Income Management was introduced in Greater Adelaide on 1 October 2015.
3. To support the implementation of the Cashless Debit Card trial in Ceduna and surrounding region from 15 March 2016, the department ceased placing new participants onto Income Management from 16 February 2016. All existing Income Management customers in the Ceduna and surrounding region were transitioned off Income Management by 26 April 2016. See also *Cashless debit card trial* on page 85.

ACCESSING MANAGED INCOME

The department works with people on Income Management to identify how their welfare payments can be used to pay for items they and their family need. People can use their income managed money to pay their expenses by:

- using the BasicsCard—a reusable, personal identification number protected card that can be used via EFTPOS at approved stores and businesses
- asking the department to organise direct payments (BPAY, credit card, direct credit) to stores and businesses.

At 30 June 2016, 15 381 stores and businesses accepted the BasicsCard compared to 14 258 at 30 June 2015.

The department investigates public complaints and conducts random sample reviews to ensure stores and businesses are complying with the terms and conditions.

In 2015–16:

- 97 per cent of income managed customers used a BasicsCard. This is the same as in 2014–15.
- \$221.3 million was spent using the BasicsCard compared to \$216.9 million in 2014–15.

DATA ON INCOME MANAGEMENT

Table 38: Income Management customers

Measure	Customers at 30 June 2014 ¹	Customers at 30 June 2015 ¹	Customers at 30 June 2016 ¹
Cape York Income Management	201	128	160
Child Protection Income Management	435	337	339
Disengaged Youth	4 489	4 450	4 096
Long Term Welfare Payment Recipient	11 420	12 387	12 856
Supporting People at Risk	142	213	223
Voluntary Income Management	6 047	5 828	5 146
Vulnerable Welfare Payment Recipient	2 943	3 053	2 100

1. These numbers are point-in-time at the dates specified and do not represent customer movements between measures and on-and-off Income Management.

The total amount of income support payments income managed in 2015–16 was \$288.2 million compared to \$283.3 million in 2014–15.

Cashless debit card trial

During 2016 the Cashless Debit Card Trial started testing whether restricting access to cash, alcohol and gambling will help reduce welfare-fuelled alcohol and drug-related harm in communities. People who live in certain areas will have up to 80 per cent of their income support payments paid to a cashless debit card. This card operates like a normal debit card except it cannot be used to buy alcohol, to gamble, or withdraw cash. The trial commenced in Ceduna, South Australia, from 15 March 2016, and in Kununurra and the Wyndham region in Western Australia from 26 April 2016. A third trial site is scheduled to begin in 2016–17.

The Department of Social Services and the Department of the Prime Minister and Cabinet are running the trial in conjunction with the financial institution Indue Ltd.

The department's service delivery role in the trial is focused on placing participants on and off the trial based on their eligibility. Indue Ltd provides cards and all associated banking and support services to trial participants.

At 30 June 2016, 1941 people were participating in the trial.

ANCILLARY SERVICES AND SUPPORT

Tasmanian transport schemes

The department administers the following Tasmanian transport support schemes:

- **Tasmanian Freight Equalisation Scheme**—assists in alleviating the sea freight cost disadvantage incurred by shippers of eligible goods moved by sea between mainland Australia and Tasmania. On 1 January 2016 the scheme was extended to include goods not previously covered.
- **Bass Strait Passenger Vehicle Equalisation Scheme**—provides a rebate to ferry operators for passengers travelling between the mainland and Tasmania.

In 2015–16, 10 719 claims for assistance were received by the department with \$168.1 million in payments processed through the programmes. This compares to 8958 claims and \$149.8 million in 2014–15.

Portability of payments

Portability is the continuation of Australian social security payments during a customer's absence from Australia. The department assists customers to understand how their entitlements may be affected and assesses eligibility for payments while they are outside Australia.

A datalink between the department and the Department of Immigration and Border Protection (DIBP) identifies social security customers who depart from or return to Australia. Information generated by the datalink is used to automatically review payments for people who have departed Australia.

In 2015–16 customers receiving income support payments, family assistance, allowances and concessions travelled outside Australia 1.82 million times compared to 1.79 million overseas trips in 2014–15.

Concession cards

There are six types of concession and health care cards delivered by the department:

- Pensioner Concession Card
- Health Care Card
- Low Income Health Care Card
- Commonwealth Seniors Health Card
- Ex-Carer Allowance (Child) Health Care Card
- Foster Child Health Care Card.

Each card has its own eligibility requirements and concessions. Having a concession or health care card gives cardholders access to Australian Government health concessions and helps with the cost of living by reducing the cost of certain goods and services.

Most people receiving an income support payment will automatically receive a concession or health care card. People receiving the maximum rate of FTB Part A will automatically receive a Health Care Card covering their family. Partners and children may also be covered by a person's card if it relates to an income support payment. For people who have a Low Income Health Care Card, their children may also be covered by the card.

In addition to Medicare services, concession or health care cards can give people, their partners and children other concessions from state, territory and local government authorities and private businesses.

Advance Payments

An Advance Payment is a lump sum payment of the customer's future entitlement. The advance payment amount can vary depending on the payment type received. Non-pension customers—including Parenting Payment Single recipients—can receive a minimum of \$250 and a maximum of \$500, once per 12-month period. Pension customers can receive multiple advance payments depending on the amount available at each application. FTB customers can receive a regular advance that is paid each 26 weeks as long as the customer remains eligible.

Bereavement payments

Bereavement payments help customers adjust to changed financial circumstances following the death of their partner, child or care receiver. The type and amount of bereavement payments depend on individual circumstances and when the department is notified of the person's death. Bereavement payments are usually paid as a lump sum. However, some payments, such as FTB Bereavement Payment, can be paid fortnightly.

Bereavement Allowance is a short-term income support payment that provides a level of support to recently widowed people.

MULTICULTURAL SERVICES

Agency Multicultural Plan

The department's *Agency Multicultural Plan 2013–2015* outlined how the department intended to provide services to culturally and linguistically diverse (CALD) communities.

The department successfully delivered on all 33 actions in the plan, and also delivered additional actions. New achievements included conducting targeted consultations with CALD communities in partnership with the Federation of Ethnic Communities' Councils of Australia and the inclusion of CALD considerations in our feedback and complaints model.

During the year we worked with stakeholders and staff to develop a new *Multicultural Servicing Strategy 2016–2019* to replace the Agency Multicultural Plan. The new strategy ensures that the department is well positioned to meet current and future challenges in providing services to CALD customers. It aims to make our services more accessible and targeted to the needs of individuals, including new initiatives to improve our digital service offer for CALD customers.

Support for refugees and humanitarian entrants

The department offers a range of services to assist refugees entering the community. The department works closely with DIBP and the Department of Social Services settlement service providers and community groups to ensure refugees have appropriate, targeted services on arrival in Australia. A network of specialist Refugee and Asylum Seeker teams and subject matter experts in locations with high settlement populations support the department's tailored services for these entrants. During the year the department reviewed its service offer to ensure it will meet the needs of the anticipated 12 000 Syria and northern Iraq arrivals announced by the government in September 2015.

Citizenship testing

Delivered on behalf of DIBP, weekly citizenship tests are now available at 33 service centres in regional areas from Kalgoorlie in Western Australia to Mackay in Queensland. Previously DIBP staff had to visit regional centres to conduct the tests, usually only monthly or every two months.

In 2015–16 DIBP rolled out 'Read Speaker' technology in our regional citizenship testing sites. Read Speaker helps customers with limited literacy as the technology has the ability to read the questions to the customer as they complete the citizenship test.

Of about 100 280 citizenship tests taken across Australia during the year, 12 385 tests were taken in regional centres, involving around 244 tests each week.

Language services

The department provides free translation and interpreting services in over 200 languages to help CALD customers conduct their business. More than 2600 contracted interpreters deliver these services. We also supply regular, rostered onsite interpreters who work out of 56 service centres where demand for assistance in certain languages is high.

Bilingual staff may also be paid a Community Language Allowance if they use their language skills in the course of their work. In 2015–16 around 641 staff received the Community Language Allowance compared to 699 in 2014–15. Community Language Allowance is paid at two rates. Rate 1 is \$40.67 per fortnight and is paid to employees who use their language skills at least three times per month. Rate 2 is \$97.63 per fortnight and is paid to employees who use their language skills at least eight times per month.

Multicultural Service Officers

In 2015–16 a network of 70 Multicultural Service Officers (MSOs) continued to operate throughout Australia. Each officer covers a geographical area, giving all service centres access to multicultural expertise. MSOs have close relationships with multicultural communities and play an important role in supporting service delivery to customers from CALD backgrounds. Examples of MSO activities include:

- promoting and demonstrating the department's digital services to customers and community groups
- working with multicultural communities, service providers, and government and non-government stakeholders, to develop local strategies and local solutions
- promoting the department's payments, services, and communication options to multicultural communities
- promoting multicultural resources to staff.

Assurance of Support

An Assurance of Support is a legal agreement between an Australian resident or organisation (assurer) and the Australian Government. Under the agreement an assurer agrees to support a migrant on a specific type of visa for their first two or 10 years in Australia (depending on the visa type) so they do not have to rely on payments from the government. The department decides who can be an assurer by assessing their financial capacity to provide support for a migrant.

Status Resolution Support Services

The department administers the Status Resolution Support Services (SRSS) payment. The DIBP determines eligibility for the payment, which provides financial assistance to people living in the community while their immigration status is being resolved. At 30 June 2016 approximately 18 000 customers received the payment.

Innovative multicultural services

MULTILINGUAL APPS

The department provides Express Plus Lite mobile app services in four languages for iOS and android devices. Customers can use the app to report their earnings anywhere at any time, increasing convenience and reducing the need for interpreter services. The languages are Arabic, Chinese, Vietnamese and Persian (Farsi).



Giving back through work and volunteering

Nearly 20 years ago, Cuc, Multicultural Service Officer from the Footscray service centre, escaped war-torn Vietnam with her husband, arriving in Australia by boat with nothing but an empty suitcase and the clothes on their backs.

Cuc says: 'At first it was a really difficult time. We didn't know the language and we couldn't get jobs. Even though I had a university degree, I had to go to school again to somehow find a way to support my family, both in Australia and back in Vietnam.'

'The culture shock was tough but luckily a church and community organisations helped me adapt. Building a new life here was such a huge motivation for me,' Cuc said.

'I am so grateful to the Australian Government, as well as my school,

which supported me to learn English and get a tertiary education.

'I used to sit on the ground feeding my son with one arm and doing my thesis. There were no computers back then and we weren't allowed to use liquid paper. It was a good lesson for me to be diligent, neat and tidy!'

Since gaining qualifications, Cuc had various jobs including in science, aged care, education and interpreting. For the past 26 years she has worked for the government. She is also a passionate and busy volunteer, especially for community organisations that help migrants and their families.

The way she sees it is that 'in work and community life, every day is an opportunity to give back to the country that supported me'.

WORKING WITH PARTNERS

MSOs continued to help deliver innovative services through a range of partnership initiatives. Examples include:

- **Adelaide, South Australia**—working in partnership with the Migrant Resource Centre, Australian Red Cross and Life Without Barriers to run information sessions for asylum seekers in language groups
- **Logan, Queensland**—conducting a community education session for newly-arrived Afghani women, with support from the Logan Financial Literacy Action Group
- **Glen Waverley, Victoria**—presenting information to Chinese Senior Citizens in a project undertaken with Monash Library
- **Hobart, Tasmania**—attending new and emerging community meetings and contributing to discussions on child care, jobactive and English language programmes
- **Northern Beaches, New South Wales**—running a stall at the Eastwood Community Expo as part of Harmony Day celebrations
- **Perth, Western Australia**—delivering digital presentations to Adult Migrant English Program lecturers from the Central Institute of Technology and showcasing the suite of online services available to customers.

EMERGENCY RESPONSES

Payments and services

The department's core responsibility in response to emergencies is to ensure the continuity of payments and services. Service delivery during an emergency can include:

- assisting individuals to test their eligibility for an income support payment or service
- assessing and paying Medicare benefits
- providing support to Medicare providers
- ensuring child support payments can be made
- providing social work services
- delivering the Australian Government Disaster Recovery Payment (AGDRP), Disaster Recovery Allowance (DRA), and equivalent ex-gratia payments
- delivering the Australian Victim of Terrorism Overseas Payment (AVTOP).

To support the government's emergency response, the department also participates in state, territory and local recovery committees. Departmental services may be delivered from established relief or recovery centres with agreement from the state or territory government.

In response to an emergency, the department can deploy:

- field staff to recovery centres
- staff to take emergency calls and process claims for emergency payments
- social workers to overseas locations or to airports in Australia to assist affected Australians returning from offshore disasters, and to emergency-affected areas to support other staff
- mobile computing support
- Australian Government mobile service centres to provide services in affected areas.

Emergency Reserve

The department maintains a register of Emergency Reserve staff willing to assist in recovery efforts. This helps the department respond quickly following emergencies. Over 5200 staff (around 14 per cent of the department's staff) are registered for the Emergency Reserve.

Emergency Reserve staff are a resource that can be called on at short notice. These staff have a range of skills which are used in various roles including:

- at field locations assisting people affected by emergencies
- providing support to affected service centres
- behind the scenes in processing centres
- answering calls to the Australian Government Emergency Information Line
- backfilling staff deployed to provide emergency support.

Emergency Reserve staff supported bushfire recovery efforts in South Australia in November 2015 and Western Australia in January 2016.

Current events

AUSTRALIAN GOVERNMENT DISASTER RECOVERY PAYMENTS

The department's response to current emergencies included payment of AGDRP claims. In 2015–16 the AGDRP was provided to people adversely affected in the following areas:

- Western Australia Waroona bushfires—Peel and South West regions
- South Australia Pinery bushfires—Barossa, Yorke and Mid-North regions

Table 39: AGDRP payments

	South Australia Pinery bushfires ¹	Western Australia Waroona bushfires ²
Claims finalised	3 710	6 103
Claims paid to affected people	3 645	5 908
Amount paid into people's bank accounts	\$4 245 600	\$6 848 800

1. AGDRP activated for declared local government areas on 28 November 2015.

2. AGDRP activated for declared local government areas on 11 January 2016.

DISASTER RECOVERY ALLOWANCE

The DRA was activated to assist individuals including employees, primary producers and sole traders in specified areas who experienced a loss of income as a direct result of the following emergencies:

- Western Australia Waroona bushfires—Peel and South West regions
- South Australia Pinery bushfires—Barossa, Yorke and Mid-North regions
- New South Wales East Coast Storms and Floods, June 2016
- Tasmania East Coast Storms and Floods, June 2016.

Table 40: DRA payments at 30 June 2016

	South Australia Pinery bushfires ¹	Western Australia Waroona bushfires ²	New South Wales East Coast Storms and Floods, June 2016 ³	Tasmania East Coast Storms and Floods, June 2016 ³
Claims finalised	41	139	NA ⁴	NA ⁴
Claims paid to affected people	27	61	NA ⁴	NA ⁴
Amount paid into people's bank account	\$107 052	\$115 966	NA ⁴	NA ⁴

1. DRA activated for declared local government areas on 28 November 2015.

2. DRA activated for declared local government areas on 11 January 2016.

3. DRA activated for declared local government areas on 27 June 2016.

4. Any public reference to data that is less than 20 increases the risk that an individual may be identified and have their privacy breached.

EX GRATIA PAYMENTS TO NEW ZEALAND NON-PROTECTED SPECIAL CATEGORY VISA HOLDERS

Ex-gratia payments to New Zealand non-protected special category visa holders were also activated for individuals affected by the South Australia Pinery bushfires and the Western Australia Waroona bushfires. These payments are equivalent to the AGDRP.

At 30 June 2016 more than:

- 70 claims had been received
- 59 claims had been paid to affected people
- \$77 200 had been paid into people’s bank accounts.

Ex-gratia Income Support Allowance for New Zealand non-protected special category visa holders was activated to assist those who suffered a loss of income as a direct result of the South Australia Pinery bushfires, the Western Australia Waroona bushfires and the NSW and Tasmanian East Coast Storms and Floods. This payment is equivalent to the DRA.

No figures have been reported for 2015–16 for the Ex-gratia Income Support Allowance for New Zealand non-protected special category visa holders as small numbers of distinctive claims may lead to individual claimants being identified.

EMERGENCY CLAIM LODGEMENT CHANNEL

There are various options to claim disaster recovery payments, including over the phone, online, by completing a paper claim form, and in person.

Table 41: Percentage of disaster recovery claims granted by claiming channel¹

Claiming channel	2013–14 %	2014–15 %	2015–16 %
Phone	21	61	59
Online	14	33	18
Paper and in person	65	6	23

1. These figures do not include AVTOP, or rapid response payment claims.

AUSTRALIAN GOVERNMENT EMERGENCY INFORMATION LINE

The Australian Government Emergency Information Line was activated in response to disaster recovery financial assistance for:

- Western Australia Waroona bushfires—Peel and South West regions
- South Australia Pinery bushfires—Barossa, Yorke and Mid-North regions
- New South Wales East Coast Storms and Floods, June 2016
- Tasmania East Coast Storms and Floods, June 2016.

Table 42: Calls to the Australian Government Emergency Information Line

Australian Government Emergency Information Line	South Australia Pinery bushfires	Western Australia Waroona bushfires	New South Wales East Coast Storms and Floods, June 2016	Tasmania East Coast Storms and Floods, June 2016
Calls answered	1 843	6 251	23	11

WORKING IN EMERGENCY RECOVERY

In 2015–16, following the South Australia Pinery and the Western Australia Waroona bushfires, 11 staff were sent to the affected areas to assist in delivering emergency payments.

During these events the department had up to seven ‘Points of Presence’ at any one time. Points of Presence are mobile computing equipment sites that have laptop computers, printers and internet connectivity. These sites provide staff with instant access to departmental systems, allow on-the-spot assessment of claims, and offer other departmental assistance.

The department tailored business-as-usual activities for the bushfire affected areas to streamline access to payments and services for those affected. In early December 2015 mobile service centre crews assisted in recovery after the South Australia Pinery bushfires. They spent nine days in two disaster-affected communities, helping over 500 people.



Responding quickly when emergency strikes

During the searing heat of Western Australia's summer, when bushfires ravaged much of the state's south-west, an emergency response team from the department responded immediately.

'Disaster season means all systems go for us. After being in this role for 10 years, I've seen it all,' team coordinator Con said.

'All around us was the devastation of burnt down houses, smouldering land and cut-down power poles.'

Staff from the department are generally first in the field and last to leave. As soon as it was safe enough, within 24 hours two recovery centres were set up in Yarloop.

Representing the department's technology 'front door' for all emergency responses, decisions are made about what equipment is needed, where it's needed, and how to get it there.

Because the fires were so intense the mobile phone towers were damaged. So the team flew in with big antennas and set up a telecommunications hub which included 3G and 4G routers, Wi-Fi and laptops that connected to the mainframe and Customer First.

'While the technology is increasingly sophisticated, it is still our trusty laptops that are vital to quickly processing payment claims from affected people,' Con said.

While equipment and teamwork are key to the department's emergency responses, they also work alongside other levels of government and local community services so that customers can access all the help available.

'We have a great sense of camaraderie during situations like this, when we come together to help as much as we can,' Con said.

AUSTRALIAN VICTIM OF TERRORISM OVERSEAS PAYMENT

AVTOP provides one-off assistance to Australians who were harmed (primary victims) and close family members of a person who died (secondary victims) as a direct result of a declared overseas terrorist act.

The payment was announced in December 2015 for the Paris attacks that occurred during November 2015, and in May 2016 for the Brussels attacks that occurred in March 2016.

In 2015–16 claims were paid for the following retrospective events which had been activated in 2013:

- 2001 US September 11 attacks
- 2002 Bali bombings
- 2004 Jakarta bombing
- 2005 London bombings
- 2005 Bali bombings
- 2006 Egypt bombings
- 2008 Mumbai attacks
- 2009 Jakarta bombings
- 2013 Nairobi armed assault.

In 2015–16, 223 calls were answered by the Australian Victim of Terrorism Overseas Hotline.

Table 43: AVTOP payments in 2015–16

	Primary victims	Secondary victims
Claims finalised	38	0
Claims paid to affected people	26	0
Amount paid into people's bank accounts	\$1 489 000	\$0

NATIONAL EMERGENCY CALL CENTRE SURGE CAPABILITY

The department provides surge assistance through the National Emergency Call Centre Surge Capability (NECCSC) on request from states, territories and other Australian Government agencies when their own resources are overwhelmed (this does not include calls to the state and territory emergency services and 000).

In 2015–16 the NECCSC was activated in response to the floods in Tasmania in June 2016 with the department taking 78 calls.

NATIONAL SECURITY HOTLINE

The department provides surge assistance for the National Security Hotline on request from the Attorney-General's Department. The hotline is the single point of contact for people to report possible signs of terrorism or to request information.

In 2015–16 the department assisted in taking 1744 calls for the National Security Hotline.

Events that closed in 2015–16

Claims for the AGDRP and DRA can be lodged up to six months from the date the payment is activated. Claims were paid in 2015–16 for events that occurred during the 2014–15 disaster season—that is, the period for claiming some payments did not 'close' in 2014–15. These events included:

- South Australian bushfires—Mount Lofty Ranges region
- Tropical Cyclone Lam—Arnhem region of the Northern Territory
- Tropical Cyclone Marcia—Fitzroy and Wide Bay-Burnett districts of Queensland
- Tropical Cyclone Olwyn—Pilbara-Gascoyne region of Western Australia
- New South Wales east coast storms and flooding—Hunter Valley, Newcastle and Lake Macquarie, Central Coast and Mid-North Coast regions.

For these events, in 2015–16 the department paid:

- 8352 AGDRP payments, worth \$10 157 879
- 46 DRA payments, worth \$429 401
- 26 ex-gratia payments to New Zealand non-protected special category visa holders.

Disaster Health Care Assistance Schemes

The Australian Government helps people to meet health and community care costs arising from specified natural disasters and terrorist attacks. The department administers the following special assistance schemes:

- Balimed (2002)
- Tsunami Healthcare Assistance (2004)
- London Assist (2005)
- Bali (2005)
- Dahab Egypt Bombing Health Care Costs Assistance (2006).

CLOSURE OF HUNTER RIVER AND PORT STEPHENS FISHERIES

In 2015–16 the department delivered payments on behalf of the Department of Defence to assist individuals and small businesses affected by the closure of Hunter River and Port Stephens fisheries. The payments consisted of:

- a fortnightly Income Recovery Subsidy for individuals
- the Business Assistance Payment and Business Hardship Payment for small businesses.

Table 44: Payments relating to the closure of Hunter River and Port Stephens Fisheries

	Income Recovery Subsidy	Business Assistance Payment	Business Hardship Payment
Claims finalised	26	37	60
Claims paid to affected people or businesses	NA ¹	NA ¹	NA ¹
Amounts paid to people or businesses	\$135 219	\$170 000	\$419 792

1. Any public reference to data that is less than 20 increases the risk that an individual may be identified and have their privacy breached

In 2015–16, 233 calls were answered by the Australian Government Information Line for people affected by the closure of the Hunter River and Port Stephens fisheries.

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Management and accountability



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3.1 CORPORATE GOVERNANCE

Strong governance is key to the department delivering outcomes in controlled, transparent and accountable ways, and serving its customers efficiently and effectively.

The department's governance framework comprises the principles, practices and tools we need to ensure our approach to governance is consistent and coordinated. Major elements include:

- coordinated business planning which reflects the department's Corporate Plan
- performance monitoring, through regular review of strategic and organisational performance measures—see *Annual Performance Statement 2015–16* on page 12
- strong management of the department's major programmes and projects—see *Programme and project management* on page 105.
- an integrated enterprise risk management framework—see *Risk management* on page 112.

During 2015–16 the department:

- developed the *2015–16 Corporate Plan*. The plan outlines the department's purpose and includes the vision, mission, themes and priorities that shape our business planning
- updated the Portfolio Budget Statements to align with the Enhanced Commonwealth Performance Framework
- improved risk management through regular reviews, management of enterprise risk interdependencies, and governance of risk through the department's Risk, Business Continuity and Security Committee.

GOVERNANCE COMMITTEE FRAMEWORK

The department's governance committee structure at 30 June 2016 includes the Executive Committee and seven supporting governance committees that provide advice and assurance to the Executive Committee. A number of the committees also have an independent chair and/or members who are senior experienced professionals outside of the organisation who provide an additional level of independent oversight and advice.

Executive Committee—provides advice to the Secretary who has overall accountability to support the Minister in delivering the department's responsibilities and contributing to broader government priorities. The committee advises on the department's strategic directions, and on significant management and investment decisions. It also monitors financial performance, risk and compliance standards. The Secretary chairs the committee which meets weekly.

Audit Committee—reviews and gives independent advice and assurance about the appropriateness of the department's financial and performance reporting, and systems of risk oversight, risk management, and internal control. This committee has four independent members: Mr Mark Ridley as Chair and Ms Jenny Morison, Mr Nick Baker and Mr Andrew Dix. The Audit Committee meets at least quarterly.

Customer Committee—provides advice and assurance to the Secretary and Executive Committee that customer service achieves high quality government outcomes that are consistent with best practice. This committee meets monthly.

Finance and Investment Committee—provides advice and assurance to the Executive Committee that all significant investment decisions are transparent and accountable. The Secretary chairs this committee which meets at least quarterly.

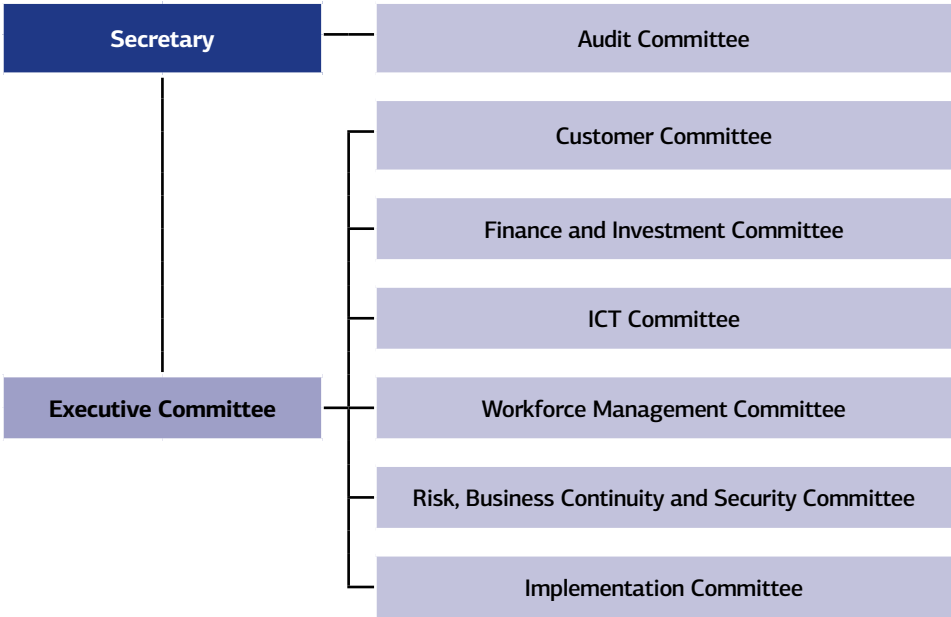
ICT Committee—provides advice and assurance to the Executive Committee that the strategic ICT operations of the department including ICT investment and architecture decisions achieve high quality government outcomes. The Secretary chairs this committee which meets at least quarterly.

Workforce Management Committee—provides advice and assurance to the Secretary and Executive Committee on all departmental workforce and people matters. This Committee replaced the People and Leadership Committee and meets at least monthly.

Risk, Business Continuity and Security Committee—provides advice and assurance to the Secretary and Executive Committee that there is appropriate oversight of the department's risk, business continuity and security arrangements. This committee has an independent Chair, Ms Philippa Godwin PSM, and meets monthly.

Implementation Committee—provides advice to the Secretary and Executive Committee to ensure the effective implementation of significant departmental change initiatives and programmes and projects. This committee has one independent member, Ms Sandra Lambert AM, and meets monthly.

Figure 6: Governance committee structure at 30 June 2016



DEREGULATION AND RED TAPE REDUCTION

The government is committed to reducing the cost of red tape for individuals, businesses and community organisations by \$3 billion over three years. The department contributed savings of \$132.7 million to the government’s target in the 2015 calendar year, as reported in the Annual Red Tape Reduction Report 2015. A copy of the report is available on the Cutting Red Tape website at cuttingredtape.gov.au

Several areas across the department were involved with initiatives to improve interactions with the public and to reduce red tape. These included improving claims processes and online functionality for customers, and working with the Department of Education and Training to reduce the need for job seekers to phone the department or visit a service centre about participation activities.

The department also consults with external parties about opportunities to reduce red tape through its national advisory groups and forums.

FUNCTIONAL AND EFFICIENCY REVIEW

A Functional and Efficiency Review (FER) was undertaken as part of the government's Efficiency through Contestability Programme to assess the efficiency and effectiveness of the department's operations, programmes and administration. Mr David Tune AO PSM was appointed as the Independent Leader of the review. Mr Tune was supported by an independent secretariat, Yellow Edge Consulting.

PROGRAMME AND PROJECT MANAGEMENT

In 2015–16 the department made significant progress in improving the way we manage and coordinate a large number of programmes and projects across the department. This includes finding ways to better deliver Budget measures, legislative reforms and service transformation initiatives.

A key part of this was to set up a portfolio project function within the department to drive the improvements. Work during the year included:

- building on our programme and project management tools and methodologies
- helping managers and teams to follow our programme and project management frameworks
- conducting status reviews to provide assurance that projects are staying on track
- training around 3000 staff, including SES officers with responsibility for specific programmes and projects
- regularly reporting on progress to the Implementation Committee, and alerting them to any issues or risks.

3.2 ACCOUNTABILITY AND SCRUTINY

EXTERNAL

External audits

In 2015–16 the Australian National Audit Office (ANAO) tabled five performance audit reports involving the department, making a total of nine recommendations. The department agreed with all recommendations relevant to the department. ANAO representatives were invited to attend all Audit Committee meetings as observers.

In some cases ANAO recommendations directly involved the responsibilities of policy departments. As the service delivery department, we worked with policy departments to help them effectively respond to the recommendations.

The Joint Committee of Public Accounts and Audit is required by the *Public Accounts and Audit Committee Act 1951* to examine all Auditor-General reports that are tabled in Parliament.

The department was required to attend public hearings of the committee relating to the following ANAO audits:

- **Report No. 25 2014–15:** Administration of the Fifth Community Pharmacy Agreement, resulting in Report 451: Community Pharmacy Agreements
- **Report No. 37 2014–15:** Management of Smart Centres' Centrelink Telephone Services, resulting in Report 452: Natural Disaster Recovery; Centrelink Telephone Services; and Safer Streets Program.

For more information about ANAO audit reports see Appendix C on page 234.

Commonwealth Ombudsman

In 2015–16 the Commonwealth Ombudsman approached the department in relation to 777 investigations. This is a decrease of 3.4 per cent compared to 2014–15.

The Ombudsman published three section 15 reports involving the department. For more information see Appendix C on page 236.

Freedom of information

In 2015–16 the department had an Information Publication Scheme page on its website (see Appendix D on page 237).

During the year the department received 4667 Freedom of Information (FOI) requests for documents. This represents a four per cent increase on the previous year. The department received 38 requests for amendment or annotation of personal records. There was also a decrease of four per cent in the number of complex requests seeking non-personal information.

Taking into account cases pending from previous years, 4624 requests were finalised. Of these requests:

- applicants withdrew 902 requests before decisions on access were made
- full access was granted in 1719 cases
- part access was granted in 1492 cases
- access was refused in 494 cases
- 17 cases were transferred to other agencies.

Reviews of freedom of information decisions

In 2015–16 the department received 95 FOI requests for an internal review of access decisions and amendment decisions. Of the reviews of access decisions completed in 2015–16, and taking into account requests pending from previous years, 33 requests resulted in access or part access. The original decision was affirmed in 42 of the reviews completed compared to 40 in 2014–15.

Office of the Australian Information Commissioner

During the year the Office of the Australian Information Commissioner (OAIC) published one review decision in relation to applications for review of FOI access decisions made by the department. This review affirmed the department's decision.

PERSONAL INFORMATION REQUESTS

The department provides various ways for people to access their own information including through our online services.

We also respond to requests for personal information in the public interest and under specific provisions in the legislation we administer.

In 2015–16 the department processed 105 687 personal information requests compared to 136 838 in 2014–15, a decrease of 23 per cent.

JUDICIAL DECISIONS AND TRIBUNAL APPEALS

In 2015–16 there were no judicial decisions that had a significant impact on the operations of the department.

A large number of the department's decisions are subject to merit review by the Administrative Appeals Tribunal. For more information see *Merit reviews* on page 116.

INTERNAL

Internal audits

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The department completed 59 internal audits in 2015–16. Every six months the department develops a rolling Audit Work Programme that establishes internal audit priorities for the coming 12 months. The programmes for 1 July 2015 and 1 January 2016 were developed in consultation with the Audit Committee and the Executive and were approved by the Secretary.

Internal audit priorities are based on the 'three lines of defence' model that positions the Audit Division as the department's independent assurer (the 'third line'). Consistent with the Audit Committee's mandatory functions under the *Public Governance, Performance and Accountability Act 2013* (see page 103), audits focus on enhancing the effectiveness of the system of risk oversight (the 'second line') so that improvements flow to wider areas of the system of internal control (the 'first line').

Managing internal fraud

The department has a zero tolerance approach to fraud and takes internal fraud control seriously. Our fraud detection programme takes a multifaceted approach that includes internal data-matching, risk profiling and environmental scanning. To support fraud prevention our fraud awareness strategies promote key messages about how we identify and report suspected fraud, staff responsibilities, and awareness of current and emerging risks.

The department's 2015–16 Fraud Control Plan provides assurance that the department's identified fraud risks are managed appropriately. The Fraud Control Plan meets the department's responsibility for compliance under section 10 of the *Public Governance, Performance and Accountability Rule 2014* and the *Commonwealth Fraud Control Framework 2014*. The plan ensures that the department takes a comprehensive strategic approach to fraud risk, and that all reasonable measures are in place to prevent, detect and deal with fraud.

