Australian Government

Department of Human Services

2012–13
Annual Report

humanservices.gov.au

About us

OUR VISION

Excellence in the provision of government services to every Australian.
We will provide excellent service to all our customers while we transform our services to better meet the needs of the community and providers, as well as the expectations of the government.

OUR MISSION

The service you need, when you need it. We will work closely with our customers, the community, service providers and our partner agencies to design and deliver innovative services that not only meet our customers' requirements, but are also delivered in ways that our customers find easy and efficient to access.

OUR STRATEGIC THEMES

To reach our goals, we are focussed on four strategic themes. We use these themes to organise our strategies.

Government outcomes, customer outcomes	Capable and engaged people	A strong collaborative approach	Service transformation

OUR SERVICE COMMITMENTS

The Department of Human Services provides easy, high quality services to people at different stages of their lives through the Medicare, Centrelink and the Child Support programs. Our service commitments outline the level of service customers can expect from the department. Our interactions are governed by six key principles.

Respect	Easy access to services	Quality information
Fair and transparent services	Genuine consultation	Efficiency

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KEY FACTS AND FIGURES ABOUT THE DEPARTMENT AND ITS WORK IN 2012–13

35 838 people work for the Department of Human Services

Total payments worth $149.4 billion

$22.1 billion paid in **family-related payments**

$3.4 billion transferred in **child support** for 1.2 million children

Around 27 000 fathers and partners received the new **Dad and Partner Pay**

344 million **Medicare claims processed**, 81.5 per cent lodged electronically

263 million Medicare services **bulk billed**

$18.6 billion paid in **Medicare benefits**

$9.5 billion paid in **pharmaceutical benefits**

598 service centres

$661.3 million in superannuation contributions administered for **small business employers**

$145.5 million in **Tasmanian Transport Program** payments

$5.2 billion paid out through the Australian Government Rebate on **Private Health Insurance Premium Reduction Scheme**

Assistance and advice provided through 27 **Jobs and Skills Expos**

Community engagement through $4.8 million for round two Local Solutions Fund projects
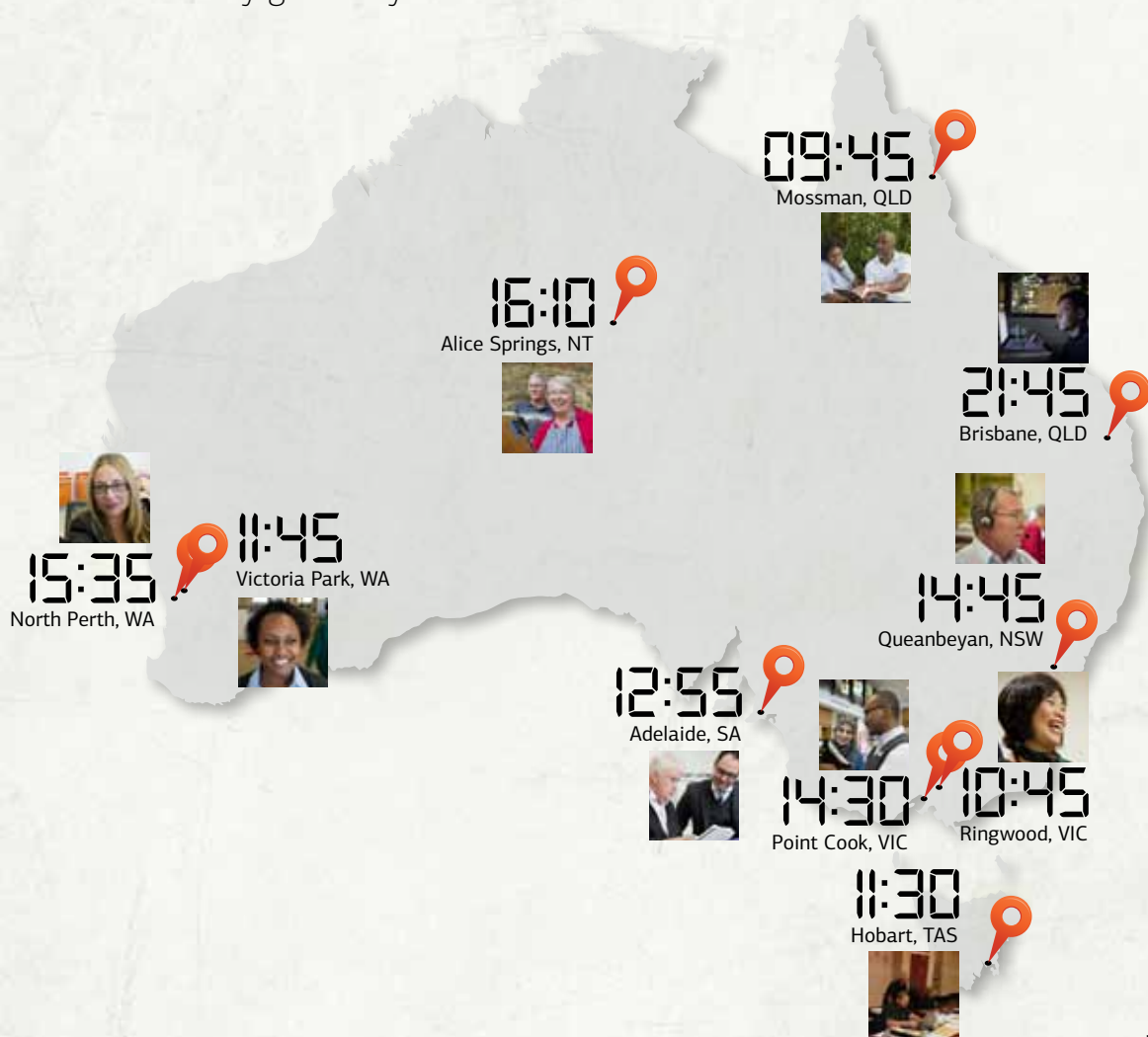
Positive job outcomes for 2100 people through Local Connections to Work

A day in the life of the Department of Human Services

This report features a photo story of the work of the Department of Human Services. 'A day in the life' captures the essence of the department's work through the stories and actions of our staff, customers and partners.

Over a single day, our staff administer more than a hundred government programs that touch the lives of most Australians.

Some photos link directly to the themes of a particular chapter, other photos showcase the diverse work that our people carry out on any given day.

09:45 Mossman, QLD

16:10 Alice Springs, NT

21:45 Brisbane, QLD

15:35 North Perth, WA

11:45 Victoria Park, WA

14:45 Queanbeyan, NSW

12:55 Adelaide, SA

14:30 Point Cook, VIC

10:45 Ringwood, VIC

11:30 Hobart, TAS

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This annual report was prepared according to the *Requirements for Annual Reports*, issued by the Department of the Prime Minister and Cabinet on 24 June 2013. The report focuses on the department's performance and accountability between 1 July 2012 and 30 June 2013. Ministers, agencies and programs are generally referred to by their titles as at 30 June 2013.

Australian Government

Department of Human Services

Kathryn Campbell CSC
Secretary

Senator the Hon Marise Payne
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 2013, as required by section 63 of the *Public Service Act 1999* (the Act). Subsection 63(1) of the Act requires me to provide you with this report for presentation to the Parliament on the department's activities during the year.

The report also includes reporting required by subsection 14(1) of the *Child Support (Registration and Collection) Act 1988*, subsection 148(1) of the *Child Support (Assessment) Act 1989* and section 42 of the *Human Services (Medicare) Act 1973*.

The report includes the department's audited financial statements as required by section 57 of the *Financial Management and Accountability Act 1997*. The report also includes information on the data-matching program for the period 1 July 2012 to 30 June 2013 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.

The report has been prepared in accordance with the *Requirements for annual reports for departments, executive agencies and FMA Act bodies*, approved by the Joint Committee of Public Accounts and Audit.

In accordance with Guideline 5.8 of the *Commonwealth Fraud Control Guidelines 2011*, the department has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes. We have also taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud against the department.

Yours sincerely

Kathryn Campbell
25 September 2013

Secretary's review

The Department of Human Services touches the lives of most Australians through health and income support payments and services. In 2012–13 the department delivered $149.4 billion in payments on behalf of government.

This year's annual report highlights the ways the department helps people all day, every day. The photos tell the story of a typical day for the department, from the Mobile Service Centre hitting the country road, to the midnight shift in an urban smart centre.

Over the past year the department has made great strides in the journey to improve how we deliver services—a journey that began with the creation of the new, integrated department on 1 July 2011.

Students, families, seniors and job seekers can now conduct many transactions with us via new apps for smartphones. Vulnerable customers can receive intensive, coordinated services in more sites. We have streamlined services in our new smart centres, taking phone calls and processing across programs (including Centrelink, Medicare and Child Support) to help customers more efficiently and effectively. Our technology enables more automated and online services, such as the **my.gov.au** website, through which we provide access to a range of government services, on behalf of the Australian Government as a whole, via a single login.

Our strategic direction

The department's *Strategic Plan 2012–16* continues to guide improvements and transformation through four strategic themes.

Through the first theme of **government outcomes, customer outcomes**, we are ensuring that we meet the needs of Australians and achieve the policy outcomes the government expects. In 2012–13 the department continued to deliver its already wide range of payments and services, as well as new ones, including key elements of the government's aged care package, Living Longer. Living Better.

Our second theme relates to our **capable and engaged people**. As a service delivery department, our most valuable asset is our staff. Our services are delivered by capable people who feel personally engaged with their work. Their commitment to helping people was remarkable during the 2012–13 emergency season, with many volunteering to travel to areas affected by cyclones and bushfires to provide support. We are also working with staff to ensure that as the department's Service Delivery Operating Model changes, we are transforming our workforce to better meet customer needs and deliver government outcomes. We have strategies to ensure our workforce has the right mix of skills to support the new ways of assisting people.

We are taking **a strong collaborative approach** as we deliver and improve our services, our third strategic theme. We work closely with agencies, stakeholders, customers and partners to help us shape more accessible and effective services.

This collaborative process underpins the service transformation we are undertaking. During the year we worked in close partnership with the then departments of Families, Housing, Community Services and Indigenous Affairs, Education, Employment and Workplace Relations, and Health and Ageing to achieve government outcomes.

One of the main reasons we are changing the way we operate is to support the ongoing process of **service transformation**, the fourth strategic theme. This started with the department's integration on 1 July 2011. Now, the department is building on the foundations of these initial changes, and taking the opportunities offered by integration to further improve how we work.

Managing the department

Through this time of change, we are ensuring that our governance remains sound and that we fulfil our outcome, as expressed in the *Portfolio Budget Statements 2012–13*, 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.