The department uses a range of strategies to prevent and respond to internal fraud including:

- fraud control planning, monitoring and reporting
- a Fraud Strategy Statement to which all staff are required to adhere
- internal and external reporting mechanisms
- collecting and analysing information and data to detect fraud
- receiving and analysing allegations from internal and external sources
- testing and analysing the effectiveness of fraud controls, and making recommendations where appropriate to strengthen controls to prevent and detect fraudulent activity
- conducting investigations in accordance with Australian Government Investigation Standards.

Substantiated incidents of internal fraud are referred to the Commonwealth Director of Public Prosecutions (CDPP) for consideration of criminal prosecutions. The department also considers the need for administrative action against breaches of the Australian Public Service Code of Conduct (see *Standards of behaviour* on page 133).

The department promotes fraud prevention and awareness to staff across the organisation. Activities include:

- Fraud Awareness Week, including articles and executive messaging on fraud
- mandatory fraud awareness training
- tailored fraud awareness communication activities and presentations
- an Intranet page linking all relevant awareness information and tip-off forms.

Business continuity

The department has a Business Continuity Programme based on the international standard BS ISO 22301:2012 Societal security: Business continuity management systems requirements.

The 2016 Business Continuity Policy has refined the scope of the Business Continuity Programme. This is a direct outcome of the programme's increased level of maturity and is intended to align more closely to departmental requirements.

The 2015–16 Business Impact Analysis supports development of business continuity plans under this revised scope. The endorsed validation programme formally tests the business continuity plans to confirm the response and recovery arrangements.

The progress of business continuity activities is reported monthly to the department's Risk, Business Continuity and Security Committee.

Corporate records management

The government's Digital Continuity 2020 Policy promotes a consistent approach to information governance. The department has increased its digital record-keeping capability and continued the transition to entirely digital work processes. In 2015–16 the department's online and self-service capabilities led to further reductions in the volume of paper received. When the department receives paper records they are digitised as much as possible.

Internally the department is focused on creating and maintaining administrative records digitally and reducing reliance on paper records. During the year, the department continued to consolidate existing warehouse storage facilities to improve the efficiency of records management services.

INFORMATION MANAGEMENT

Data collected by the department assists in determining eligibility for social and health-related services and payments. The data helps the department and other agencies to understand our service delivery and programmes. In addition, ad hoc data is provided to both internal and external stakeholders. The department's website at **humanservices.gov.au** contains statistical information and data. Users can also make requests for these via the website.

Beyond this direct activity, our data sets are also used to support a broader government agenda framed by the recommendations of the Public Sector Data Management Project (Department of the Prime Minister and Cabinet) and the release of the *Australian Government Public Data Policy Statement*. The use of the data sets for other purposes occurs within the strict boundaries of legislation, with a primary focus on privacy. The department:

- publishes de-identified data to the **data.gov.au** website and has increased the number of published data sets from six to 12 during 2015–16
- plays a key role in the Multi Agency Data Integration Project, which will result in the creation of an enduring, linked, de-identified and publicly-accessible research data set made available to researchers through safe and agreed access arrangements
- develops its data analytics capability by investing in staff to build a workforce that better understands the value of data in strengthening its evidence base to help design more effective policy and services that improve people's lives. As part of this, the department will offer a professional pathway in data analytics for the first time in 2017.

SAFEGUARDING PRIVACY

Customer records and personal information

The department is committed to protecting the privacy of customers and staff. We have comprehensive processes to protect personal information. Our privacy framework is guided by the Operational Privacy Policy, which includes a number of requirements that staff must comply with. The policy reinforces that:

- all staff acknowledge their privacy and confidentiality responsibilities every year
- privacy incidents must be reported as soon as they are identified.

Personal information related to the administration of the department's programmes and services is protected by the *Privacy Act 1988* and the secrecy provisions in the various laws under which services are delivered, for example, the *Social Security (Administration) Act 1999*. Requests for personal information are considered under the Australian Privacy Principles and relevant secrecy provisions.

Privacy impact assessments

As new projects and programme improvements are developed, the department considers their potential impact on privacy. Under the Operational Privacy Policy, privacy impact assessments are used to:

- minimise privacy risks and impacts
- ensure compliance with legal obligations
- ensure the department's commitment to safeguarding customer privacy is met.

Privacy incidents

The department investigates all privacy complaints. Escalation and reporting processes minimise the effects of any substantiated privacy incident. In 2015–16 the total number of substantiated privacy incidents was 797, which is 59 per cent less than in 2014–15.

COMPENSATING CUSTOMERS

In 2015–16 the department received 2101 customer compensation claims compared to 2820 claims in 2014–15. Claims are paid when the department is legally liable to pay compensation, or under the Scheme for Compensation for Detriment Caused by Defective Administration.

The department approved a total of 1393 customer compensation claims in 2015–16. This represents 57 per cent of all determined claims compared to 47 per cent in 2014–15.

The department aims to process customer compensation claims within 90 days. In 2015–16, 85 per cent of claims were completed within 90 days compared to 86 per cent in 2014–15.

RISK MANAGEMENT

Risk management is integral to the department's strategic and operational environment. Our governance framework and planning processes reflect this.

The department's Enterprise Risk Management Policy and Risk Management Framework outline the vision, direction and guiding principles of our risk management approach. The policy and framework are consistent with the international risk management standard AS/NZS ISO 31000:2009 *Risk Management: Principles and Guidelines*, and the Commonwealth Risk Management Policy. The policy and framework are reviewed annually to ensure compliance with better practice.

Strategic risks are identified and developed during the strategic planning process through consideration of the department's risk environment, wider factors impacting the government and the Australian Public Service, and the department's operational risks.

The department has 10 enterprise-wide strategic risks:

- implementing government initiatives
- service delivery and customer service
- protecting staff, assets and customers on our premises
- integrity of government outlays
- progressing strategic priorities
- providing good customer service
- protecting customer information
- ICT capability
- delivering policy advice and working collaboratively with others
- attracting and developing staff.

As part of our business planning cycle, operational risks are also identified across the department. Senior executive staff manage operational risks and report on them regularly.

Strategic and operational risks are reported on to the department's Risk, Business Continuity and Security Committee. The Audit Committee's functions include reviewing the appropriateness of the department's system of oversight and risk management.

To assist in managing risks associated with urgent or high-profile incidents and issues, the department has a system for quickly informing relevant stakeholders.

Comcover risk management

In 2015–16 the department participated again in the annual Comcover Risk Management Benchmarking Programme, providing an opportunity to measure the department's capability using a flexible risk maturity model. Comcover rated the department as having an 'advanced' risk maturity level. This maturity level reflects the department's commitment to sound risk management and its integration with its operational capabilities.

3.3 COMPLIANCE AND BUSINESS INTEGRITY

SOCIAL SECURITY AND WELFARE PROGRAMME COMPLIANCE

Payment accuracy, correctness and integrity

Payment accuracy reflects the department's ability to pay the right person the right amount of money, through the right programme, at the right time, and takes into account customer and administrative error.

Payment accuracy is calculated by the Department of Social Services (DSS) using data derived from random sample surveys. DSS reports on payment accuracy in its annual report available at dss.gov.au

Payment correctness for social security or family assistance payments is also calculated using data derived from random sample surveys. Payment correctness is the percentage in surveys where the customer received a correct payment without administrative error. With a target of 95 per cent in 2015–16, the department achieved payment correctness of 98.4 per cent compared to 98.1 per cent in 2014–15.

Payment integrity ensures that payments made on behalf of government are managed correctly and that appropriate checks exist to minimise the likelihood of errors.

Customer compliance

In 2015–16 the department continued its effective management of identified payment accuracy risks. The department uses a number of interventions to address payment risk and increasingly uses new strategies to educate and assist people to receive their correct entitlements and meet their obligations and responsibilities. We work with people to resolve issues when they have not complied with requirements because of genuine mistakes.

During the year the department's targeted early intervention strategies included sending letters and SMS messages to remind our customers of their obligations and to prompt self-correction. Whenever possible we made immediate contact, usually by phone, to remind our customers about their reporting obligations and to update their records to avoid overpayments.

In 2015–16 more than 260 000 customers were contacted using these approaches which prevented \$63.7 million in overpayments (see Table 45 below). This contact from the department allowed customers most at risk to receive the support they needed to ensure their payments were correct.

Table 45: Social welfare payments compliance activity

	2013–14	2014–15	2015–16	% change since 2014–15
Interventions	869 082	923 462	987 895	+7.0
Reductions in payments	77 272	52 100	69 921	+34.2
Fortnightly savings in future outlays	\$19.2 million	\$18.2 million	\$21.7 million	+19.2
Prevented outlays	\$51.8 million	\$61.4 million	\$63.7 million	+3.7
Debts raised	101 331	126 134	210 009 ¹	+66.5
Total debt value	\$283.6 million	\$362.1 million	\$694.6 million ¹	+91.8

1. The introduction of the Strengthening the Integrity of Welfare Payments—Employment Income Matching budget measure saw an increased focus on addressing historical overpayments. This compliance activity has resulted in a high incidence of debt and has subsequently contributed to a significant increase in debt savings from the 2014–15 financial year.

The department's risk-based compliance approach uses data from a variety of sources to identify and manage payment risks. Data from internal and external sources is used in data-matching exercises to identify customers at risk of incorrect payment. In 2015–16 external sources included:

- the Australian Securities and Investments Commission
- the Australian Taxation Office (ATO), other than using the *Data-matching Program (Assistance and Tax) Act 1990*
- the Commonwealth Superannuation Corporation
- the Department of Education and Training
- the Department of Employment
- the Department of Health
- the Department of Immigration and Border Protection
- the Department of Veterans' Affairs (DVA)
- Defence Housing Australia
- public and private education providers
- state and territory departments of corrective services
- state and territory registrars of births, deaths and marriages
- state and territory land titles offices.

In accordance with section 6 of the *Data-matching Program (Assistance and Tax) Act 1990*, the department, the ATO and DVA participated in two complete data-matching cycles for the department and four complete data-matching cycles for DVA. These activities resulted in 6585 reviews and returned \$65.3 million in net benefits to government.

Table 46: Social welfare reviews and net benefits to government

	2013–14	2014–15	2015–16	% change since 2014–15
Reviews	27 632	24 178	6 585 ¹	–72.8
Net benefits	\$132.7 million	\$134.6 million	\$65.3 million	–51.5

1. There were significant improvements made towards Employment Income Matching (EIM) interventions which uses Pay As You Go payment summary data provided by the ATO. EIM targets the same Earned Income risk as the Data-matching Program. A redesigned process has enabled more EIM reviews to be completed and improved treatment of the risk.

See Appendix E on page 238 for more information about the department’s Data-matching Program.

REVIEWS OF SOCIAL WELFARE PAYMENT DECISIONS

Merit reviews

A customer may ask for a review of a decision—an independent process undertaken by an officer not involved with the original decision. The review officer will contact the customer to explain the original decision and may ask for further information. The review officer can affirm, vary or set aside the original decision.

In 2015–16 the department continued to focus on managing outstanding reviews of decisions. An improved business model saw a significant reduction in the number and the age of reviews on hand. This, in turn, led to an overall decrease in the average time taken to finalise customer reviews.

Once this internal process is completed, if still unsatisfied the recipient can apply for a review by the Administrative Appeals Tribunal (AAT) Social Services and Child Support Division (referred to as the ‘AAT First Review’). If the recipient still remains unsatisfied after the AAT First Review, they have a right to request a further review by the AAT General Review Division (referred to as the ‘AAT Second Review’). The AAT First Review process was previously undertaken by the Social Security Appeals Tribunal (SSAT). From 1 July 2015 the SSAT was amalgamated into the AAT which assumed responsibility for both levels of the review process.

Decisions most commonly challenged were:

- rejection of claim for payment such as Disability Support Pension
- raising or recovery of debts, including Family Tax Benefit reconciliation debts
- participation failure
- start date of payment
- rate of payment.

Table 47: Social welfare payments merit review applications

Applications	2013–14	2014–15	2015–16
Internal reviews	115 618	111 982	105 786
SSAT/AAT First Review ¹	9 812	12 289	11 198
AAT/AAT Second Review ¹ customer applications	1 924	1 999	2 178
AAT/AAT Second Review Secretary applications ²	45	75	81

1. From 1 July 2015 the SSAT was amalgamated into the AAT which assumed responsibility for both levels of the review process. The two levels of review are now referred to as the AAT First Review and the AAT Second Review.
2. This refers to the Secretary of any department where the Minister is responsible, under the Administrative Arrangements Order, for part of the social security laws that allow decisions to be appealed to the AAT.

Table 48: Social welfare payments merit review outcomes

	Unchanged decisions ¹			Changed decisions		
	2013–14	2014–15	2015–16	2013–14	2014–15	2015–16
Internal review officer	65.3% 80 370	66.1% 83 286	62.5% 60 963	34.7% 42 662	33.9% 42 732	37.5% 36 617
SSAT/AAT First Review ²	75.1% 7 686	75.3% 7 974	74.6% 8 195	24.9% 2 548	24.7% 2 619	25.4% 2 788
AAT/AAT Second Review ² —customer applications	75.2% 1 416	79.7% 1 390	79.2% 1 542	24.8% 468	20.3% 354	20.8% 404
AAT/AAT Second Review —Secretary applications ³	73.3% 22	50.0% 18	50% 43	26.7% 8	50.0% 18	50% 43

1. Unchanged decisions include reviews that have been withdrawn.
2. From 1 July 2015 the SSAT was amalgamated into the AAT which assumed responsibility for both levels of the review process. The two levels of review are now referred to as the AAT First Review and the AAT Second Review.
3. This refers to the Secretary of any department where the Minister is responsible, under the Administrative Arrangements Order, for part of the social security laws that allow decisions to be appealed to the AAT. Secretary applications are managed in accordance with the partner department's instructions.

DEBT MANAGEMENT

In 2015–16 the department raised 2 439 431 social welfare debts to the value of \$2.8 billion.

Table 49: Debts raised from customers receiving social welfare payments

	2013–14	2014–15	2015–16
Number of debts raised	2 230 894	2 350 131	2 439 431
Amount raised	\$2.2 billion	\$2.5 billion	\$2.8 billion

Debt recovery

People with payment debts have several options available to make repayments, including by cheque, money order, direct debit, BPAY, phone or internet banking, or Australia Post’s Post Billpay service. For a customer still receiving a payment the most common method of repaying a debt is through withholdings from their payment.

When a customer has difficulties repaying a debt, the department organises a repayment agreement that ensures the customer is not put in serious financial hardship.

When a person is no longer receiving payments and has failed to make or maintain a recovery arrangement, the department may use a contracted collection agent to recover a debt, with commission only paid on the recovered amount. The department also has a dedicated team with investigative and intelligence capability to locate former customers who have large debts and the capacity to pay them. If necessary, legal action may be taken to recover the amounts owed.

Table 50: Social welfare customer debt recovered

	2013–14	2014–15	2015–16
Total debts recovered	\$1.27 billion	\$1.43 billion	\$1.54 billion
—amount recovered by contracted agents	\$124.8 million	\$131.3 million	\$144.7 million
—percentage of total recovered by contracted agents	9.9%	9.2%	9.4%

Compensation payments

The *Social Security Act 1991* encourages people to use private financial resources, such as compensation payments, before accessing the taxpayer-funded social security system. It also ensures that any compensation payments for an injury or illness are considered in the calculation of any social security benefits. Under the Act:

- people can be compelled to claim for compensation when compensation may be payable
- the department can recover past payments of social security from arrears payments of periodic compensation payments and lump-sum compensation payments
- periodic payments, such as weekly workers' compensation payments, reduce directly dollar for dollar the rate of social security payments otherwise payable. Any excess is treated as income for partners of compensation recipients
- if a person receives a lump-sum compensation payment, they will not receive social security payments during the preclusion period.

So that individuals fully understand the effect of a compensation payment on future income support payments, the department contacts them to ensure they are aware of preclusion periods. This helps people make informed decisions about their financial position.

Individuals and their legal representatives can also access a tool on our website to estimate the impact of a pending compensation claim. Information is also available for compensation recipients, compensation authorities, and legal, insurance, union and community representatives.

SERIOUS NON-COMPLIANCE

Our intelligence capability

In 2015–16 the department conducted a variety of intelligence activities to detect and target potential fraud and non-compliance associated with welfare, child support and health programmes. This included supporting a number of joint taskforce activities, testing new detection programmes, supporting the government's New Compliance Data Sources and the Strengthening the Integrity of Welfare Payments measures, assessing tip-offs provided by the public, and enhancements to the department's well-established detection capability. The department also used data analytics to improve and refine the detection of fraud and non-compliance.

The department continued to work closely with a number of other government agencies including the Australian Transaction Reports and Analysis Centre, the (then) Australian Crime Commission, the CDPP and the Australian Federal Police (AFP) to promote law enforcement. See *Partnerships in combating crime* on page 122.

As a result of the machinery of government changes in September 2015, responsibility for health provider compliance with the Medicare Benefits Schedule, Pharmaceutical Benefits Scheme and allied health services moved to the Department of Health. The department retained responsibility for customer compliance activities within the health programmes. We reviewed our fraud control framework to focus more clearly on public and patient compliance when claiming and receiving health programme benefits. The updated framework also includes building further capability to detect potential customer fraud.

TASKFORCE INTEGRITY

As part of the Strengthening the Integrity of Welfare Payments 2015 Budget measure, Taskforce Integrity was officially launched in November 2015. The taskforce's aim is to change localised cultures of non-compliance and welfare fraud and to positively influence customer behaviour.

Run by the department and supported by the AFP, the taskforce is led by an AFP Assistant Commissioner. The taskforce draws on capability from across the department and the AFP to identify and target geographic areas where data analysis points to a higher risk of non-compliance and suspected welfare fraud.

Since the taskforce was established to 30 June 2016, it has undertaken 12 968 compliance reviews, raised over \$19.6 million in debts to the Australian Government, and identified and progressed 135 cases for further investigation.

PUBLIC TIP-OFFS

The Australian Government is serious about protecting the integrity of the welfare and health programmes to ensure available funds are directed to those in the community who need help the most. While the overwhelming majority of people are honest, there are a small number of people who try to defraud the welfare and health systems and actively try to avoid detection.

Effective handling of tip-offs is a key element in maintaining community confidence in the integrity of payments. All tip-offs from the public suggesting a person may be receiving a payment or benefit to which they are not entitled are assessed by specialist staff. The department invests substantial effort to ensure they are dealt with appropriately.

Information from the public about people who may have incorrectly or fraudulently claimed or received a payment or benefit is used to review entitlements and, if appropriate, carry out investigations. People can provide information to us by:

- reporting via the fraud page on our website
- phoning the Australian Government Fraud Tip-off Line on **131 524**
- writing to us at PO Box 7803, Canberra BC ACT 2610.

In 2015–16 we received more than 42 000 tip-offs through the Australian Government Services Fraud Tip-off Line and more than 67 000 tip-offs from other sources.

Table 51: Tip-offs

	2013–14	2014–15	2015–16	% change since 2014–15
Tip-offs through Fraud Tip-off Line	52 942	49 140	42 825	–12.9
Tip offs from other sources	51 134	59 701	67 973	+13.9

FRAUD INVESTIGATIONS

The department investigates fraud and refers appropriate matters to the CDPP for it to consider prosecution. The department's fraud control processes are deliberately focused on the most serious cases of fraud, rather than on people making honest mistakes. See *Our intelligence capability* on page 119.

In 2015–16 the department completed 1507 investigations into fraud compared to 2346 investigations in 2014–15. These investigations covered a range of risks including:

- undisclosed income or assets
- identity fraud
- undeclared family relationships
- residency and absence from Australia
- study requirements.

Of the investigations completed in 2015–16:

- 1354 related to the department's Social Security and Welfare programme
- 25 related to the department's Child Support programme
- 128 related to the department's Health programme.

During the year, to support the investigation capability in a digital environment, the department:

- enhanced its digital forensic capability
- further developed its real time, risk profiling capabilities to enhance our ability to address online fraud and prevent incorrect payments.

Optical surveillance

Optical surveillance involves observations of people, vehicles, places or objects. The department continued to use optical surveillance where other types of investigation techniques were unsuccessful and when there was a reasonable suspicion of fraud, serious cases of child support avoidance or income minimisation.

In 2015–16 the department completed 31 matters where optical surveillance was used compared to 20 in 2014–15.

Partnerships in combating crime

To ensure a strong response to fraud and non-compliance, the department continues to work in cooperation with a number of government agencies and private sector entities. These partnerships included new information-sharing arrangements, focused intelligence activities and investigations, proactive matching on lists of criminals, active involvement in taskforces, and regular data matching.

AUSTRAC

The Australian Transaction Reports and Analysis Centre (AUSTRAC) gives the department access to its records of significant or suspicious financial transactions. Commencing on 1 January 2016 AUSTRAC and the department introduced an automated data match to supplement existing data acquisition and sharing arrangements. This information is used to detect undisclosed income or target unexplained wealth.

Real time access to this intelligence will strengthen the agility of the department and enable us to better tackle serious and systemic attacks on the welfare system.

Australian Crime Commission

The department provided ongoing support to the (then) Australian Crime Commission (ACC) to address the threat of organised crime. It had two officers seconded to the ACC for this purpose—one to the ACC's Fusion Centre which focuses on financial crime; and another to the Australian Gangs Intelligence Coordination Centre. As part of the ongoing arrangement, the department also received information and intelligence from the ACC on issues that are identified as associated with social and welfare fraud and non-compliance.

Australian Federal Police

The AFP supports the department's fraud control efforts. During the year 10 seconded federal agents worked with the department, assisting with our investigations and preparing and executing search warrants. These federal agents also provided training and advice to departmental investigators.

The department is also a member of the Fraud and Anti-Corruption Centre (FAC) established by the AFP. The FAC responds to serious and complex fraud against the Australian Government, corruption by Australian Government employees, foreign bribery and complex identity crime involving the manufacture and abuse of credentials. The department provides one officer on secondment as part of this response.

Commonwealth Director of Public Prosecutions

The department and the CDPP continued to work together to respond to fraud against social, health and welfare programmes. The department detects and investigates potential fraud and refers matters involving criminal intent to the CDPP which decides whether to prosecute matters.

In 2015–16 the department referred 996 cases to the CDPP compared to 1470 referrals in 2014–15. These referrals included:

- 980 cases related to customers receiving social security or family assistance payments compared to 1366 in 2014–15
- nine cases related to customers receiving Child Support services compared to 10 in 2014–15
- seven cases related to fraudulently claiming Health programme benefits compared to 94 in 2014–15.

CHILD SUPPORT CUSTOMER COMPLIANCE

In 2015–16 the department continued to implement its child support compliance programmes. The department uses various activities to collect ongoing and overdue child support including those listed in the following tables.

Table 52: Child support compliance and enforcement actions

	Number of actions			Child support collected/corrected \$ million		
	2013–14	2014–15	2015–16	2013–14	2014–15	2015–16
Tax refund intercept payment	111 612	105 202	97 679	130.4	121.5	114.6
Departure prohibition orders	271	218	911 ¹	6.2	6.7	7.9
Litigation	186	169	1841	4.4	3.7	6.4

1. There has been a significant increase in the number of Departure Prohibition Orders and Litigation cases reported due to a more accurate reporting source being used for these work types.

Table 53: Employer withholding from wages and salaries

	30 June 2014	30 June 2015	30 June 2016
Active paying parents with employer withholding payments set up	63 982	64 390	62 702
(The department may initiate this measure for both current liability and child support debt)			

Table 54: Deductions from Centrelink payments and DVA payments

	2013–14	2014–15	2015–16 ¹
Amounts collected from Centrelink and DVA payments	\$28.9 million	\$30.5 million	\$69.4 million
(These deductions may be made for both current liability and child support debt)			

1. The current year shows the total amount of deductions from both Centrelink and DVA payments. Previous years show only the amount of additional deductions received as a result of a legislative change to increase the maximum allowable deduction amount from Centrelink payments. The total figures also included the DVA deductions.

Table 55: Prohibition of departure from Australia

	2013–14	2014–15	2015–16
Amounts collected under Departure Prohibition Orders	\$6.2 million	\$6.7 million	\$7.9 million
(Departure Prohibition Orders preventing overseas travel are issued to customers who have not made satisfactory arrangements to clear substantial debts)			

Table 56: Litigation

	2013–14	2014–15	2015–16
Amounts recovered through litigation	\$4.4 million	\$3.7 million	\$6.4 million
(The department commences litigation targeting parents who repeatedly avoid paying their child support when other enforcement options have been unsuccessful and an assets or income stream is identified)			

REVIEWS OF CHILD SUPPORT DECISIONS

In accordance with the *Child Support (Registration and Collection) Act 1988*, the department is required to finalise all objections to child support decisions within 60 days for domestic customers and 120 days for international customers.

Parents are contacted through the objection review process before any decisions are made. To ensure procedural fairness, both parents are given the opportunity to provide information to ensure decisions are accurate and based on individual circumstances including financial capacity.

The department provides feedback to original decision makers on the outcomes of objections to help improve future decision making.

We continue to review and enhance the objections process to make it more accessible to customers while continuing to uphold the integrity of the Child Support Scheme.

Table 57: Objections received and finalised

	2013-14	2014-15	2015-16
Number of objections received	15 074	16 317	16 698
—percentage relating to care	34.3%	34.7%	35.8%
—percentage relating to change of assessment	18.4%	18.7%	16.8%
—percentage relating to estimates	15.0%	14.2%	13.3%
Percentage finalised in 60 days—domestic	80.4%	83.8%	94.8%
Percentage finalised in 120 days—international	82.8%	86.6%	96.5%

Objections to change of assessment

The objection rate to change of assessment decisions has decreased slightly from 16.9 per cent in 2014-15 to 16.8 per cent in 2015-16. This is a decrease of 168 change of assessment objections from 2014-15 or a 0.9 per cent decrease.

Table 58: Change of assessment applications finalised and objections received

	2013-14	2014-15	2015-16
Change of assessment applications finalised	18 074	18 092	17 232
Change of assessment objections received	2 770	3 056	2 888

Administrative Appeals Tribunal reviews

The Social Security Appeals Tribunal (SSAT) was amalgamated into the Administrative Appeals Tribunal (AAT) from 1 July 2015 (see *Merit reviews* on page 116 for details of the amalgamation). Part of the AAT's role includes responsibility for independently reviewing objections to child support decisions. The AAT First Review received 2150 applications for review of child support decisions in 2015–16 compared to 2053 applications made to the SSAT in 2014–15.

Table 59: Child Support AAT review outcomes¹

	Unchanged decisions ²			Changed decisions		
	2013–14	2014–15	2015–16	2013–14	2014–15	2015–16
AAT First review	508	582	555	878	753	806

1. The total number of applications will not match the number of changed/unchanged decisions due to a number of applications either withdrawn, dismissed or still in progress.
2. Unchanged decisions are those made by the AAT affirming the original decision made by the Child Support Registrar. Unchanged decisions do not include withdrawn or dismissed applications.

To improve service delivery and policy outcomes the department continued to analyse child support review decisions to identify any systemic procedural or operational issues.

3.4 MANAGEMENT OF HUMAN RESOURCES

OUR PEOPLE

Supporting and managing our people

The department continues to invest in aligning its business strategy and workforce planning to meet current requirements and plan for the future workforce. Importantly we use workforce analytics and data to understand our workforce profile, trends and future requirements.

At 30 June 2016 the department employed 36 594 people, of whom 31 623 (86.4 per cent) were ongoing and 4971 (13.6 per cent) were non-ongoing. Of the non-ongoing employees 3346 (67.3 per cent) were intermittent/irregular staff. This compares to 30 June 2015 when the department employed 34 890 people, of whom 31 094 (89.1 per cent) were ongoing and 3796 (10.9 per cent) were non-ongoing. Of the non-ongoing employees 2672 (70.4 per cent) were intermittent/irregular staff.

At 30 June 2016 the number of full-time equivalent (FTE) staff was 30 776 compared to 29 589 in 2014–15. The FTE is fewer than the total number of people employed, as the total headcount includes full-time, part-time and intermittent/irregular staff.

The department supports staff in balancing work and personal commitments through access to flexible working hours. At 30 June 2016, 12 344 (33.7 per cent) of staff worked part-time (includes intermittent/irregular employees)—that is, they worked less than 37.5 hours a week. This compares to 12 091 (34.7 per cent) of staff at 30 June 2015.

Appendix F on page 246 presents statistics on staff by classification, location, employment status, employment type, gender, disability, diverse background and Indigenous. It also sets out staff salary ranges and employment arrangements.

Job Placement Services Scheme

The *Department of Human Services Agreement 2011–14* formalises our commitment through the Job Placement Services Scheme to retain and redeploy staff whose roles may be affected by organisational change. The scheme aims to ensure that valuable skills and capabilities are retained. Information about the scheme is available for staff on our intranet. In 2015–16, 131 people on the Job Placement Services Scheme were found permanent placement or left the department, compared to 95 people in 2014–15.

Commitment to consultation

The department consults with employees and, where they choose, their representatives in accordance with the *Department of Human Services Agreement 2011–2014* and the *Department of Human Services Medical Officers Agreement 2013–2014*.

Workplace relations

ENTERPRISE AGREEMENTS

The *Department of Human Services Agreement 2011–2014* covers all non-Senior Executive Service (SES) staff except Medical Officers. Medical Officers are covered by the *Department of Human Services Medical Officers Agreement 2013–2014*.

The department is continuing formal negotiations for a new enterprise agreement. We are committed to meeting the requirements of the Australian Government *Workplace Bargaining Policy 2015*. In the meantime the existing agreements still apply.

The department held 16 enterprise bargaining meetings with union and employee bargaining representatives between July 2015 and June 2016. Two unsuccessful ballots were held in September 2015 and February 2016. We are committed to keeping all staff fully informed throughout the bargaining process. During this period the department also managed five rounds of protected industrial action that had minimal impact on service delivery.

Individual flexibility arrangements

Individual flexibility arrangements are used to supplement the conditions of staff in exceptional circumstances. As an example, the department has used individual flexibility arrangements to assist with recruitment to remote and isolated localities. In 2015–16 the department had 61 individual flexibility arrangements compared to 64 arrangements in 2014–15.

People change management

The department provides people change support when staff are affected by organisational changes. This is through online self-help which gives staff and managers access to tools to assist them in managing people change, and direct service support to business teams which provides tailored solutions for specific needs.



Volunteering in a crisis

A crisis can happen at any time and when it does, it's good to know there's someone ready to jump into action.

Jordan, Program Support Manager for smart centres in Victoria and Tasmania, is a volunteer with Victoria's State Emergency Service (SES). In the Gippsland SES for 13 years, his team responds to about 70 emergency incidents in the area each year.

With the Gippsland SES team dealing with many different kinds of emergencies, from vehicle and industrial accidents to searches and natural disasters, it's important volunteers are available to respond at a moment's notice, sometimes during work hours.

'The department is very understanding about this kind of volunteer work, with generous provisions for paid and unpaid leave for volunteer emergency management duty,' Jordan said

Jordan decided to volunteer with the SES because he wanted to learn how to save someone's life.

'We deal with lots of car accidents and I wanted to be able to help.' Despite the emotional toll, Jordan feels the work they do is so important that it's worth it.

'The hardest call-outs often involve an innocent person who has just been in the wrong place at the wrong time. Those situations have an impact on everyone attending,' Jordan said.

'We all join to make a difference – and we do – so we endure the difficult times,' he said.

Strategic workforce planning

To support the shift towards more flexible and agile business approaches, workforce transformation has continued through strategic workforce planning, job design, people change, and learning and development initiatives. Strategic workforce planning plays a key role in developing strategies required to ensure that the workforce is supported and positioned to achieve our strategic priorities, government outcomes and customer outcomes. Executive discussions at both the departmental and group level occurred to consider future workforce requirements and strategies to deliver business outcomes.

The department uses the APS Job Family Model to underpin strategic workforce planning and job design activities. This level of workforce segmentation helps the department better understand its workforce, assists in identifying demand for critical roles and addresses related labour market shortages. Occupations the department identified as workforce priorities include jobs in technology, strategic policy, research, programme and project management, and compliance and regulation.

The department's workforce planning processes provide an evidence base for executive decisions on people strategies. The strategies include:

- developing tailored workforce strategies for different workforce segments or business areas
- understanding the mix of employment types necessary to service our customers
- building a capable and engaged workforce with the skills necessary to meet our evolving commitments to the community and government.

Planning also occurs at the group level and a number of specialist divisions to ensure workforce strategies are aligned to the specific workforce needs of each business area. The department operates a Workforce Planning Account Manager Model, which works in partnership with business groups and divisions to support the implementation of workforce plans.

Apprentices, cadets and graduates

An important part of our strategic workforce planning involves recruiting and retaining young people with the potential to meet the future challenges of delivering future business outcomes.

The Apprenticeship Programme is made up of certificate or diploma level study and formal workplace components to provide on-the-job training to supplement formal study. Both components need to be successfully completed to graduate from this programme.

In 2015, over 200 apprentices commenced with the department's whole-of-government Indigenous Apprenticeships Programme—around 150 apprentices in the department and 65 apprentices with other government agencies. In 2016, 17 apprentices started in the ICT Apprenticeship Programme, managed by the Department of Finance. In 2016, 15 cadets began working in the department under the programme.

Two cadets from the Department of the Prime Minister and Cabinet Indigenous Cadetship Programme are also working in the department. This programme is made up of approved university study and workplace components, both of which need to be successfully completed to graduate.

The National Graduate Program offers university graduates professional development opportunities, accredited learning and specialised events and activities. The programme offers two pathways—generalist and professional. The professional pathway attracts people with allied health, communications, finance, human resources, ICT and legal qualifications. The department's 2016 intake for the National Graduate Program included 60 generalist pathway and 35 professional pathway participants.

All programmes and pathways have a strong focus on diversity, especially in attracting and retaining Indigenous people and people with disability.

Under our Entry Level Framework, the department also continued the allied health university student placement programme and summer/winter vacation placement and work experience placements for high school students.

Workforce availability

The unscheduled absence result for 2015–16 was 16.5 days per full-time equivalent (FTE), an increase from 16.47 days per FTE in 2014–15.