We successfully delivered a huge volume of payments, managed a strong compliance program and met 25 of our 28 key performance indicators. However, we are aware that we can still do better in some areas, such as improving call wait times. As part of a targeted strategy to address this, in the latter half of the year wait times were reduced.

In 2012–13 the department administered $149.4 billion in payments or around 39 per cent of government outlays. Financial performance targets were mostly met, and the department reported an operating deficit of $7.3 million before unfunded depreciation and revaluation. This compares with the operating deficit of $38.6 million last year.

To protect the integrity of the government's payments system, we employ a range of compliance and fraud control measures using sophisticated early intervention, prevention, detection, deterrence and prosecution strategies. Although most people are honest and receive their correct Centrelink entitlements, we identified $275.7 million in debts and saved $53.8 million in fortnightly payments, compared with $337.3 million in debts and $58.2 million in saved fortnightly payments the previous year. We also identified $5 million in incorrectly claimed benefits under the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and health-related incentives, compared with $10.4 million in the previous year.

Action to improve capability

Complementing our *Strategic Plan,* the Australian Public Service Commission's (APSC) Capability Review of the department provided insights into ways we can improve. Capability reviews look at ways to improve the capability of both individual agencies and the Australian Public Service as a whole.

The department chose to be an early participant in the review program soon after integration because we wanted to find out more about how to best focus our efforts on translating the government's service delivery reform agenda into a day-to-day business reality. The review, published in November 2012, confirmed the department's existing strengths and helped us shape a broad agenda to drive change and strengthen capability in the areas where we need to improve.

We have agreed with the APSC on actions to address priorities identified in the review. To do this, the department has established eight projects in the areas of building capacity and capability, leadership, internal communication and collaboration, and culture.

Looking ahead

Improving service delivery is challenging and the changes we are making will take some years to complete. We are progressively implementing a new Service Delivery Operating Model that is shifting common transactions online so that customers who do not need to visit a service centre can manage their affairs without visiting an office or calling us. This in turn allows staff to focus on vulnerable customers with complex needs who require face-to-face assistance and support.

Finally, I would like to thank everyone in the department for their hard work during the year. Our staff once again proved to be highly capable, compassionate and resilient, able to meet challenges such as natural disasters and tighter budget constraints. I look forward to working with them again in the year ahead.

Kathryn Campbell, CSC
Secretary
Department of Human Services

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Our department and our partnerships

OUR STRUCTURE

Figure 1: Human Services portfolio structure at 30 June 2013

**Portfolio Minister for Human Services
Senator the Hon Jan McLucas**

**Department of Human Services
Portfolio Secretary: Ms Kathryn Campbell, CSC**

Outcome 1

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

Australian Hearing[1]

1   See also *Australian Hearing* on page 19.

Our Minister

Senator the Hon Jan McLucas was appointed as the Minister for Human Services on 25 March 2013. Senator the Hon Kim Carr was the Minister for Human Services until 25 March 2013.

At 30 June 2013, 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 and Medical Research
- *Child Support (Assessment) Act 1989,* insofar as it relates to the exercise of the powers and functions conferred on the Child Support Registrar under the Act
- *Child Support Legislation Amendment (Reform of the Child Support Scheme— Initial Measures) Act 2006,* insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act
- *Child Support Legislation Amendment (Reform of the Child Support Scheme— New Formula and Other Measures) Act 2006,* insofar as it relates to the exercise of the powers and functions conferred on the Registrar under the Act
- *Child Support (Registration and Collection) Act 1988,* insofar as it relates to the appointment of the Registrar and the exercise of the powers and functions conferred on the Registrar under the Act
- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973.* See Appendix A on page 350 for specific reporting required under the *Human Services (Medicare) Act 1973.*

Executive responsibilities at 30 June 2013

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 programs 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.

Associate Secretary, Service Delivery Transformation and Performance—responsible for leading the department's service delivery transformation agenda. This includes developing new and innovative approaches to future service delivery, driving large-scale service delivery transformation projects, and ensuring that current and future service delivery capacity meets the expectations of government and customers. The Associate Secretary is also responsible for monitoring current service delivery performance and quality and addressing any identified service delivery issues.

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 Medicare, Child Support and Centrelink 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 has appointed the current Deputy Secretary as the Chief Executive Centrelink, under paragraph 7(2)(b) of the *Human Services (Centrelink) Act 1997*.

Deputy Secretary, Rehabilitation and Compliance—responsible for managing the department's compliance programs to ensure a strong focus on welfare, health and related compliance. The Deputy Secretary is also responsible for CRS Australia and the information management and research activities of the department.

Deputy Secretary, Participation, Families and Older Australians—responsible for providing leadership and management of the key welfare-related programs delivered by the department on behalf of the then Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the then Department of Education, Employment and Workplace Relations (DEEWR), and other agencies. The Secretary has appointed the current Deputy Secretary as the Child Support Registrar, under paragraph 10(2)(b) of the *Child Support (Registration and Collection) Act 1988.*

Deputy Secretary, Enabling Services—responsible for leading the human resources, corporate, legal, communication and whole-of-government coordination functions of the department.

Deputy Secretary, Health and Service Delivery Reform—responsible for providing leadership and management of programs administered on behalf of the then Department of Health and Ageing (DoHA) and other agencies. The Deputy Secretary is also responsible for the successful delivery of the service delivery reform program through active monitoring of the program's budgets, milestones and risks. 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.*

Chief Information Officer (CIO), CIO Group—responsible for ensuring the robustness and reliability of the department's information and communications technology capability.

Chief Financial Officer (CFO)—responsible for supporting the Secretary in the financial management of the department. The CFO is also responsible for the strategic and operational aspects of the department's financial planning, management and reporting, and is accountable for managing and reporting on government deliverables in accordance with the *Financial Management and Accountability Act 1997*.

General Manager Audit—responsible for providing assurance to the Secretary that the financial and operational controls designed to manage the department's risks and achieve its objectives are operating in an efficient, effective and ethical manner.

Figure 2: Organisational structure at 30 June 2013[1]

Kathryn Campbell, Secretary

Service Delivery Transformation and Performance
Ben Rimmer
Associate Secretary

Service Delivery Operations
Grant Tidswell
Deputy Secretary

Rehabilitation and Compliance
Jeff Popple
Deputy Secretary

Audit
Allan Gaukroger, GM

Service Delivery and ICT
Michael Robinson, NM

Enabling, Strategy and Health
Matthew Tolley, A/g NM

CFO
Darren Box
Chief Financial Officer

External Budgets
Phillippa Mitton, A/g NM

Internal Budgets and Reporting
Emily Canning, NM

SDR Finance and Benefits
Rohan Wong, NM

Statutory Reporting
Shareez Farouk, NM

Treasury, Governance and Shared Services
Noel Dobbie, NM

Business Improvement and Support
Drago Stanojcic, NM

Future Service Design
Tamati Shepherd, GM

Service Delivery Architecture and Design Capability
Peter Cornish, NM

Innovation and Digital Design
Mark Cousins, NM

Citizen Experience and Assisted Service Design
Robyn Calder, NM

Service Delivery Transformation
Elizabeth Zealand, GM

Deployment, Integration and Coordination
Jim McMahon, NM

Program Change and Customer Communication
Cathy Sear, NM

Letters Taskforce and Business Process Redesign
Mark Garrity, NM

Digital Service Delivery Implementation
John Kilner, NM

Customer Communication
Rick Moloney, NM

Online Communication
Pam Spurr, NM

Service Delivery Projects
Kim Terrell, GM

Reliance Framework and Authentication
Helen Peel, NM

Telephony Service Delivery Projects
John Manthey, NM

Operations Projects
Steven Davison, NM

Customer First Implementation Project
Kate Hay, NM

Service Delivery Performance and Quality
Sheryl Lewin, GM

Operational Blueprint
Deborah Harrison, NM

Quality, Service Recovery and Customer Review
Lorna Andrews, NM

Service Delivery Performance and Analysis
Nathan Williamson, NM

Demand, Supply and Scheduling
Leanne Smith, NM

Call Improvement Taskforce[2]
Russell Egan, NM

Families and Child Support Smart Centres
David Mole, GM

Families, Child Care and Medicare Public
Brad Nash, NM

Child Support, New Customers and Mainstream Services
Bruce Young, NM

Child Support Specialised Assessments
Deborah Lane, A/g NM

Child Support Intensive Collection Services
Bill Volkers, NM

Digital Service Delivery and Smart Centres
Dianne Fletcher, GM

Youth, Education and Employment
John Dorian, NM

Older Australians, Disability and Carers
Jan Lipiec, NM

Digital Operations
Russell Egan, NM

Smart Centres Channel Operations
Deb Rollings, NM

Indigenous, Regional and Intensive Services
Roxanne Ramsey, GM

Northern Australia
Adrian Hudson, SL

Northern Queensland
Peter Searston, SL

South Australia
Simon Edwards, SL

Western Australia
Sandy Mamo, SL

Indigenous Services
Shane Hoffman, NM

Multicultural Services
Tricia Flanagan, NM

Assessment Services
Narelle Cameron, NM

Social Work Services
Heather Peasley, A/g NM

Face-to-face Service Delivery
Graham Maloney, GM

Southern Queensland
Paul McNae, SL

Border Ranges
Michelle Lees, SL

Pacific Coast
Brian Small, SL

Mid Coast
New South Wales
John Dorian, SL

Sydney
William Garton, SL

Central New South Wales
Scott Chant, SL

Southern New South Wales
Barbara Causon, SL

Tasmania
Peter Ball, SL

Eastern Victoria
Brian Silkstone, SL

Northern Victoria
Colin Parker, SL

West Victoria
Stan Neely, SL

Sunshine Coast
Ian McInnes, SL

Face to Face Channel Operations and Emergency Management
Susan Cartwright, NM

Change Command Centre[2]
Sue Morrison, A/g NM

Business Integrity
Mark Withnell, GM

Serious Non-Compliance
Mark Brown, NM

Internal Fraud Control and Investigations
Rhonda Morris, NM

Customer Compliance
Scott Britton, NM

Payment Integrity and Appeals
Jan Bailey, NM

Recovery, Health and Business Compliance
Jennifer Cooke, GM

Strategy and Health
Angela Geerdink, NM

Compliance Risk Assessment and Strategy
Lenore Simpson, NM

Debt Management
Debbie Weise, NM

Health Professionals, Stakeholders and Review
Jenny Benjamin, NM

Chief Medical Officer
Dr Jo-Anne Benson

CRS Australia
Mandy Ritchie, GM

CRS Service Delivery
Chris Byrne, NM

CRS Strategy
Alison McCann, NM

Strategic Information
Gary Moorhead, A/g GM

Information Management
Stephen Kelly, NM

Research and Analysis
Alex Dolan, NM

Strategic Information, Design and Governance
Katy Balmaks, NM

Strategic Analysis and Forecasting
Tony Gargan, NM

Key:
A/g — Acting
EC — Executive Counsel
GC — General Counsel
GM — General Manager
NM — National Manager
ICT — Information and Communications Technology
SL — Service Leader