The department has implemented a comprehensive range of measures to improve workforce availability, including effective staff engagement, people management and health and safety measures. During the year the department identified a strong relationship between engagement and the proportion of staff with less than 10 days absence in a 12-month period. During 2015–16, the proportion of employees with less than 10 days absence has improved from 52.68 per cent at 30 June 2015 to 54.48 per cent at 30 June 2016.

Under our *Attendance Strategy 2013–17: supporting a healthy and engaged workforce*, the department continues to:

- build leadership capability including training managers in the Positive Attendance for Managers course which has been completed by 811 managers in 2015–16. Since the inception of the course on 1 January 2013, up to 30 June 2015 a further 3826 attendees were recorded
- improve attendance reporting to enable managers to analyse, monitor and target responses to emerging issues

- implement regular reporting by major business areas on action being taken to implement the attendance strategy, with the information used to develop a Better Practice Guide for Managing Attendance which focuses on what action managers at all levels can take to better engage staff on attendance issues.

Employee engagement

In 2016, 82 per cent of the department's employees completed the APS Employee Census compared to 76 per cent in 2015. Census results showed that the levels of employee engagement remained steady or improved from the 2015 departmental engagement score across all four indices.

Table 60 shows a continued level of improvement in employee engagement since 2013.

Table 60: Levels of employee engagement

Engagement element index scores ¹	2013	2014	2015	2016
Job engagement index scores	6.3	6.4	6.5	6.6
Team engagement index scores	6.1	6.3	6.4	6.4
Supervisor engagement index scores	7.0	7.0	7.2	7.2
Agency engagement index scores	5.3	5.5	5.7	5.7

1. The engagement index uses a 0 to 10 point scale, with 10 being the highest level of engagement.

Standards of behaviour

Possible breaches of the APS Code of Conduct are taken seriously and appropriate action is taken when required. Investigations are conducted in line with departmental procedures, which ensure that staff are treated fairly. If a breach of the APS Code of Conduct is found, sanctions may be imposed. In 2015–16 there were 368 findings of a breach of the code compared to 268 in 2014–15.

Public Interest Disclosure Act 2013

The *Public Interest Disclosure Act 2013* allows for the investigation of allegations of serious wrongdoing in the Australian Public Service. Information about the scheme is available to staff on the department's intranet and to the public on our website.

Responsibilities and functions under the Act are delegated to a core group of staff to ensure appropriate control and oversight in managing disclosures. In 2015–16 the department received 28 public interest disclosures compared to 16 in 2014–15.

Performance management

Our performance management process is designed to foster a culture of high performance by providing all staff with a clear link between their work effort and departmental priorities.

All eligible staff develop and negotiate an individual performance agreement with their manager. The agreements:

- give staff a clear understanding of their role and the performance and behavioural standards expected of them
- align individual and team work effort to departmental priorities
- help staff identify their learning and career development needs.

In 2015–16, 93.8 per cent of staff (96.1 per cent in 2014–15) had individual performance agreements negotiated. There were 5.93 per cent of staff (3.17 per cent in 2014–15) without agreements due to long-term leave or they had not completed more than eight weeks of duties within the performance cycle.

RECRUITMENT

During 2015–16 the department advertised approximately 400 vacancy notices in the Australian Public Service employment gazette, resulting in an estimated 4000 ongoing vacancies being filled through engagements, transfers and promotions. The department managed approximately 46 000 candidate applications for these ongoing roles.

We are committed to increasing the representation of Aboriginal and Torres Strait Islander staff through the use of Special Measures recruitment. There were 30 Special Measures vacancy notice advertisements in the Australian Public Service employment gazette during 2015–16.

Recruitment processes have been advertised for a variety of roles including customer service, social work, compliance and debt management, corporate and entry level programmes ranging from APS2 to EL2 classification levels.

The department has a requirement for a flexible workforce which is essential to the efficient delivery of customer services, including during periods of high demand. As part of its recruitment activities the department undertakes recruitment for non-ongoing and/or intermittent and irregular employees.

ACCESSIBLE AND INCLUSIVE WORKPLACES

The department is committed to creating workplaces that are accessible and inclusive for all staff. It is guided by the *Workplace Diversity and Inclusion Strategy 2011–15* and *Workplace Accessibility Plan 2011–15*. During the year we consulted widely with over 1000 staff who contributed in forums and online consultation about updating the strategy and plan.

STAFF DIVERSITY

The department has significant diversity across its workforce with 23.9 per cent of staff, as at 30 June 2016, identifying as having a culturally and linguistically diverse background. The diversity of our people assists us to better understand the needs of our multicultural customers and to ensure that we provide culturally appropriate services to the Australian community. The department's *Culturally and Linguistically Diverse (Multicultural) Employee Plan 2014–16* outlines the department's commitment to increasing and supporting diversity in its workforce. The department provides multicultural awareness training to staff, celebrates days of significance such as Harmony Day and Refugee Week and provides a Community Language Allowance to recognise staff who use their language skills to service our multicultural customers. A new plan is being developed and will be considered by the Executive Committee in 2016–17.

ICT support for greater accessibility

During the year we delivered our workplace accessibility programmes which provide support, training and advice to around 500 staff who use assistive technology software. In 2015–16 we also continued to:

- deliver our inter-agency accessibility support initiatives that were established under the APS Diversity Council. In 2015–16 this included a shared service pilot programme which provided cross-agency assistive technology support services for APS Diversity Council member agencies
- lead an ICT Accessibility Community of Practice pilot programme which includes representatives from the agencies involved. The community of practice focuses on the challenges and opportunities that ICT offers to people with disability, and helps to promote best practice
- provide accessibility support services to DVA.

During the year the department entered into a new arrangement with the National Disability Insurance Agency which includes support and training for assistive technology and accessible telecommunication products for staff with disability and their managers.

Employment of people with disability

The department's *Workplace Accessibility Plan 2011–15* and Disability Recruitment Strategy contain recruitment and retention strategies for attracting and retaining people with disability. A new plan is being developed and will be considered by the Executive in 2016–17. At 30 June 2016, 4.9 per cent of staff in the department identified as having disability, compared to 4.7 at 30 June 2015.

During the year we implemented a direct experience programme, which is designed to help change any negative attitudes of senior executives about recruitment, career progress and overall work experience of people with disability.

The RecruitAbility scheme was developed under the APS Disability Employment Strategy, where job applicants with disability who meet the minimum requirements of an advertised vacancy are advanced to a further stage in the selection process. The scheme helps to build the confidence and capability of applicants with disability and supports their employment and career development. The department is now applying RecruitAbility to all gazetted vacancies including graduate recruitment, with staff on selection panels having a strong awareness of the issues facing people with disability.

The department's Scanning Operations Centre provides substantial employment opportunities for people with disability. Work includes mail sorting, digitising customer correspondence and data entry. The centre has 72 staff of which 15.3 per cent identify as having disability.

Training for people on the autism spectrum

The Dandelion Programme is a unique partnership between the department, Hewlett Packard Enterprise (HPE) and Specialist People Foundation to provide ICT traineeships with the department to people on the autism spectrum. It creates training opportunities for people on the autism spectrum to systematically process information and excel in roles that use their skills.

The programme uses a five-week selection, assessment and on-boarding programme (conducted by HPE and Specialist People Foundation) for hiring people with autism. After completing these, candidates who fit the job profile are employed by HPE and then contracted to the department to commence a three-year traineeship.

The department now has 37 trainees who are working in areas such as software testing, programming, systems analytics, data analytics and information analytics.

Other diversity initiatives

During the year other diversity initiatives which encourage and support learning and inclusion included:

- providing multicultural awareness training to staff through eLearning and face-to-face training packages
- hosting five staff diversity networks to provide information and support to Indigenous staff, staff with disability, mature age staff, staff from culturally and linguistically diverse backgrounds (CALD) and lesbian, gay, bisexual, transgender and intersex staff.

Reconciliation Action Plan

The department's *Reconciliation Action Plan 2015–2017*, granted elevate status by Reconciliation Australia, positions the department as a national leader in taking action towards reconciliation.

Throughout the year we continued to take action towards meeting the plan's targets, which include:

- increasing Aboriginal and Torres Strait Islander staff to 5 per cent by the end of 2017 (see *Employment of Aboriginal and Torres Strait Islander peoples* on page 138)
- through procurements, directly spending \$11.5 million with Aboriginal and Torres Strait Islander businesses by 30 June 2018 (see also *Procurement initiatives to support small business* on page 162).

We also continued to share our experiences and knowledge with other government departments—for example, by providing information sessions on Indigenous recruitment and retention, making our Indigenous Cultural Awareness training available, and support for trialling our Indigenous Mentoring Programme (see *Support for Aboriginal and Torres Strait Islander employees* on page 138).

Employment of Aboriginal and Torres Strait Islander peoples

The department has a target of increasing Aboriginal and Torres Strait Islander peoples employment to 5 per cent by the end of 2017. In 2015–16 the department achieved 4.2 per cent representation of Indigenous staff, which is above the APS target of 3 per cent.

The department also supported its Indigenous staff by continuing to implement actions under the *Aboriginal and Torres Strait Islander Employees Plan 2011–2015*. The plan focussed on implementing support strategies, including an Indigenous Buddy Programme, the Indigenous Mentoring Programme and the Indigenous Scholarship Programme. We consulted widely with over 500 staff who contributed in forums and online consultation to inform updating the employees plan.

Support for Aboriginal and Torres Strait Islander employees

To improve economic and social outcomes for Aboriginal and Torres Strait Islander peoples, the department maintained its strong commitment to its role in the government's Closing the Gap initiative.

As a large employer, the department provides a number of support and other programmes to engage and retain its Indigenous workforce. These programmes include:

- the Indigenous Mentoring Programme which assigns trained Indigenous staff members (204 mentors in 2015–16) to help newly recruited Aboriginal and Torres Strait Islander employees to 'navigate' their way around the department and the APS, and to deal with balancing their responsibilities and obligations to their community and their new workplace
- an Indigenous Buddy Programme which also supports Aboriginal and Torres Strait Islander employees to adjust to the new workplace
- the Indigenous Cultural Capability Framework, which takes a three-tiered approach to increase and build staff knowledge and awareness of Aboriginal and Torres Strait Islander cultures
- online Indigenous cultural awareness eLearning training accessed by 5703 staff in 2015–16, and cultural awareness face-to-face training, with 2170 staff participating in 2015–16
- secondment programmes, with six staff completing secondments to Indigenous communities as part of the Jawun Indigenous Community Secondment Programme in 2015–16. Two staff also completed secondments with the Australian Institute of Aboriginal and Torres Strait Islander Studies
- continued support for Indigenous employees through local Indigenous Employment Network meetings, which provide learning and development opportunities that reflect community-based support mechanisms.



Recognising Indigenous success

The department has a strong record of creating more opportunities for our Aboriginal and Torres Strait Islander staff and customers. The department's new Indigenous Servicing Strategy, released in November 2015, affirms the department's commitment to engage with Indigenous Australians to achieve better outcomes, such as improving school attendance, getting more adults into work and building safer communities.

Together with our Reconciliation Action Plan and the Aboriginal and Torres Strait Islander Employees Plan, the new strategy demonstrates a genuine commitment to encouraging and supporting Indigenous Australians to reach their full potential.

With Aboriginal and Torres Strait Islander numbers at 4.2 per cent of our workforce, the department continues to improve delivery of culturally-appropriate payments and services to Indigenous people and their communities.

Lucy's commitment and passion for Indigenous servicing started at the beginning of her career. She started as an Indigenous trainee in the Australian Public Service as part of the public-service wide Indigenous Pathways Programme.

Lucy was thrilled with her promotion to her current job as an Indigenous Service Officer in the department, covering south-west Sydney as a part of the City and Country Indigenous Services Team.

Lucy says: 'I am very proud of my heritage, something my grandmother instilled in me at a young age. It is just wonderful that my job fulfils my dream of working on the ground to support Indigenous people and their communities in ways that have meaning for them.'

At the 2015 NAIDOC Week awards, Lucy received well-deserved recognition for her success in helping Indigenous customers better manage their money.

LEARNING AND DEVELOPMENT

The department invests substantially in capability building. The *Learning Strategy 2015–19* guides the distribution of this investment to ensure the continuation of efficient, best practice learning services. The strategy recognises the need to evolve departmental learning methodologies and tools to support workforce change and advancements in technology. It represents a cultural shift across the department from ‘training’ to ‘learning’, and supports learning investments that build a workforce with the capability to meet future service delivery challenges.

A key deliverable of the strategy in 2015–16 is the release of the Human Services Capability Framework. The framework focuses on capabilities required now and into the future. A new curriculum to support these capabilities will be implemented in 2016–17.

Formal learning interventions were made up of technical and customer service courses as well as those relating to corporate, leadership and management. There were 539 848 attendances at over 28 383 different face-to-face and electronic learning sessions recorded on the department’s learning management system in 2015–16. This equates to an overall investment of 856 729 hours of formal learning.

Prioritised initiatives during 2015–16 included in the above totals were family and domestic violence awareness, gender guideline changes, customer service and dealing with customer aggression, unscheduled absenteeism management, and Indigenous cultural awareness as well as training to support improved technology and digital awareness.

Enhanced service delivery capability

The department continues to run programmes which support the service delivery capability of our workforce.

In 2015, 1000 service delivery staff completed a Service Delivery Accreditation Program which recognises experienced and competent service officers, leaders and managers by awarding them a nationally-recognised qualification relevant to their roles. The 2015 programme offered the following two qualifications for service officers, team leaders and managers:

- PSP40112 Certificate IV in Government (Service Delivery)—this nationally-recognised qualification was attained by 800 APS 3 and 4 service officers working in service delivery
- PSP51112 Diploma of Government (Management)—this nationally-recognised qualification was attained by 200 APS 5 and 6 team leaders and managers working in service delivery.

Induction programme

The Department of Human Services Induction Programme is a mandatory requirement for all new employees who have access to our sites and systems. The programme ensures new employees complete the department's mandatory training and other requirements. In 2015–16 the programme was reviewed, leading to the introduction of a three-tiered approach (orientation, general induction and job role specific induction) so that staff are more job-ready earlier in the induction process. In 2015–16, 83 per cent of new starters had participated in the programme, out of which 80 per cent were within two weeks of commencement.

Leadership and management development

The APS-wide Public Sector Management Program targets high achieving mid-level managers in the department. The main objective is to build capability of future managers in the public service context, with a focus on 'Building the Business of Government'. Sixty-four participants have successfully completed the programme since January 2015. Completion of this programme results in a Graduate Certificate in Business (Public Sector Management) with the option to gain credit which may be used towards a Masters level qualification.

In 2015–16 the department offered courses to managers on essential and advanced writing skills and started a pilot programme for managers to develop their coaching skills.

Departmental culture

The department continued to strengthen its 'We' culture by supporting staff and business areas to understand the behaviours that underpin the department's culture. In 2015–16 an intranet 'culture hub' was created for all staff to access information, tools and resources about the department's culture. To help build and embed the culture, the hub articulates the department's expectations for a united and committed 'We' culture across the department.

Ethics and values

The department remains committed to ensuring all staff understand and comply with the APS Values and Code of Conduct.

During the year we surveyed members of the Harassment Contact Officer (HCO) Network about what support they need in their roles. Based on the survey findings the department will continue to provide refresher training and regular updates on topics such as the gender guidelines to HCOs.

Workplace Bullying Awareness Month was held in June 2016. The campaign aimed to reinforce a workplace culture where bullying is recognised, is unacceptable, and dealt with straight away.

WORK HEALTH AND SAFETY AND INJURY MANAGEMENT

The department's work health and safety policy, guidelines and procedures aim to identify, adopt and develop best practice in health and safety management, to reduce the social and financial cost of occupational injury and illness, and improve business outcomes.

The approach is founded on the Work Health and Safety Policy and the *Work Health and Safety Strategy 2013–22—supporting healthy, safe and productive workplaces*. The strategy is closely aligned with the *Australian Work Health and Safety Strategy 2012–22*, and includes targets for reducing injuries by 30 per cent and action areas for improvement. The policy and strategy are supported by the department's health and safety consultation arrangements and integration of workplace health and safety priorities into business and risk management planning.

The department's work health and safety priority areas continue to address:

- body stressing injury prevention, including sedentary work
- customer aggression
- psychological health, including bullying and harassment
- offsite safety, including remote travel.

The targets for the strategy are to achieve:

- zero workplace fatalities
- effective compliance with the *Work Health and Safety Act 2011*
- a consistent 'effective' rating on Safety Assurance Programme assessments, which involves reviewing safety management at a sample of workplaces annually
- a reduction in the incidence rate of workers' compensation claims resulting in one or more weeks off work and claims for musculoskeletal disorders of at least 15 per cent by 2016 (against 2012 levels) and at least 30 per cent by 2022 (against 2012 levels).

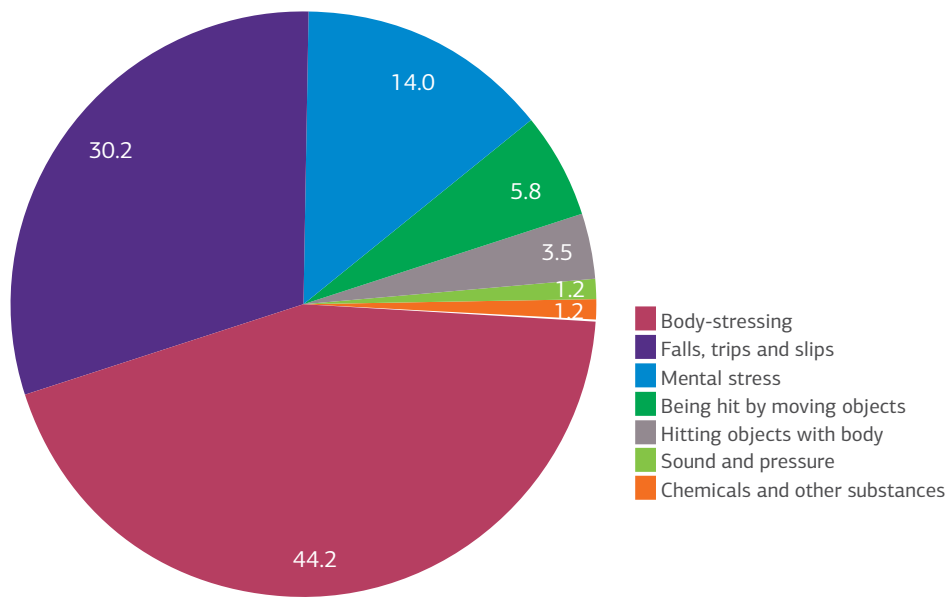
The department's work health and safety outcomes in 2015–16 continue to show good progress against targets, particularly in reducing the incidence of workers' compensation claims, increasing work health and safety awareness and improving Safety Assurance Programme results. These include:

- reducing by 34.7 per cent the number of workers' compensation claims submitted to Comcare in 2015–16 (compared to 2011–12 levels), including a 46 per cent reduction in the number of body stress injury claims
- continuing to promote body stress injury prevention and minimising prolonged sitting with the 'Take a stand for better health' campaign, including the provision of sit-to-stand workstation equipment
- assessing new furniture and equipment used in the department through the building design process
- requiring all customer facing staff and managers to attend training every four years to reduce and manage customer aggression
- developing new Customer Aggression Emergency Response Procedures to ensure an effective and coordinated response to aggressive behaviour and to provide clearer instructions to staff
- implementing the security guard assessment deployment tool to ensure better informed decisions about site security
- developing tailored customer management approaches to govern contact with customers who have demonstrated aggression against staff or other customers
- implementing consistent risk controls for staff undertaking out-servicing functions
- refining the Mental Fitness workshop to help address psychological health and wellbeing
- consulting with staff on the psychological health strategy to create mentally-healthy workplaces, supported by an action plan
- reviewing the remote servicing safe operating procedures.

During the year the department introduced a number of initiatives and structural changes to support injury prevention, early intervention and rehabilitation, to enable early return-to-work and, in turn, reduce the likelihood of matters progressing to a claim for workers' compensation. This included:

- implementing the case maturity model for rehabilitation case management, which places greater emphasis and resourcing on the early phases of an employee's injury to facilitate faster resolution and return to work
- developing and implementing a new injury management performance and quality framework to further improve rehabilitation practice and outcomes by departmental rehabilitation case managers
- working with rehabilitation and medical providers to improve return to work performance, including application of the department's external rehabilitation provider performance framework
- participating in the Comcare Claims Management Pilot, with departmental delegates and Allianz (contracted by Comcare) to manage all claims lodged after 4 February 2014.

Figure 7: Accepted claims for 2015–16 by mechanism of injury (per cent of total claim numbers)



See Appendix G on page 253 for information required under the *Work Health and Safety Act 2011*.

Project Focus

The Project Focus pilot was implemented on 29 September 2014 to focus on active management and resolution of long-term workers' compensation cases opened or re-opened between 2002 and 2012. The pilot ceased on 30 June 2016. Achievements included:

- closing 652 long-term compensation claims
- reducing the likely future cost of compensation—calculated by Comcare—by \$41.7 million at 30 June 2016
- undertaking 867 internal workplace assessments and initial needs assessments to reduce the risk of workplace injuries and to support improved return to work outcomes.

The lessons from this trial will be integrated into the department's ongoing rehabilitation case management arrangements.

RECOGNISING EXCELLENCE

The department's Awards and Honours Programme recognises and rewards performance excellence. The main national award programme focuses on exceptional customer service, successful innovation, inspirational leadership, and business excellence of individuals and teams. The department also participates in external awards programmes.

Internal awards

The **Pinnacle Achievement Awards** are the department's primary, national annual award programme. They include categories and criteria aligned to the department's strategic direction, culture and leadership priorities. The Secretary announced category winners and highly commended recipients at an awards ceremony held in Canberra on 11 September 2015. Overall 10 individuals and 15 teams were acknowledged for their exceptional contribution and performance.

Significant Achievement Awards are sponsored by the SES and recognise achievements by individuals and teams within their business lines.

The **'In the Moment' programme** encourages immediate and informal recognition at a local level.



Getting lives back on track

Lesley Hollingsworth is someone who walks the talk. And now she's been recognised for her efforts with an Australia Day Achievement Award for supporting people with disability who need to comply with disability support rules to get their payments.

A service officer for four years at Broadmeadows in Victoria, Lesley says: 'We're a very busy office—in the top five nationally. Most people who we see are having a particularly hard time.

'While many are refugees from war-torn countries, a significant proportion are people with mental health barriers, sensory and mobility disabilities, problems with substance abuse, or experiencing family breakdown.

Lesley is at the forefront of identifying potential high-risk customers (both to themselves and others). She makes sure none 'fall through the cracks' and keeps in touch with them after they first attend compulsory meetings.

'Seeing some of the human tragedy is difficult to process, but I've learnt not to take it home. Maybe growing up in Essendon as a passionate West Bulldogs supporter has taught me some of the resilience I've needed in my job. But I think my sense of adventure and love of people have also helped,' Lesley said.

'Since starting in this role, I've grown as a person and learnt so much along the way. My customers have taught me so much about myself too—they're the real heroes of this story. It's immensely rewarding to see them get back on track as far as they can', Lesley said.

The department's **Australia Day Achievement Awards**, as part of the National Australia Day Council programme, recognise staff who have made a significant contribution to helping customers in the local community.

As part of the department's celebration of NAIDOC Week, each year the department presents awards for Aboriginal and Torres Strait Islander Employee Achievement, Individual Achievement in Indigenous Servicing, and Team Achievement in Indigenous Servicing. The Secretary announced category winners and highly commended recipients of **NAIDOC Awards** at a ceremony held in Canberra on 7 July 2015. Five individuals and three teams were acknowledged for their exceptional achievements.

External awards

In 2015–16 the department participated in a number of public sector endorsed programmes as well as private sector industry association award programmes. The following external awards were achieved:

- Australia Day 2016 Honours List—Mark Withnell, General Manager, Business Integrity Division, was awarded the Public Service Medal for delivering outstanding outcomes by improving intelligence-gathering to detect and deter fraud and non-compliance.
- Australia Day 2016 Honours List—Bridget Mather, a former Programme Director in Mackay, Queensland was awarded a Public Service Medal for her outstanding record of commitment to service excellence in the APS
- Queen's Birthday 2016 Honours List—Sue Kruse, General Manager, Business Transformation Division, was awarded the Public Service Medal for her significant role in the development and implementation of a number of high profile government initiatives
- 2015 International Social Security Association Good Practice Award—joint winner with the Republic of Korea, recognising the success of the department's ambitious approach to service delivery reform over the past four years, including the investment in digital services with a 'digital-first' approach
- 2015 Leadership in Government Awards—Tracey Sheather, National Manager, One-stop Shop Implementation was awarded winner of the Outstanding Contribution in Public Administration category for the rollout of over 100 one-stop shops in less than two years
- 2015 Executive and Administrative Support Awards—winner of the Dot Fitzpatrick Memorial Award for Executive Assistant Mentoring. The department also had finalists in the APS 2–5 category and APS 6 and above category

- 2015 Australian Awards for Excellence in Public Sector Management—commended for strong representation of digital transformation
- 2015 National Archives of Australia—winner for Digital Excellence
- Australasian Reporting Awards—a silver award for the department's 2014–15 annual report.

Service Recognition Programme

In 2015–16 the Service Recognition Programme acknowledged 1999 staff for their increased level of experience, capability and insight developed through continuous employment in the APS. The programme is an important part of the staff engagement strategy to build a culture that values staff service contributions. Service recognition certificates and service pins are given to staff who reach 10, 20, 25, 30, 40 and 50 years of continuous service in the APS.

WORKPLACE GIVING

The department has a workplace giving programme that allows staff to make one-off or regular donations to charities under post-tax arrangements directly from their pay.

This year more than \$88 007 in donations was distributed to 43 charities. The main beneficiaries were Salvation Army (\$11 550), Medecins Sans Frontieres (\$9103) and Hartley Lifecare (\$7818).

CHARITY FUNDRAISING

The department is committed to working closely with and supporting charitable organisations and community groups. With input from staff we develop a charity calendar that outlines the charities we commit to supporting over a two-year period. Each month we support a charity listed in the calendar and raise awareness of the work they do through a range of internal communication activities and sometimes through fundraising.

Charities the department has supported during the year include, the Leukaemia Foundation, Save the Children Australia and Foodbank. We also participated in the annual Vinnies CEO Sleepout, raising more than \$36 000 in 2016 and bringing our total over the past six years to \$179 500.

The department has also provided local level support to a number of charities including Snowy Hydro SouthCare, Hartley Lifecare and Share the Dignity.



Cycling for people with disability

After a more than 450 kilometre ride across mountainous terrain, the department's team of 12 cyclists and four support crew returned from their very successful ride in the Hartley Ability Cycle Challenge in one piece. They were thrilled to exceed their fundraising target of \$40 000 by raising \$49 400 for Hartley Lifecare.

The Canberra-based organisation has provided accommodation support and respite care for children, adults and their families in the ACT and region with physical and complex disabilities for 50 years.

Deputy Secretary Jonathan Hutson said: 'The ride was a tough challenge, but brought the team closer together. The physical struggle aside, we

shared the experience with plenty of laughs, got to know one another better, and enjoyed the scenery along the way.'

Team Manager Damien applauded the efforts of all cyclists involved and is already aiming to increase fundraising as part of the 2016 ride.

'This year we did so well because of generous contributions from our team sponsor, Australian Hearing, local businesses, our colleagues in the department, and their families and friends', Damien said.

'It is a privilege to support Hartley Lifecare who do incredible work making a difference for people with disability'.

3.5 ENGAGEMENT AND FEEDBACK

CUSTOMER SATISFACTION

Our service commitments

Our service commitments are a public expression of the department's vision of delivering excellent services to our customers while delivering on the outcomes and expectations of government. They include:

- what customers can expect from us under the four themes of Respect, Quality Information, Honesty and Integrity and Efficiency
- our business improvement priorities such as designing products and services that take customer feedback into account
- what customers can do to help us such as providing complete, accurate and timely information about their circumstances and treating staff with courtesy
- how customers can provide feedback about service delivery and have complaints resolved.

Our service commitments underpin our business priorities and are on our website at **humanservices.gov.au**

PERFORMANCE SUMMARY AGAINST SERVICE COMMITMENTS

Following is an overview of the department's performance against each of the four service commitment themes. The results are derived from a survey conducted throughout 2015–16 that focused on each surveyed customer's most recent interaction in the previous week with Centrelink and Medicare services. Results were calculated on the basis of customer ratings. Customers who did not answer or indicated 'don't know' or 'not applicable' were removed from the calculation of results.

Respect: We will listen and work with you to understand your individual and cultural needs—measured by customer assessments of staff behaviour.

- 90 per cent of customers surveyed about Centrelink services agreed that staff treated them with respect (90 per cent in 2014–15) and 76 per cent agreed that staff took into account their individual circumstances (78 per cent in 2014–15)
- 93 per cent of customers surveyed about Medicare services agreed that staff treated them with respect (94 per cent in 2014–15) and 83 per cent agreed that staff took into account their individual circumstances (87 per cent in 2014–15).

Quality information: We are committed to providing consistent and accurate information—measured by customer assessments of the consistency and accuracy of information.

- 78 per cent of customers surveyed about Centrelink services agreed that staff had told them everything they had to do to get the service (80 per cent in 2014–15) and 79 per cent agreed that they were given accurate information (81 per cent in 2014–15)
- 73 per cent of customers surveyed about Centrelink services agreed that staff gave them information that was consistent with what they had already heard or read (76 per cent in 2014–15)
- 88 per cent of customers surveyed about Medicare services agreed that staff had told them everything they had to do to get the service (91 per cent in 2014–15) and 90 per cent agreed that they were given accurate information (93 per cent in 2014–15)
- 86 per cent of customers surveyed about Medicare services agreed that staff gave them information that was consistent with what they had already heard or read (89 per cent in 2014–15).

Honesty and Integrity: We will be open and honest and follow through on our commitments—measured by customer assessments of information that is clear and easy to understand and of overall satisfaction.

- 81 per cent of customers surveyed about Centrelink services agreed that staff gave them information that was clear and easy to understand (82 per cent in 2014–15)
- 67 per cent of customers surveyed about Centrelink services were satisfied (70 per cent in 2014–15)
- 88 per cent of customers surveyed about Medicare services agreed that staff gave them information that was clear and easy to understand (91 per cent in 2014–15)
- 78 per cent of customers surveyed about Medicare services were satisfied (83 per cent in 2014–15).

Efficiency: We will simplify the way we deliver services to you—measured by customer assessment of staff promptness and efficiency.

- 76 per cent of customers surveyed about Centrelink services said that staff were prompt and efficient (78 per cent in 2014–15)
- 84 per cent of customers surveyed about Medicare services said that staff were prompt and efficient (89 per cent in 2014–15).

Satisfaction survey programme

The **Transactional Survey** targets a random selection of customers who have recently contacted the department, and measures their satisfaction with the most recent transaction.

In 2015–16 the **Relationship Survey** measured customers’ general perceptions of the department.

The **Health Provider Survey** gauges satisfaction with departmental services from health professionals, including pharmacists, general practitioners and practice managers.

Table 61: Summary of the department’s satisfaction survey activities

Survey title	Target audience(s) and sample size	Summary of findings 2014–15	Summary of findings 2015–16
Transactional Survey	<ul style="list-style-type: none">• Targets a random selection of current customers who have recently interacted with the department• Measures customer perceptions of the quality of service they received• In 2015–16 about 29 400 surveys were completed through phone interviews and 5 600 surveys completed through integrated voice response	Satisfaction with: <ul style="list-style-type: none">• Centrelink services at 70%• Medicare services at 83%• Child Support services at 74%¹	Satisfaction with: <ul style="list-style-type: none">• Centrelink services at 67%• Medicare services at 78%• Child Support services at 76%
Relationship Survey	<ul style="list-style-type: none">• Targets customers who have had specified interactions with the department in the previous 12 months²• Measures customers’ general perceptions of the department• The survey was conducted across May and June 2016 with 1 000 surveys completed	Satisfaction with: <ul style="list-style-type: none">• Centrelink at 56%• Medicare at 82%• Child Support at 50%	Satisfaction with: <ul style="list-style-type: none">• Centrelink at 51%• Medicare at 73%• Child Support at 49%

Survey title	Target audience(s) and sample size	Summary of findings 2014–15	Summary of findings 2015–16
Health Provider Survey	<ul style="list-style-type: none"> • Targets a random selection of health care providers who have interacted with the department in the previous 12 months • Runs once a year and approximately 850 surveys were completed in 2015–16 	<p>The percentage of health providers indicating they were satisfied or neutral with the services provided by the department:</p> <ul style="list-style-type: none"> • 99% for pharmacists • 91% for practitioners • 88% for practice managers 	<p>The percentage of health providers indicating they were satisfied or neutral with the services provided by the department:</p> <ul style="list-style-type: none"> • 99% for pharmacists • 91% for practitioners • 87% for practice managers

1. The result is based on data from February to June 2015.
2. Due to a change in survey methodology in 2015–16 the results should not be compared to previous years.

CUSTOMER FEEDBACK

The department is committed to delivering high quality services to our customers and values the feedback received to help improve our business processes and better service our customers.

In 2015–16 an online customer feedback form was introduced. During this period, 51.3 per cent of all feedback was lodged online. In addition, service delivery staff were trained in recording and resolving complaints, with a focus on resolving the issue at first point of contact. The feedback and complaints part of the website has been improved and we have made “how to provide feedback” available in 35 languages.

The changes to the website, and other initiatives the department has implemented, have improved our customer feedback processes and data collection for Centrelink and Medicare customers in particular. This has made it easier for customers to provide feedback. The changes mean that it is not possible to directly compare this year’s data with previous years.

The department is committed to ensuring that customers are aware of their right to complain or provide feedback. Customers can provide feedback in a variety of ways, including:

- calling our feedback and complaints line
- online via their myGov account or at **humanservices.gov.au**
- calling one of our international phone numbers if overseas—listed on **humanservices.gov.au/international**
- by mail (no postage stamp required)
- via the National Relay Service
- speaking to a service officer at any of our service or smart centres.

The table below summarises customer feedback about service, received by the department.