1 The organisational structure reflects nominal position holders at 30 June 2013 unless otherwise noted.

2 This is a temporary position.

Participation, Families and Older Australians
Barry Sandison
Deputy Secretary

Service Strategy and Policy
Vicki Beath, GM

Government Partnerships and New Work
Donna Griffin, NM

Social Policy
Narina Dahms, NM

Deduction and Confirmation
Patrick Cremen, NM

Participation
Catherine Rule, GM

Working Age Programs and Compliance
Melissa Ryan, NM

Education and Job Seeker Contact
Melissa Lond, NM

Community Innovation
Joe Burke, NM

Families
Dennis Mahony, A/g GM

New Parents, Child Care and Program Improvement
Katrina Stathis, NM

Families and Child Support Policy
Dennis Mahony, NM

Families Program Assurance and Coordination
Robin Salvage, NM

Disability, Carers and Older Australians
Colin Bridge, GM

Intensive Services
Tulip Chaudhury, NM

Disability and Carers
Laura Gannon, NM

Older Australians and International
Pam Saunders, NM

Enabling Services
Barbara Bennett
Deputy Secretary

Whole of Government Coordination
Jonathan Hutson, GM

Portfolio Agency Advice
Paul Hupalo, NM

Governance
John Kalokerinos, NM

Ministerial Coordination and Parliamentary
Peter Thomson, NM

Portfolio Strategic Engagement
Robert Garran, NM

Corporate Operations
Neil Skill, A/g GM

Customer Service Property
Mark Wellington, NM

Corporate Support
Neil Skill, NM

Corporate Records Management
Mark Young, NM

Procurement and Contract Management
Phil Lindenmayer, NM

Communication
Hank Jongen, GM

Media Management and Executive Communication
Scott Anderson, NM

Legal Services
Sue Bird, Chief Counsel

Corporate and Commercial Legal
Paul Menzies-McVey, EC

Program Advising Legal
Maris Stipnieks, GC

Program Litigation and Review
Annette Musolino, A/g GC

Ombudsman, Privacy and Freedom of Information
Gabrielle Davidson, NM

Strategic Information Management Legal
Annette Musolino, GC

People and Customer Compensation Legal
Samantha Nichol, GC

People Capability
Jacqui Curtis, GM

Workforce Planning
Neal Mason, NM

Leadership and Values
Jeremy Moore, NM

People Development
Di White, NM

Technical Skill Development
Andrea Paschalis, NM

People Services
Jo Talbot, GM

Recruitment, Pay and Advice
Jacqui Hughes, NM

Workplace Health and Safety
Carl Princehorn, NM

People Support
Mark le Dieu, NM

Workplace Relations
Steve Ramsey, NM

Health and Service Delivery Reform
Malisa Golightly
Deputy Secretary

Business Services
Alice Jones, GM

Government Business
Jason Armstrong, NM

Climate Change
John Gibbs, NM

Health Support Programs
Sheldon White, NM

Health Programs
Brenda Parkes, GM

Medicare and Veterans' Affairs Programs
Nicole Pietrucha, NM

Pharmaceutical Benefits
Jenny Thomson, NM

Health Programs Improvement and Support
Ai Tran, NM

Health eBusiness
Sue Kruse, GM

Healthcare Identifiers
Angela Morella, NM

eHealth and Projects
Mark Richardson, NM

eClaiming
Rory King, NM

Medicare Providers
Steve Farrell, NM

SDR and Aged Care
Michelle Wilson, GM

SDR Program Management and Portfolio Program Office
Elaine Ninham, NM

SDR Support
Mary O'Hanlon, NM

Aged Care Programs
Peter Soros, NM

Chief Information Officer Group
Gary Sterrenberg
Chief Information Officer

Strategy, Architecture and Shared Services
Mike Mitchelmore, A/g GM

Enterprise Architecture
Colin McLean, NM

ICT Taskforce
Christine Pitt, NM

ICT Rationalisation
Anya Piotrowski, NM

Enterprise Testing
Pat Fegan, NM

Customer Services Systems
Luke Woolmer, GM

Business Integrity Systems
Maurice Savelli, A/g NM

Applications Integration Services
Garrett McDonald, NM

Online Services
Devika Weereratne, NM

Service Network Systems
Rob Doughty, NM

Telephony Systems
Andrea Jones, A/g NM

Customer Processing Systems
Chantal Raine, A/g NM

Health and Government to Business Systems
Alaine King, GM

Business Information and Data Services
Richard Hayward, NM

Customer and Provider Details
Julie Fursman, NM

eHealth and Government to Business Systems
Rochelle Thorne, NM

PBS and Medicare
Graham Archer, NM

Aged Care Redevelopment
Bruce Robertson, NM

Employment, Families, Child Support, Older Australians and Corporate Systems
Marcus Markovic, GM

Child Support Applications
Rochelle Moore, NM

Employment
Dale Naughton, NM

Families and Pensions Systems
Jo-Anne Mason, NM

Corporate and Payment Systems
Edmund Tee, NM

ICT Business Services
Melissa McClusky, GM

ICT Corporate Services
Jane Andrews, NM

ICT Portfolio Management Office
Karena Ingham, A/g NM

Strategic Vendor Management and Sourcing
Mitch Levy, NM

ICT Infrastructure
Mike Brett, GM

Enterprise Services
Janice Silby, NM

Service Operations
Brynten Taylor, A/g NM

Infrastructure Engineering
Grazyna Zejdler, NM

Services Enablement
Dan Barron, NM

Applications Services Engineering
Peter Gunning, NM

Outcome and program structure

The department has one outcome and two programs set out in the *Portfolio Budget Statements 2012–13* (see Figure 3).

Figure 3: Outcome and program structure 2012–13

OUTCOME 1
Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery.
Program 1.1 Services to the Community
Program 1.2 Child Support

OUR PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS

Table 1: Key performance indicator results

Key performance indicator	Actual 2011–12	Target 2012–13	Actual 2012–13	Target met 2012–13
Services to the Community: Program 1.1				
Minister is satisfied with the quality, relevance and timeliness of ministerial briefing, correspondence and other departmental advice	Satisfied	Satisfied	Satisfied	✔
Achievement of customer satisfaction standards	Achieved	≥85%	National–74%[1] Medicare–87% Child Support–84% Centrelink–72%	✘
Satisfaction with Medicare provider service delivery	NA	≥70%	>90%[2]	✔
Achievement of payment quality standards.				
Centrelink: Delivery of correct customer payments	NA	≥95%	98%	✔
Medicare: Delivery of accurate medical and pharmaceutical benefits and services	NA	≥98%	98%	✔

Key performance indicator	Actual 2011–12	Target 2012–13	Actual 2012–13	Target met 2012–13
Child Support collection rate (Child Support collect only)	92.8%	≥91.7%	93%	✔
Key initiatives delivered within timeframes and on budget and outcomes are achieved.				
Service Delivery Reform	NA	Achieved	Achieved (for more information see *Service delivery reform* on page 61)	✔
Building Australia's Future Workforce Budget measures	NA	Achieved	Achieved (for more information see *Building Australia's Future Workforce measures* on page 79)	✔
Income Management Budget measures	NA	Achieved	Achieved (for more information see *Delivering Income Management* on page 164)	✔
Fraud Prevention and Compliance Budget measures	NA	Achieved	Achieved (for more information see *Ensuring compliance and business integrity* on page 187)	✔
Personally Controlled Electronic Health Record	NA	Achieved	Achieved (for more information see *eHealth record* on page 127)	✔
Household Assistance Package	NA	Achieved	Achieved (for more information see *Clean Energy Future Household Assistance Package* on page 87)	✔
Effective working arrangements with other government departments are in place which support the department's contribution to policy development through service delivery policy advice.				
Strategies in place to ensure reporting against MOU and Bilateral Management arrangements are effective	NA	Effective	Effective (for more information see *Partnerships with Australian Government agencies* on page 16)	✔

Key performance indicator	Actual 2011–12	Target 2012–13	Actual 2012–13	Target met 2012–13
Government stakeholder assessment of the portfolio's agility, flexibility and responsiveness	3.1	3.6	3.3[3]	✘
Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services.				
Centrelink: Delivery of correct customer payments for Indigenous customers	96.9%	≥95%	99%	✔
CRS Australia to maximise workforce participation rates for government at or above the market average for job seekers that remain in employment for 13 weeks	70.6%	≥70%	75%	✔
Increase in the proportion of self-managed transactions and electronic interactions	Achieved	1% increase on 2011–12	Achieved (for more information see *Digital and self-managed services for individuals* on page 29)	✔
Achievement of face-to-face, call and processing service level standards.				
Face-to-face: Average wait time	NA	15 minutes	14 minutes 9 seconds	✔
Telephony: Average speed of answer:				
–customers	NA	16 minutes	10 minutes 2 seconds	✔
–providers	NA	30 seconds	33 seconds[4]	✘
Processing: Percentage of claims processed within standard–customers	NA	≥82%	97%	✔
Achievement of payment integrity standards.				
Centrelink: Delivery of correct customer payments	NA	≥95%	98%	✔
Centrelink: Debt under recovery	NA	≥60%	61%	✔
Medicare: Completed audit and review cases	NA	2 500	2 819	✔

Key performance indicator	Actual 2011–12	Target 2012–13	Actual 2012–13	Target met 2012–13
Child Support: Program 1.2				
Total amount of child support transferred between parents	$3.2 billion	$3.1 billion	$3.4 billion	✔
Child support collection rate (Child Support Private Collect only)	92.8%	≥91.7%	93%	✔
Percentage of Private Collect cases to total active cases (Child Support Collect and Private Collect cases)	54.2%	≥52%	54%	✔
Percentage of domestic active paying parents without debt	76.9%	≥73.5%	77%	✔

1   The 2012–13 overall customer satisfaction result is the first year that a whole-of-department result has been presented. As part of developing a department-wide survey, a new methodology consistent with international practice was adopted. Accordingly, the 2012–13 results cannot be compared to agency-specific survey results from previous years, and the target will be reviewed for future years.

2   This result is based on respondents who were satisfied or neutral about Medicare provider service delivery. Satisfaction was measured separately for medical practitioners, practice managers, pharmacists and aged care providers, with each result being greater than 90 per cent.

3   While the target was not reached, the result shows a good level of improvement over the previous year's results, in a year when the department implemented a significant number of key government initiatives.

4   The department changed its telephony infrastructure in May/June 2013 and some increases in call wait times were experienced. By the end of June, call wait times were back to an average of 30 seconds.