Table 62: Summary of customer feedback about the department

Customer feedback	2013–14	2014–15	2015–16 ¹
Centrelink²			
Compliments	6 435	5 297	6 026
Suggestions	1 327	1 174	6 014
Complaints	52 763	61 264	113 746
Medicare²			
Compliments	597	637	594
Suggestions	198	270	728
Complaints	11 690	11 383	15 345
Child Support			
Compliments	441	440	444
Suggestions	130	185	137
Complaints	22 829	21 298	19 813

1. Data for 2015–16 cannot be directly compared with previous years. This is due to improvements in our methodology for collection and classification of customer feedback. The changes have included an upgrade to our online channel that has resulted in a significant improvement in accessibility and usability.
2. Customer feedback online forms were implemented for Centrelink and Medicare only.

Centrelink customer feedback

In 2015–16 the department recorded 125 786 customer feedback contacts about Centrelink services. The top three complaints by volume were:

- difficulties with phone services, including complaints about hold wait times, engaged signals and call disconnections (15.8 per cent)
- difficulties with digital services, including inability to access, or to complete transactions, and when digital services are unavailable (15.1 per cent)
- dissatisfaction with timeliness, including the time taken to process a claim, to make a decision and to correct an error (14.2 per cent).

Medicare customer feedback

In 2015–16 the department recorded 16 667 customer feedback contacts about Medicare services. The top three complaints by volume were:

- difficulties with phone services, including complaints about hold wait times, engaged signals and call disconnections (28.6 per cent)
- difficulties with digital services, including inability to access, not being user friendly and the item number being unavailable for online claiming (19.2 per cent)
- not having received a service, including a payment, a card and a letter/email (12.6 per cent).

Child Support customer feedback

In 2015–16 the department recorded 20 394 customer feedback contacts about Child Support services. The top three complaints by volume were:

- collection, including lack of collection, account balance and employer withholding (31.9 per cent)
- quality of service, including advice, lack of courtesy and inaction (30.0 per cent)
- assessment, including income used, care and change of assessment (22.9 per cent).

Responses to customer complaints about the department's services

The department takes a collaborative approach to investigate and resolve customer complaints where more than one programme or service is involved. In 2015–16 complaints handling training for our large service delivery workforce was completed. The training included first contact resolution and new escalation procedures for complex and sensitive complaints.

Responses to resolve complaints may include an apology, an explanation of the policy, correcting a customer's record, review of a decision, case management or referral to an external organisation.

For complaints about staff, the manager of the staff member complained about is notified so that the complaint can be discussed with the staff member and action taken to address any service issues.

COMMUNITY ENGAGEMENT—GROUPS AND ADVISORY FORUMS

NATIONAL WELFARE RIGHTS NETWORK

The National Welfare Rights Network (NWRN) includes 16 community legal services specialising in social security and family assistance law and its administration by the department. NWRN member organisations provide assistance to individual clients, conduct training for community workers, and produce publications to assist social security recipients and community organisations to understand the system.

At the twice-yearly meetings between the department and NWRN, information and ideas are exchanged on a range of issues. For example, during 2015–16 the department consulted with NWRN on the Welfare Payment Infrastructure Transformation Programme and discussed the service delivery aspects of changes to Disability Support Pension assessment processes.

CHILD SUPPORT NATIONAL STAKEHOLDER ENGAGEMENT GROUP

The Child Support National Stakeholder Engagement Group is convened jointly by the Department of Social Services and the Department of Human Services. It connects a broad cross-section of stakeholders including the legal community, academics and peak bodies of family support service providers representing separated parents. The group discusses current child support policy, child support service delivery and child support administration processes.

MULTICULTURAL ADVISORY FORUMS AND COMMITTEES

The department has partnerships with an extensive range of stakeholders from community and government organisations across all levels of government that work on issues relating to service delivery for CALD customers.

The National Multicultural Advisory Group includes members from non-government organisations and peak bodies representing communities from CALD backgrounds. The group provides advice and feedback about the quality and effectiveness of the department's service delivery to multicultural customers. The annual face-to-face meeting was held in August 2015, with follow-up meetings held in November 2015 and April 2016. Issues discussed in the follow-up meetings included family and domestic violence, digital services and employment.

The department also convenes multicultural advisory committees and forums to consult regularly with multicultural communities at local, state and territory levels. These committees and forums operate in areas with high multicultural populations such as Brisbane, Sydney, Melbourne, Adelaide, Darwin, Launceston and Perth. These forums and committees ensure communities know about the department's programmes, services and new initiatives. In 2015–16

issues raised included online services and Express Plus mobile apps for CALD customers, refugees, employment and training initiatives in local areas and language services.

OLDER AUSTRALIANS WORKING GROUP

The department met with the Older Australians Working Group in November 2015. The group has representatives from peak organisations and customer groups, and allows the department to showcase service delivery developments. The group offers feedback on the current and potential impacts of service delivery on older people. The group discussed topics including the Welfare Payment Infrastructure Transformation Programme, aged care reforms and online services.

STAKEHOLDER CONSULTATIVE GROUP

The Stakeholder Consultative Group is the department's peak stakeholder consultation forum on health issues. It includes representatives and professionals from consumer, medical, allied health, pharmaceutical and aged care fields. The group provides advice on emerging strategic and operational matters as well as input into the implementation of government measures such as red tape reduction. This helps improve the effectiveness of the service delivery aspects of the health programmes the department administers. The group met three times in 2015–16.

RESEARCH

The department's research programme for 2015–16 focused on building internal analytical capability and undertaking quantitative research to support improvements in service delivery.

The department continued to expand on a range of collaborative research projects across all levels of government and through academic partnerships. These include projects with the Department of Social Services, the Department of the Prime Minister and Cabinet, various state and local governments, and academic institutions.

In July 2015 the department commenced the Troubled Families project which is a programme of work under the Department of the Prime Minister and Cabinet's Public Service Management agenda. The project aims to highlight the use of Australian Government administrative data as a research asset and assist the department in designing better service options for the Australian community. It is expected that research reports highlighting the outcomes of the programme will be delivered in multiple stages. An interim report will be delivered in December 2016 followed by a final report in December 2017.

3.6 CORPORATE SERVICES

PROPERTY

At 30 June 2016 the department leased 436 commercial properties covering 731 977 square metres. The number of properties reduced from 484 the previous year as a result of co-locating 29 Medicare service centres into Centrelink service centres and other rationalisation of the department's existing property portfolio.

In addition to existing myGov sites in Brisbane, Sydney, Adelaide and Perth the department opened a new regional myGov site in Albury, New South Wales.

The department also owns 36 residential properties and leases another seven in remote locations. These properties provide accommodation for staff in places where it would otherwise be difficult for staff to locate suitable accommodation.

The department is working with the National Disability Insurance Agency and DVA to deliver property solutions for their accommodation requirements.

The department continually reviews its property portfolio to ensure it meets business objectives and is as efficient as possible.

In 2014 PricewaterhouseCoopers undertook an independent review of property operations across the department. Recommendations from the review which focussed on increased efficiency and ensuring value for money in accordance with the Commonwealth Property Management Framework were implemented during the year.

In 2015–16 expenditure on property operating expenses was \$434.5 million (\$430.4 million in 2014–15), with a further \$64.3 million on capital improvements (\$59.3 million in 2014–15).

ASSETS

The department's assets management policies and procedures encompass whole-of-life assets management. The department publishes guidance and procedures for staff and conducts a risk-based rolling stocktake and independent valuations to maintain the accuracy of assets records.

During the year the department provided assurance on the existence, validity and valuation of the assets held. Specifically the department undertook:

- a stocktake to confirm the existence and location of the department's assets
- a valuation of leasehold improvements, ICT assets, general plant and equipment, and data centre equipment
- an assets impairment review in accordance with the Australian Accounting Standard AASB 136—Impairment of assets.

The composition of the department's assets base is mainly software, leasehold improvements and data centre equipment.

SECURITY

Effective governance of the department's protective security programme is vital to providing a security environment that protects the department's people, information, assets and infrastructure.

The department's compliance with the mandatory requirements of the Australian Government Protective Security Policy Framework is managed through activities such as effective security risk management, monitoring and review of security plans and policies, and training and education.

The department's protective security policy aligns with the framework and emphasises the need for security as part of the department's culture. With an increased focus on security governance, in 2015–16 we strengthened governance arrangements with the creation of a Security Steering Group. Established as a sub-committee of the department's Risk, Business Continuity and Security Committee, the group is to ensure alignment of the department's security programme with broader corporate controls in areas such as people management, fraud, property, procurement, privacy, and information management.

Cyber Security

Government operates within an environment of cyber security threats that are increasing in number and sophistication. We are focused on protecting the extensive customer data holdings and payment systems that the department administers.

The department has effective risk controls in place to ensure that we are well positioned in our approach to cyber security. We assess risks and work closely with national and international agencies to ensure that our safeguards follow global best practice. Our cyber security governance, management and operational practices are designed to enable the department's business and provide assurance in response to the changing threat environment.

SHARED SERVICES

The department's size, scale and ICT capability make it well-placed to be a provider of shared services within the APS.

The department continues to provide a range of corporate services to other agencies including services to the Department of the Prime Minister and Cabinet (PM&C). We provide ICT and learning and development services to a number of agencies and this year managed the Indigenous Apprenticeships Programme for another seven agencies.

During 2015–16 we transitioned the National Disability Insurance Agency to a broad suite of ICT and corporate services. This includes end user computing, telephony, online channels and business systems, with corporate services transitioned being payroll management, credit management, accounts receivable, accounts payable, travel, fleet management and security services. See *National Disability Insurance Agency* and the *National Disability Insurance Scheme* on page 31.

The department continued to provide travel, credit card, fleet management services and learning and development services to the PM&C.

We continued to support DVA with end user computing (including assistive technology support), telephony and ICT infrastructure services. We also provided internet gateway services to eight agencies.

In 2015–16, we managed and administered the Indigenous Apprentices Program (IAP) for a number of agencies. The programme is a 12-month programme providing an accredited qualification and on the job learning. It provides specialist support services such as Indigenous mentors, Indigenous buddies and Indigenous Cultural Awareness Training for supervisors. See also *Apprentices, cadets and graduates* on page 131.

Around 200 apprentices commenced in the programme across agencies that included DSS, Department of Health, Department of Defence, Department of the Environment, DVA, DIBP, and PM&C.

We facilitated training for a number of agencies, in particular providing a range of courses to DSS. These courses included managing workplace bullying, customer service training, and positive attendance training for managers, strategic thinking and disability awareness.

In support of the Department of Finance's Shared and Common Services Programme, the department has been working closely with DSS, DVA and the Department of Health to explore opportunities for us to provide shared corporate services on a fee-for-service basis.

The department intends to take a leading role in the transformation of the APS by consolidating and providing transactional and other corporate services to other Australian Government agencies, on a fee-for-service basis.

The department also undertook election services on behalf of the Australian Electoral Commission (AEC) in relation to the 2016 Federal Election. Election services delivered included:

- contact centres
- election service centres
- blind and low vision registration and voting
- remote customers enrolment assistance and mobile polling.

We have delivered these services on behalf of the AEC for past federal elections.

3.7 PURCHASING

The department conducted its procurement activities in accordance with the Commonwealth Procurement Rules (CPRs). The Accountable Authority Instructions are reviewed periodically to ensure procurement activities and related policy and procedural publications remain aligned with the CPRs and the Commonwealth procurement framework.

In 2015–16 the department continued to provide specialist procurement advice, training and assistance to staff undertaking procurements to ensure compliance with the CPRs—in particular, that they deliver value for money.

The department contributed to the review and ongoing maintenance of a number of whole-of-government coordinated procurement initiatives led by the Department of Finance. We also refreshed and maintained the arrangements that support sourcing of communications-related services by 49 Australian Government agencies.

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

The department supports small business participation in the Australian Government procurement market. Small and medium enterprises (SMEs) and small enterprise participation statistics are available on the Department of Finance's website at **finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts**

We recognise the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website at **treasury.gov.au**

In undertaking its procurement activities, the department supports SMEs through a range of measures including:

- use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200 000
- implementation of a Supplier Diversity Strategy to increase the level of activity between the department and supplier groups such as Australian Disability Enterprises and Indigenous SMEs
- membership of Supply Nation, a non-profit organisation established to grow the Aboriginal and Torres Strait Islander business sector by promoting supplier diversity in Australia

- mandatory reporting against both the Indigenous Procurement Policy and the department's *Reconciliation Action Plan 2015–17* (RAP) on the number of contracts, contract values and expenditure for all Indigenous SMEs. In 2015–16 the department spent \$6 894 424 (GST inclusive) with Aboriginal and Torres Strait islander businesses, exceeding our RAP target of \$3.5 million
- use of Australian Industry Participation Plans in whole-of-government procurement where applicable
- encouraging credit card use to expedite payments.

3.8 CONSULTANCY CONTRACTS

The department's consultancy contracts are categorised in accordance with the PGPA Rule for annual reports and the Department of Finance guidance on reporting on consultancies. In addition to the requirements of the department's procurement guidelines and policies, all proposals for consultancy services are referred to a procurement specialist before being approved by the relevant Deputy Secretary.

The department engages consultants to provide specialist professional services, independent research or assessment, and other necessary skills that are otherwise unavailable in the department.

The department is in the process of major transformational change in areas such as our welfare payment system. To ensure that we are accessing the right skills and experience to support this changing environment, the department has seen an increase in the use of consultancies during 2015–16.

In 2015–16 the department spent \$1 613 393 on a total of nine consultancy contracts, with \$131 622 being spent on three ongoing contracts and the balance on six new contracts.

Table 63 below shows total expenditure (including GST) on consultancy contracts for the current and previous two financial years.

Information about the contract value of departmental contracts and consultancies is available on the AusTender website. For information about the department's advertising and market research costs see Appendix H on page 254.

Table 63: Expenditure on consultancy services

	2013–14 \$	2014–15 \$	2015–16 \$
Total consultancy services expenditure	921 930	543 534	1 613 393

3.9 ANAO ACCESS CLAUSE

All departmental contract templates include a standard clause providing the Auditor-General with appropriate access to a contractor's premises and records.

3.10 EXEMPT CONTRACTS

In 2015–16 the department had no contracts or standing offers that were exempted by the Secretary from publication on AusTender.

3.11 GRANTS

Information on grants awarded by the department in 2015–16 is available on our website at **humanservices.gov.au**

3.12 ENVIRONMENTAL MANAGEMENT

The department is committed to carrying out our business in an environmentally responsible and resource efficient way.

The department's environmental management system aligns to international standard ISO 14001:2004 and assists with the management and reporting on greenhouse gas emissions, energy use, resource use and waste arising from building operations, motor vehicle and air travel, ICT and stationery supplies.

The department is dedicated to achieving the environmental targets set by the government for energy use, resource consumption and waste, and supports the mandatory environmental standards for application in procurement processes.

Supporting these measures drives resource efficiency and innovation in supply chains and across industry.

See Appendix I on page 256 for more information about the department's contribution to ecologically sustainable development and environmental performance.

PART | 4

Transforming services and technology



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4.1 SERVICE DELIVERY TRANSFORMATION

During the year, the department continued to contribute significantly to the development and implementation of the Australian Government's Digital Transformation Agenda. The agenda is about delivering services that are faster, simpler and easier to use. We have worked closely with the Digital Transformation Office (DTO) to drive this agenda. We progressed our Digital Transformation Plan for 2016–17 that describes our approach to meet the government's requirements under this agenda.

Work also commenced in the latter part of the year on the department's Digital Transformation Strategy which outlines how the department will drive digital transformation over the next six years to deliver efficient and cost-effective services. In working with the DTO, the department is drawing on its strong service delivery transformation capability to support a whole-of-government approach to improving user-centric digital services. For example, the department led one of the six initial DTO 'exemplar' projects focusing on Medicare enrolments. The exemplar projects were used to demonstrate and test the DTO methodology which includes an agile design and delivery process, with the release of a minimum viable product within 20 weeks.

We continued to invest in digital services to make it simpler and easier for customers to do business with government. This led to increased self-management and use of digital channels.

In 2015–16 the use of the myGov digital service increased, with over 9.5 million active accounts at 30 June 2016 compared to seven million active accounts at 30 June 2015.

The myGov digital service gives users secure and easy access to a range of government online services, a secure digital inbox to receive mail from participating member services, and the ability to update address details in one place and have that information automatically notified to participating member services, such as the Australian Taxation Office.

The department also strengthened partnerships with other government agencies to help them with service transformation. For example, in 2016 we supported the Department of Veterans' Affairs (DVA) which started important work on transforming services for the veteran community.

DIGITAL AND ONLINE SERVICES

Table 64: Transactions for digital and online services

	2013-14	2014-15	2015-16
Centrelink			
Self-service transactions	102.0 million	118.3 million	119.9 million
Medicare			
Self-service transactions	4.0 million	5.4 million	9.4 million
Provider 'point of service' digital transactions ¹	556.0 million	576.0 million	588.0 million
Child Support			
Self-service transactions ²	183 000	230 000	890 000

1. Point of service digital transactions include PBS Online, online bulk billing, Easyclaim and ECLIPSE (Electronic Claim Lodgement and Information Processing Service Environment).

2. As of 2015-16, Child Support 'Self-service transactions' data includes phone self-service transactions.

Welfare Payment Infrastructure Transformation

The Welfare Payment Infrastructure Transformation (WPIT) Programme started on 1 July 2015. This significant multi-year transformation programme will allow government to properly address many of the challenges facing Australia's welfare system, maximise the benefits of eGovernment, and reduce the costs of administering the system for taxpayers. This business transformation, enabled by information and communications technology (ICT), will:

- position the department to meet the future policy needs of government
- provide users of the welfare system with faster, more connected and automated digital government services
- give staff a modern ICT platform that makes it easier for them to do their jobs.

The WPIT Programme will provide a flexible, efficient and effective business model supported by modern technology. It will change government service delivery to better meet the demands of today's digital world and deliver an agile, sustainable and responsive welfare payment system for users.

The department will implement the programme over several years in multiple tranches. This phased approach is based on industry best practice and gives us flexibility to review progress and adapt to changes.

The first step in engaging commercial partners to work with us to deliver on the WPIT Programme was an approach to the market, on 18 September 2015, through a formal Request for Expressions of Interest for a Core Software Vendor. This sought responses from experienced and qualified software vendors that could work with the department and third parties to deliver a

solution to support the government's current and future service delivery needs. The selection of the Core Software Vendor continued through a Request for Tender process during the second half of 2015–16.

The department has held discussions with international governments including Saudi Arabia, the United Kingdom, Singapore and New Zealand. Monitoring the progress of similar programmes in other countries and jurisdictions provides the department with insight into international experiences and best practice.

Provider Digital Access

Provider Digital Access (PRODA) is a new online authentication system based on a username, password and verification code to log in. The system is designed to provide simplified, secure access to specific government services.

In November 2015 PRODA became available to health care providers and health administrators to access Health Professional Online Services (HPOS). HPOS allows the flexibility to login to HPOS from any device. See also *Online services for health professionals* on page 172.

Veterans' services

During the year the department worked in partnership with DVA to develop a proposal to deliver improved services for veterans, supported by modern digital technologies. Engagement with the veteran community and stakeholders, such as ex-service organisations and staff, is also guiding future approaches to veterans' services. The work on service transformation will change the focus on claims processing to a client-centric approach that delivers fast, accurate and reliable services.

Express Plus mobile apps

The department's Express Plus mobile apps continue to be a popular and convenient way for customers to engage with government services, allowing customers to have access to services anywhere, at any time. Mobile apps offer digital services allowing users to, for example, upload documents, report income, add a newborn child, claim Medicare, view Child Support account balances, and keep a personal diary.

Since their introduction the department's Express Plus mobile apps have been downloaded more than 7.8 million times. In 2015–16:

- over 2.8 million apps were downloaded (an average of just over 7900 downloads per day) compared to 2.6 million downloads (an average of just over 7000 downloads per day) in 2014–15
- over 63 million transactions were completed compared to 61 million transactions in 2014–15.

myGov

The myGov digital service is a simple, secure way for people to access many Australian Government services online. myGov was reported as being available 99.79 per cent of the time in 2015–16 compared to 99.64 per cent in 2014–15. The myGov digital service allows customers to undertake their business, such as looking for lost superannuation, submitting their income tax returns, and claiming payments at a time and place that suits them.

The department replaced infrastructure to increase the capacity and availability for myGov during December 2015 and January 2016. myGov has also been moved to the department's new data centre which will assist in improving the performance and availability of the service.

A myGov account offers people a secure account to access nine online services provided by:

- the department (Centrelink, Medicare, and Child Support)
- the Australian Taxation Office (ATO)
- the Department of Health's My Health Record
- the DVA MyAccount
- the National Disability Insurance Scheme
- the Department of Employment's Australian JobSearch
- the Department of Social Services' My Aged Care.

At 30 June 2016 there were over 9.5 million active myGov accounts (seven million in 2014–15), 59.6 logins to myGov, and 96.4 million navigations to nine member services using myGov.

During the year myGov continued to improve and expand its functions with the following new features being introduced:

- Manage ABN connections—individuals in business will be able to more easily access government online services by linking their myGov credential to their ABN
- Update Your Details—users can now notify the department in one transaction about changes to their contact details. The ATO and the Department of Employment automatically receive shared user updates
- myGov Inbox—the number of department and ATO customers who used this service to receive their digital mail in one secure inbox increased from 58.2 million in 2014–15 to 67.9 million in 2015–16
- Account alias—customers can now choose to sign into their myGov account using either their email address or their myGov username
- Username validation—the format of all customer myGov usernames or email addresses are now validated, resulting in a 37 per cent reduction in failed sign ins

- Simplifying myGov security codes—simplified codes have reduced the rate of security code failed sign-ins from 13.14 per cent to 6.31 per cent
- Reduction in suspension time—the length of time that customers are suspended from accessing their myGov account was significantly reduced from 12 hours to two hours.

myGov shopfronts

The department and the ATO are taking an integrated service delivery approach in four central business district myGov shopfronts in Brisbane, Sydney, Adelaide and Perth and in a fifth shopfront in Albury, New South Wales. The myGov shopfronts offer integrated service delivery where myGov member services work together to deliver a single customer service model focused on transitioning customers to digital self-managed services.

Customers are supported to set up and use their myGov account, and complete their government transactions either online or via a range of available government mobile apps on their own devices. Free WiFi is available in the shopfronts. Staff also provide face-to-face assistance for simple online transactions and guide customers through their digital journey.

High definition video conferencing pilot

During the year the department continued an innovative pilot that explores and evaluates opportunities for video conferencing technologies. The trial offers face-to-face services through high definition video conferencing targeted to customers who find it difficult to visit a service centre. The department has received positive feedback from customers who have used the technology so far.

In 2015–16 Disability Support Pension customers, social work customers, customers seeking advice from the Financial Information Service, and customers in search of work participated in face-to-face interviews via high definition video conferencing.

The department also commenced Auslan on-demand services using video conferencing technology to ‘virtually’ deliver an Auslan interpreter to service centres when the service is needed. The trial is also exploring technologies that can connect with customers via their mobile devices and tablets.

Electronic messaging

The department continues to increase the types of messages sent through electronic messaging (SMS and email) to communicate with customers. This is helping to reduce the number of letters mailed to customers—see Tables 69 and 70 on page 174.

Electronic document scanning

The department electronically scans and stores large amounts of customer correspondence. Once a document is scanned the digital image can be accessed electronically for processing by staff located anywhere in Australia. We have now started to use technology to extract information from some digital documents, which reduces the level of staff intervention. The department is also continuing to explore ways to increase automatic processing of data from digital images.

Document Lodgement Service

The Document Lodgement Service is a quick and easy method for customers to submit documents online. Customers can use the service through their Centrelink online account and Express Plus mobile apps.

This service is popular with customers who want to provide their documents electronically, with over 3 million submitted in 2015–16 at an average of 8200 documents lodged each day. This compares to 1.4 million documents submitted at an average of 2200 documents lodged each day in 2014–15.

Online claims

Online claims have made a significant contribution to the government's deregulation agenda. Online claims and personal and circumstance updates contributed more than \$24 million in red tape reduction savings for the 2015 calendar year. In 2015–16 over 2.2 million claims were made online compared to 1.8 million claims in 2014–15.

Families, job seekers, students and older Australians can claim a range of Centrelink payments online. In 2015–16, over 75 per cent of claims for Youth Allowance Job Seeker, Youth Allowance Students, Parenting Payment Partnered, Austudy, Paid Parental Leave and Child Care Benefit Claims were submitted online.

Personal details and circumstance updates

During the year the number of customers updating their circumstances online continued to increase. In 2015–16 customers completed over 116 million transactions online and via Express Plus mobile apps compared to 112 million in 2014–15.

Centrelink customers can view and update a range of personal details, as well as notify changes to circumstances online or via mobile apps. This includes contact details, address and accommodation details, a range of income and assets details (including savings, shares, income streams, other income, real estate, managed investments, gifts and deprived assets and foreign income and asset

details), study details, overseas travel details and bank account details to receive payments. Customers can also report employment income, request a document, and claim Advance Payments online.

Online income stream reviews

Since August 2014 the department has offered an online service for customers required to undergo income stream reviews. Customers can either access their online account or use a one-time access code to complete the review. Customers can also authorise third party providers, such as financial planners, to use their code to complete the reviews on their behalf.

For the six-monthly review in February 2016 approximately 60 per cent of older Australians chose to complete their review online, which reduced pressure on processing teams and phone and face-to-face staff.

Confirmation eServices

The department's online Confirmation eServices allow participating businesses and organisations to confirm a person's entitlement to a concession or rebate. Businesses and organisations such as utility providers, local councils and health providers can electronically confirm a person's details to:

- receive a concession, rebate or service—Customer Confirmation
- request income, assets and payment details for people receiving income support—Income Confirmation
- assist administrators and trustees of superannuation funds to decide whether superannuation can be released early due to financial hardship—Superannuation Confirmation.

In 2015–16 there were 81.5 million Confirmation eServices transactions compared to 67.6 million in 2014–15.

Online services for health professionals

Through HPOS, the department offers health professionals and their administrators a single, secure web portal which provides real-time access to a number of online services.

Additional functionality was added to HPOS in September 2015 to allow Medicare and DVA providers to register bank details when creating new locations through HPOS.

A new way to access HPOS using a username and password logon for HPOS was introduced as a pilot in November 2015.

In May 2016, the department also commenced a trial of a new online PBS authorities system, accessed via HPOS, with approved prescribers applying for PBS authority approvals online instead of by phone.

Table 65: Users accessing HPOS services

	2013–14	2014–15	2015–2016	% change since 2014–15
Users	124 582	163 872	209 307	+27.7
Accesses to HPOS	1 946 095	2 897 581	3 929 685	+35.6

Letters and forms

The department continues to encourage people to register for letters online rather than have them sent in hard copy to their mailing address—see Table 67 on page 174. Customers can receive letters online through their myGov inbox. They are sent an SMS or email to alert them to a new letter.

In 2015–16 we sent 54 277 026 letters online compared to 55 081 039 in 2014–15—see Table 68 on page 174. The number of letters sent through the mail house decreased from 82 115 117 in 2014–15 to 67 687 057 in 2015–16—see Table 67 on page 174.

The department also continues to review and revise the content of letters and forms to ensure they are easier to understand.

While we still offer a range of printable claim forms that customers can download, convenient and easy access to online claim forms is increasingly popular. The volume of forms printed and distributed fell from 19 661 735 in 2014–15 to 17 287 546 in 2015–16.

Table 66: Registrations for social welfare service online letters

	2013–14	2014–15	2015–16	% change since 2014–15
Registrations	1 005 215	1 394 108	1 405 301	+0.8
Customers registered at 30 June	2 358 107	3 294 425	4 178 562	+26.8
Percentage of customers registered at 30 June	19.8	27.1	35.9	+32.5

Table 67: Total mail house letters

Mail house letters	2013–14	2014–15	2015–16	% change since 2014–15
Centrelink				
Letters	60 053 941	46 733 631	37 005 125	–20.8
Correspondence or letters about special initiatives	1 625 704	1 658 190	0 ¹	–100.0
Publications	533 815	6 671 577 ²	2 474 034	–62.9
Medicare	17 270 973	16 074 595	17 387 922	+8.2
Medicare cards	5 856 548	3 957 332	4 130 913	+4.4
Child Support ²	7 378 951	7 019 792	6 689 063	–4.7
Total mail house letters	92 719 932	82 115 117	67 687 057	–17.6

1. There were no government initiatives requiring bulk letters.
2. The figures represent total mail packs which include multiple individual items distributed through the department's mail houses.

Table 68: Online letters

Letters online	2013–14	2014–15	2015–16	% change since 2014–15
Centrelink	43 487 116	49 104 303	47 073 502	–4.1
Medicare	620 065	3 064 831	3 670 957	+19.8
Child Support	2 275 995	2 911 905	3 532 567	+21.3
Total letters online	46 383 176	55 081 039	54 277 026	–1.5

Table 69: SMS messages sent to customers

SMS	2013–14	2014–15	2015–16	% change since 2014–15
Total SMS	29 145 841	29 709 079	29 029 960	–2.3

Table 70: System generated email messages sent to customers

Email	2013–14	2014–15	2015–16	% change since 2014–15
Total email	15 736 084	19 044 282	19 837 060	+4.2

FACE-TO-FACE SERVICES

Services provided in our service centres

The department continues to capitalise on the success of one-stop shops which combine Centrelink and Medicare programme service delivery. This enables us to adapt our structure and processes to respond to service delivery trends and challenges. Our focus remains on developing a more flexible and agile service delivery network that better meets customer needs and accommodates the shift to digital services.

One-stop-shops are helping us to build a sustainable, accessible and fit-for-purpose network of service centres. These are proven to reduce service costs and service delivery duplication. This gives the department flexibility to divert more resources to provide targeted and intensive assistance to customers with complex circumstances.

In 2015–16 the department averaged over 85 000 service centre contacts on a daily basis across a national network of 351 service centres. Of these, 215 are one-stop shops compared to 190 one-stop shops in 2014–15. The average wait time in service centres for 2015–16 was 10 minutes and 58 seconds, a marked improvement compared to 12 minutes and 18 seconds in 2014–15.

Co-location with other organisations

The department continued to co-locate with other government agencies and with non-government organisations in service centres to broaden the range of services available in one site. Customers can now access services from an increasing number of providers such as the ATO, the Department of Immigration and Border Protection, DVA, the National Disability Insurance Agency, and some state and territory agencies in various locations around Australia.

Mobile service centres

The department has two mobile service centres, which travelled continually throughout regional and rural Australia in 2015–16. Priority was given to visiting communities that are greater than 50 kilometres from a service centre. Mobile service centre crews visited 381 towns of which 269 were greater than 50 kilometres from a service centre and helped over 8900 people. This compares to 2014–15 when 607 towns were visited, of which 428 were more than 50 kilometres from the service centre, and services were provided to over 13 000 people. The significant reduction in the number of towns visited between 2014–15 and 2015–16 is due to changing the number of mobile service centres from three to two.

In December 2015, mobile service centre crews assisted in recovery after the South Australia Pinery bushfires. They spent nine days in two disaster-affected communities helping over 500 people. In May and June 2016, mobile service centres also delivered assistance to dairy farming communities in parts of Victoria and South Australia. They spent 28 days in 49 affected communities helping over 1100 people.

Access points and agents

At 30 June 2016 the department had 240 Access Points and 350 Agents throughout regional, rural and remote Australia compared to 238 Access Points and 350 Agents in 2014–15.

Access Points provide free self-help facilities where customers can conduct their business with the department. This includes a phone for self-service or calls to the department as well as a fax, photocopier and internet facilities. Access Points can copy and certify proof of identity documents for customers.

As well as providing the same facilities and services as an Access Point, Agents offer face-to-face services to support customer interaction with the department through digital services and to provide general assistance.

Access to DVA information services

Under a revised memorandum of understanding with DVA the department now delivers the Veterans' Information Service at 21 regional customer service centres—10 in New South Wales, four in Victoria, five in Queensland, one in South Australia and one in the Northern Territory.

Community Engagement Services were delivered in Coffs Harbour and Port Macquarie and four sites in South Australia delivered Veterans Agent Services. In addition the department maintained three Veterans' Information Kiosks and delivered Assisted Services at two sites.

The department and DVA continue to work in partnership on measures such as managed investments, welfare payments, Income Management, compliance and fraud initiatives, online concession entitlement confirmation and administration of the Defence Force Income Support Allowance.

SMART CENTRES

Smart centres are responsible for the delivery of Centrelink, Medicare and Child Support programme services to customers. Phone and processing services are delivered from many locations around Australia that form part of the virtual network. Smart centres are responsible for processing the majority of claims within the department. The smart centre approach is to resolve enquiries at the first point of contact whenever possible and promote the use of self-service options including Express Plus mobile apps and online services.

The flexible structure allows for staff skilled in multiple areas to be deployed based on demand.

The department traditionally experiences seasonal peak periods of demand from January–March and June–September each year, when increased workload is generated by:

- families income estimates
- families reconciliation
- updates to child care information
- assessing student eligibility for new and changed enrolments for the new academic year and second semester
- enquiries about the Medicare safety net and Medicare benefit tax statements (where available)
- child support enquiries about assessments for newly-separated parents and assessments as a result of tax lodgements
- Schoolkids Bonus enquiries.

Smart Centre capacity was also impacted this year by the deployment of staff to the department's emergency responses to:

- the South Australia Pinery bushfires in November 2015
- the Australian Victim of Terrorism Overseas Payments for the Paris attacks in November 2015
- the Western Australia Waroona bushfires in January 2016
- the Australian Victim of Terrorism Overseas Payments for the Brussels attacks in March 2016
- the New South Wales east coast storms and floods in June 2016
- the Tasmania east coast storms and floods in June 2016.

The department, including smart centres, continued to assist people affected by:

- South Australia bushfires in January 2015
- Tropical Cyclone Lam in the Northern Territory in February 2015
- Tropical Cyclone Marcia in Queensland in February 2015
- Tropical Cyclone Olwyn in Western Australia in March 2015
- New South Wales east coast storms and flooding in April 2015.

In addition to these emergencies the department also responded to people affected by the closure of the Hunter River and Port Stephens fisheries in September 2015.

Phone services

In 2015–16 the department handled 55.8 million calls about Centrelink, Child Support and Medicare programme services compared to 56.8 million in 2014–15.

The 2015–16 Portfolio Budget Statements outlined average speed of answer key performance indicators for each of the programmes with the following targets:

- Social security and welfare programme:
 - ≤16 minutes average speed of answer—telephony
- Health programme:
 - ≤30 seconds average speed of answer—Pharmaceutical Benefits Scheme authorities and eHealth providers telephony
 - ≤2 minutes average speed of answer—providers telephony
 - ≤7 minutes average speed of answer—customers telephony
 - ≤15 minutes average wait time—face-to-face
- Child Support Programme
 - ≤3 minutes average speed of answer—telephony
- The average length of time a customer waited for their call to be answered in 2015–16 was:
 - 15 minutes and 9 seconds for social security and welfare services compared to 15 minutes and 40 seconds in 2014–15
 - 40 seconds for PBS authorities and eHealth providers compared to 25 seconds in 2014–15

- 1 minute and 27 seconds for health services (provider) compared to 1 minute and 25 seconds in 2014–15
- 6 minutes and 51 seconds for health services (customer) compared to 5 minutes and 10 seconds in 2014–15
- 2 minutes and 53 seconds for child support services compared to 2 minutes and 33 seconds in 2014–15.

The department continues to focus on improving the customer experience by simplifying and automating many of the department's telecommunication systems. This includes improvements to:

- interactive voice response systems, based on the latest technology and customer feedback
- voice recognition and authentication applications, to simplify self-service registration and identification processes, removing the need for customers to repeat complex personal registration details during each contact.

Multilingual smart centre services

Smart centres provide multilingual phone services to customers in languages other than English. Bilingual service officers can finalise most of a customer's business in a single phone call either directly or with support from interpreters. In 2015–16 service officers on the multilingual lines answered more than 821 600 calls compared to more than 713 000 calls in 2014–15.

Rural smart centre services

Smart centres provide a rural phone service designed specifically to meet the needs of customers in rural and remote communities. Drawing on their knowledge of local rural issues, service officers handle calls and process Farm Household Allowance claims. Service officers also assist with the impact of geographic isolation and changing circumstances such as drought or flood for farmers and their families.

In 2015–16 more than 150 092 calls were answered in rural smart centres compared to more than 193 000 calls in 2014–15. In 2015–16 more than 29 000 Drought Assistance calls were answered in rural smart centres compared to more than 37 000 calls in 2014–15.

Remote smart centre services

The remote smart centre delivers phone services to Indigenous Australians, which includes advice about Indigenous-specific payments. Service officers respond to calls from Indigenous customers, as well as from Agents acting on their behalf in remote areas. The most common questions are about ABSTUDY, Indigenous services, Income Management and the BasicsCard.

In 2015–16 more than 3.5 million calls were answered about Indigenous issues and Income Management compared to 2.8 million calls in 2014–15.

Child Support smart centre services

The department delivers most of its child support services to customers over the phone, in many cases finalising processing in real time. In 2015–16:

- 2.1 million calls about child support from separating or separated parents were received compared to 2.3 million in 2014–15
- 17 232 requests for a change of assessment were processed compared to 18 092 in 2014–15.

Health and other small business phone services

The department provides phone services for health and other programmes to health professionals, aged care organisations, and small businesses. During 2015–16 these services covered Medicare, the Pharmaceutical Benefits Scheme, specialised health and medical services, aged care, and the Small Business Superannuation Clearing House. In 2015–16 these phone services handled 14.2 million calls compared to 14.5 million in 2014–15.

4.2 SERVICE DELIVERY IMPROVEMENTS

SERVICE DELIVERY OPERATING MODEL

In 2015–16 the department continued to embed its Service Delivery Operating Model to guide design and delivery of services, creating better outcomes for government and customers. The operating model has four service levels:

- naturally connected, automated services happening behind the scenes—to save effort for customers and staff
- self-managed—for people who can access and use services by themselves without needing support from staff
- assisted—for people who are unable to self-manage because of their circumstances and require support to access the right services
- managed and intensive—for people facing complex challenges who need a high level of coordinated assistance for a period of time.

Continued implementation of the Service Delivery Operating Model will support and align with the WPIT Programme leading to more naturally connected and self-managed services which will allow more staff to focus on customers with complex needs. See also *Welfare Payment Infrastructure Transformation* on page 167.

DHS CHANNEL STRATEGY

The department is developing a Channel Strategy which will outline how the department is arranging delivery of services across its channels in an efficient and effective manner. The Channel Strategy is a complementary department-wide strategy alongside the Technology Plan, internal budget and Workforce Plan. It is a key planning document to deliver better government and customer outcomes through multiple service delivery channels.

4.3 INFORMATION AND COMMUNICATIONS TECHNOLOGY

During 2015–16, we have seen a 33 per cent increase in use of digital platforms, reaching record accesses of 9.5 million accounts via myGov.

The number of myGov logon-navigations to member services has increased by 93 per cent in 2015–16.

To support unprecedented demand and community expectations for 24/7 online access, the department has deployed highly available ICT infrastructure that is scalable with capacity on demand to meet customer needs. This infrastructure is further challenged during the peak demand periods, such as the end of the financial year, calendar year and holiday processing periods. Complex data modelling indicates service demand profiles so that infrastructure capacity can be increased in anticipation of demand peaks.

SERVICE STABILITY

In 2015–16 the department reduced priority 1 incidents to 0.4 per month in line with industry best practice. This compares to 1.2 priority 1 incidents per month in 2014–15.

TELSTRA CONTRACT

The department continued to consolidate our telecommunications services through a new, managed service contract with Telstra. This has led to greater efficiencies and productivity improvements for staff and significantly enhanced service delivery.

In April 2016 Telstra implemented One DHS Routing and iWS (Interaction Workspace) to Medicare and Child Support services. One DHS Routing provides a single phone contact centre platform and a common capability for all of the department's programmes. The iWS softphone application is now common across the department and will increase the ability to respond and mobilise work teams across the network during peak demands and emergencies.

The progressive roll-out to Centrelink services started in late April 2016. These are major steps towards establishing an 'any agent anywhere' facility across the department. Final transition to the new contract, including a new workforce management tool, is expected to finish in August 2016.

DATA CENTRE CONSOLIDATION

In December 2015 the department removed all equipment from the Tuggeranong Data Centre. This achieved the department's target of two data centres, located at Fyshwick and Hume in the Australian Capital Territory. During the year we also continued to migrate data and applications off older infrastructure onto new, faster, more reliable and more condensed data communications and computing infrastructure, with a focus on deploying leading-edge, converged infrastructure technology.

ICT SUPPORT FOR OTHER GOVERNMENT AGENCIES

The department continued to provide ICT support to other Australian, state and territory government agencies, including:

- internet gateway services to eight departments and agencies
- data warehousing and business information services to several departments, primarily for the Department of Social Services and the Department of Health. The services include collecting data from transaction processing systems and formatting, relating and storing that data in a data warehouse, and developing analytical and reporting products that use it
- a range of information data exchange programmes
- online capability for:
 - users of the Small Business Superannuation Clearing House (see page 70)
 - the Practice Incentives Program, using a web-based self-service system to simplify administration for general practitioners (see page 54)
 - the HECSRS Programme
 - the Rural Procedural Grants Program (see page 57)
 - the Rural Locum Education Assistance Program (see page 57)
 - the School Enrolment and Attendance Measure (see page 28)
 - Income Management (see page 82)
 - business services supporting the Paid Parental Leave Scheme (see page 27)
 - the Farm Household Allowance (see page 77)
 - the Status Resolution Support Services (see page 89)
- ICT components and technical operational support, including:
 - components of the My Health record system (see page 66)
 - the National Authentication Service for Health, which enables secure electronic communications across the health sector (see page 66)
 - authentication and digital services for users of myGov (see page 169)

- the National Health Funding Administrator Payments System which supports all state and territory government health departments to provide payments to all public hospitals
- a full suite of ICT shared services provided to the National Disability Insurance Agency, including end user computing, telephony, online channels and business systems (see page 31)
- ICT shared services provided to DVA, including end user computing, telephony and infrastructure (see page 48).

PART | 5

Financial overview and financial statements



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5.1 FINANCIAL OVERVIEW

STATEMENT OF FINANCIAL PERFORMANCE

In 2015–16 the department administered approximately \$172.1 billion in payments or around 41 per cent of government outlays. The department reported a small operating deficit of \$3.2 million after adjustment for unfunded depreciation and amortisation expenses and the revaluation of assets. This represents a 0.07 per cent variance to the budgeted net cost of services of \$4.5 billion.

Income

The department was primarily funded through direct appropriation in the annual budget cycle. The department received service-related revenue from other Australian Government agencies and non-government entities under service arrangements—see Table 71 below.

In 2015–16 the department received total income of \$4417.1 million, comprising \$4223.5 million in government appropriation and \$193.6 million in own source revenue and gains—see Table 72 on page 187.

Table 71: Own source revenue¹

Government agencies and other entities	\$ million
Australian Electoral Commission	6.4
Australian Taxation Office	16.5
Department of Foreign Affairs and Trade	7.2
Department of Health	36.1
Department of Immigration and Border Protection	1.5
Department of the Prime Minister and Cabinet	3.2
Department of Social Services	5.5
Department of Veterans' Affairs	26.0
National Disability Insurance Agency	18.8
Other agencies (amounts of less than \$1.0 million from other government agencies)	5.2
Other entities	59.7
Total	186.1

1. Financial and other data in this annual report is rounded to the nearest decimal point. This may lead to minor differences between numbers.

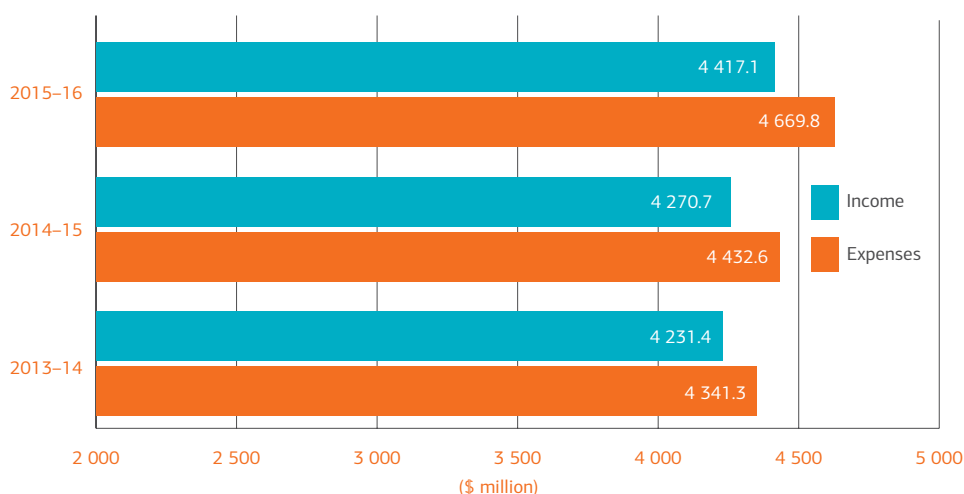
Expenses

The department's expenses in 2015–16 totalled \$4669.8 million compared to \$4432.6 million in 2014–15.

Table 72: Income and expenses

	2013–14 \$ million	2014–15 \$ million	2015–16 \$ million	% change since 2014–15
Income	4 231.4	4 270.7	4 417.1	+3.4
Expenses	4 341.3	4 432.6	4 669.8	+5.4

Figure 8: Income and expenses

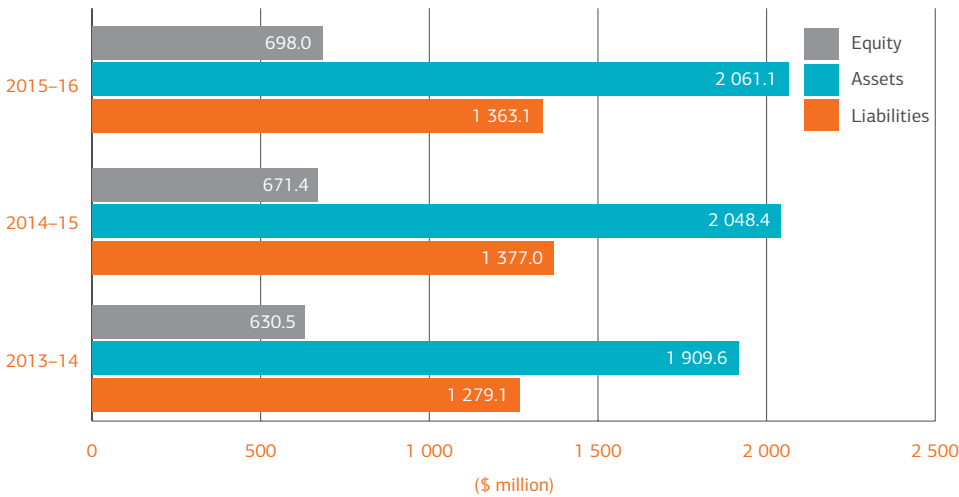


Reporting of significant non-compliance issues

No matters were reported under section 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* in relation to non-compliance with the finance law during the reporting period.

STATEMENT OF FINANCIAL POSITION

Figure 9: Equity, assets and liabilities



Equity

The total equity of the department at 30 June 2016 was \$698.0 million compared to \$671.4 million the year before.

Assets were revalued upwards during the year resulting in a 34.9 per cent increase to the asset revaluation reserve.

Contributed equity increased by 17.2 per cent reflecting \$47.6 million in equity injections for the purchase of plant and equipment and software development; and \$196.4 million departmental capital budget funding for the purchase of plant and equipment, software development and property leasehold improvement. In addition \$1.9 million of net liabilities were transferred to the Department of Health under a restructuring of administrative arrangements.

Assets

The department’s total assets increased by 0.6 per cent to \$2061.1 million at 30 June 2016.

Liabilities

The department's total liabilities decreased by 1.0 per cent to \$1363.1 million at 30 June 2016.

Table 73: Equity, assets and liabilities

	2013–14 \$ million	2014–15 \$ million	2015–16 \$ million	% change since 2014–15
Equity	630.5	671.4	698.0	+4.0
Assets	1 909.6	2 048.4	2 061.1	+0.6
Liabilities	1 279.1	1 377.0	1 363.1	–1.0

Administered items

In 2015–16 the department collected and transferred \$1.5 billion child support payments between separated parents for the support of their children. The department also recognised \$26.6 million dividends and competitive neutrality payments on behalf of the Australian Government from Australian Hearing.

5.2 FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Minister for Human Services

I have audited the accompanying annual financial statements of the Department of Human Services for the year ended 30 June 2016, which comprise:

- Statement by the Secretary and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and Forming Part of the Financial Statements.

Opinion

In my opinion, the financial statements of the Department of Human Services:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of Human Services as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Secretary of the Department of Human Services is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Secretary is also responsible for such internal control as necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Brandon Jarrett
Executive Director

Delegate of the Auditor-General

Canberra
31 August 2016

**DEPARTMENT OF HUMAN SERVICES
STATEMENT BY THE SECRETARY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Human Services will be able to pay its debts as and when they fall due.

Signed 

Kathryn Campbell CSC
Secretary

31 August 2016

Signed 

Mark Jenkin
Chief Financial Officer

31 August 2016

DEPARTMENT OF HUMAN SERVICES
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2016

		2016	2015	Original Budget ¹
	Notes	\$'000	\$'000	2016 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	A1.1	2,921,487	2,805,469	2,881,874
Supplier expenses	A1.2	1,470,901	1,369,918	1,489,060
Depreciation and amortisation expenses	B2.1	249,509	229,011	254,377
Write-down and impairment of assets	B1.1, B2.1	21,125	22,389	123
Other expenses	A1.3	6,822	5,802	7,102
Total expenses		4,669,844	4,432,589	4,632,536
Income				
	A2			
Own-source revenue				
Rendering of goods and services		161,326	181,773	142,265
Rental income		8,436	2,592	-
Other revenue		16,330	-	-
Total own-source revenue		186,092	184,365	142,265
Gains				
Reversal of previous asset write-down and impairment	B1.1, B2.1	1,900	11,507	-
Resources received free of charge	A2.1	3,466	3,588	2,505
Other gains		2,174	2,550	-
Total gains		7,540	17,645	2,505
Total income		193,632	202,010	144,770
Net cost of services		(4,476,212)	(4,230,579)	(4,487,766)
Revenue from government	A2.2	4,223,484	4,068,695	4,235,726
Deficit attributable to the Australian Government		(252,728)	(161,884)	(252,040)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve	B2.1, B5.2	33,271	10,804	-
Total other comprehensive income		33,271	10,804	-
Total comprehensive deficit attributable to the Australian Government²	C4	(219,457)	(151,080)	(252,040)

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

²From 1 July 2010 depreciation and amortisation expenses ceased to be funded through revenue appropriations. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

		2016	2015	Original Budget ¹
	Notes	\$'000	\$'000	2016 \$'000
ASSETS				
Financial assets				
Cash	B1	22,406	26,748	27,647
Trade and other receivables	B1.1	992,579	994,615	861,027
Total financial assets		1,014,985	1,021,363	888,674
Non-financial assets				
Land and buildings	B2.1, B3	325,035	321,892	268,659
Plant and equipment	B2.1, B3	152,111	151,989	173,541
Software	B2.1	480,321	441,476	408,952
Prepayments	B2.2	88,609	111,709	90,363
Total non-financial assets		1,046,076	1,027,066	941,515
Total assets		2,061,061	2,048,429	1,830,189
LIABILITIES				
Payables				
Suppliers	B4.1	349,129	365,929	278,459
Employee benefits		42,057	93,697	29,982
Lease incentives	B4.3	42,143	28,256	22,517
Other payables	B4.4	4,337	4,692	1,294
Total payables		437,666	492,574	332,252
Provisions				
Employee provisions	B5.1	898,494	857,875	896,782
Other provisions	B5.2	26,925	26,544	25,328
Total provisions		925,419	884,419	922,110
Total liabilities		1,363,085	1,376,993	1,254,362
Net assets		697,976	671,436	575,827
EQUITY				
Parent entity interest				
Contributed equity		1,676,574	1,430,577	1,664,543
Reserves		128,653	95,382	84,578
Accumulated deficit		(1,107,251)	(854,523)	(1,173,294)
Total parent entity interest		697,976	671,436	575,827
Total equity		697,976	671,436	575,827

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

The above statement should be read in conjunction with the accompanying notes.

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DEPARTMENT OF HUMAN SERVICES
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2016

		2016	2015	Original Budget ¹ 2016
	Notes	\$'000	\$'000	\$'000
Contributed equity as at 1 July				
Balance carried forward from previous period		1,430,577	1,238,557	1,430,254
Adjustment		(3)	2	-
Adjusted opening balance		1,430,574	1,238,559	1,430,254
Distributions to owners				
Returns of capital				
Reduction of appropriation ²		-	(25,300)	-
Restructuring ³	D2	1,942	-	-
Contributions by owners				
Departmental capital budget		196,420	196,876	196,420
Equity injection - appropriations		47,638	20,442	37,869
Total transactions with owners		246,000	192,018	234,289
Total as at 30 June		1,676,574	1,430,577	1,664,543
Reserves as at 1 July				
Balance carried forward from previous period		95,382	84,578	84,578
Changes in asset revaluation reserve		33,271	10,804	-
Total as at 30 June		128,653	95,382	84,578
Accumulated deficit as at 1 July				
Balance carried forward from previous period		(854,523)	(692,639)	(921,254)
Deficit for the period		(252,728)	(161,884)	(252,040)
Total as at 30 June		(1,107,251)	(854,523)	(1,173,294)
Total equity as at 30 June		697,976	671,436	575,827

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

²In 2015 \$25.3 million from Appropriation Act (No. 1) 2011-12 was reduced under the Omnibus Repeal Day (Autumn 2014) Act 2014.

³Net liabilities relinquished to the Department of Health under a restructuring of administrative arrangements. This includes the transfer of \$0.3 million of 2015-16 departmental capital budget.

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
CASH FLOW STATEMENT
for the period ended 30 June 2016

		2016	2015	Original Budget ¹ 2016
	Notes	\$'000	\$'000	\$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		4,438,244	4,237,000	4,598,609
Rendering of goods and services		157,427	200,445	146,604
Net GST received		157,251	135,247	152,690
Other		51,854	69,165	-
Total cash received		4,804,776	4,641,857	4,897,903
Cash used				
Employees		2,957,461	2,838,751	2,944,998
Suppliers		1,605,112	1,553,387	1,647,314
Competitive neutrality		487	828	6,297
Net GST paid		-	5,457	-
Returns to the official public account		202,787	258,077	299,294
Total cash used		4,765,847	4,656,500	4,897,903
Net cash (used by)/from operating activities	C5	38,929	(14,643)	-
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of plant and equipment		44	609	-
Total cash received		44	609	-
Cash used				
Purchase of buildings, plant and equipment		114,804	90,626	136,540
Purchase of software		172,564	105,530	97,749
Total cash used		287,368	196,156	234,289
Net cash used by investing activities		(287,324)	(195,547)	(234,289)
FINANCING ACTIVITIES				
Cash received				
Contributed equity - departmental capital budget		196,094	196,876	196,420
Contributed equity - capital injection		47,959	20,121	37,869
Total cash received		244,053	216,997	234,289
Net cash from financing activities		244,053	216,997	234,289
Net (decrease)/increase in cash held		(4,342)	6,807	-
Cash at the beginning of the reporting period		26,748	19,941	27,647
Cash at the end of the reporting period	B1	22,406	26,748	27,647

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

The above statement should be read in conjunction with the accompanying notes.

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DEPARTMENT OF HUMAN SERVICES
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2016

		2016	2015	Original Budget ¹ 2016
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses	A3			
Child support maintenance expenses		1,392,132	1,425,336	1,450,788
Write-down and impairment of assets	A3.1	148,049	81,658	95,038
Grants to private sector not-for-profit organisations		-	3,125	-
Other expenses		17	3,036	-
Total expenses		1,540,198	1,513,155	1,545,826
Income				
	A4			
Non-taxation revenue				
Child support maintenance revenue		1,517,229	1,499,505	1,545,650
Competitive neutrality revenue		14,168	13,626	5,995
Fees and fines		8,777	8,736	9,201
Dividends		12,387	10,563	3,066
Other revenue		152	101	-
Total non-taxation revenue		1,552,713	1,532,531	1,563,912
Gains				
Reversal of previous asset impairment	A4.1	23,700	6,596	-
Total gains		23,700	6,596	-
Total income		1,576,413	1,539,127	1,563,912
Net contribution by services		36,215	25,972	18,086
Surplus		36,215	25,972	18,086
OTHER COMPREHENSIVE INCOME				
Items subject to subsequent reclassification to net cost of services				
Gain on investment	B7.2	8,430	7,078	-
Total comprehensive income		44,645	33,050	18,086

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2016

		2016	2015	Original Budget ¹
	Notes	\$'000	\$'000	2016
				\$'000
ASSETS				
Financial assets				
Cash	B6.1	660	475	833
Child support receivables	B6.2	773,531	766,089	781,789
Other receivables	B6.3	11,165	8,079	6,437
Investment - Australian Hearing	B7.1	57,852	49,422	42,344
Total financial assets		843,208	824,065	831,403
Non-financial assets				
Plant and equipment		-	16	12
Total non-financial assets		-	16	12
Total assets administered on behalf of the Australian Government				
		843,208	824,081	831,415
LIABILITIES				
Payables				
Child support and other payables	B8.1	27,555	27,673	30,496
Child support payments received in advance		17,981	16,678	16,929
Total payables		45,536	44,351	47,425
Provisions				
Child support maintenance provisions	B9	770,507	763,809	777,639
Total provisions		770,507	763,809	777,639
Total liabilities administered on behalf of the Australian Government				
		816,043	808,160	825,064
Net assets		27,165	15,921	6,351

¹Budget reported in the 2015-16 Portfolio Budget Statements published in May 2015.

The above statement should be read in conjunction with the accompanying notes.
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**DEPARTMENT OF HUMAN SERVICES
ADMINISTERED RECONCILIATION SCHEDULE**

	2016 \$'000	2015 \$'000
Opening assets less liabilities as at 1 July	15,921	7,763
Net contribution by services		
Income	1,576,413	1,539,127
Expenses to other than corporate Commonwealth entities	(1,540,198)	(1,513,155)
Other comprehensive income		
Gain on investment	8,430	7,078
Transfers to/from Australian Government		
Appropriation transfers from the official public account		
Special accounts	1,345,891	1,342,354
Special appropriations (unlimited)		
Payments to individuals	47,458	58,583
Annual appropriation		
Payments to other than corporate Commonwealth entities	1,959	7,360
Other		
Payments to other than corporate Commonwealth entities	71	593
Appropriation transfers to the official public account	(1,428,780)	(1,433,782)
Closing assets less liabilities as at 30 June	27,165	15,921

Income administered and managed on behalf of the Australian Government is administered income. Collections are transferred to the official public account maintained by the Department of Finance. Conversely, cash is drawn from the official public account to make payments under appropriations (including from special accounts). These transfers to and from the official public account are reported in the administered cash flow statement, in the administered reconciliation schedule and through the special accounts.

The above schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF HUMAN SERVICES
ADMINISTERED CASH FLOW STATEMENT**
for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
OPERATING ACTIVITIES			
Cash received			
Child support		1,385,711	1,387,096
Fees and fines		8,642	9,626
Competitive neutrality		13,695	13,622
Dividends		9,609	11,145
Other		1,259	1,368
Total cash received		<u>1,418,916</u>	<u>1,422,857</u>
Cash used			
Child support		1,383,727	1,390,772
Grants		-	3,437
Other		1,603	4,114
Total cash used		<u>1,385,330</u>	<u>1,398,323</u>
Net cash from operating activities		<u>33,586</u>	<u>24,534</u>
 Cash at the beginning of the reporting period		<u>475</u>	<u>833</u>
Cash from the official public account			
Special accounts		1,345,891	1,342,354
Appropriations		49,417	65,943
Other		71	593
Total cash from the official public account		<u>1,395,379</u>	<u>1,408,890</u>
Cash to the official public account			
Special accounts		(1,347,597)	(1,338,930)
Appropriations		(48,603)	(59,757)
Other		(32,580)	(35,095)
Total cash to the official public account		<u>(1,428,780)</u>	<u>(1,433,782)</u>
Cash at the end of the reporting period	B6.1	<u>660</u>	<u>475</u>

The above statement should be read in conjunction with the accompanying notes.
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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

Overview

Objectives of the Department of Human Services

The department is an Australian Government controlled not-for-profit entity. The department delivers social and health related services, through its Centrelink, Medicare and Child Support programmes. The department builds on its foundation of service excellence to improve the delivery of services to the Australian community. Through close collaboration with the community and partner agencies, the department plays an active role in developing new approaches to social and health related policy and service delivery.

The contribution of the department to the Australian 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 provides support to Australians facing financial hardship or structural adjustment. A key aim is to present a seamless, secure, end-to-end digital service experience that helps members of the community manage their own affairs.

The department's activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the department in its own right. Administered activities involve the management and oversight by the department, on behalf of the Australian Government, of items controlled or incurred by the Australian Government.

The continued existence of the department is dependent on government policy and on continuing funding by the Parliament for the department's administration and programmes.

Basis of preparation of the financial statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are general purpose financial statements.

The financial statements have been prepared in accordance with the:

- Financial Reporting Rule (FRR), for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements are presented in Australian dollars and values are rounded unless disclosure of the full amount is specifically required.

Revenues, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Unless otherwise stated, administered revenue, expenses, assets, liabilities and cash flows reported in the administered schedules and related notes are accounted for on the same basis, using the same policies as for departmental items and relate to: child support; fees and fines; dividends; and competitive neutrality items.

New Australian accounting standards

Adoption of new Australian accounting standard requirements

New and revised accounting standards and interpretations that were issued prior to the signing of the financial statements and were applicable to the current reporting period did not have a material financial impact and are not expected to have significant future financial impact on the department's financial statements.

AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities* was adopted earlier than the application date stated in the standard. AASB 2015-7 provides relief from disclosing quantitative information about significant unobservable inputs used in fair value, where property, plant and equipment is held for its current service potential rather than to generate net cash flows. The standard has been applied and the effect is that these disclosures are no longer made.

Future accounting standard requirements

The department will apply AASB 16 *Leases* from 2019-20. The standard will require the net present value of payments under most operating leases to be recognised as assets and liabilities. An initial assessment indicates that the implementation of the standard may have a substantial impact on the financial statements, however, the department is yet to undertake a detailed review.

The department will apply AASB 15 *Revenue from Contracts with Customers* from 2018-19. The standard requires revenue from such contracts to be recognised as the entity transfers goods and services to the customer. A detailed assessment is yet to be undertaken, however, based on a preliminary assessment, the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements.

AASB 9 *Financial Instruments* will apply from 2018-19. Financial assets and liabilities are currently carried at the present value of expected future cash flows based upon the incurred loss model. There is minimal exposure to credit risk and an initial assessment indicates that the effect of the standard and move to the expected loss model will not have a material impact on the financial statements.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

The following new or revised standards will have a disclosure impact in future reporting periods:

- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative* provides guidance on disclosure requirements contained in AASB 101 *Presentation of Financial Statements* and further guidance on the ordering of notes to the financial statements and will apply from 2016-17.
- AASB 2015-6 *Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* extends the scope of AASB 124 *Related Party Disclosures* to not-for-profit public sector entities and will apply from 2016-17. The department will report related party transactions in the notes to the financial statements, including key management personnel and related entity transactions.

Commonwealth expenditure

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2015] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programmes. In accordance with its general practice, the Australian Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements. As at 30 June 2016 the department has assessed that it has no spending activities having a high or medium constitutional risk.

Taxation

The department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax. Revenues, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Breach of section 83 of the Constitution

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation made by law. Payments made which are not supported by an appropriation contravene section 83 of the Constitution.

The department has three special accounts involving statutory conditions for payment, of which the Child Support Special Account and the Recovery of Compensation for Health Care and Other Services Special Account made payments in 2015-16.

It is impractical for the department to completely eliminate the potential for non-compliance with section 83. The department has not identified any instances of non-compliance resulting from serious mismanagement. The identified non-compliance represents a very small proportion of the total payments made, both by value and by volume and was caused by inaccurate customer supplied bank account data and minor administrative errors.

In 2015-16 the department identified 54 payments totalling \$11,539 from the Child Support Special Account made in contravention of section 83 of the Constitution which required either recovery action to be undertaken by the department or the offset of an amount against future payments to the customer. As at 30 June 2016 \$4,049 had been recovered or offset.

In 2015-16 the department identified seven payments totalling \$55,030 from the Recovery of Compensation for Health Care and Other Services Special Account made in contravention of section 83 of the Constitution which required recovery action to be undertaken by the department. As at 30 June 2016 \$39,294 had been recovered.

In 2015-16 there was one payment totalling \$2,984 in respect of long service leave made in contravention of section 83 of the Constitution. As at 30 June 2016 \$1,500 had been recovered.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

A: Financial Performance

A1: Expenses

	2016	2015
	\$'000	\$'000
A1.1: Employee benefits		
Wages and salaries	2,011,270	1,979,675
Superannuation		
Defined contribution plans	151,080	133,276
Defined benefit plans ¹	286,112	281,711
Leave and other entitlements	459,169	403,167
Separation and redundancies	12,025	5,953
Other employee expenses	1,831	1,687
Total employee benefits	2,921,487	2,805,469

¹The department made employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or non-government superannuation funds. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap and other non-government super funds are defined contribution schemes.

A1.2: Supplier expenses

Goods and services supplied or rendered

Consultants and contractors	341,664	235,487
Communications	203,108	200,744
IT maintenance	195,801	200,600
Property operating	122,587	119,825
Customer related	44,884	40,306
Travel and motor vehicles	40,020	43,591
Staff related	34,274	32,579
Fees and charges	26,262	34,646
Legal services and compensation	13,917	15,903
Other	15,092	17,167
Total goods and services supplied or rendered	1,037,609	940,848

Goods supplied	45,593	48,045
Services rendered	992,016	892,803
Total goods and services supplied or rendered	1,037,609	940,848

Other supplier expenses

Operating lease rentals - external parties		
Minimum lease payments	366,114	339,858
Contingent rentals	1,210	1,345
Workers compensation premium	65,968	87,867
Total other suppliers	433,292	429,070
Total supplier expenses	1,470,901	1,369,918

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Lease payments are subject to increases in accordance with upwards movements in the consumer price index, market rates, fixed increase rates or a combination of the aforementioned rates. Lease terms are determined by property use and generally range between one and ten years. Nine per cent of office accommodation leases have terms of greater than ten years. Most lease agreements include option terms of three to five years that are exercisable at the Commonwealth's discretion and generally provide for an adjustment of rentals to current market levels upon exercise of an option term.

Lease incentives provided to the department by way of rent free periods, leasehold improvements or cash incentives are recognised as lease incentive liabilities (note B4.3 refers). Lease payments are allocated between a reduction of the lease incentive liabilities and the property rental expense to effect a spreading of the rental expense in accordance with the pattern of benefits derived from the rental properties.

The department makes an immediate allowance for property make-good where required under lease agreements (note B5.2 refers).

A property lease is deemed onerous if it relates to a vacant floor and/or identifiable and separable portion of a building for which there are no immediate future plans or sub-let arrangements (e.g. a vacant, self-contained floor of a larger building or wing). In these instances a provision for surplus lease space is recognised and subject to annual review (note B5.2 refers).

Commitments payable for minimum lease payments in relation to non-cancellable operating leases

	<1 year	Between 1-5 years	>5 years	Total	<1 year	Between 1-5 years	>5 years	Total
	2016	2016	2016	2016	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating leases ¹	387,115	1,061,107	644,318	2,092,540	334,028	855,567	628,354	1,817,949

¹Contractual obligations comprise of property operating, ICT equipment and motor vehicle fleet leases.