OUR PARTNERSHIPS

The department is responsible for delivering services and payments that achieve quality program outcomes on behalf of our partners. These partnerships are characterised by early engagement, regular consultation, recognition of expertise and information sharing.

Our key partnerships are with FaHCSIA, DEEWR and DoHA. We also have important partnerships with other departments and agencies.

The main partnerships are detailed in the following pages and a full list of the services the department delivers under agreements with these partners is provided at Appendix B on page 351.

Partnerships with Australian Government agencies

DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

During the year the department continued to work with DEEWR on integrating policy and service delivery design, improving joint program management, collaborating on responses to government priorities, and ensuring effective and transparent financial arrangements. A bilateral management arrangement outlines how the department and DEEWR work together to deliver services and programs to the Australian community.

The agreement includes a confidence framework which monitors the strength and success of the relationship between the agencies and provides assurance that policy and program outcomes are being achieved. The department and DEEWR exchange annual assurance statements advising if they have each met their obligations under the agreement.

In addition to delivering payments and related services in accordance with policy and legislation, in 2012–13 the department and DEEWR worked together to:

- provide input to the Building Australia's Future Workforce evaluation
- implement the Parenting Payment Reform measure
- expand the School Enrolment and Attendance Measures.

The five performance measures for the relationship are:

- policy integration
- client engagement
- payment assurance and debt minimisation
- job seeker participation (job seeker compliance)
- business continuity management.

These are assessed and reported quarterly to the joint Bilateral Management Committee.

DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

The bilateral management arrangement with FaHCSIA outlines the business operations required to develop and deliver government programs for which we have shared responsibility. The arrangement focuses on joint outcomes aligned with government priorities. To achieve policy outcomes, the department and FaHCSIA continue to have a strong, productive and collaborative relationship.

The two departments hold regular discussions through the Bilateral Management Committee which oversees the governance framework and provides a forum to discuss and progress strategic issues. Performance measures of the delivery of FaHCSIA programs are reported quarterly to the committee. The committee endorsed the annual statement against the confidence framework which highlighted the achievements and assessed the quality and effectiveness of the working relationship between FaHCSIA and the department.

In addition to delivering payments and related services in accordance with policy and legislation, in 2012–13 the department and FaHCSIA worked together to implement:

- the Strengthening Immunisation for Children measure
- the Schoolkids Bonus and Healthy Start for Schools measures
- Income Management in Anangu Pitjantjatjara Yankunytjatjara lands
- the Clean Energy Future Household Assistance Package.

The four performance measures for the relationship are:

- policy integration
- client engagement
- payment assurance and debt minimisation
- business continuity management.

These are assessed and reported quarterly to the committee.

DEPARTMENT OF HEALTH AND AGEING

The department has a bilateral management arrangement with DoHA which covers the interaction of health and ageing policy development and service delivery. The agreement is a framework for the partnership which supports access to social, health and other payments and services and promotes better health and active ageing for all Australians.

The governance arrangements support regular consultation and reporting between the two departments. A management committee oversees the governance framework and provides a forum to discuss and progress strategic issues. Achievements and an assessment of the quality and effectiveness of the working relationship between DoHA and the department are reported annually and endorsed by the committee. The performance of the delivery of health programs is also reported regularly to the committee.

During the year the department increased the number of health programs it delivers on behalf of DoHA from 26 to 34.

The key health programs delivered include:

- Medicare
- Pharmaceutical Benefits Scheme, including administering a range of associated programs that support access to, and quality use of, medicines such as Pharmacy Practice Incentive payments
- Residential Aged Care subsidies
- Australian Childhood Immunisation Register
- Australian Organ Donor Register.

The department also administered several other programs for health professionals including the:

- General Practice Immunisation Incentive
- Practice Incentives Program
- General Practice Rural Incentives Program
- Rural Procedural Grants Program
- Rural Locum Education Assistance Program
- Higher Education Contribution Scheme Reimbursement Scheme
- Practice Nurse Incentive Program
- Mental Health Nurse Incentive Program
- Medical Indemnity Program
- Midwife Professional Indemnity Program.

ATTORNEY-GENERAL'S DEPARTMENT

The department continued to provide payments to Australians affected by declared major disasters and maintained the Document Verification Service (DVS) system for the Attorney-General's Department.

The DVS is a secure, national, real-time online system that lets authorised government agencies match information provided by individuals as evidence of their identity. In early 2013 the Medicare card became an accepted verification document within the DVS.

If required, the department can also manage overflow calls from the National Security Hotline. The National Security Hotline memorandum of understanding was not activated for overflow arrangements in 2012–13.

For information about Australian Government disaster payments made on behalf of the Attorney-General's Department see *Working in emergency recovery* on page 182.

AUSTRALIAN BUREAU OF STATISTICS

During 2012–13 the department continued to provide a reimbursement claim lodgement and processing service on behalf of the Australian Bureau of Statistics. Eligible participants in the Australian Health Survey were able to claim a $50 reimbursement to offset the reasonable costs for attending a pathology collection centre to provide biomedical samples. See also *Australian Health Survey* on page 120.

AUSTRALIAN HEARING

Australian Hearing is a statutory authority within the Human Services portfolio, established by the *Australian Hearing Services Act 1991* and governed under the *Commonwealth Authorities and Companies Act 1997*. It provides an annually updated, three-year corporate plan and its own annual report.

It provides a full range of hearing services for children and young people up to 26 years of age, eligible adults, aged pensioners and most war veterans.

The department works closely with Australian Hearing to provide strategic advice to the Minister and Secretary on service delivery policy and regulatory requirements for services delivered under the Hearing Services Program.

Australian Hearing is the largest provider of voucher services under the Hearing Services Voucher program element of the Commonwealth Hearing Services Program and is the sole provider of the Community Service Obligations (CSO) Program. The department consults with the Office of Hearing Services in DoHA, which funds the CSO Program and administers the voucher program.

In 2012–13 the department and Australian Hearing worked to identify opportunities to build revenue and reduce costs, reaffirming Australian Hearing's commitment to operate an efficient sustainable business. Australian Hearing continues to meet the challenges of providing high quality services to Australians as part of a competitive hearing services market.

The Secretary was appointed to the Australian Hearing board, as a special purpose director, in her personal capacity for 12 months commencing on 29 November 2012. The Secretary participated in the board's functions, including identifying and implementing appropriate business responses and ensuring that Australian Hearing's functions were appropriately performed.

AUSTRALIAN TAXATION OFFICE

Under an agreement between the department and the Australian Taxation Office (ATO), the two organisations work together to deliver the following services:

Data exchange

In 2012–13 the department exchanged data with the ATO across a number of programs for compliance and data management purposes. Among these were family assistance programs including Family Tax Benefit, Child Care Benefit and the Paid Parental Leave Scheme. The ATO provided verified income information and refund intercept opportunities to the department for the Child Support Program for mutual customers and for recovery of departmental debts.

Electronic transfer of payment summary information

To support the ATO's e-tax and pre-filling initiatives, since 2011–12 the department has provided an electronic file containing details of more than 4.8 million payment summaries. From July 2013, payment summaries for 2012–13 are available on request rather than being automatically supplied to customers by mail or online letters. Payment summaries can be requested online, by phone, in person, through self-service, and through our Express Plus mobile apps.

Shared services

The Shared Services Program has operated since 2008. The program provides the ATO with greater reach into the community by offering tax products in our service centres.

The department and the ATO currently have eight co-located departmental sites (see Table 2), compared with seven sites in 2011–12. Feedback from customer surveys and staff in these sites continued to show a high level of satisfaction with both the quality of the services and location of these sites. Customers accessing ATO services in co-located sites are surveyed by the ATO. Quarterly survey results are tabled at meetings of the Human Services/ATO Governance Committee.

Table 2: Department of Human Services and Australian Taxation Office co-located sites

Location	Type of ATO services offered
Albury and Rockdale (New South Wales), Biggera Waters (Queensland) and Geelong (Victoria)	Full service[1]
Chatswood (New South Wales) and Joondalup (Western Australia)	Interview by appointment two days per week[2]
Launceston (Tasmania) and Penrith (New South Wales)	Self-service[3] and interview by appointment two days per week[2]

1   Full service replicates the full service in an ATO shopfront. The service includes:
   • full-time ATO staff presence
   • access to self-help tools, and to e-tax and **ato.gov.au** sites via stand-alone computers
   • walk-in and pre-booked appointments.
2   Interview by appointment pre-booked by ATO call centre staff. ATO provides staff as required for an appointment service.
3   Self-service is availability of interview by appointment, a range of ATO publications, phones programmed to ATO infolines, and access to e-tax and **ato.gov.au** sites via stand-alone computers.

Note: The department does not conduct work on behalf of the ATO from co-located departmental sites. ATO staff conduct this work from Department of Human Services premises.

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

On 1 July 2012 the department entered into a head agreement with the Department of Agriculture, Fisheries and Forestry (DAFF). This agreement provides a framework for the department to deliver services, payments and programs on behalf of DAFF.

The department administers the Transitional Farm Family Payment (formerly known as Transitional Income Support) to help Australians in rural areas who are in financial difficulty.

In 2012–13, 434 claims totalling $7.3 million were granted, compared with 773 claims totalling $12.3 million in 2011–12.

The National Emergency Call Centre Surge Capability was activated in 2012–13 for DAFF (see page 182).

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

In 2012–13 the department continued to assist the Department of Broadband, Communications and the Digital Economy in the switchover from analog to digital TV signals.

During the year 3 970 708 letters about the Household Assistance Scheme—an element of the digital TV switchover—were sent to eligible households of departmental and Department of Veterans' Affairs (DVA) customers. The department also received 487 600 phone enquiries about the scheme. This compares with 859 390 letters and 106 929 phone enquiries in 2011–12.

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

The department operates the Australian Passport Information Service (APIS) on behalf of the Department of Foreign Affairs and Trade (DFAT). APIS provides information on all passport-related matters to Australians in Australia, New Zealand, Singapore, Hong Kong and the United Kingdom. It also provides information to passport agency staff, including Australia Post.

APIS issues passport renewals and application forms, responds to email enquiries, makes appointments for customers needing to visit passport offices around Australia, and takes credit card payments over the phone for priority services and lost and stolen passports. APIS also managed the Smartraveller Advisory Service on behalf of DFAT until January 2013, when improved internet services and access meant that DFAT no longer required the service.

In 2012–13 APIS met all performance indicators for high-level services, as well as those that measured service quality and output. The performance measures include call response times, call handling times and processing timeframes and are reported monthly to DFAT.

Under a service schedule with DFAT, the department continues to provide a social work service to unsupported vulnerable Australians voluntarily repatriated from overseas. See *Supporting repatriated customers* on page 156.