	2016	2015
	\$'000	\$'000
A1.3: Other expenses		
Resolution of claims	5,654	4,508
Finance costs	681	821
Competitive neutrality - state tax equivalent ¹	487	460
Act of grace payments	-	13
Total other expenses	6,822	5,802

¹The department provides Centrepay services which is subject to the Australian Government's competitive neutrality policy. The department is required to make payroll taxation equivalent payments to the Australian Government.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

A2: Income

Own source revenue mainly relates to the provision of shared services to other government entities.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Gains includes incidental transactions and events outside of ordinary operations such as: contributions of assets at no cost or for nominal consideration; gains arising from the disposal of non-current assets; reversals of provisions, previous asset write-downs and impairment; and resources received free of charge where the services would have been purchased if they had not been donated.

	2016 \$'000	2015 \$'000
A2.1: Resources received free of charge		
Australian Taxation Office	1,766	1,988
Australian National Audit Office - financial statement audit fee	1,700	1,600
Total resources received free of charge	3,466	3,588

A2.2: Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted to reflect the department's funding agreement, formal additions, reductions and restructures) are recognised as revenue from government when the department gains control of the appropriation.

Appropriations receivable are recognised at their nominal amounts (note B1.1 refers).

Amounts appropriated which are designated as equity injections (less any formal reductions) and the departmental capital budget are recognised directly in contributed equity in that year (statement of changes in equity refers).

Income and Expenses Administered on Behalf of Government

A3: Administered - Expenses

Child support maintenance expenses are recognised and measured in line with child support revenue (note A4 refers).

A3.1: Write-down and impairment of assets

Write-down and impairment of assets		
Child support maintenance discharge	64,287	48,950
Child support write-down and impairment of assets	83,418	31,754
Child support waivers	66	930
Child support cost recovery discharge	7	24
Other - fees and fines	271	-
Total write-down and impairment of assets	148,049	81,658

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A4: Administered - Income

Non-taxation revenue

All administered revenue is revenue relating to the course of ordinary activities performed by the department on behalf of the Australian Government.

Child support maintenance revenue

The child support programme acts as the intermediary in the transfer of child support payments, which are collected from the non-custodial parent and then paid to the custodial parent.

Revenue from the assessment and collection of child support is recognised in the administered schedule of comprehensive income at the nominal amounts. The revenue is recognised at the point when a child support assessment, private child support agreement or maintenance court order is registered for collection by the child support registrar under the *Child Support (Registration and Collection) Act 1988*. In accordance with the Act, the revenue is adjusted when a private settlement is agreed by both parents for a particular period of payments.

Child support penalty revenue

Under section 67 of the *Child Support (Registration and Collection) Act 1988*, a late payment penalty is applied whenever a non-custodial parent fails to make their child support payment to the custodial parent by the due date and where the outstanding maintenance debt exceeds \$1 000.

Late payment penalties are recognised as revenue in the administered financial statements at the time the cash is received. In 2015-16, \$8.4 million (2014-15: \$8.4 million) of penalty revenue receipts were included in administered fees and fines.

Competitive neutrality revenue

Australian Hearing provides services on a for-profit basis and is subject to the Australian Government's competitive neutrality policy. Under competitive neutrality arrangements Australian Hearing is required to make payroll tax and income tax equivalent payments to the Australian Government. These amounts are recognised in the administered financial statements and have been paid or are payable to the official public account.

Dividend revenue

The Australian Government owns 100 per cent of the issued share capital of Australian Hearing. Dividends from Australian Hearing are recognised in the administered financial statements and have been paid or are payable to the official public account.

Gains includes incidental transactions and events outside of ordinary operations such as reversal of previous asset impairment.

	2016 \$'000	2015 \$'000
<u>A4.1: Reversal of previous asset impairment</u>		
Reversal of impairment - child support	23,700	6,155
Reversal of impairment - other fees and fines	-	441
Total reversal of previous asset impairment	23,700	6,596

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B: Financial Position

B1: Financial Assets

Cash is recognised at its nominal amount and includes cash on hand.

	2016 \$'000	2015 \$'000
B1.1: Trade and other receivables		
Trade receivables in connection with		
Goods and services	50,074	26,766
Total trade receivables	50,074	26,766
Appropriation receivables		
Existing programmes - operating	944,675	935,826
Equity	-	321
Funding agreement adjustment - operating	(37,966)	(12,913)
Total appropriations receivables	906,709	923,234
Other receivables		
Receivable from government ¹	-	4,583
Goods and service tax	36,466	40,408
Total other receivables	36,466	44,991
Total trade and other receivables (gross)	993,249	994,991
Less impairment allowance		
Trade receivables	(670)	(376)
Total impairment allowance	(670)	(376)
Total trade and other receivables (net)	992,579	994,615
Trade and other receivables (gross) aged as follows		
Not overdue	989,559	991,475
Overdue by		
0 to 30 days	962	1,600
31 to 60 days	582	123
61 to 90 days	266	552
More than 90 days	1,880	1,241
Total trade and other receivables (gross)	993,249	994,991

¹Supplementation for work the department was directed by the Australian Government to undertake after the last date for inclusion in that year's appropriation bills.

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Movements in impairment allowance		
	Goods and services	Goods and services
	2016	2015
	\$'000	\$'000
As at 1 July	(376)	(530)
Additional provisions raised ¹	(487)	(659)
Amounts written off	56	198
Amounts recovered and reversed ²	137	615
Total as at 30 June	(670)	(376)

¹Recognised in write-down and impairment of assets.

²Recognised in reversal of previous asset write-downs and impairment.

The department classifies its financial assets at the time of initial recognition depending on the nature and purpose of the asset. All receivables are classified as trade and other receivables and are expected to be recovered within 12 months unless otherwise indicated.

Trade receivables are recognised when the department becomes party to an agreement and has the right to receive cash. Trade receivables have 30 day terms (2015: 30 days) and are recognised at the nominal amount due less any impairment allowance. The collectability of debts are reviewed at the end of the reporting period and an impairment allowance is recognised, this includes an allowance for all trade receivables owed by external entities that are more than 90 days overdue.

B1.2: Credit risk

The department was exposed to minimal credit risk as loans and receivables comprise of cash and trade receivables. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and trade receivables mentioned below.

Aging of trade receivables that were past due but not impaired are disclosed in note B1.1.

Credit quality of financial instruments not past due or individually determined as impaired				
	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2016	2016	2015	2015
	\$'000	\$'000	\$'000	\$'000
Loans and receivables				
Cash	22,406	-	26,748	-
Trade receivables	46,384	3,690	23,250	3,516
Total	68,790	3,690	49,998	3,516

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B2: Non-Financial Assets

B2.1: Reconciliation of the opening and closing balances of property, plant and equipment and software

	Land and buildings \$'000	Plant and equipment \$'000	Software \$'000	Total \$'000
As at 1 July 2014				
Gross book value	335,357	257,329	783,517	1,376,203
Accumulated depreciation and amortisation	(16,140)	(116,934)	(361,113)	(494,187)
Total as at 1 July 2014	319,217	140,395	422,404	882,016
Additions				
Purchases	69,357	69,479	21,379	160,215
Internally developed	-	-	99,031	99,031
Revaluations recognised in other comprehensive income ¹	13,980	26	-	14,006
Write-down and impairment recognised in net cost of services ²	(3,398)	(389)	(4,899)	(8,686)
Revaluations recognised in net cost of services ²	-	(13,022)	-	(13,022)
Impairment reversal recognised in net cost of services ³	736	735	9,421	10,892
Depreciation and amortisation expenses	(78,009)	(45,146)	(105,856)	(229,011)
Other movements ⁴	9	47	(4)	52
Disposals	-	(136)	-	(136)
Total as at 30 June 2015	321,892	151,989	441,476	915,357
Gross book value	343,777	199,330	933,462	1,476,569
Accumulated depreciation and amortisation	(21,885)	(47,341)	(491,986)	(561,212)
Total as at 1 July 2015	321,892	151,989	441,476	915,357
Additions				
Purchases	65,707	37,220	9,820	112,747
Internally developed	-	-	156,172	156,172
Revaluations recognised in other comprehensive income ¹	24,654	10,570	-	35,224
Revaluations recognised in net cost of services ²	-	(468)	-	(468)
Write-down and impairment recognised in net cost of services ²	(6,885)	(2,623)	(10,656)	(20,164)
Impairment reversal recognised in net cost of services ³	-	1,763	-	1,763
Depreciation and amortisation expenses	(85,034)	(47,329)	(117,146)	(249,509)
Other movements ⁴	4,701	1,001	655	6,357
Disposals	-	(12)	-	(12)
Total as at 30 June 2016	325,035	152,111	480,321	957,467
Gross book value	361,680	176,868	1,020,372	1,558,920
Accumulated depreciation and amortisation	(36,645)	(24,757)	(540,051)	(601,453)
Total as at 30 June 2016	325,035	152,111	480,321	957,467

¹Recognised in changes in asset revaluation reserve.

²Recognised in write-down and impairment of assets.

³Recognised in reversal of previous asset write-downs and impairment.

⁴Includes assets: transferred at no cost; recognised for the first time; transferred to the Department of Health as part of restructuring; and transferred between classes.

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The asset thresholds and useful lives for each asset class remain unchanged from 2015.

Departmental assets	2016 Useful life	2016 Threshold
Land	Unlimited	nil
Buildings	50 years	nil
Leasehold improvements	Shorter of unexpired lease term or useful life	\$20 000
General plant and equipment	3 to 10 years	\$3 000
ICT plant and equipment	3 to 10 years	nil
Purchased software	5 to 10 years	\$100 000
Internally developed software	5 to 10 years	\$1 000 000

Unless otherwise stated, depreciation and amortisation rates are applied on a straight-line basis and rates are reviewed annually, as are useful lives and residual values. Any necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. From 1 July 2015, where material software assets have not been budgeted to be enhanced, replaced or retired a remaining two year useful life is applied. In 2015-16 this resulted in a \$0.6 million reduction to amortisation expense and a corresponding increase to the net value of software. This policy will be applied annually.

All property, plant and equipment is reported at fair value (note B3 refers). Cost is considered an acceptable fair value proxy for assets under construction. An indexation test is applied annually to verify that the carrying amount is acceptable. In 2015-16, assets under construction of \$60.6 million (2015: \$117.3 million) is included in the reported totals. Revaluations are conducted by an independent valuer. In 2015 and 2016 Australian Valuation Solutions Pty Ltd conducted the revaluation of leasehold improvements, make-good relating to leasehold improvements and selected plant and equipment assets.

Software assets are carried at cost less accumulated amortisation and impairment except for software assets under development of \$209.2 million (2015: \$142.3 million) which are recognised at cost and included in the reported totals.

All non-financial assets are assessed annually for indications of impairment and, where appropriate, the asset's carrying amount is adjusted to fair value.

Capital commitments payable

	<1 year	Between 1-5 years	Total	<1 year	Between 1-5 years	Total
	2016	2016	2016	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land and buildings	417	-	417	3,547	-	3,547
Plant and equipment ¹	5,013	25	5,038	179	60	239
Software	71	-	71	301	-	301
Total	5,501	25	5,526	4,027	60	4,087

¹Contractual obligations primarily for the purchase of communication equipment and information and communication technology hardware.

2016
\$'000

2015
\$'000

B2.2: Prepayments

Prepayments expected to be amortised

No more than 12 months	73,518	92,726
More than 12 months	15,091	18,983
Total prepayments	88,609	111,709

No indicators of impairment were found for prepayments.

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B3: Fair Value Measurement

The department adopts a risk based asset valuation approach to measure non-financial assets at fair value in accordance with AASB 13 *Fair Value Measurement*. Each class of non-financial assets is subject to a formal independent valuation at least once every three years dependent upon an annual risk assessment. In years where a formal valuation is not undertaken non-financial assets are subject to a desktop review.

Fair value is a market based, rather than entity specific, measurement. The objective in all cases is to estimate the price at which an orderly transaction to sell the asset would take place between market participants under current market conditions at the measurement date. Where possible assets are valued based upon observable inputs, such as quoted prices in active markets or other market transactions or information. Where this information is not available valuation techniques rely upon unobservable inputs.

The different levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.

Level 3: Unobservable inputs for the asset.

In 2016 and 2015 level 2 valuations were based on market comparable information. In 2016 level 3 valuations were based on depreciated replacement cost and adjusted market comparables (2015: depreciated replacement cost).

A revaluation of non-financial assets was completed in 2016 for leasehold improvements, information and communications technology, data centre assets and general plant and equipment (2015: leasehold improvements and data centre assets). Results of the revaluation are disclosed at note B2.1.

The following table provides an analysis of assets that are measured at fair value. The remaining assets disclosed in the statement of financial position do not apply the fair value hierarchy.

Fair value measurements, valuation techniques and inputs used

Fair value measurements as at 30 June				For levels 2 and 3 fair value measurements	
	2016 \$'000	2015 \$'000	Level	Valuation techniques ¹	Inputs used
Property, plant and equipment²					
Freehold land and buildings	7,174	15,504	2	Market comparables	Adjusted market transactions.
Freehold land and buildings	4,600	-	3	Market comparables	Adjusted market transactions.
Leasehold buildings and leasehold improvements	313,261	306,388	3	Depreciated replacement cost	Replacement cost new (\$/m ²), total useful life, remaining useful life and consumed economic benefit/obsolescence of asset.
Plant and equipment	52,346	20,110	2	Market comparables	Adjusted market transactions.
Plant and equipment	99,361	131,879	3	Depreciated replacement cost	Replacement cost new.
Plant and equipment	404	-	3	Market comparables	Adjusted market transactions.
Total	477,146	473,881			

¹In 2016, \$17.1 million (2015: \$4.6 million) transferred from level 3 to level 2 due to change in valuation techniques from depreciated replacement cost to market comparables. In 2016, \$6.2 million (2015: nil) transferred from level 2 to level 3 due to the change in observable inputs.

²A reconciliation of movements in property, plant and equipment is included in note B2.1.

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B4: Payables

	2016	2015
	\$'000	\$'000
<u>B4.1: Suppliers</u>		
Trade creditors and accruals	270,675	303,066
Operating lease rentals	<u>78,454</u>	<u>62,863</u>
Total suppliers	<u>349,129</u>	<u>365,929</u>
Suppliers expected to be settled		
No more than 12 months	276,872	306,225
More than 12 months	<u>72,257</u>	<u>59,704</u>
Total suppliers	<u>349,129</u>	<u>365,929</u>

Supplier and other payables are recognised at the present value of expected future cash flows. Trade creditors and accruals are recognised to the extent that the goods and services have been received (irrespective of having been invoiced). All payables are expected to be settled within 12 months except where indicated. Settlement is usually made within 30 days (2015: 30 days).

B4.2: Liquidity risk

The department's financial liabilities consist of supplier payables. The exposure to liquidity risk is based on the notion that the department would encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the department is appropriated funding from the Australian Government and manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due.

The only non-derivative financial liabilities were supplier payables that mature within one year of the reporting date (note B4.1 refers). The department had no derivative liabilities in 2016 or 2015.

B4.3: Lease incentives

Lease incentives expected to be settled

No more than 12 months	6,058	4,551
More than 12 months	<u>36,085</u>	<u>23,705</u>
Total lease incentives	<u>42,143</u>	<u>28,256</u>

B4.4: Other payables

Unearned income	3,880	4,192
Fringe benefits tax	<u>457</u>	<u>500</u>
Total other payables	<u>4,337</u>	<u>4,692</u>

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B5: Provisions

	2016 \$'000	2015 \$'000
B5.1: Employee provisions		
Leave	898,438	857,875
Separations and redundancies	56	-
Total employee provisions	898,494	857,875
Employee provisions expected to be settled		
No more than 12 months	265,397	244,632
More than 12 months	633,097	613,243
Total employee provisions	898,494	857,875

The department's leave liability includes provision for annual and long service leave. No provision is made for personal leave which is non-vesting.

In accordance with AASB 119 *Employee Benefits* recreation and long service leave liabilities are measured at the present value of the estimated future cash outflows. The interest rates used in discounting future cash flows relate to market yields on government bonds which have a comparable term to the leave obligations. In 2013 and 2016 the department engaged the Australian Government Actuary to undertake a triennial actuarial assessment of the leave provisions taking into account the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates.

The department recognises a provision for separations and redundancies where there is a detailed formal plan that has been communicated to the affected staff.

B5.2: Other provisions

Movements in other provisions

	Property make-good ¹ \$'000	Surplus lease space \$'000	Other \$'000	Total \$'000
As at 1 July 2015	24,035	505	2,004	26,544
Additional provisions made ²	1,812	205	991	3,008
Amounts used	(1,245)	(462)	(761)	(2,468)
Amounts reversed ³	(345)	(190)	(98)	(633)
Unwinding of discount or change in discount rate ⁴	474	-	-	474
Total as at 30 June 2016	24,731	58	2,136	26,925

¹There are 452 (2015: 489) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease.

²The total additional provisions of \$3.0 million comprise:

*\$1.8 million for property make-good which reflects \$1.4 million for new arrangements plus a \$0.4 million revaluation of existing arrangements. The revaluation conducted by the Australian Valuation Solutions Pty Ltd resulted in a \$2.0 million increment recognised in the asset revaluation reserve less a \$1.6 million decrement recognised in goods and services expense (property operating).

*\$0.2 million for surplus lease space for which expenses are recognised in other supplier expense (operating lease rentals); and

*\$1.0 million for compensation claims included in goods and services expense (legal services and compensation).

³The reversal of excess property make-good provisions are recognised in other gains. Other reversals are taken to the relevant expense account.

⁴The unwinding of discount or changes in the discount rate are recognised in other expenses (finance cost).

	2016 \$'000	2015 \$'000
Other provisions expected to be settled		
No more than 12 months	7,660	10,608
More than 12 months	19,265	15,936
Total other provisions	26,925	26,544

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B6: Administered - Financial Assets

	2016	2015
	\$'000	\$'000
<u>B6.1: Cash</u>		
Cash held for child support departure prohibition orders	221	65
Cash held in special account	439	410
Total cash	660	475
Cash is recognised at its nominal amount and includes cash on hand.		
<u>B6.2: Child support receivables</u>		
Maintenance receivables	1,389,336	1,299,375
Less: impairment allowance	(618,829)	(535,566)
Net maintenance receivables	770,507	763,809
Customer miscellaneous receivables	5,739	5,707
Less: impairment allowance	(4,197)	(4,608)
Net customer miscellaneous receivables	1,542	1,099
Client top up receivables	1,704	1,761
Less: impairment allowance	(624)	(914)
Net client top up receivables	1,080	847
Cost recovery receivables	1,607	1,594
Less: impairment allowance	(1,205)	(1,260)
Net cost recovery receivables	402	334
Total child support receivables (net)	773,531	766,089
Child support receivables (net) expected to be recovered		
No more than 12 months	273,601	291,135
More than 12 months	499,930	474,954
Total child support receivables (net)	773,531	766,089
Child support receivables (gross) in connection with		
External parties	1,398,386	1,308,437
Total child support receivables (gross)	1,398,386	1,308,437
Child support receivables (gross) aged as follows		
Not overdue	84,411	84,539
Overdue by		
0 to 30 days	56,589	56,671
31 to 60 days	41,227	45,708
61 to 90 days	39,077	40,322
More than 90 days	1,177,082	1,081,197
Total child support receivables (gross)	1,398,386	1,308,437

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	2016 \$'000	2015 \$'000
Impairment allowance aged as follows		
Not overdue	(48,174)	(44,398)
Overdue by		
0 to 30 days	(24,571)	(22,787)
31 to 60 days	(17,999)	(18,458)
61 to 90 days	(17,070)	(16,293)
More than 90 days	(517,041)	(440,412)
Total impairment allowance	(624,855)	(542,348)

Child support maintenance receivables and impairment allowance

The child support programme acts as the intermediary in the transfer of child support payments, which are collected from the non-custodial parent and then paid to the custodial parent. The majority of the receivable balance relates to maintenance debt for which the Commonwealth does not have any financial exposure given that the child support programme acts as the intermediary only.

The department actively manages the collection of child support debt on a continual basis and engages the Australian Government Actuary (AGA) annually to perform a review of the impairment allowance for child support maintenance debt.

Since 30 June 2015, changes in collection rates and the discounted mean term have resulted in the impairment allowance for child support maintenance debt changing from 40.43 per cent to 43.73 per cent as at 30 June 2016. This resulted in an increase to the impairment allowance of \$46.7 million in 2015-16.

AASB 136 *Impairment of Assets* requires that payments are discounted at a rate reflecting the estimated timing of the payments. As at 30 June 2016 the AGA's assessment was that the mean term for child support receivables was approximately six and a half years and the six and a half year bond rate was applied (2015: five and a half year collection and bond rate).

As at 30 June 2016, the six and a half year bond rate was 1.8 per cent and the ten year bond rate was 1.99 per cent. If the ten year bond rate was applied the result would be a further increase in the impairment allowance of approximately \$5.7 million.

Child support penalty receivables

Child support penalty revenue is recognised in the administered financial statements at the time cash is received rather than when the debt is raised (note A4 refers). As at 30 June 2016 off balance sheet items included: total outstanding penalty debt \$851.2 million (2015: \$806.2 million); penalty debts raised during 2015-16, \$129.5 million (2014-15: \$128.0 million); and total penalty debts remitted, written off, waived or discharged, \$76.1 million (2014-15: \$100.5 million).

B6.3: Other receivables

Dividends	6,742	3,964
Competitive neutrality	4,038	3,565
Other - GST, fees and fines	2,403	2,297
Total other receivables (gross)	13,183	9,826
Less: impairment allowance - fees and fines	(2,018)	(1,747)
Total impairment allowance	(2,018)	(1,747)
Total other receivables (net)	11,165	8,079

All significant receivables are expected to be collected within 12 months.

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	2016 \$'000	2015 \$'000
Other receivables (gross) aged as follows		
Not overdue	10,863	7,565
Overdue by		
0 to 30 days	-	22
31 to 60 days	13	7
61 to 90 days	-	-
More than 90 days	2,307	2,232
Total other receivables (gross)	13,183	9,826

B6.4: Credit risk

Other administered activities are exposed to minimal credit risk as financial assets are: cash; other receivables; and the Australian Government's interest in Australian Hearing.

The child support receivables do not expose the Commonwealth to any financial risk given that the child support programme only acts as the intermediary to transfer payments between non-custodial and custodial parents.

B7: Administered - Fair Value Measurement

Administered non-financial assets are measured at fair value in accordance with AASB 13 *Fair Value Measurement* and consistent with the departmental policy described at note B2 and B3.

The fair value of administered investments is taken to be the Australian Government's proportional interest in the net assets of the entity. The Australian Government owns 100 per cent of the issued share capital of Australian Hearing, a corporate Commonwealth entity. The principal activity of Australian Hearing is to help people manage their hearing impairment in order to improve their quality of life.

B7.1: Fair value measurements, valuation techniques and inputs used

Fair value measurements as at 30 June				For level 3 fair value measurements	
	2016	2015		Valuation techniques ¹	Inputs used
	\$'000	\$'000	Level ²		
Financial assets					
Investment - Australian Hearing	57,852	49,422	3	Net assets	Net assets of the entity.

¹No change in valuation technique occurred during the period.

²Note B3 refers.

B7.2: Reconciliation for recurring level 3 fair value measurements

	Financial assets Investment - Australian Hearing	
	2016	2015
	\$'000	\$'000
As at 1 July	49,422	42,344
Revaluation recognised in other comprehensive income	8,430	7,078
Total as at 30 June	57,852	49,422

There were no acquisitions or disposals of assets in 2016 (2015: nil).

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B8: Administered - Payables

	2016	2015
	\$'000	\$'000
B8.1: Child support and other payables		
Child support maintenance	26,895	26,491
Recovery of compensation for health care and other services	439	410
Other	221	772
Total child support and other payables	27,555	27,673

Child support payables reflect amounts collected and due to be transferred to the custodial parent. All payables are expected to be settled within 12 months and are measured at their nominal amount.

B9: Administered – Provisions

The child support maintenance provision reflects child support obligations to the custodial parent that have been assessed but not yet received. The liability is calculated on the basis of the present value of the estimated future cash flows to be made to custodial parents at the reporting date. Estimated future cash flows are calculated with reference to the past experience of the recoverability of gross child support receivables from non-custodial parents. The estimate does not include future cash outflows that may result from child support re-assessments, relating prior to the reporting date, that are requested by non-custodial or custodial parents after the reporting date.

B9.1: Child support maintenance provisions

Child support maintenance provisions expected to be settled

No more than 12 months	272,244	289,851
More than 12 months	498,263	473,958
Total child support maintenance provisions	770,507	763,809

	2016
	\$'000
Movements in child support maintenance provisions	
As at 1 July	763,809
Additional provisions made ¹	1,517,229
Amounts used	(1,385,434)
Amounts reversed ²	(125,097)
Total as at 30 June	770,507

¹Additional provisions made to reflect child support obligations to the custodial parent that have been assessed but not yet received.

²Adjustments to reflect the discharge, write-down, waiver, or impairment of child support maintenance obligations.

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C: Funding

C1: Appropriations

C1.1: Annual appropriations (recoverable GST exclusive)

	2016	2015
	\$'000	\$'000
Departmental ordinary annual services		
Annual appropriation		
Operating ¹	4,286,898	4,082,394
Departmental capital budget	196,420	196,876
PGPA Act section 74 receipts	202,787	258,077
PGPA Act section 75 transfers ²	(34,104)	-
Total appropriation	4,652,001	4,537,347
Appropriation applied (current and prior years)	4,641,353	4,420,952
Variance	10,648	116,395

Departmental other services

Annual appropriation		
Equity injection	47,638	20,442
Total appropriation	47,638	20,442
Appropriation applied (current and prior years)	47,959	20,121
Variance³	(321)	321

Administered ordinary annual services

Annual appropriation		
Operating	2,252	8,386
PGPA Act section 74 receipts	1,241	1,396
Total appropriation	3,493	9,782
Appropriation applied (current and prior years) ⁴	1,961	7,360
Variance	1,532	2,422

¹In 2015-16 revenue from government reported in the statement of comprehensive income was \$4 223.5 million, \$63.4 million less than the operating annual appropriation of \$4 286.9 million. The \$63.4 million difference reflects:

- \$71.7 million appropriated in 2015-16 but not recognised as revenue due to:
 - The transfer of \$33.8 million of operating funding from the Department of Human Services to the Department of Health under a restructuring of administrative arrangements. This amount was included in *Appropriation Act (No. 1) 2015-16* and the reduction was adjusted through section 75 of the PGPA Act (footnote 2 refers).
 - A downwards funding agreement adjustment that reduced revenue by \$38.0 million in 2015-16 which, due to timing, could not be reflected in the 2015-16 appropriation acts.
- An \$8.3 million reduction to *Appropriation Act (No. 1) 2015-16* to reflect adjustments to 2014-15 revenue from government which, due to timing, could not be reflected in that year's appropriation acts. This reduction was the net impact of a \$12.9 million downwards 2014-15 funding agreement adjustment partially offset by supplementary funding of \$4.6 million to implement new budget measures.

²Includes the transfer of \$33.8 million of operating appropriation and \$0.3 million of departmental capital budget to the Department of Health under a restructuring of administrative arrangements.

³Funded from 2014-15 appropriation.

⁴Includes \$1.3 million applied from the 2015-16 annual appropriation and \$0.7 million from *Appropriation Act (No. 1) 2014-15*.

Figures in text have been rounded. Discrepancies between totals and sums of components are due to rounding.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2016

C1.2: Unspent annual appropriations (recoverable GST exclusive)

	2016	2015
Authority	\$'000	\$'000
Departmental		
<i>Appropriation Act (No.1) 2013-14¹</i>	5,969	5,969
<i>Appropriation Act (No.1) 2014-15</i>	-	945,513
<i>Appropriation Act (No.3) 2014-15</i>	-	17,061
<i>Appropriation Act (No.4) 2014-15</i>	-	321
<i>Appropriation Act (No.1) 2015-16²</i>	900,410	-
<i>Appropriation Act (No.3) 2015-16</i>	66,671	-
Total appropriation³	973,050	968,864
Administered		
<i>Appropriation Act (No.1) 2014-15⁴</i>	-	2,910
<i>Appropriation Act (No.3) 2014-15⁵</i>	-	20
<i>Appropriation Act (No.1) 2015-16</i>	2,240	-
Total appropriation	2,240	2,930

¹Represents \$6.0 million quarantined for the 2013-14 downwards funding agreement adjustment. *Appropriation Act (No.1) 2013-14* will be reduced through an omnibus repeal bill.

²*Appropriation Act (No.1) 2015-16* unspent annual appropriation includes \$9.6 million of funds quarantined for administrative purposes and cash at bank of \$22.4 million.

³The total unspent departmental annual appropriation as at 30 June 2016 is \$973.1 million (2015: \$968.9 million) as compared to the total cash and appropriation receivable balance of \$929.1 million (2015: \$854.6 million). The \$44.0 million difference reflects:

- the \$38.0 million reduction to revenue from government and appropriation receivable in 2015-16 for the funding agreement adjustment, which due to timing, could not be reflected in the 2015-16 appropriation acts; and
 - the \$6.0 million reduction to appropriation receivable to reflect the quarantining of *Appropriation Act (No.1)* (footnote 1 refers).
- ⁴In 2015-16 \$2.2 million was formally reduced under section 51 of the PGPA Act. This amount had been quarantined in the previous financial year and reflects the amount of unspent appropriation as at 30 June 2015 relating to the child support programme.
- ⁵In 2015-16 \$0.02 million was formally reduced under section 51 of the PGPA Act. This amount had been quarantined in the previous financial year and reflects the amount of unspent appropriation as at 30 June 2015 relating to the child support programme.

C1.3: Special appropriations applied (recoverable GST exclusive)

<i>Child Support (Registration and Collection) Act 1988¹</i>	47,458	58,583
<i>Public Governance, Performance and Accountability Act 2013²</i>	1,907	2,001
Total special appropriations applied	49,365	60,584

¹Unlimited appropriation to enable payments to be made for unremitted employer deductions for child support liabilities.

²Refund appropriation of which \$0.4 million was to enable payments of security bonds following issuance of Departure Prohibition Orders and \$1.5 million to enable payments to be made for repayment of amounts earlier received under the Centrelink master programme.

DEPARTMENT OF HUMAN SERVICES
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C1.4: Disclosure by agent in relation to annual and special appropriations (recoverable GST exclusive)

	Total receipts 2016 \$'000	Total payments 2016 \$'000	Total receipts 2015 \$'000	Total payments 2015 \$'000
Attorney-General's Department ¹	23,101	23,101	112,257	112,257
Department of Agriculture and Water Resources ²	57,236	57,236	54,081	54,081
Department of Defence ³	720	720	-	-
Department of Education and Training ⁴	1,009,550	1,009,550	953,276	953,276
Department of Employment ⁵	7,940	7,940	-	-
Department of Health ⁶	49,169,477	48,417,271	36,840,602	36,863,909
Department of Immigration and Border Protection ⁷	290,898	290,898	231,644	231,644
Department of Industry, Innovation and Science ⁸	-	-	1,198	1,198
Department of Infrastructure and Regional Development ⁹	168,069	168,069	149,806	149,806
Department of Social Services ¹⁰	117,172,900	117,172,900	122,125,862	122,152,862
Department of Veterans' Affairs ¹¹	2,827,486	3,584,513	3,824,073	3,795,798
Total	170,727,377	170,732,198	164,292,799	164,314,831

Payments are made from appropriations administered by other agencies. The related revenue, expense, assets, liabilities and cash flows are disclosed in the financial statements of the relevant government agency which is responsible for the outcomes to which the items relate.

¹Attorney-General's Department - The department made payments on behalf of the entity for disaster recovery relief and victims of terrorism.

²Department of Agriculture and Water Resources - The department made third party payments on behalf of the entity for farm household allowance.

³Department of Defence - The department made third party payments on behalf of the entity for assistance to individuals and businesses affected by the closure of Hunter River and Port Stephens fisheries.

⁴Department of Education and Training - Following the machinery of government changes on 23 December 2014, child care rebate and child care benefit were transferred to the Department of Social Services. Following the machinery of government changes on 21 September 2015, child care rebate and child care benefit were transferred back to Department of Education and Training.

⁵Department of Employment - The department made third party payments on behalf of the entity for the job commitment bonus since July 2015.

⁶Department of Health - Following the machinery of government change on 30 September 2015, aged care was transferred from the Department of Social Services to the Department of Health. The department continues to make third party payments on behalf of the entity for medical and pharmaceutical benefits.

⁷Department of Immigration and Border Protection - The department made third party payments on behalf of the entity for asylum seeker support.

⁸Department of Industry, Innovation and Science - The department made third party payments on behalf of the then Department of Industry for the LPG vehicle scheme, until the programme ceased on 30 November 2014.

⁹Department of Infrastructure and Regional Development - The department made third party payments on behalf of the entity for the Bass Strait passenger vehicle equalisation scheme and Tasmanian freight equalisation scheme.

¹⁰Department of Social Services - Following the machinery of government changes on 21 and 30 September 2015, child care rebate and child care benefit were transferred to the Department of Education and Training and aged care was transferred to the Department of Health respectively. The department continues to make third party payments on behalf of the entity for personal benefits related to a wide section of the community. These include age pension, disability support pension, carer payment, family tax benefit, austudy, abstudy, youth allowance, newstart etc.

¹¹Department of Veterans' Affairs - The department made third party payments on behalf of the entity for medical, pharmaceutical and aged care benefits.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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C2: Special Accounts

The Child Support Special Account is used for the receipt of child support payments and the making of regular and timely payments to the custodial parents. The nature of the special account requires that child support monies received into the account are paid from the account to the relevant recipients. As such net child support receivables reported on the schedule of administered items are offset by equivalent child support provisions.

The Recovery of Compensation for Health Care and Other Services Special Account is used for the recovery of Medicare benefits, nursing home benefits and residential care subsidies where the recipient receives compensation from a third party as a result of the injury or illness for which they had received benefits. The department is responsible for case management and the recovery of benefits back to the Australian Government. Compensation recovery revenue, receivables and transfers to the official public account are reported by the relevant policy agency. As at 30 June a payable is recognised in the department's administered accounts reflecting the amount on hand that is to be passed on to the relevant policy agency (notes B6.1 and B8.1 refer).