DEPARTMENT OF IMMIGRATION AND CITIZENSHIP

Under a memorandum of understanding with the Department of Immigration and Citizenship (DIAC), the department continued to provide facilities to administer citizenship tests in locations where DIAC did not have its own premises. See *Citizenship testing* on page 175.

DEPARTMENT OF INDUSTRY, INNOVATION, CLIMATE CHANGE, SCIENCE, RESEARCH AND TERTIARY EDUCATION

On 26 March 2013 the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE) was formed after the Department of Climate Change and Energy Efficiency was abolished and its climate change functions were transferred to the former Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE).

The department and DIISRTE signed an agreement in December 2012. The agreement also applied to DIICCSRTE and included services the department delivered for the Tertiary Education Program and AusIndustry. The Tertiary Education programs are:

- the Language, Literacy and Numeracy Program
- the Australian Apprenticeships Access Program
- the Assessment Subsidy for Overseas Trained Professionals Program
- Youth Allowance (Student and Australian Apprentice)
- Austudy.

The department delivers services on behalf of AusIndustry (a division of DIICCSRTE) for the Liquefied Petroleum Gas (LPG) Vehicle Scheme (see page 88). The scheme encourages vehicle owners to buy a new LPG vehicle or convert their existing petrol or diesel vehicle to operate on LPG only, or on LPG and petrol or diesel. The department met the performance indicator for this work, processing 95.5 per cent of applications within 10 days of receipt, against a performance target of 80 per cent.

DEPARTMENT OF THE TREASURY

Under an agreement with the Department of the Treasury, in 2012–13 the department provided ongoing management of the Small Business Superannuation Clearing House (see page 135).

DEPARTMENT OF VETERANS' AFFAIRS

The department and DVA continued to work in partnership on areas such as Veterans' Information Services, Treatment Accounts Processing, the Repatriation Pharmaceutical Benefits Scheme, and administering the Defence Force Income Support Allowance.

The department and DVA signed a new agreement in April 2013. The new agreement covers services we deliver for DVA across Centrelink, Medicare and Child Support, as well as business-as-usual information communications technology (ICT).

The department provides these ICT services under a memorandum of understanding and cost-effective ICT infrastructure services, including:

- mainframe computing
- mid-range computing based on three platforms—Solaris, AIX and Windows
- a helpdesk service
- desktop computing
- networking and telephony services.

Work is underway to modernise the DVA desktop environment to bring it into line with the department's standard desktop services.

11:30
Hobart, TAS
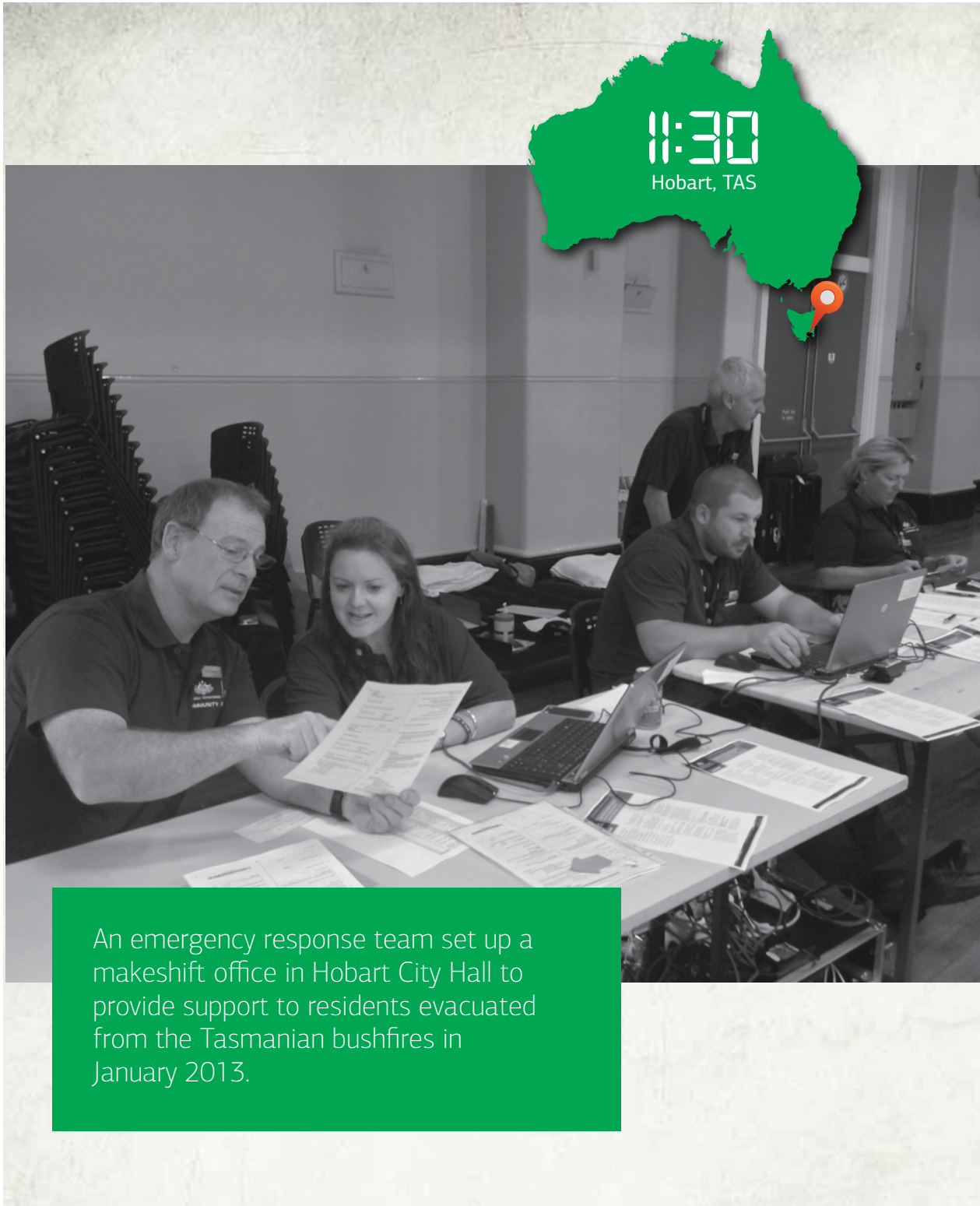
An emergency response team set up a makeshift office in Hobart City Hall to provide support to residents evacuated from the Tasmanian bushfires in January 2013.

The reliance framework and myGov

The department is delivering the Reliance Framework, a whole-of-government approach to improving online services for Australians. This involves the delivery of myGov, a secure online account where people can access a range of government services using one username and password. myGov users can link to their accounts from the department (Centrelink, Medicare and Child Support), DoHA (the Personally Controlled Electronic Health Record), DVA and DisabilityCare Australia.

The department also worked closely with FaHCSIA to develop the online service for DisabilityCare Australia. With its launch on 1 July 2013, DisabilityCare Australia became the sixth service available through myGov.

The department is working in partnership with a range of Australian Government agencies including the ATO to provide users with access to services through myGov. The department is also working with Australia Post to develop a proof of concept that will give users the option to have their online mail forwarded to their Australia Post Digital MailBox account through myGov. This will extend choice for how customers receive their correspondence from government.

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 a range of services. See Appendix B on page 351 for a list of services the department delivered under agreements with its partners.

Building relationships internationally

INTERNATIONAL PARTNERSHIPS

The department continued to engage with international counterparts and research bodies to share insights into service delivery challenges and explore new ways to enhance our service delivery.

In 2012–13 examples of the department's collaborative work included:

- contributing to research activities with Service Canada, Human Resources and Skills Development Canada, and Alberta Human Services
- participating in the Australia–Singapore Public Service Roundtable in September 2012
- attending and facilitating sessions at the International Social Security Association Asia–Pacific Regional Forum in Seoul, South Korea in October 2012
- sharing the department's experience of integration at the Organisation for Economic Cooperation and Development Integrated Services and

Housing Consultation in Paris, France in November 2012, and presenting a post-conference workshop on 'Integrated Service Delivery—Bringing Systems Together'

- coordinating and reporting on compliance best practice work with overseas members of the Windsor Benefit Fraud Sub-Group in partnership with DEEWR and FaHCSIA

- exploring closer collaboration with New Zealand on integrating service delivery for vulnerable groups.

Organising and hosting international delegations is a significant component of the department's international engagement. Visiting delegations are usually focused on having first-hand knowledge and gaining an understanding of integrated service delivery models and approaches, systems and processes across the diverse range of programs and services that the department delivers. This collaborative work supports the government's *Australia in the Asian Century* strategy by allowing the department to showcase its work in service delivery, as well as share practical experiences and approaches to service delivery around the world. In 2012–13 the department formally engaged with 24 delegations from 16 countries. This compares with 37 delegations from 14 countries in 2011–12.

International agreements

Australia has formal social security agreements with 29 countries. These outline shared responsibility for social security coverage and entitlements when people move between the agreement countries. At 30 June 2013, 65 613 customers were paid an Australian pension under international agreements. During the year the department implemented two new international agreements:

Agreement with Hungary

On 1 October 2012 an international social security agreement between Australia and Hungary was implemented. The agreement covers Australian Age Pension and Hungarian Old-Age and Survivors' pensions. The agreement helps customers receive Australian and Hungarian payments by combining periods of residence in Australia with Hungarian creditable periods.

At 30 June 2013, 2439 customers had lodged claims for Hungarian pensions and 55 customers had lodged claims for Australian pensions under the agreement.

Agreement with Latvia

On 1 January 2013 an international social security agreement between Australia and Latvia was implemented. The agreement covers Australian Age Pension and Latvian Old Age and Survivors' pensions. The agreement helps customers receive Australian and Latvian payments by combining periods of residence in Australia and periods of residence in Latvia.

At 30 June 2013, 245 customers had lodged claims for Latvian pensions and five customers had lodged claims for Australian pensions under the agreement.

3

Transforming and delivering services

For many Australians the department is the face of the Australian Government. In delivering services on behalf of our partner government and other agencies (see Appendix B on page 351), we interact with almost every Australian through health, welfare, employment and other programs.

This chapter discusses our role as the primary deliverer of government services. We need to constantly strive to deliver services as effectively as possible for both customers and government. In 2012–13 we continued to implement a new Service Delivery Operating Model, develop new service offers, provide more tailored services for people who need greater assistance, and respond to customer demand for more digital services. These changes have enhanced our effectiveness across our range of service delivery channels, from face-to-face interactions to self-managed online services.

Underpinning our culture of continuous improvement are the service delivery reform program, new business design processes and an expanding research capability—discussed later in this chapter. Our successes in service delivery transformation demonstrate significant outcomes against three of our strategic themes—government outcomes, customer outcomes; a strong collaborative approach; and service transformation.