	Child Support Special Account ¹		Recovery of Compensation for Health Care and Other Services Special Account ²	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
As at 1 July	54,275	56,887	43,726	35,465
Increases				
<i>Child Support (Registration & Collection) Act</i>				
1988 section 77	47,458	58,583	-	-
Ordinary annual services	1,254	1,430	-	-
Repayments of ordinary annual services	1,241	1,396	-	-
Child support receipts	1,355,037	1,343,532	-	-
Health compensation receipts	-	-	335,484	266,417
Total increases	1,404,990	1,404,941	335,484	266,417
Available for payments	1,459,265	1,461,828	379,210	301,882
Decreases				
Payments to custodial parents	(1,396,946)	(1,406,157)	-	-
Repayments debited from the special account	(1,241)	(1,396)	-	-
Payments made to the Department of Health	-	-	(34,325)	(46,725)
Payments made to the Department of Social Services	-	-	(488)	(2,042)
Refunds to customers	-	-	(270,537)	(209,389)
Total decreases	(1,398,187)	(1,407,553)	(305,350)	(258,156)
Total as at 30 June	61,078	54,275	73,860	43,726

¹ Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Child Support (Registration and Collection) Act 1988*, section 73.

Purpose: For the receipt of child support payments and the making of regular and timely payments to custodial parents.

² Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78(1).

Establishing Instrument: Determination 2005/24 and 2015/06 under *Public Governance, Performance and Accountability Act 2013*.

Purpose: To credit monies for the purpose of recovery of compensation following a judgement or settlement under the *Recovery of Compensation for Health Care and Other Services Special Account 2015* and;

(a) to pay a person an amount consistent with the *Health and Other Services (Compensation) Act 1995*;

(b) to pay an amount to a Commonwealth entity that manages a benefit, subsidy or scheme related to the *Health and Other Services (Compensation) Act 1995*;

(c) activities that are incidental to a purpose mentioned in paragraphs (a) or (b);

(d) to reduce the balance of the special account (and, therefore, the available appropriation for the special account) without making a real or notional payment;

(e) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

Pursuant to subsection 50(1) of the *Legislative Instrument Act 2003*, the determination 2005/24 sunset on 1 October 2015. The new determination 2015/06 for this special account was established on 16 September 2015.

In 2015 and 2016 the *Services for Other Entities and Trust Moneys - Department of Human Services Special Account* had a nil balance and there were no transactions debited or credited during either year.

DEPARTMENT OF HUMAN SERVICES
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C3: Regulatory Charging

	2016 \$'000	2015 \$'000
Amounts applied		
Departmental		
Annual appropriation ¹	4,710	4,536
Total amounts applied	<u>4,710</u>	<u>4,536</u>
Expenses		
Departmental ²	4,895	5,654
Total expenses	<u>4,895</u>	<u>5,654</u>

¹The annual appropriation is taken to be representative of the amount applied and is equivalent to revenue received.

²Departmental expenses consist of direct and indirect costs. Indirect costs are apportioned internally to activities and may include administrative, corporate and technical support costs.

The department is responsible for the administration of early release of superannuation benefits on specific compassionate grounds. The department receives direct appropriation for the delivery of the service. The department provides details of the cost of delivery of the service to Treasury each year. Treasury liaises with the Australian Prudential Regulation Authority each year to confirm the agreed amount of levies collected on behalf of the department under the *Financial Institutions Supervisory Levy Collection Act 1998*.

The other entities involved in this cost recovery activity are the Australian Taxation Office and the Australian Securities and Investments Commission.

The annual consultation paper *Financial Industry Levies for 2015-16* is available at
<http://www.apra.gov.au/CrossIndustry/Documents/Financial-Industry-Levies-current.pdf>.

C4: Net Cash Appropriation Arrangements

Total comprehensive surplus less depreciation and amortisation expenses previously funded through revenue appropriations	30,052	76,583
Less: depreciation and amortisation expenses previously funded through revenue appropriations	<u>(249,509)</u>	<u>(227,663)</u>
Total comprehensive deficit as per the statement of comprehensive income	<u>(219,457)</u>	<u>(151,080)</u>

DEPARTMENT OF HUMAN SERVICES
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C5: Cash Flow Reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of net cost of services to net cash (used by)/from operating activities		
Net cost of services	(4,476,212)	(4,230,579)
Revenue from government	4,223,484	4,068,695
Adjustments for non-cash items		
Depreciation and amortisation expenses	249,509	229,011
Write-down and impairment of assets	21,125	22,389
Reversals of previous asset write-downs and impairment	(1,900)	(11,507)
Gain on sale of assets	(32)	(473)
Found assets	(1,495)	(78)
Movement in assets and liabilities		
Assets		
(Increase) in net trade and other receivables ¹	(7,099)	(109,501)
(Increase)/decrease in prepayments	23,100	(14,143)
Liabilities		
Increase/(decrease) in suppliers ²	(5,561)	36,451
(Decrease) in employee benefits	(51,640)	(1,703)
Increase/(decrease) in lease incentives	13,887	(83)
Increase/(decrease) in other payables	(355)	724
Increase in employee provisions ¹	51,737	2,779
Increase/(decrease) in other provisions	381	(6,625)
Net cash (used by)/from operating activities	38,929	(14,643)

¹Excludes movements for restructuring.

²Excludes movements for investing activities

C6: Administered - Cash Flow Reconciliation

Reconciliation of net cost of services to net cash from operating activities		
Net contribution by services	36,215	25,972
Adjustments for non-cash items		
Depreciation expenses	16	32
Movement in assets and liabilities		
Assets		
(Increase) in net child support receivables	(7,442)	(36,116)
(Increase)/decrease in net other receivables	(3,086)	242
Liabilities		
(Decrease) in child support and other payables	(118)	(3,331)
Increase/(decrease) in child support maintenance payments received in advance	1,303	(251)
Increase in child support maintenance provisions	6,698	37,986
Net cash from operating activities	33,586	24,534

DEPARTMENT OF HUMAN SERVICES
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D: Other Items

D1: Contingent Assets and Liabilities

Contingent assets and liabilities may arise from uncertainty as to the existence of a liability or asset or where the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

	2016	2015
	\$'000	\$'000
Claims for damages or costs		
Contingent assets		
As at 1 July	287	430
New contingent assets recognised	2,129	147
Re-measurement	(84)	48
Assets realised	(57)	(338)
Total contingent assets as at 30 June¹	2,275	287
Contingent liabilities		
As at 1 July	1,007	1,163
New contingent liabilities recognised	2,354	808
Re-measurement	139	423
Liabilities realised	(734)	(658)
Obligations expired	(293)	(729)
Total contingent liabilities as at 30 June²	2,473	1,007
Net contingent liabilities as at 30 June	198	720

¹Contingent assets include claims for court costs and legal claims.

²Contingent liabilities include compensation and legal claims.

Unquantifiable contingencies

The department had a number of legal claims for which it has denied liability and is defending as well as claims which the department is pursuing. It is not possible to estimate the amount of any eventual payments or compensation in relation to these claims.

There were no quantifiable or unquantifiable administered contingent assets or liabilities in 2016 and 2015.

D2: Restructuring

As a result of a restructuring of administrative arrangements on 30 September 2015, the department relinquished responsibility for the Medicare provider compliance responsibilities for the Medicare Benefits Scheme, Pharmaceutical Benefits Scheme and Allied Health Services to the Department of Health.

Appropriations were amended to effect the transfer of funding under section 75 of the PGPA Act 2013. Unless otherwise stated, the net book value of the assets and liabilities were transferred to the Department of Health for no consideration as at 5 November 2015. There were no assets or liabilities transferred as a result of restructuring in 2014-15.

	2016
	\$'000
Departmental restructuring	
Assets relinquished	
Appropriation receivable	8,814
Departmental capital budget receivable	326
Plant and equipment ¹	36
Total assets relinquished	9,176
Liabilities relinquished	
Employee provisions	11,118
Total liabilities relinquished	11,118
Net liabilities relinquished	1,942

¹Plant and equipment net book value as at 1 December 2015.

DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2016

D3: Reporting of Outcomes

	Outcome 1	
	2016	2015
	\$'000	\$'000
Departmental		
Expenses	4,669,844	4,432,589
Income	193,632	202,010
Administered		
Expenses	1,540,198	1,513,155
Income	1,576,413	1,539,127

D4: Budgetary Reporting

Statement of comprehensive income

In 2015-16 the department reported an operating deficit of \$252.7 million against a budgeted deficit of \$252.0 million¹. This \$0.7 million variance represents less than 0.1 per cent of the budgeted \$4.5 billion net cost of services reported in the 2015-16 Portfolio Budget Statements published in May 2015.

The department's total expenses of \$4.7 billion varies by less than 1.0 per cent to the original budget. The major expense items such as employee benefits, supplier expenses and depreciation and amortisation expenses were all managed within 1-2 per cent of the budget.

The department's total revenue of \$4.4 billion varies by less than 1.0 per cent to the original budget. This includes \$4.2 billion of revenue from government and \$193.6 million of other income. Other income was greater than budget reflecting an increase in the provision of shared services to other Commonwealth agencies and liquidated damages.

Estimates for non-cash items such as the write-down and impairment of assets, reversal of previous asset write-downs and impairment and other gains are not forecast in the budget estimates.

Statement of financial position

As at 30 June 2016 the department's total equity was \$698.0 million compared to the original budget of \$575.8 million. The original budget was prepared before the 2015 actual figures could be known. As a consequence the budgeted opening balance as at 1 July 2016 needed to be estimated. Accordingly, \$95.6 million of the \$122.2 million variance to the original budget is attributed to the unanticipated movements in the prior period figures.

There is a 4.0 per cent increase in equity as compared to the opening balance. Total assets have increased by 0.6 per cent reflecting capital investments and the unbudgeted revaluation of non-financial assets.

Total liabilities have decreased by 1.0 per cent. The major movements were in employee benefits payable which decreased by \$51.6 million representing a timing difference associated with the fortnightly payroll run and the end of the financial year. Lease incentive liabilities increased by \$13.9 million as favourable terms were negotiated for new lease arrangements. Employee provisions increased by \$40.6 million mainly reflecting the effect of a change in the bond rate used to estimate the present value of future leave payments, partially offset by the transfer out of leave liabilities to the Department of Health under a restructuring of administrative arrangements.

During 2015-16 the department received \$244.1 million in contributed equity, \$9.8 million more than originally budgeted. This increase mainly reflects additional funding provided in the 2015-16 Additional Estimates process to support the transition of the National Disability Insurance Scheme to the full scheme and the implementation of the remote income support payment.

Cash flow statement

The variances between budget and actuals in the cash flow statement are primarily the flow on effect from the events already described. Overall, the department operated within \$4.3 million of the budgeted closing cash flow position and within 1.6 per cent of the budgeted cash inflows and outflows.

¹The Government does not provide operating funding for make-good, depreciation or amortisation expenses. Rather, capital funding is received when assets need to be replaced and is recognised directly in equity.

DEPARTMENT OF HUMAN SERVICES
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D5: Administered - Budgetary Reporting

In 2015-16 the department administered \$1.5 billion of expenses on behalf of the government, 0.4 per cent within budget and total income of \$1.6 billion, 0.8 per cent within budget.

Approximately ninety-nine per cent of the administered expense and administered income relates to child support. Child support maintenance revenue and expenses are lower than budget due to actual child support cases and maintenance revenue per caseload being lower than estimated in the original budget.

The \$148.0 million write-down and impairment of assets includes an increase in the impairment rate for child support maintenance debt from 40.43 per cent in 2015 to 43.73 per cent in 2015-16 as assessed by the Australian Government Actuary (note B6.2 refers). Changes in the impairment rates, write-downs and reversals of previous asset impairment cannot be predicted and are not included in the budget estimates.

Competitive neutrality and dividend revenue are based upon Australian Hearing's operating results. In 2015-16 Australian Hearing traded well ahead of budget and prior year operating results as a result of increased return voucher fittings, well managed cost control and opportunities to take advantage of volume rebates. This has a flow on effect to the year-end receivables balance and the value of Australian Hearing. Due to the timing of the original budget the investment in Australian Hearing was estimated based upon the 2014 closing net equity figure. The 2015-16 administered financial statements reflects Australian Hearing's net equity as at 30 June 2016.

D6: Senior Management Personnel Remuneration

	2016	2015
	\$'000	\$'000
Short-term employee benefits		
Salary	29,038	28,352
Non-salary benefits ¹	4,939	4,911
Total short-term employee benefits	33,977	33,263
Post-employment benefits		
Superannuation	6,119	5,699
Total post-employment benefits	6,119	5,699
Other long-term employee benefits		
Annual leave	3,708	3,533
Long-service leave	2,022	947
Total other long-term employee benefits	5,730	4,480
Termination benefits	615	378
Total senior management personnel remuneration expenses	46,441	43,820

¹Non-salary benefits include the cost of the executive vehicle scheme, car parking and fringe benefit tax.

For the purposes of this note the department defines senior management personnel to include the Secretary of the department; full and part-year substantive senior executive service (SES) officers; long-term SES acting arrangements (staff who have acted in an SES role for the full 12 month period); and SES seconded to the department. Employee benefits relating to staff seconded to other departments in a senior management role are excluded from this note.

Remuneration for 200 (2015: 193) senior management personnel is included in this note. This represents the total number of individuals who have been remunerated during the year.

D7: Events After the Reporting Period

Departmental

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the department.

Administered

There were no subsequent events that had the potential to significantly affect the financial activities delivered on behalf of the government.

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Appendices



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APPENDIX A HUMAN SERVICES (MEDICARE) ACT 1973 REPORT

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers pursuant to section 8L of the Act, and are contained within the statutory reporting requirements pursuant to section 42 of the Act.

Table 74: *Human Services (Medicare) Act 1973—section 42 reporting requirements*¹

Section 42(1) paragraphs: (a) to (h)	2013–14	2014–15	2015–16 ²
(a) The number of signed instruments made under section 8M	5	1	5
(b) The number of notices in writing given under section 8P	161	283	49
(c) The number of notices in writing given to individual patients under section 8P. Note: this is a subset of (b) above	6	0	0
(d) The number of premises entered under section 8U	0	0	0
(e) The number of occasions when powers were used under section 8V	0	0	0
(f) The number of search warrants issued under section 8Y	14	2	8 ³
(g) The number of search warrants issued by telephone or other electronic means under section 8Z	0	0	0
(h) The number of patients advised in writing under section 8ZN	0	0	403 ⁴

1. Where powers are exercised in relation to a record containing clinical records, the Chief Executive Medicare must advise the patient in writing, except under specific circumstances, for example, where after reasonable inquiries the patient could not be located or contacting the patient would jeopardise the investigation.
2. Statistics as at 30 June 2016 and relate to Health Professional matters under investigation within the Department of Health, Health Provider Compliance Division.
3. Relates to two investigations.
4. Relates to one investigation.

APPENDIX B CARER RECOGNITION ACT 2010 REPORT AND DISABILITY REPORTING

OBLIGATIONS OF ALL PUBLIC SERVICE AGENCIES

Section 7(1)—Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia’s Carers.

The department raises staff awareness and understanding of the Statement for Australia’s Carers through online tools and resources. The statement, set out in Schedule 1 of the *Carer Recognition Act 2010*, enshrines the rights, opportunities and choices of carers. Our intranet resources also include links to the Act and information about support available to help staff with their caring responsibilities.

Section 7(2)—Each public service agency’s internal human resource policies, so far as they may significantly affect an employee’s care role, are to be developed having due regard to the Statement for Australia’s Carers.

The department complies with section 7(2) of the Act through the *Department of Human Services Agreement 2011–14* and internal human resource policies.

The department consults with staff and representatives, providing the opportunity for comments and feedback while having due regard to the Statement for Australia’s Carers. We support staff with caring responsibilities through:

- flexible working arrangements
- part-time work
- home-based work
- an elder care advisory service
- the Employee Assistance Program.

Section 8(1)—Each public service care agency is to take all practicable measures to ensure that it, and its employees and agents, take action to reflect the principles of the Statement for Australia’s Carers.

The department is committed to the principles of the Statement for Australia’s Carers. Our payments, services and information to carers reflect this as does the development and implementation of carer programmes and supports. We work collaboratively with partner agencies to ensure carer policy and service delivery is aligned with the statement and priorities identified in the government’s National Carer Strategy.

The department will continue to develop and implement practical actions against each of the six priority areas. We actively support awareness and understanding of carer issues within the community. We participate in National

Carers Week through outreach and community activities, and we promote awareness of carer issues to staff. We also produce *News for Carers*, an online publication for people receiving Carer Payment and Carer Allowance, and for peak carer organisations. It provides information about national initiatives and services for carers.

Section 8(2)—Each public service care agency is to consult carers, or bodies that represent carers, when developing or evaluating care supports.

The department continues to promote service models that involve carers as partners in the provision of care. Carers and carer peak bodies are consulted on the development of new measures as required.

Section 8(3)—Each public service care agency must prepare a report on its compliance with section 7 and this section in each reporting period. The report must be included in the agency’s annual report for the reporting period.

For more information about the department’s specialised services and support for carers and our engagement with carers see *People with disability and carers* on page 29.

PEOPLE WITH DISABILITY

Since 1994 Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08 reporting on the employer role was transferred to the Australian Public Service Commission’s State of the Service Report and the APS Statistical Bulletin. These reports are available at apsc.gov.au. Since 2010–11 departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports was published in 2014 on the Department of Social Services website—dss.gov.au.

MORE INFORMATION

For more information about the department's specialised services and support for and engagement with carers and people with disability, see

- *People with disability and carers* on page 29
- *Participation for people with disability* on page 31
- *National Disability Insurance Agency and the National Disability Insurance Scheme* on page 31
- *National Disability Strategy* on page 32
- *Delivering aged care payments* on page 34
- *Carer specialist assessments* on page 75
- *ICT support for greater accessibility* on page 135
- *Employment of people with disability* on page 136
- *Training for people on the autism spectrum* on page 136
- 'Carers' and 'People with disability' on the home page of our website at **humanservices.gov.au**.

APPENDIX C EXTERNAL SCRUTINY

AUSTRALIAN NATIONAL AUDIT OFFICE

The department maintains a collaborative and productive relationship with the Australian National Audit Office (ANAO) and welcomes the audit and assurance activities it undertakes.

Australian National Audit Office liaison

The department coordinates its internal audit activities with the ANAO's performance audit activities to help ensure the adequacy of audit coverage across the department and to minimise duplication of assurance effort. The department works closely with the ANAO throughout the annual financial statements audit cycle. The department also closely monitors implementation of ANAO performance audit and financial statements audit recommendations.

ANAO audits tabled in the Parliament in 2015–16

Report No. 36 of 2015–16, tabled 5 May 2016

Administration of the Financial Information Service

The audit objective was to assess the effectiveness of the department's administration of the Financial Information Service (FIS).

The ANAO found that FIS has not been fully evaluated since it was established in 1989. The ANAO also found that FIS does not have clearly documented objectives, targeting and performance measures to focus service delivery and administration, and provide a basis for assessing the achievement of its objectives. The ANAO made two recommendations to assist in improving the administration of FIS and to strengthen its performance framework. The department agreed with all recommendations.

Report No. 35 of 2015–16, tabled 5 May 2016

Administration of the Radiation Oncology Health Program Grants Scheme

The audit objective was to assess the effectiveness of the Department of Health's and the department's administration of the Radiation Oncology Health Program Grants Scheme.

The ANAO found a number of opportunities for improving programme administration relating to scheme reimbursement rates, publication of needs analysis data to support investment decisions, assessment of complex applications and capital allowances for equipment.

The ANAO also found that while the scheme has been the subject of a number of internal and external reviews which have resulted in changes to specific elements of the scheme, these reviews did not assess the scheme's outcomes against its objectives. The ANAO made two recommendations to assist in improving programme design and administration. The department agreed with all recommendations.

Report No. 18 of 2015–16, tabled 21 January 2016

Qualifying for the Disability Support Pension

The audit objective was to assess the Department of Social Services (DSS) and the department's administration of Disability Support Pension (DSP) eligibility and review processes.

In respect of the department's administration of DSP, the ANAO found that the assessment of new claimants' eligibility was in keeping with underpinning legislation, policy and guidance. The ANAO noted that eligibility processes to qualify for DSP are complex; that the department receives a large number of requests for internal review of rejected DSP claims; and that the overall level of activity undertaken by the department each year is significant. Against this context, the ANAO considered there were opportunities to improve the documentation of eligibility decisions, the targeting of medical review activity for some DSP recipients, and communication with DSP recipients about reviews and appeals.

The ANAO made four recommendations—one to the department, two to both the department and DSS, and one to DSS. Recommendations to the department concerned reviewing guidance and requirements for documenting eligibility decisions; identifying DSP recipients whose medical conditions have a greater prospect of improvement; and key performance indicators and data collection. The department agreed with all recommendations.

Report No. 12 2015–16, tabled 3 December 2015

Administration of the Child Dental Benefits Schedule

The audit objective was to assess the effectiveness of the Department of Health and the department's management and administration of the Child Dental Benefits Schedule (CDBS).

The ANAO found that day-to-day administration of the CDBS by the department and the Department of Health has been largely effective. The ANAO identified scope for improvement in relation to the Department of Health risk management planning for the programme and the department's quality framework for the manual data-matching process used to maintain the integrity of programme data. The ANAO made four recommendations—three for the Department of Health, and one for the department about improving performance measurement, reporting, and assurance on the quality manual data-matching processes. We agreed with the recommendation relating to the department.

Report No. 1 2015–16, tabled 8 July 2015

Procurement Initiatives to Support Outcomes for Indigenous Australians

The objective of this across entities audit was to assess the effectiveness of the administration of procurement initiatives to support opportunities for Indigenous Australians.

The ANAO found that, while the policy intent to leverage better Indigenous outcomes from Australian Government procurement activity has been clear, the frameworks developed by entities to achieve the objectives have not generally facilitated effective delivery of the outcomes sought. The ANAO did not make any recommendations to the department.

COMMONWEALTH OMBUDSMAN

In September 2015 the Commonwealth Ombudsman published a section 15 report on *One year on from the Centrelink Service Delivery Report*. The report commented on the department's implementation of 12 recommendations made in the April 2014 report *Investigation into service delivery complaints about Centrelink*.

In February 2016 the Commonwealth Ombudsman published a section 15 report on *Administration of Income Management for Vulnerable Youth*. The Ombudsman made 10 recommendations.

In March 2016 the Commonwealth Ombudsman published a section 15 report on *Income Maintenance Periods and Special Benefit Report*. The Ombudsman made three recommendations.

APPENDIX D FREEDOM OF INFORMATION

As required under Part II of the *Freedom of Information Act 1982* the department has an Information Publication Scheme (IPS) plan, which is available on our website.

Most mandatory information that must be published under the Act is available in various documents on the department's website and can be easily identified by the IPS logo visible on the freedom of information page.

In 2015–16 the website information included:

- the department's IPS plan
- details of the department's organisational structure
- details of the department's functions, including its decision-making powers and other powers affecting members of the public (or any particular person or entity, or class of persons or entities)
- appointments of officers that are made under legislation (other than Australian Public Service staff), such as the appointment of statutory office-holders
- the department's annual reports
- arrangements for members of the public to comment on specific policy proposals for which the department is responsible, including how (and to whom) those comments may be made
- contact details to enquire about access to the department's information or documents under the Act
- the department's operational information
- information in documents to which the department routinely gives access in response to requests under Part III (access to documents) of the Act, except information that is otherwise exempt
- information that the department routinely provides to the Parliament in response to requests and orders from the Parliament.

APPENDIX E DATA MATCHING

DATA-MATCHING PROGRAM (ASSISTANCE AND TAX) ACT 1990

The legal authority for the Data-matching Program is governed by the *Data-matching Program (Assistance and Tax) Act 1990*. Under section 12 of the Act participating agencies are required to table reports in both houses of the parliament. Under section 12(5) of the Act a triennial report is required every three years from July 1998. This appendix covers the progress of the programme for the department from 2013–16.

Details of the Data-matching Program undertaken under the Act are provided below. The department also undertakes data matching activities in accordance with the Office of the Australian Information Commissioner's (OAIC) Guidelines on Data-matching in Australian Government Administration.

DATA-MATCHING PROGRAM OBJECTIVES

The Data-matching Program aims to:

- detect people who may be receiving incorrect payments from an income support agency
- verify the accuracy of customers' income declared to agencies that make income support payments
- encourage voluntary compliance including:
 - deterring people from attempting to claim payments to which they are not entitled
 - the voluntary surrender of payments to which people may not be entitled
 - the voluntary disclosure of changes in circumstances which affect rates of payment
- identify debtors who have resumed receiving an income support payment
- detect fictitious or assumed identities.

The programme plays an important role in identifying dual payments and undeclared or understated income that cannot be detected by other control measures. It is part of the department's comprehensive system of controls that enables us to detect incorrect payments and fraud.

PROGRAMME CYCLES

The *Data-matching Program (Assistance and Tax) Act 1990* specifies that a programme cycle must be completed within two months of its commencement and that a new cycle cannot begin until the previous one has finished. No more than nine cycles may be conducted each year.

During 2015–16 two complete cycles were conducted for the department and four complete cycles were conducted for the Department of Veterans' Affairs.

PRIVACY SAFEGUARDS

The programme operates within a framework of comprehensive and strict privacy safeguards that cover the collection, storage, use and disclosure of personal information. Close attention is paid to adhering to these requirements. The main safeguards associated with the programme ensure that:

- the Data Matching Agency (DMA) does not hold source agency data for any longer than necessary
- source agencies cannot link or merge the information used in the programme to create a new, separate, permanent database of information
- the source agency data used is as up-to-date as possible
- data received and generated by the DMA is protected by strict physical and system security arrangements
- source agencies establish reasonable procedures for confirming the validity of results
- people are advised of the existence of the programme and the use of their information when they begin receiving a payment or service from an assistance agency
- people are contacted only when the department cannot explain a discrepancy by examining their records
- information no longer required is destroyed.

PROGRAMME MONITORING

The department continued to monitor the operation of the programme closely, in consultation with other participating agencies and the OAIC. Monitoring is undertaken in a variety of ways including regular reports, OAIC audits and ongoing project analysis.

In 2016–17 the department will undertake an enhanced approach to address compliance risks covered by the Data-matching Program. The new approach will replace the activity governed by the *Data-matching Program (Assistance and Tax) Act 1990* and bring the activity in line with the department's other data matching activity and the OAIC's Guidelines on Data Matching in Australian Government Administration (voluntary data matching guidelines). Programme cycles conducted under the Data-matching Program will be gradually phased out and cease during 2016–17.

STATISTICS

This section contains the statistical details required under guideline 12 of the Schedule to the *Data-matching Program (Assistance and Tax) Act 1990*. The information is divided into two parts. The first part, which has been compiled for the DMA, details the input and output from the programme cycles. The second part outlines the action taken by the department on discrepancies.

Data Matching Agency

The legislation requires that the following information processed by the DMA be provided:

- the total number of matches undertaken
- the number and proportion of matches that resulted in discrepancies.

Discrepancies can result from invalid Tax File Numbers (TFNs), identity matching or payment and income matching. Table 75 on page 241 shows the DMA input and output for programme cycles in 2013–14, 2014–15 and 2015–16. Table 76 on page 241 shows the number and proportion of matches that resulted in discrepancies and outcomes for the same period.

Table 75: Data Matching agency input and output for all agencies 2013–16

Department		Matches undertaken	DMA output	DMA output as a percentage of total departmental matches
Department of Human Services	2013–14	104 751 429	2 016 353	1.9%
	2014–15	106 881 052	2 270 183	2.1%
	2015–16	109 355 545	1 144 169	1.0%
Department of Veterans' Affairs	2013–14	1 487 161	17 826	1.2%
	2014–15	1 393 782	15 811	1.1%
	2015–16	1 313 351	10 154	0.8%
Total	2013–14	106 238 590	2 034 179	1.9%
	2014–15	108 274 834	2 285 994	2.1%
	2015–16	110 668 896	1 154 323	1.0%

Many people will have more than one component including married, maiden or previous legal names. For the Department of Veterans' Affairs, maiden and married names are separated into two records after receipt by the DMA.

Table 76: Results of discrepancies released for action in 2013–16

Discrepancies/cases	Number and percentage (where applicable)		
	2013–14	2014–15	2015–16
Discrepancies which resulted in a notice under section 11 of the <i>Data-matching Program (Assistance and Tax) Act 1990</i> being sent ¹	27 404	3 039	0
Discrepancies which resulted in action being taken ²	18 005	17 985	4 904
Cases in which action proceeded despite a dispute about the accuracy of the data ³	213	101	29
Discrepancies which did not proceed to action after the individual was contacted ⁴	8 556	4 777	1 657
Cases where an overpayment was identified ⁵	21 392	23 675	7 109
Cases where recovery action was initiated ⁶	20 362	21 087	9 932
Cases where the debt was fully recovered ⁷	17 571	17 006	14 940

1. Section 11 of the *Data-matching Program (Assistance and Tax) Act 1990* requires that people must be given written notice of any proposed action as a result of information gained through the programme. People have 28 days to respond.
2. Following the completion of a cycle, departments undertake further refinements before releasing the discrepancies for follow-up action. These refinements are to reduce the number of unproductive discrepancies that are released.

3. In any year a small number of people challenge the accuracy of the information on which the proposed action is based—usually because they do not fully understand conditions of eligibility for payment.
4. There will always be a number of cases where people are sent a notice of proposed action but the action does not proceed. In these cases people or a third party such as an employer are able to provide details to show that the payments received were correct.
5. The number of overpayment cases identified, including the number of debts waived.
6. The number of cases where recovery action was commenced on a debt. The department recovers debts in two ways—either through withholding part of a customer's entitlement or through cash repayments.
7. Recovery of a debt can take place over a number of years and the number and value of debts raised in a year does not necessarily correspond to the number and value of recoveries.

COST BENEFITS

This section sets out the savings and other benefits of the Data-matching Program. It includes details of direct savings in outlays and the actual direct costs of the programme. See Table 77 on page 243 for cost–benefit information.

Direct savings methodology

There are three direct savings components from the programme:

- downward variations in rate or stopping payments
- raised debts
- ceasing payments to new customers for failure to comply with TFN requirements.

The programme is also used to match details of former customers of each assistance agency who owe a debt to the Australian Government. Detection of these customers means that withholdings can be made from their current entitlement to assist in repaying their debt.

Direct savings achieved

In 2015–16 the Data-matching Program achieved \$74.2 million in savings compared to \$163.2 million in 2014–15 and \$154.7 million in 2013–14.

Direct cost methodology

ADMINISTRATIVE COSTS

Administrative costs included computer and associated costs. The equipment used to run the programme cycles has some ongoing administrative costs associated with computer hardware and software maintenance.

SALARY COSTS

The programme's main salary costs were costs associated with:

- managing and supporting the programme within the department
- the department's network review activity, including its management and coordination.

Direct cost–benefit summary

When the costs and benefits (direct savings) are compared, the net benefits of the programme are significant. In 2015–16 the net benefit of the programme was \$65.3 million.

Table 77: Direct cost–benefit summary

	2013–14 actual	2014–15 actual	2015–16 actual
Benefits ¹	\$152 238 100	\$160 013 100	\$73 582 300
Costs	\$19 530 400	\$25 451 400	\$8 327 500
Net benefits ²	\$132 707 700	\$134 561 800	\$65 254 800
Cost–benefit ratio ³	1:7.8	1:6.3	1:8.8

1. Net savings, including the effect of upward variations.

2. Calculated by subtracting costs from benefits.

3. Calculated by dividing benefits by costs.

CHRONOLOGY

The events listed below include data-matching cycles run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990* and consultation with the OAIC over the period 2013–16.

- 1 August 2013 Cycle 3/2013 commenced
- 14–15 August 2013 OAIC staff audited teams from Business Integrity
- 19 August 2013 Step 5 of Cycle 3/2013 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 23 August 2013 Cycle 3/2013 completed
- 21 October 2013 Cycle 4/2013 commenced
- 12 November 2013 Step 5 of Cycle 4/2013 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 15 November 2013 Cycle 4/2013 completed
- 25–26 November 2013 OAIC staff audited teams from Business Integrity
- 3 February 2014 Cycle 1/2014 commenced

- 24 February 2014 Step 5 of Cycle 1/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 28 February 2014 Cycle 1/2014 completed
- 15–16 April 2014 OAIC staff audited teams from Business Integrity
- 5 May 2014 Cycle 2/2014 commenced
- 26 May 2014 Step 5 of Cycle 2/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 2 June 2014 Cycle 2/2014 completed
- 28 July 2014 Cycle 3/2014 commenced
- 19 August 2014 Step 5 of Cycle 3/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 26 August 2014 Cycle 3/2014 completed
- 24–25 July 2014 OAIC staff audited teams from Business Integrity
- 20 October 2014 Cycle 4/2014 commenced
- 10 November 2014 Step 5 of Cycle 4/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 17 November 2014 Cycle 4/2014 completed
- 6–7 November 2014 OAIC staff audited teams from Business Integrity
- 2 February 2015 Cycle 1/2015 commenced
- 23 February 2015 Step 5 of Cycle 1/2015 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 2 March 2015 Cycle 1/2015 completed
- 4 May 2015 Cycle 2/2015 commenced
- 25 May 2015 Step 5 of Cycle 2/2015 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 1 June 2015 Cycle 2/2015 completed
- 24–25 June 2015 OAIC staff audited teams from Business Integrity
- 27 July 2015 Cycle 3/2015 commenced
- 17 August 2015 Step 5 of Cycle 3/2015 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 24 August 2015 Cycle 3/2015 completed
- 19 October 2015 Cycle 4/2015 commenced
- 9 November 2015 Step 5 of Cycle 4/2015 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*

- 16 November 2015 Cycle 4/2015 completed
- 1 February 2016 Cycle 1/2016 commenced
- 22 February 2016 Step 5 of Cycle 1/2016 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 29 February 2016 Cycle 1/2016 completed
- 2 May 2016 Cycle 2/2016 commenced
- 23 May 2016 Step 5 of Cycle 2/2016 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- 30 May 2016 Cycle 2/2016 completed.