PERFORMANCE HIGHLIGHTS

- We provided more tailored and intensive services and increased the accessibility of our self-managed services.
- We introduced a Pop-Up Outlet for staff to provide digital education and support in a shopping centre in Victoria.
- We continued to pilot use of the National Broadband Network (NBN) to offer face-to-face services through high definition video conferencing for customers who have difficulty visiting a service centre.
- We introduced mobile apps that allow customers to complete some of their business 'on the go'.

HOW WE DELIVER SERVICES

Digital and self-managed services for individuals

In 2012–13 the department saw significant growth in its online and self-service capabilities, with the launch of the department's self-service mobile apps that give customers using Apple and Android mobile devices and smartphones access to our services. These apps contributed to the strong increase in customer use of self-service across our programs, including Centrelink, Medicare and Child Support. During 2012–13 the apps were downloaded more than 750 000 times.

SELF-MANAGED OPTIONS

The department offers a growing range of self-managed options for people who use our services, as more Australians use the internet and mobile apps to conduct their business. Options include:

- Express Plus mobile apps, servicing seniors, families, job seekers, students and Medicare customers to undertake much of their business with the department at a time and place that suits them (see *Express Plus mobile apps* on page 32)
- information on our website at **humanservices.gov.au**
- an Online Document Lodgement Service (see page 30) that allows customers to lodge a range of documents electronically using either Express Plus apps or online services
- Payment Finder to help people identify what payments they may be eligible for (see *Simplifying and automating online services* on page 64)
- online claiming for Newstart customers which allows them to complete their claim online, upload supporting documentation, and book their appointment in one transaction
- online transactional services through Centrelink, Child Support and Medicare online services
- online services for health care professionals (see *Services for health providers* on page 44)
- phone self-service using Interactive Voice Recognition (IVR)
- self-service computers and phones available in service centres
- touch screen self-service terminals in most service centres as well as all Agents and some Access Points (see *Access Points* on page 42 and *Agents* on page 43).

CENTRELINK

Table 3: Centrelink digital and self-managed transactions and customer registrations by channel

	2011–12 million	2012–13 million
Transactions[1] by channel		
Online services transactions	50.3	60.2
Phone self-service transactions	5.8	5.7
Express Plus mobile apps	NA	8.6
Total self-service transactions	56.1	74.5
Customer registrations by channel		
Online services	3.5	3.9
Phone self-service	2.9	3.1

1   Transaction refers to an entry into a specific customer record, either for the purpose of viewing or updating information. There are differences in view and update transactions, and the benefits derived, between these transaction types.

Services currently available online include:

• view appointments, details and payment history

• apply for an advance payment

• change deductions from payments

• update study details and family income estimates

• report employment income.

ONLINE DOCUMENT LODGEMENT SERVICE

The Document Lodgement Service allows people to lodge documents such as claim forms, rent certificates, medical certificates, payslips, bank statements, school enrolment forms and legal documents (including court orders and estate settlements) with the department. The service is currently available for Centrelink services, both online or through mobile apps. This service was released in December 2012. From 2013–14, customers are able to access Medicare services through an Express Plus Medicare app.

At 30 June 2013 more than 125 000 individual images were uploaded. Similar functionality is currently available through Child Support Online Services, which over time will transition to the Document Lodgement Service.

MEDICARE

Table 4: Medicare digital and self-managed transactions and customer registrations

	2011–12 million	2012–13 million
Transactions[1] by channel		
Online services transactions	1.9	2.3
Customer registrations by channel		
Online services	2.4	2.8

1   Transaction refers to an entry into a specific customer record, either for the purpose of viewing or updating information. There are differences between the view and update transactions, and the benefits derived, between these transaction types.

In 2012–13:

• more than 1.8 million customers pre-filled their Medicare benefit tax statement data into their Australian Taxation Office (ATO) e-tax application, compared with more than 1.7 million in 2011–12

• 127 473 customers pre-filled their Medicare benefit tax statement data via the Tax Agent Portal, compared with 116 016 in 2011–12.

More than 3.2 million customers are now registered to use Medicare Online Services, with an average of 52 000 new customers registering per month in 2012–13.

Services currently available online include:

• lodge a Medicare claim (for 25 item numbers)

• view Medicare benefit tax statement (for the previous financial year, or current financial year-to-date)

• view Medicare claims history (for up to three years)

• view Medicare Safety Net balance (for the current calendar year)

• view Care Plan access history

• view Australian Organ Donor Register registration details

• view Australian Childhood Immunisation Register history statement (for children under 14 years of age)

• update personal details

• request a replacement or a duplicate Medicare card

• record and update banking details

• view Individual Healthcare Identifier history and alternate names update.

In December 2012 improvements were made to Medicare Online Services including updates to comply with Web Content and Accessibility Guidelines 2.0. These updates enable easier use by people with disability.

CHILD SUPPORT

Table 5: Child Support digital and self-managed transactions and customer registrations by channel

	2011–12	2012–13
Transactions[1] by channel		
Online services transactions	107 000	162 000
Customer registrations by channel		
Online services	127 000	158 000
Phone self-service	440 000	443 000

1   Transaction refers to an entry into a specific customer record, either for the purpose of viewing or updating information. There are differences in view and update transactions, and the benefits derived, between these transaction types.

Child Support Online Services provide a convenient online service option where customers can:

• view their payment information and letters
• advise the department of changes to their circumstances
• send and receive secure messages online, including documents.

A redesign of the system in 2012 made Child Support Online Services easier to use. Employers and financial institutions can also view information, check letters and provide information online, which reduces the compliance burden for these organisations.

EXPRESS PLUS MOBILE APPS

In 2012–13 the department responded to customer expectations and developed a suite of mobile apps. These apps meet a growing customer demand for convenient and flexible access to our services and have become an effective additional online channel.

The department was awarded the 2013 Overall Excellence in eGovernment and the Service Delivery Category Award for our Express Plus apps at the 2013 Australian Government ICT Awards.

The apps suite includes:
• Express Plus Students
• Express Plus Seniors
• Express Plus Job Seekers
• Express Plus Families
• Express Plus Lite (Multilingual)
• Express Plus Medicare.

These apps are accessible with a four-digit PIN, are easy to use and allow customers to:

- view and update their personal information
- fulfil their reporting obligations
- apply for advance payments
- read their online letters.

The apps mean customers can complete many of their most common transactions quickly and easily from any location, without having to phone or visit a service centre. The apps are simple, user-friendly and save people time. In 2012–13 the apps were downloaded more than 750 000 times. Increasingly, people are choosing mobile technology such as smartphones and tablets to interact online.

The apps are also being updated to accept myGov username and password, and to provide additional functionality.

ONLINE AND OTHER LETTERS

Most Centrelink service letters and brochures are now available through a secure online service and we are encouraging people to use this option rather than receive hardcopy letters at their mailing address. In 2012–13 changes to the service included increased availability of brochures and inserts online, and an increase in the types of messages people can see in their Online Letters account (see Table 6 for information about registrations for online letters).

People need to subscribe to the online service. They are sent an SMS or email (depending on their preference) to alert them to a new online letter from the department. People then log on to their secure online account to view their letters. Overall, subscriptions have increased by almost 31 per cent during the year.

Table 6: Registrations for Centrelink service online letters

	2011–12	2012–13	% change
Registrations	689 514	901 126	+30.7
Customers registered	1 124 558	1 794 800	+59.6
Percentage of customers registered	16.0	24.4	+52.5

Child Support service online letters are sent securely to people who use our online services, including employers and financial institutions. We email customers and organisations to alert them to a new online letter from the department. They then log on to their secure online account to view it. All customers registered for Child Support Online Services receive their letters electronically. They can, however, elect to stop receiving letters online.

Letters requested via Medicare Online Services for customers are sent to a person's mailing address. The department is working towards creating online capabilities for Medicare letters using the myGov service. The department is working towards having all significant correspondence available through myGov.

Table 7: Letters and SMS—Centrelink, Medicare and Child Support

		2011–12	2012–13	% change
Mail house letters	Centrelink[1]	100 146 140 (plus correspondence or letters about special initiatives 5 851 845, and publications 5 474 283)	84 968 521 (plus correspondence or letters about special initiatives 6 524 954 and publications 9 417 100)	−15.2[5]
	Medicare[2]	17 472 722 (plus 3 657 788 Medicare cards)	18 009 446 (plus 4 329 603 Medicare cards)	+3.1
	Child Support[3]	17 023 070	7 395 171	−56.6
Online letters	Centrelink	19 407 508	31 724 995	+63.5
	Medicare[2]	NA	NA	NA
	Child Support	1 792 407	1 936 315	+8.0
SMS	Centrelink	15 200 145	26 981 490	+77.5
	Medicare[2]	NA	NA	NA
	Child Support[4]	102 089	NA	NA

1   Special initiatives include Clean Energy—Household Assistance Package, Schoolkids Bonus, Digital TV switchover—Household Assistance Scheme and Strengthening Immunisation for Children.

2   Letters requested via Medicare Online Services for consumers are sent to a person's mailing address.

3   The 2012–13 figure represents total mail packs which include multiple individual items distributed through the department's Production Centres. The 2011–12 figure represents total individual items, with the data sourced through Child Support Management Information Systems, which was inconsistent with the department's reconciliation processes.

4   The 2011–12 figure represents a pilot activity trialling SMS as a reminder for certain Child Support customer interactions. The pilot finished at the end of 2011.

5   Percentage change excluded correspondence or letters about special initiatives, and publications.

OTHER DIGITAL SERVICES

Scanning and digitisation

The department is increasing the amount of customer correspondence it records and stores electronically. This applies to documents which are received by mail and fax. All customer correspondence about Centrelink payments is now scanned onto individual records. The digital images can then be accessed virtually from anywhere in Australia. This allows individual correspondence to be quickly attached to the relevant individual record and handled by the next skilled staff member.

Original documents are held to allow a quality control process before being destroyed under section 31 of the National Archives of Australia General Records Authority for source records that are copied, converted or migrated. This has led to a significant reduction in the amount of paper documents being stored.

In 2012–13, 93 million pages were scanned across the department's network, compared with more than 65 million pages in 2011–12.

Since implementation of scanning and indexing in June 2010, all Child Support mail is either scanned and indexed (postal mail) or simply indexed (electronic mail) to a customer's record. Approximately 240 000 postal documents were scanned in 2012–13.

Electronic rent verification

Community housing organisations registered with the department have access to an electronic process for providing updated rental information for their residents who receive payments from the department. This is efficient and convenient for the organisation and the customer, who is then exempt from having to provide a rent certificate while with that organisation.

Centrelink Confirmation eServices

The department's Centrelink Confirmation eServices is an online service that allows customers to share their information with participating third-party organisations, such as local councils and utility service providers. It provides the minimum amount of information necessary to electronically confirm the entitlement of a person receiving a Centrelink or Department of Veterans' Affairs (DVA) payment 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.

To access Centrelink Confirmation eServices, organisations need to enter into a contract with the department. It is mandatory for the organisation to obtain a person's consent before accessing any information via Centrelink Confirmation eServices. People can withdraw their consent at any time. In 2012–13, 56.2 million Centrelink Confirmation eServices transactions occurred, compared with 46.3 million in 2011–12.

Service centres

Face-to-face services are delivered through service centres located across Australia in metropolitan, regional and remote communities. At 30 June 2013 services were available from 598 service centres offering a range of Medicare, Centrelink, Child Support and CRS Australia services.

CRS Australia is the government's rehabilitation service. Its services are provided from 180 sites including those co-located within the department's service centres across Australia. CRS Australia also provides 140 additional visiting services to other locations. See also *Providing services through CRS Australia* on page 132.

The department is actively designing and trialling new face-to-face service offers to help better meet the individual needs of communities in delivering quality and efficient services. Examples of these new service offers include Pop-Up outlets, Medicare, Seniors and Families services, co-location with other organisations and the use of the provision of services through high-definition video conferencing.

MEDICARE, SENIORS AND FAMILIES SERVICES

The Medicare, Seniors and Families service delivery approach helps customers to move to self-management by providing easy access to self-service terminals and digital support with access to Centrelink, Medicare and Child Support information and services. For example, Customer Liaison Officers in service centres are guiding customers to the best way to complete their business— either online, by phone or face-to-face. The trials are enabling access to a range of departmental services to meet the needs of seniors and families in particular.

In February 2013 the department started a trial of this service in four service centres—Toombul and Chermside (Queensland), Tweed Heads (New South Wales) and West Lakes (South Australia). These service centres previously offered Medicare services only. The department is analysing staff, customer and community feedback on the trials to evaluate whether this option should operate in more service centres.

CO-LOCATION WITH OTHER ORGANISATIONS

The department actively seeks out opportunities to co-locate with other government agencies and with non-government organisations to broaden the range of services available to the community. As an example, state and territory housing visiting services are currently provided in 17 departmental sites. ATO services are also provided out of eight pilot sites (full service, self-service and interview by appointment options).

NATIONAL BROADBAND NETWORK

During the year the department piloted an NBN service. The pilot involved offering face-to-face services through high definition video conferencing targeted to customers who may find it difficult to visit a service centre. In 2012–13 Disability Support Pension customers and customers seeking advice from the Financial Information Service participated in face-to-face interviews and seminars via high definition and interactive video conferencing.

Eight departmental pilot sites—Armidale and Coffs Harbour (New South Wales), Toowoomba and Aitkenvale (Queensland), Victoria Park (Western Australia), Modbury (South Australia), Darwin (Northern Territory) and Launceston (Tasmania)—were connected by August 2013.

If the pilot is successful, customers living in rural and remote Australia and customers with mobility impairments could receive improved services as the service rolls out.

Smart centres

The department is implementing a new and integrated approach to the delivery of phone and processing services that will allow us to respond more quickly to the needs of Australians and provide more user-friendly services.

Smart centres are a significant step in providing the department with a more flexible way to deliver services. Smart centres manage a blend of phone and processing services, allowing for work to move more easily between teams. The aim of the smart centre approach is to resolve enquiries at the earliest possible point and also to promote the use of self-service options.

Smart centre activities are managed through a virtual network. Phone and processing services for the Centrelink, Child Support and Medicare programs are delivered from many locations around Australia that form part of the virtual network. Smart centre teams focus on providing services for a specific group, for example, families, job seekers or separated parents.

Customer demand is strong across smart centre channels. The department traditionally experiences seasonal peak periods of demand from January to the end of March and from June to the end of September each year, where increased workload is generated by:

- Families income estimates
- Families reconciliation
- updates to child care information
- the student peak (assessing eligibility for new and changed enrolments for the new academic year and second semester)
- the peak demand period in the Medicare Public line for enquiries about the Medicare Safety Net and Medicare benefit tax statements
- calls to Child Support enquiring about assessments for newly-separated parents and assessments as a result of tax lodgements.

PHONE SERVICES

Previously delivered through call centres, the department now provides phone services through smart centres that are networked across Australia and operate separate phone lines for different programs.

In 2012–13 the department handled approximately 59 million calls about Centrelink, Child Support and Medicare services, compared with 62 million calls in 2011–12.

The average length of time a customer waited for their call to be answered in 2012–13 was:

- 10 minutes and two seconds for customer services
- 33 seconds for provider services.

PROCESSING SERVICES

Smart centres delivered processing services for customers across several payment types.

Table 8: Centrelink new claims by major payment type

Payment type	Claims finalised 2011–12	Claims finalised 2012–13
Family Tax Benefit	637 000	643 000
Parental Leave Pay	204 000	218 000
Baby Bonus	198 000	197 000
Child Care Benefit	312 000	300 000
Dad and Partner Pay[1]	NA	39 400
Parenting Payment	154 000	146 000
Newstart	639 000	637 000
Carer Payment and Allowance	245 000	232 000
Disability Support Pension	136 000	126 000
Age Pension	144 000	149 000
Youth Allowance (students and Austudy)	246 000	233 000

1   Dad and Partner Pay commenced on 1 January 2013.

National Jobseeker Claims Network

The National Jobseeker Claims Network is part of the smart centre network. It aims to maximise the number of Newstart and Youth Allowance (job seeker) new claims that can be finalised with the customer over the phone or online (Newstart only), instead of needing an interview in person. In 2012–13 improvements to streamline the new claim process for job seekers were introduced, which included:

- rolling out Newstart online customer claim lodgement
- using the United Government Gateway and Desktop Faxing technology to improve processes for receiving Employment Separation Certificates from employers
- introducing the Document Lodgement Service to our mobile apps to receive extra information needed from customers (for example, rent receipts), and other document verification (for example, a birth certificate)—these can be scanned and sent or included in an online claim
- continuing nationally coordinated support for customers who have lost their job through a large-scale redundancy—these customers receive prompt service which reduces the number of customers needing to visit a service centre.

In addition to finalising claims, the department has Participation Solutions Teams that complete job seeker compliance investigations and contact requests. For more information see *Job seeker compliance* on page 80.

Multilingual smart centre services

The department provides a number of services for customers whose first language is not English (see *Providing multicultural services* on page 172).

Smart centres provide a multilingual phone service to customers in languages other than English. Bilingual Customer Service Officers can finalise most of a customer's business in a single phone call either directly or with support from interpreters. In 2012–13 Customer Service Officers on the multilingual lines answered more than 847 000 calls, compared with more than 887 000 calls in 2011–12.

Rural smart centre services

The department supports regional, rural and remote communities in many ways (see *Delivering rural services* on page 176).

Smart centres provide a rural phone service, designed specifically to meet the needs of customers in rural and remote communities. Customer Service Officers handling the calls have knowledge of local rural concerns and assist with issues including geographic isolation and the impact of changing circumstances, such as drought or flood, for farmers and their families. In 2012–13 more than 298 000 calls were answered in rural phone centres, compared with more than 385 000 calls in 2011–12.

Indigenous smart centre services

The department delivers a range of services and payments for Indigenous customers (see *Providing support to Indigenous people* on page 160).

Smart centres deliver phone services to rural and remote Indigenous Australians. These centres provide culturally appropriate access for Indigenous Australians, particularly those living in remote areas who may not have direct access to other facilities.

Customer Service Officers can receive calls from Indigenous customers, as well as from Agents acting on behalf of Indigenous customers in remote areas, who have enquiries about payments and services including ABSTUDY, Indigenous services, Income Management and the BasicsCard.

Processing and phone service highlights for 2012–13 included approximately:

- 1.9 million calls answered about Indigenous issues and Income Management, compared with 1.6 million calls in 2011–12
- 37 000 new ABSTUDY claims processed, compared with 40 600 in 2011–12.

Health and other small business phone services

The department provides phone services for health and other programs to health professionals and small businesses. These services cover:

- Medicare
- Pharmaceutical Benefits Scheme
- specialised health and medical services
- aged care
- Small Business Superannuation Clearing House.

In 2012–13 the department handled approximately 14.3 million calls from health professionals and small businesses about health and other programs, compared with 14.9 million calls in 2011–12.

Child Support smart centre services

The department delivers most of its Child Support services to customers over the phone, in many cases finalising the associated processing in real time (see also *Child Support* on page 32).

Processing and phone service highlights for 2012–13 included:

- receiving approximately 2.8 million calls about child support from separating or separated parents, compared with 2.9 million calls in 2011–12
- making approximately 2.2 million phone calls to follow up on outstanding child support debt and related matters, compared with 2.7 million calls in 2011–12
- processing approximately 74 700 new child support assessments in 2012–13 compared with 74 800 in 2011–12
- processing approximately 19 800 requests from paying parents or receiving parents to depart from the standard child support formula, compared with 20 800 in 2011–12.

Bringing services to customers

The department continues to develop our mobile platform and keep up-to-date with emerging requirements and technologies. This includes managing mobile apps and remote access solutions for customers and staff, and providing flexibility around when, where and how they access services. The solutions provide easy access to collaboration tools including email and calendar.

Remote access is helping with emergency responses and on-site processing of emergency payments. During the recent bushfires in Tasmania for example, 'Points of Presence' sites were activated enabling staff to access departmental systems and allow assessment of claims on-the-spot (see *Working in emergency recovery* on page 182).

The most popular services accessed through Medicare Online Services in 2012–13 were the Medicare benefit tax statement, Medicare claims history, and Medicare Safety Net balance. In March 2013 the Medicare claims history service was expanded to allow people to access three years of information online.

AUSTRALIAN GOVERNMENT MOBILE SERVICE CENTRES

Australian Government Mobile Service Centres deliver government payments and services to regional and rural areas. Staff from other government agencies such as the ATO, Australian Electoral Commission, Victorian Justice Department and New South Wales Department of Family and Community Services also travel with the mobile service centres. More than 230 third parties participated in mobile service delivery to regional communities during 2012–13. See also *Extending the reach of mobile service centres* on page 63.

ACCESS POINTS

Access Points provide free self-help facilities where customers can conduct their business with the department. This includes services such as:

- providing information products, forms and brochures
- making a phone call to the department
- accessing Medicare phone claiming information and reply paid envelopes for customers to forward receipts to support claims
- using fax and photocopy facilities for customers to send documents to the department, for example, a job resume
- viewing and photocopying proof-of-identity documents for departmental payments so customers do not have to send original documents in the mail to support their claims
- providing more than 80 Access Points with a self-service terminal for customers to use online services.