APPENDIX F STAFFING STATISTICS AND REMUNERATION

STAFF PROFILE

Table 78: Staff by substantive classification and location

Classification ¹	ACT	NSW	QLD	SA	NT	TAS	VIC	WA	Total
SES Band 3	8	0	0	0	0	0	0	0	8
SES Band 2	30	0	2	2	0	0	1	0	35
SES Band 1	92	8	12	6	1	1	4	1	125
Executive Level 2	564	92	93	33	5	19	72	15	893
Executive Level 1	1 295	303	347	160	22	68	282	83	2 560
APS 6	1 230	1 134	982	456	59	245	842	243	5 191
APS 5	634	757	725	352	94	162	472	165	3 361
APS 4	601	4 824	3 114	1 261	201	1 045	3 445	1 084	15 575
APS 3	203	2 286	1 613	614	179	384	2 052	795	8 126
APS 2	4	63	34	17	2	63	44	18	245
APS 1	75	33	26	15	0	5	23	15	192
Other—trainees, graduates, cadets	99	41	71	26	16	6	14	10	283
Total	4 835	9 541	7 019	2 942	579	1 998	7 251	2 429	36 594

1. Includes intermittent/irregular staff.

Table 79: Staff by substantive classification and employment status

Classification	Ongoing	Non-ongoing ¹	Total
SES Band 3	7	1	8
SES Band 2	31	4	35
SES Band 1	123	2	125
Executive Level 2	887	6	893
Executive Level 1	2 549	11	2 560
APS6	5 173	18	5 191
APS5	3 321	40	3 361
APS4	14 793	782	15 575
APS3	4 109	4 017	8 126
APS2	198	47	245
APS1	149	43	192
Other—trainees, graduates, cadets	283	0	283
Total	31 623	4 971	36 594

1. Includes intermittent/irregular staff.

Table 80: Staff by substantive classification and employment type

Classification	Full-time	Part-time ¹	Total
SES Band 3	8	0	8
SES Band 2	33	2	35
SES Band 1	124	1	125
Executive Level 2	823	70	893
Executive Level 1	2 216	344	2 560
APS6	3 791	1 400	5 191
APS5	2 740	621	3 361
APS4	10 148	5 427	15 575
APS3	3 842	4 284	8 126
APS2	151	94	245
APS1	114	78	192
Other—trainees, graduates, cadets	260	23	283
Total	24 250	12 344	36 594

1. Includes intermittent/irregular staff.

Table 81: Staff by substantive classification and gender

Classification ¹	Female	Male	Non-binary	Total
SES Band 3	2	6	0	8
SES Band 2	14	21	0	35
SES Band 1	60	65	0	125
Executive Level 2	453	440	0	893
Executive Level 1	1 446	1 114	0	2 560
APS6	3 463	1 728	0	5 191
APS5	2 235	1 126	0	3 361
APS4	11 855	3 720	0	15 575
APS3	6 184	1 942	0	8 126
APS2	170	75	0	245
APS1	116	76	0	192
Other—trainees, graduates, cadets	187	96	0	283
Total	26 185	10 409	0	36 594

1. Includes intermittent/irregular staff.

Table 82: Staff by substantive classification, gender and self-identified as having disability

Classification ¹	Female	Male	Non-binary	Total
SES Band 3	0	0	0	0
SES Band 2	0	0	0	0
SES Band 1	2	4	0	6
Executive Level 2	23	18	0	41
Executive Level 1	57	52	0	109
APS6	169	101	0	270
APS5	139	76	0	215
APS4	643	240	0	883
APS3	122	62	0	184
APS2	18	21	0	39
APS1	15	9	0	24
Other—trainees, graduates, cadets	8	6	0	14
Total	1 196	589	0	1 785

1. Includes intermittent/irregular staff.

Table 83: Staff by substantive classification, gender and self-identified being from a CALD¹ background

Classification ²	Female	Male	Non-binary	Total
SES Band 3	0	1	0	1
SES Band 2	3	4	0	7
SES Band 1	15	9	0	24
Executive Level 2	126	131	0	257
Executive Level 1	405	392	0	797
APS6	892	538	0	1 430
APS5	565	343	0	908
APS4	2 783	962	0	3 745
APS3	1 131	337	0	1 468
APS2	27	19	0	46
APS1	27	15	0	42
Other—trainees, graduates, cadets	14	12	0	26
Total	5 988	2 763	0	8 751

1. Culturally and linguistically diverse (CALD) background are those employees that have self-identified as being from a diverse background.

2. Includes intermittent/irregular staff.

Table 84: Staff by substantive classification who identify as Indigenous

Classification	2014–15		2015–16	
	Ongoing	Non-ongoing	Ongoing	Non-ongoing ¹
SES Band 3	0	0	0	0
SES Band 2	0	0	0	0
SES Band 1	2	0	3	0
Executive Level 2	10	0	13	0
Executive Level 1	39	0	44	0
APS6	114	0	114	0
APS5	182	1	177	1
APS4	661	2	687	20
APS3	329	53	300	66
APS2	6	1	2	1
APS1	2	0	2	0
Other—trainees, graduates, cadets	5	0	125	0
Total	1 350	57	1 467	88

1. Includes intermittent/irregular staff.

NON-SENIOR EXECUTIVE SERVICE REMUNERATION

At 30 June 2016, 36 418 non-SES staff were covered by the *Department of Human Services Agreement 2011–2014*.

Table 85: Salary ranges for staff covered by the *Department of Human Services Agreement 2011–14*

Classification	Salary range ¹ \$
Executive Level 2	111 677–132 809
Executive Level 1	96 504–106 935
APS 6	77 154–89 217
APS 5	69 699–75 208
APS 4	62 493–69 239
APS 3	56 069–62 492
APS 2	50 580–54 588
APS 1	45 263–48 533
Deputy General Counsel—Executive Level 2 (Legal Job Stream)	141 039
Senior Rehabilitation Consultant—APS 6 (Professional Job Stream)	94 017
Rehabilitation Consultant 2+—APS 6 (Professional Job Stream)	89 512
APS Trainee (School-based pathway) Year 11	18 105
APS Trainee (School-based pathway) Year 12	22 632
APS Trainee (Apprentice)	50 580
APS Trainee (ICT Apprentice)	45 263–51 970
Cadet APS	25 800–51 970
Graduate APS	56 069–62 493

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

At 30 June 2016, eight Medical Officers were covered by the *Department of Human Services Medical Officers Agreement 2013–2014*.

Table 86: Salary ranges for staff covered by the *Department of Human Services Medical Officers Agreement 2013–2014*

Classification	Salary range ¹ \$
Medical Officer Class 4	163 518–174 248
Medical Officer Class 3	150 468–157 238
Medical Officer Class 2	118 817–141 283

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

PERFORMANCE PAY

There were no performance payments made in 2015–16.

NON-SALARY BENEFITS

The department's *Department of Human Services Agreement 2011–2014* provides for a range of allowances for employees that meet eligibility criteria. For example, social workers can seek reimbursement for professional association membership fees where this is associated with the performance of their duties.

Employees can access a range of salary sacrifice benefits including additional superannuation and leased motor vehicles. Other non-salary benefits can include, for example, a health insurance discount and a public transport loan scheme. Employees also have access to business tools, such as mobile phone and mobile computing devices, where there is a business requirement.

SES employees have car parking at their local office and a vehicle allowance or motor vehicle (for business and private purposes).

SENIOR EXECUTIVE SERVICE REMUNERATION

The Secretary establishes salary ranges for SES employees having regard to:

- the *Australian Government Workplace Bargaining Policy 2015*
- the annual APS SES remuneration survey
- performance of the department
- value for money.

Table 87: Salary range for SES classifications

Classification	Salary range ¹ \$
SES Band 3	291 000–345 000
SES Band 2	205 000–252 000
SES Band 1	153 000–199 000

1. The salary ranges in the table cover base salary rates only. This does not include motor vehicle, reportable fringe benefits or other allowances. These salary ranges are indicative as the Secretary may approve salary rates outside these bands.

Salaries for individual SES employees are reviewed annually by the Secretary, following completion of the annual performance cycle. As well as individual performance, other factors taken into account include organisational performance, relevant remuneration data, and the size and complexity of the role.

The following industrial instruments have been used to provide conditions of service for the department’s staff.

Table 88: Employment arrangements

Arrangement	SES	Non-SES
Section 24(1) of the <i>Public Service Act 1999</i>	168	0
Individual flexibility agreements	0	61
Common law contract	1	0

APPENDIX G WORK HEALTH AND SAFETY

WORK HEALTH AND SAFETY ACT 2011— REPORTING

Comcare inspections

In 2015–16 Comcare undertook four workplace inspections. There were no contraventions of the *Work Health and Safety Act 2011* reported. No notices were issued under the *Work Health and Safety Act 2011*.

Incidents notified to Comcare

A total of 48 incidents were notified to Comcare in 2015–16 (39 in 2014–15) for dangerous incidents and serious injury or illness.

Table 89: Incidents notified to Comcare

Type of incident	Number
Death	0
Serious injury or illness	15
Dangerous incidents	33
Total	48

APPENDIX H ADVERTISING AND MARKET RESEARCH

COMMUNICATION AND ADVERTISING CAMPAIGNS

The department did not undertake any communication or advertising campaigns in 2015–16.

ADVERTISING COSTS—MEDIA ADVERTISING

In 2015–16 the total departmental expenditure on advertising was \$2 650 421 compared to \$2 543 715 in 2014–15. This includes expenditure on print and online advertising in areas such as recruitment, public notices and tenders.

Table 90: Costs associated with advertising

Payee	Purpose	2015–16 \$
Dentsu Michell Media Australia Pty Ltd	Advertising	842 404
Sensis Pty Ltd	White Pages	1 808 017
Total		2 650 421

MARKET RESEARCH PAYMENTS

The department commissioned the projects listed in Table 91 on page 255. They involved gathering, analysing and reporting information from external audiences or sources to provide insight on a particular topic or issue.

Table 91: Payments associated with market research organisations¹

Vendor	Description	2015–16 ¹ \$ (including GST)
Colmar Brunton	Testing of revised child support assessment notices	76 857
Colmar Brunton	Family and domestic violence communication testing ²	15 000
Colmar Brunton	CAP (Indigenous community) agents survey 2015 ²	32 281
DBM Consultants	Integrated customer satisfaction program	1 482 294
Dialogue Consulting	Social media strategy evaluation	17 270
EY Sweeney	Service delivery communication testing ²	24 000
instinct and reason	Operational communication for Medicare Benefits Schedule changes for new Medicare safety net	56 000
instinct and reason	Departmental audiences communication	237 600
Loneragan Research	Testing <i>A guide to Australian Government payments</i>	80 927
Market Access Consulting and Research	Exploring the use of channels for correspondence	79 640
Market Access Consulting and Research	<i>News for Seniors</i> research ²	48 950
Multicultural Marketing and Management	Accessibility of Human Services website for culturally and linguistically diverse customers	156 985
ORC International	Evaluate the myGov Albury shopfront	54 967
ORC International	Review of internal communication	54 856
Taylor Nelson Sofres	Recruitment services	14 791
Taylor Nelson Sofres	Digital services and transformation communication ²	91 894
ThinkPlace	Research and facilitation services	47 766
University of Canberra	Disability barriers in the Australian Public Service	27 500
Zebra Research	Customer service research feedback video	20 680
Total		2 620 258

1. Details of payments to market research organisations, above the threshold amount, is included to comply with Section 311A of the *Commonwealth Electoral Act 1918*.
2. Relates to payments in 2015–16 for research funded from and completed in 2014–15.

APPENDIX I ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Commonwealth agencies to report annually on their contribution to the principles of ecologically sustainable development (ESD) and the measures taken to minimise their impact on the environment. The ESD principles are defined in section 3A of the Act.

HOW ADMINISTERED PROGRAMMES ACCORD WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a)

In 2015–16 the department administered the Australian Government Drought Assistance programme in accordance with the principles of ESD. The department delivered a suite of payments to drought-affected communities, including the Farm Household Allowance.

HOW THE APPROPRIATION OUTCOME CONTRIBUTED TO THE PRINCIPLES OF ESD—SECTION 516A(6)(b)

In 2015–16 the department continued to contribute to the principles of ESD through the delivery of efficient and convenient services to individuals, families and the community. For instance, departmental activities that had a direct impact on reducing resources consumed, release of emissions and waste generated, included:

- more online brochures, forms and letters
- Express Plus mobile apps and quick response codes for customers to easily access service information
- mobile service centres that visit regional and remote communities.

EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516A(6)(c)

Departmental activities with an impact on the environment are risk-assessed using the international standard for Risk Management ISO 31000:2009 and the Australian Standard handbook for environmental risk assessment HB203:2006. The department manages activities identified as posing the most significant risk through the department's environmental management system (EMS) which aligns to the international standard EMS ISO 14001:2004.

In general, these activities consume considerable resources and generate significant waste. Activities that have a significant effect on the environment include:

- building operations and refurbishments
- use of information and communications technology (ICT)
- use and disposal of stationery (including paper)
- operating vehicles.

Table 92: Resources use

	Units	2013–14	2014–15	2015–16
Stationary energy (electricity and gas)	gigajoules	400 448	354 652	NA ¹
Transport energy (fuels)	gigajoules	36 554	31 294	NA ¹
Total energy use	gigajoules	437 002	385 946	NA¹
Internal paper use	tonnes	851	749	729
Customer letters	A4 sheets	120 421 513	109 541 466	67 591 799
Property use	square metres	788 942	729 543	731 977

1. Stationary energy reporting for 2015–16 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

Table 93: Waste, resource recovery and pollution

	Measure	2013–14	2014–15	2015–16
Net greenhouse gas emissions—energy use	tonnes of carbon dioxide equivalents	108 613	91 799	NA ¹
Office copy paper recycling	% coverage (square metres)	98.1	98.0	98.0
Commingled recycled	% coverage (square metres)	18	20	20
Mobile phone recycling	kilograms	238	331	262
Fluorescent and other lamps recycled	units	2 748	6 012	3 747

1. Net greenhouse gas emissions—stationary energy reporting for 2015–16 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy and greenhouse gas emission reporting.

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT— SECTION 516(6)(d)

The department’s Environmental Sustainability Policy (available at humanservices.gov.au) is used to minimise the effect of our activities on the environment, and to drive better practice, performance and accountability.

Any environmental initiative or measure introduced is assessed using cost–benefit analysis, including the delivery of other business benefits associated with the initiative.

Table 94: Control measures and initiatives 2015–16—resource use, and supplier and product selection

Activities	Measures taken to minimise the effect on the environment
Air travel	<ul style="list-style-type: none">• The department supports the use of video and phone conferencing instead of staff using air travel.
Building operations	<ul style="list-style-type: none">• Landlord and tenant obligations under Green Lease Schedules have been improved by site-based energy management plans, organising Building Management Committee meetings and implementing initiatives at large offices across the department. At 30 June 2016 there were 48 Green Leases for large offices.• National Australian Built Environment Rating System (NABERS) energy assessments were undertaken at large offices over 2000m2. At 30 June 2016, 33 of the 36 large offices assessed were performing at or above a 4.5 Star NABERS energy rating.• The department retained or improved performance through ongoing controls and initiatives such as office energy audits, server room audits, lighting upgrades, installation of master switches and timers in meeting rooms, reviewing programme settings on hot water units, and syncing air conditioning to security timers.• Reputable eco-labels and other environmental standards are used to improve environmental performance—such as ENERGY STAR® to rate appliances.• The department purchased 10 per cent Greenpower from electricity services in the Australian Capital Territory, procured through the whole-of-government electricity contract. There is also provision to take up Greenpower at any stage over the term of our large market electricity contracts.• The department supports the FluoroCycle Scheme to ensure that hazardous fluorescent lamps are recycled on disposal.• The department participated in Earth Hour to promote greenhouse emission awareness and to review lighting system operations.

Activities	Measures taken to minimise the effect on the environment
ICT	<ul style="list-style-type: none"> • The department has virtualised 99 per cent of x86 architecture-based Wintel workload and 99 per cent of Unix workload, avoiding the purchase of additional servers. • Data centres have been consolidated and relocated to highly energy efficient premises. • PCs and docked laptops are shut down after three hours of inactivity to enable energy and cost savings. • A server room improvement programme commenced to achieve greater power and equipment stability and energy efficiency. • PCs and monitors are compliant to the Silver or Gold standard of the eco-label—Electronic Product Environmental Assessment Tool—covering environmental concerns such as energy efficiency, greenhouse performance, minimising hazardous materials and waste management. • The department continued to rationalise printer and multifunction devices in refurbished and new buildings. • The department continues to add environmental clauses into ICT contracts to appropriately manage e-waste, with supplier take back and responsible disposal of equipment.
Management and communication	<ul style="list-style-type: none"> • The Environmental Sustainability Policy continues to strengthen the department's environmental management programme. • The sustainability reporting system has been further developed to strengthen our reporting capability. • The department continues to promote and communicate environmental programmes, such as the Earth Hour initiative, to staff using the departmental social media network. • Environmental standards are continuing to be introduced into procurements. • The web-based system (GovGear) was developed to facilitate the redeployment of surplus assets/items across government and help to reduce waste and extend asset life. This system will be trialled for one year to determine its feasibility for introduction. • The department continues to support and participate in the Government Agencies Environmental Network.
Motor vehicle travel	<ul style="list-style-type: none"> • The department continues to reduce energy use and improve our energy efficiency through the procurement of four-cylinder and hybrid vehicles, and through a programme of consolidation and rationalisation of vehicles. • An electronic log book system has been introduced to accurately monitor and manage vehicle use, and improve reporting quality.

Activities	Measures taken to minimise the effect on the environment
Stationery (including paper)	<ul style="list-style-type: none">• The department uses 50 per cent recycled content copy paper for internal printers, photocopiers and multifunction devices. The remainder of the copy paper consists of virgin fibre sourced from forests that meet Programme for the Endorsement of Forestry Certification or Forest Stewardship Council standards, and complies with the independently certified ISO 14024 standard.• For bulk external mail, most of the envelopes are made from 60 per cent recycled content paper, and customer letters are made from reputably sourced virgin fibre paper.• The department has increased its digital record-keeping capability and has significantly reduced the number of paper based files.

MECHANISMS TO REVIEW AND INCREASE THE EFFECTIVENESS OF THOSE MEASURES—SECTION 516(6)(e)

In 2015–16 the department continued to enhance governance processes to review and report environmental performance. Table 95 below outlines the department’s performance against the Energy Efficiency in Government Operations policy targets.

Table 95: Office energy performance

Measures and targets	Target	Actual 2013–14	Actual 2014–15	Actual 2015–16
Office—tenant light and power (megajoules per person)	7 500	6 330	5 650	NA ¹
Office—central services (megajoules per square metre)	400	332	329	NA ¹

1. Stationary energy reporting for 2015–16 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

APPENDIX J RESOURCE STATEMENTS AND EXPENSES FOR OUTCOME 1

Table 96: Resource statements 2015–16

	Actual available appropriation for 2015–16 \$'000	Payments made 2015–16 \$'000	Balance remaining 2015–16 \$'000
	(a)	(b)	(a)–(b)
Ordinary annual services			
Departmental appropriation	5 608 434	4 641 353	967 081
Total	5 608 434	4 641 353	967 081
Administered expenses			
Outcome 1	4 201	1 961	2 240
Total	4 201	1 961	2 240
Total ordinary annual services	A 5 612 635	4 643 314	969 321
Other services			
Departmental non-operating			
Equity injections	47 959	47 959	–
Total	47 959	47 959	–
Total other services	B 47 959	47 959	–
Total available annual appropriations	5 660 594	4 691 273	969 321
Special appropriations			
Special appropriations limited by criteria/entitlement			
<i>Child Support (Registration and Collection) Act 1988</i>			
section 77—unremitted deductions		47 458	
section 78—unexplained remittances			
Total special appropriations	C	47 458	

	Actual available appropriation for 2015–16 \$'000	Payments made 2015–16 \$'000	Balance remaining 2015–16 \$'000
Special accounts			
Opening balance	54 685		
Appropriation receipts	48 712		
Non-appropriation receipts to special accounts	1 356 717		
Payments made		1 398 597	
Total special accounts	D 1 460 114	1 398 597	61 517
Total resourcing and payments			
A+B+C+D	7 120 708	6 137 328	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or <i>Commonwealth Authorities and Companies Act 1997</i> bodies through annual appropriations	48 712	48 712	
Total net resourcing and payments for the Department of Human Services	7 071 996	6 088 616	

Table 97: Expenses for Outcome 1

	Budget ¹ \$'000 (a)	Actual expenses \$'000 (b)	Variation \$'000 (a)–(b)
Programme 1.1: Services to the Community—Social Security and Welfare			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	–	1	–1
Expenses not requiring appropriation in the Budget year	16	16	–
Departmental expenses			
Departmental appropriation ²	3 380 416	3 377 852	2 564
Expenses not requiring appropriation in the Budget year ³	177 814	213 258	–35 444
Total for Programme 1.1	3 558 246	3 591 127	–32 881
Programme 1.2: Services to the Community—Health			
Departmental expenses			
Departmental appropriation ²	570 327	575 421	–5 094
Expenses not requiring appropriation in the Budget year ³	34 831	36 329	–1 498
Total for Programme 1.2	605 158	611 750	–6 592
Programme 1.3: Child Support			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	2 252	1 254	998
Special appropriations	59 675	47 458	12 217
Special accounts	1 370 594	1 343 420	27 174
Expenses not requiring appropriation in the budget year	113 055	148 049	–34 994
Departmental expenses			
Departmental appropriation ²	440 161	439 252	909
Expenses not requiring appropriation in the Budget year ³	23 599	27 732	–4 133
Total for Programme 1.3	2 009 336	2 007 165	2 171

	Budget ¹ \$'000	Actual expenses \$'000	Variation \$'000
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Act No. 1)	2 252	1 255	997
Special appropriations	59 675	47 458	12 217
Special accounts	1 370 594	1 343 420	27 174
Expenses not requiring appropriation in the budget year	113 071	148 065	-34 994
Departmental expenses			
Departmental appropriation ²	4 390 904	4 392 525	-1 621
Expenses not requiring appropriation in the Budget year ³	236 244	277 319	-41 075
Total expenses for Outcome 1	6 172 740	6 210 042	-37 302
Average staffing level (number)	30 369	30 197	172

1. 2015–16 Budget, including any subsequent adjustment made at Additional Estimates.
2. Departmental appropriation combines ordinary annual services (Appropriation Acts No.1 and No.3) and revenue from independent sources (section 74).
3. Includes unfunded depreciation and amortisation expenses, write-down and impairment of assets and resources received free of charge.

APPENDIX K CORRECTION OF ERRORS IN THE DEPARTMENT'S 2014–15 REPORT

Page 20

The reference to 53 607 of new claims for Carer Payment is incorrect. This should read 53 593.

The reference to 101 021 of new claims for Carer Allowance is incorrect. This should read 100 399.

Page 29

The reference to \$20.4 billion of Medicare paid in benefits is incorrect. This should read \$20.5 billion.

Page 133

The reference to 472 suspected breaches of Code of Conduct should read 246.

Pages 144–145

Summary of customer feedback about the department

The reference to 5299 Centrelink compliments in 2014–15 is incorrect. This should read 5297.

The reference to 1178 Centrelink suggestions in 2014–15 is incorrect. This should read 1174 (percentage change from 2013–14 is –11.5).

The reference to 62 691 Centrelink complaints in 2014–15 is incorrect. This should read 61 264 (percentage change from 2013–14 is +16.1).

The reference to 11 457 Medicare complaints in 2014–15 is incorrect. This should read 11 383 (percentage change from 2013–14 is –2.6).

The number of customer feedback contacts about Centrelink services was reported as 69 168. This is incorrect and should read 67 735.

The number of customer feedback contacts about Medicare services was reported as 12 364. This is incorrect and should read 12 290.

APPENDIX L COMPLIANCE INDEX

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	XII
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	III–VII
17AJ(b)		Alphabetical index.	Mandatory	282–301
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	275–281
17AJ(d)		List of requirements.	Mandatory	266–274
17AJ(e)		Details of contact officer.	Mandatory	II
17AJ(f)		Entity's website address.	Mandatory	II
17AJ(g)		Electronic address of report.	Mandatory	II
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	VIII–XI
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	2
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	4–5
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	3
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	2

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments—mandatory	8
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	Nil to report
17AD(c)	Report on the Performance of the entity			
	<i>Annual performance statements</i>			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	12–25
17AD(c)(ii)	<i>Report on Financial Performance</i>			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	186–189
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	261–264
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Nil to report

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AD(d)	Management and Accountability			
	Corporate Governance			
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	XII
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	XII
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	XII
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	XII
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	102–104
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	Nil to report
	External Scrutiny			
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	234–236
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	107–108

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	106
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	Nil to report
Management of Human Resources				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	128–148
17AG(4)(b)		<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <p>Statistics on staffing classification level;</p> <p>Statistics on full-time employees;</p> <p>Statistics on part-time employees;</p> <p>Statistics on gender;</p> <p>Statistics on staff location;</p> <p>Statistics on employees who identify as Indigenous.</p>	Mandatory	246–249
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	129, 250–252

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	252
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	250–251, 252
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	251
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Nil to report
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Nil to report
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	251
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	Nil to report
Assets Management				
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, mandatory	158
Purchasing				
17AG(6)		An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	162

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	163
17AG(7)(b)		A statement that <i>“During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million]”</i> .	Mandatory	163
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	163
17AG(7)(d)		A statement that <i>“Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.”</i>	Mandatory	163

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
Australian National Audit Office Access Clauses				
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	164
Exempt contracts				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	164
Small business				
17AG(10) (a)		A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	162
17AG(10) (b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	162–163

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AG(10)(c)		If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that <i>“[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”</i>	If applicable, Mandatory	162
Financial Statements				
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	190–227
17AD(f)	Other Mandatory Information			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that <i>“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, Mandatory	Nil to report
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	254
17AH(1)(b)		A statement that <i>“Information on grants awarded to [name of entity] during [reporting period] is available at [address of entity’s website].”</i>	If applicable, Mandatory	164
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	232–233

PGPA Rule Reference	Part of Report	Description	Requirement	Page number(s) in this report
17AH(1)(d)		Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	237
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	265
17AH(2)		Information required by other legislation	Mandatory	230— <i>Human Services (Medicare) Act 1973</i> 238–245 — <i>Data-matching Program (Assistance and Tax) Act 1990</i>

GLOSSARY

ADMINISTERED ITEMS

Revenues, expenses, assets and liabilities that the government controls, but which an agency or authority manages on the government's behalf.

APPROPRIATION

An amount of public monies the Parliament authorises for spending for a particular purpose.

CLAIMS FINALISED

Claims finalised means claims that are granted or rejected.

CO-LOCATED SERVICES

Co-location of services improves the way people deal with the Australian Government by providing convenient, easy-to-access, coordinated services from a single location. People who visit a co-located office can choose from a range of Centrelink, Medicare, Child Support, CRS Australia and other government services.

COMMONWEALTH PROCUREMENT RULES

The Commonwealth Procurement Rules establish the core procurement policy framework and articulate the government's expectations for government agencies and their officials when performing duties related to procurement.

CORPORATE GOVERNANCE

The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.

CORPORATE PLAN

The aim of the corporate plan is to outline the strategies we will follow to achieve our objectives, and how we will measure success. We report on the key performance indicators contained in the corporate plan in our annual reports and update the plan every year.

DATA CENTRES

The department's data centres comprise a large network of computers used for remote storage, processing, matching and distribution of large amounts of data, including for other Australian Government departments.

ELEARNING

Web-based training is anywhere, any-time instruction delivered over the internet or a corporate intranet to browser-equipped learners.

INTERNATIONAL STANDARDS

The ISO (International Organization for Standardization) is an independent, non-governmental membership organisation and the world's largest developer of voluntary International Standards. The standards give world-class specifications for products, services and systems, to ensure quality, safety and efficiency.

MOBILE APPS

A mobile app is a software application designed to run on smartphones, tablet computers and other mobile devices. Usually, they are downloaded from a platform to a target device, such as an iPhone, BlackBerry, Android phone or Windows Phone, tablets such as iPads, and laptops or desktops.

ONLINE SERVICES

These provide users with a wide variety of data transmitted over telecommunications lines, that is, via the internet. The department offers a range of online services to customers and other subscribers, such as doctors. The department's online services include sending electronic messages and online letters, accepting payment and benefit claims and low income card renewals online and offering health professionals secure access to Medicare electronic services.

OUTCOMES AND OUTPUTS STRUCTURE

This structure reflects an agency's business and enables sound performance reporting to parliament. Outcomes are the results, impacts or consequences of actions by the Australian Government affecting the Australian community. Outputs contribute to outcomes. They are the goods or services produced by agencies on behalf of the government.

POLICY DEPARTMENTS

Australian Government policy departments are responsible for developing and implementing policies and programmes for the Australian community. The department delivers payments and services on behalf of a number of Australian Government policy departments and agencies.

PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Statements that inform senators, members of parliament, government departments and agencies, and the public, of changes to the proposed allocation of resources to government outcomes since the Budget.

PORTFOLIO BUDGET STATEMENTS

Budget-related statements which explain how monies included in the Appropriation Bills (Budget Bills) are to be spent.

PROGRAMMES

Australian Government programmes deliver benefits, services or transfer payments to individuals, industry, business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements. Amounts stated may differ to those reported by other client agencies due to accounting adjustments and treatments adopted by these agencies.

PROTECTED INDUSTRIAL ACTION

Employees and employers can only take protected industrial action when they are negotiating on a proposed enterprise agreement. The industrial action can legally be taken when bargaining for the agreement is unsuccessful. The Fair Work Commission must order a protected action ballot to authorise the industrial action.

SERVICE TRANSFORMATION

To achieve our goal of 'excellence in the provision of government services' the department is always looking for new ways to transform service delivery. Our approach is collaborative and wide-ranging and includes fundamental reviews of business processes and the way we manage work, as well as implementing new approaches and technologies in our interactions with customers.

SMART CENTRES

Smart centres are virtual centres located within the department, which carry out phone and processing work across the department's programmes, including Centrelink, Medicare and Child Support. In practical terms smart centres mean customers have better experiences, more personalised phone calls from staff, and access to department-wide assistance tailored to their individual circumstances.

TELEPHONY

Telephony is the construction or operation of telephones and telephonic systems and as a system of telecommunications in which telephonic equipment is employed in the transmission of speech or other sound between points, with or without the use of wires. The term is also used to refer to computer hardware, software, and computer network systems that carry out functions traditionally performed by telephone equipment.

ABBREVIATIONS AND ACRONYMS

AAT	Administrative Appeals Tribunal
ABN	Australian Business Number
AC	Assistant Commissioner
ACC	Australian Crime Commission
ACPA	Australian Community Pharmacy Authority
AEC	Australian Electoral Commission
AFP	Australian Federal Police
A/g	Acting
AGDRP	Australian Government Disaster Recovery Payment
AGIL	Australian Government Indigenous Locations
AHS	Australian Hearing Services
AIS	Aboriginal Interpreting Service
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
APS	Australian Public Service
AS/NZS	Australian Standard/New Zealand Standard
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
AVTOP	Australian Victim of Terrorism Overseas Payment
BS	British Standard
CALD	culturally and linguistically diverse
CC	Chief Counsel
CDBS	Child Dental Benefits Schedule
CDO	Chief Digital Officer
CDPP	Commonwealth Director of Public Prosecutions
CEO	Community Engagement Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer
CPRs	Commonwealth Procurement Rules
CSC	Conspicuous Service Cross
CTO	Chief Technology Officer
DHS	Department of Human Services
DIBP	Department of Immigration and Border Protection
DMA	Data Matching Agency
DRA	Disaster Recovery Allowance

DSP	Disability Support Pension
DSS	Department of Social Services
DTO	Digital Transformation Office
DVA	Department of Veterans' Affairs
ECLIPSE	Electronic Claim Lodgement and Information Processing Service Environment
EFT	Electronic Funds Transfer
EFTPOS	Electronic Funds Transfer Point of Sale
EIM	Employment Income Matching
EL	Executive Level
EMS	environmental management system
ESAt	Employment Services Assessment
ESD	ecologically sustainable development
FER	Functional and Efficiency Review
FIS	Financial Information Service
FOI	Freedom of Information
FTB	Family Tax Benefit
FTE	full-time equivalent
GC	General Counsel
GM	General Manager
GP	general practitioner
GST	goods and services tax
HI	Healthcare identifiers
Hon.	Honourable
HPE	Hewlett Packard Enterprises
HPOS	Health Professional Online Services
ICT	information and communications technology
IPS	Information Publication Scheme
IPSM	Indigenous Programme Support Managers
ISO	International Organisation for Standardisation
ISOs	Indigenous Service Officers
IVR	Interactive voice response
JCA	Job Capacity Assessment
KIS	Kimberley Interpreter Service
MBS	Medicare Benefits Schedule
MP	Member of Parliament
MSO	Multicultural Service Officer
NA	not applicable

NABERS	National Australian Built Environment Rating System
NAIDOC	National Aboriginal and Islander Day Observance Committee
NASH	National Authentication Solution for Health
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NECCSC	National Emergency Call Centre Surge Capability
NIC	National Indigenous Coalition
NM	National Manager
NWRN	National Welfare Rights Network
OAIC	Office of the Australian Information Commissioner
p.	page
PAES	Portfolio Additional Estimates Statements
PBS	Pharmaceutical Benefits Scheme
PCs	personal computers
PGPA	Public Governance, Performance and Accountability
PIP	Practice Incentives Program
PKI	Public Key Infrastructure
PM&C	Department of the Prime Minister and Cabinet
PRODA	Provider Digital Access
PSM	Public Service Medal
PSP	Public Sector Training Package
RAP	Reconciliation Action Plan
RPBS	Repatriation Pharmaceutical Benefits Scheme
SES	Senior Executive Service
SIP	Service Incentive Payment
SL	Service Leader
SMEs	small and medium enterprises
SMS	short message service
SMTP	Simple Mail Transfer Protocol
SSAT	Social Security Appeals Tribunal
TFN	Tax File Number
TTW	Transition to Work
TTY	Teletypewriter
WPIT	Welfare Payment Infrastructure Transformation

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