At 30 June 2013 the department had 227 Access Points throughout regional, rural and remote Australia. There were:

- 36 Access Points (Indigenous) in rural and remote areas
- 191 Access Points in rural locations.

AGENTS

Agents are located in communities that need more than Access Point services. As well as providing the same facilities and services as an Access Point, an Agent provides a face-to-face information service to the community and a self-service terminal and printer for customers to conduct their business. Agents in remote Indigenous communities provide interpreter services between customers and service centre staff. Services also include:

- assistance for customers using self-service (for example, the internet for online services, automated phone systems, and a fax machine for lodging forms)
- accepting Centrelink claim forms and other documents for lodgement
- responding to customer enquiries and providing assistance, guidance or referrals.

At 30 June 2013 the department had 352 Agents throughout regional, rural and remote Australia. There were:

- 179 Agents (Indigenous) in rural and remote areas
- 173 Agents in rural locations.

The department aims to expand Agent services at nominated trial sites from Centrelink only to all departmental programs in 2013–14.

POP-UP OUTLET SERVICE OFFER

In March 2013 the department began trialling a Pop-Up Outlet service offer. The first trial site opened in Point Cook (Victoria) in March 2013. See *Popping up at the shops* on page 46.

This service offer uses a contemporary retail-style approach aimed at increasing use of the department's digital services. It meets the challenges of increased demand for online and on-the-go channels and promotes the convenience of digital services.

The outlet is intended to be a short-term service located in areas with high population growth and high customer volumes. The outlet has a highly visible presence in a community shopping centre where staff provide customers with digital education and support.

In July 2013 another Pop-Up Outlet was opened in Springfield (Queensland).

Services for business

The department operates the Small Business Superannuation Clearing House, a free government service to assist small businesses with 19 or fewer employees to meet their superannuation guarantee obligations. Businesses register their employees' superannuation fund details with the department and then make a single electronic payment—the department distributes the contributions to the various funds, reducing red tape and compliance costs for small businesses (see page 135).

The department also provides an online service for administrators and trustees of superannuation funds to help them determine whether superannuation can be released early due to financial hardship (see page 136).

The Electronic Rent Verification Service allows Community housing organisations to access updated rental information for their residents who receive payments from the department (see page 35).

CRS Australia has a number of partnerships and programs with employers to provide training and work for job seekers, as well as the Employee Assistance Program and injury prevention and workplace rehabilitation. See *Providing services through CRS Australia* on page 132.

Also to support businesses, the department offers a Paid Parental Leave enquiry and support service for employers with enquiries about Parental Leave Pay and Dad and Partner Pay, as well as a range of employer-specific support information on our website.

Services for health providers

Health Professional Online Services (HPOS) continues to improve the delivery of online services for health professionals through simplifying access and improving usability through a secure online service.

In 2012–13 health professionals logged onto HPOS around 1.5 million times—an increase of 19.6 per cent from 2011–12.

During the year the department continued to expand HPOS to include an additional 90 item numbers in the MBS Items Online Checker, enabling health professionals to determine a patient's eligibility before making a Medicare claim. This aims to reduce the number of rejected claims and improve practice efficiencies.

In April 2013 HPOS was extended to enable health care provider organisations registered in the Healthcare Identifiers Service, to apply online to register for the Personally Controlled Electronic Health Record (eHealth record) system and manage authorisation links for their organisation.

In June 2013 eHealth services in HPOS were also extended to enable health care provider organisations to manage their contracted service provider authorisation links for the eHealth record.

The most popular services accessed through HPOS in 2012–13 were Patient Verification (approximately 3.1 million times), retrieval of Medicare Easyclaim reports (402 416 times) and the MBS Items Online Checker (632 400 times).

Social media engagement

Social media is helping the department to engage with people online in ways that are meaningful to them. Through social media the department gathers valuable feedback about payments and services and improves the way we provide support to the Australian community. Projects delivered in 2012–13 included:

- hosting online discussions with the public on a range of topics, such as mobile apps, on the 'speechbubble' forum
- using Facebook and Twitter to share important information and engage with customers and the broader community
- establishing Facebook and Twitter accounts for families, called Family Update
- hosting webcasts—live discussions with experts that were broadcast for small businesses and families
- creating and sharing informative and entertaining videos and podcasts on our website, YouTube and iTunes
- monitoring online forums and social networking sites and actively responding to customer questions and complaints
- working with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) to develop online communities and monitor customer service issues in social media as part of the Human Services Delivery Research Alliance (see page 49).

CASE STUDY

Popping up at the shops

When the department's first Pop-Up Outlet opened for business at Melbourne's Point Cook shopping centre in March 2013 it proved an instant success with passers-by. According to Pop-Up staff, shoppers were initially a bit surprised to see the department operating in a public space. But it wasn't long before people showed a lot of interest in the new service and all that it has to offer.

The Pop-Up runs every weekday from 9.00am to 4.30pm, with staff promoting and facilitating online services and educating people about how to use them. Even when staff go home, people can still use the self-service terminals on their own.

With the help of Customer Service Officers and three self-service terminals, two iPads, an iPhone and a laptop, customers can access the suite of online services for Centrelink and Medicare. Using the technology at the Pop-Up customers can create temporary passwords, register for online services, and set up mobile apps on their phones.

Pop-Up Program Coordinator Vera says: 'Most people think it's only young people who are computer savvy, but seniors are very eager to learn about using our online services as well'.

'Once people discover how easy it is to navigate online services, their feedback is very positive. Just about everyone says "this is brilliant" and "we won't need to go into a service centre any more for most of the things we need to do".'

Customer Service Officer Kaled from the Werribee Service Centre was one of many staff to put his hand up to work at the Pop-Up. His training included discussions about the demographics of the Point Cook–Werribee location and how to attract and welcome people to the Pop-Up. Staff training also covered how the Medicare and Centrelink systems and technology would work onsite and occupational health and safety issues.

Kaled says: 'I really enjoy working at the Pop-Up because it's good to give customers individual and personal attention. It gives me a great sense of achievement knowing that I'm helping to make their lives easier when they deal with the department.'

14:30
Point Cook, VIC

Once people discover how easy
it is to navigate online services,
their feedback is very positive...

SUPPORTING INNOVATIVE AND EFFECTIVE SERVICE DELIVERY

Business process design and Lean methodology

Business process design is the way the department develops an understanding of business activities, to define and transform them. We design processes to ensure they are effective, meet customer requirements, and support and sustain the department's development. Well-designed processes that focus on the end-to-end customer experience improve the department's efficiency and deliver greater productivity.

Over the past 12 months we have strengthened a culture of continuous improvement by using the Lean methodology which focuses on delivering better customer value and reducing or eliminating business inefficiencies. This methodology is now widely used across the department and there are approximately 100 staff with Lean Practitioner accreditation.

Full-time project teams with representatives from smart centres and service centres have undertaken an extensive program of work across eight high-volume end-to-end business processes. These teams have identified, piloted and implemented improvements to service delivery processes.

Eliminating duplicated work has significantly reduced the processing time and backlogs for a number of payments. For example, the changes introduced to transfer customers from Parenting Payment has reduced the number of contacts required with most customers (from three to two) and reduced processing time by 42 per cent.

Work management design

The department is committed to improving the customer contact experience by reducing processing times and supporting staff to deliver a range of services during a single contact. A better integrated information communications technology (ICT) platform has helped staff to work more effectively and streamline the department's business processes.

During the year the department began implementing a new work management system called Customer First. At 30 June 2013, over 23 000 staff in more than 500 sites were using the system. It helps to make the best use of staff skills, balance workloads, and produce more effective responses to emergencies and other priorities. In the long-term the Customer First system will deliver a single, consistent method of work management. It also supports the department's Tell Us Once initiative which means customers only need to provide their details once for Centrelink, Medicare and Child Support services (see also *Simplified forms and statements* on page 60).

The department also has an integrated queue management system for Centrelink and Medicare. The system supports streaming of customers to staff who are skilled to assist them.

Research

RESEARCH AND ANALYSIS

During the year, the department built a greater research and data analysis capability to produce an evidence base for influencing policy development and improving service delivery strategies.

We continued to improve our research program to support our strategic priorities. The research program for 2012–13 and 2013–14 includes research into customer and provider attitudes and future technology, and strengthening our data analysis capability, research processes and governance arrangements.

HUMAN SERVICES DELIVERY RESEARCH ALLIANCE

Our main research relationship is with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) through the Human Services Delivery Research Alliance. Through the alliance the department draws on CSIRO's considerable scientific research capability to help identify ways to improve service delivery.

In 2012–13 CSIRO conducted research for several departmental projects, which included:

- developing a prototype tool as part of the Emergency Response Intelligence Capability (ERIC) project—to help the department better manage responses during an emergency or disaster
- building a stronger evidence base through the Channel Optimisation project—to identify and influence how customers choose to interact with the department
- trialling an online community through the Social Networks for Human Services project and testing the feasibility of using social media monitoring to assist in managing phone services demand
- making the department's website more accessible for customers through the Website Optimisation project.

During the year the department and CSIRO also developed a future research agenda which includes:

- extending the Channel Optimisation project to identify triggers and methods of changing the ways people conduct their business with the department
- extending the ERIC project to incorporate more information relevant to emergency situations

- developing a new project to help the department better use new technology to improve service delivery for vulnerable customers.

Customer surveys

SERVICE CHARTER—OUR SERVICE COMMITMENTS

The department's Service Charter, *Our Service Commitments,* shapes the identity of the department and sets out what Australians can expect from us. The charter is a public expression of the department's commitment to excellence in service delivery, outlining:

- service delivery approach and commitments
- customer rights and responsibilities
- how customers can provide feedback about service delivery
- what customers can do if they are dissatisfied with a decision made by the department
- how customers can have complaints resolved.

Our Service Commitments is on the department's website and brochures are available in all service centres.

Performance summary against service commitments

Following is an overview of the department's performance against each of the six service commitment themes in 2012–13. The results are derived from a single department survey that integrates all current program approaches (excluding CRS Australia which will continue to conduct its own satisfaction program) and includes baseline customer satisfaction. Respondents included customers who interacted with the department in the previous 12 months. 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 welcome you and will listen to you and work with you to understand your individual and cultural needs—measured by customer and stakeholder assessments of staff behaviour.

Ninety-one per cent of customers surveyed agreed that staff treated them with respect and 81 per cent of customers surveyed agreed that staff took into account their individual circumstances.

Easy access to services: We will give you quick and easy access to the right services—measured by customer and stakeholder assessments of accessibility of services.

Sixty-four per cent of customers surveyed were satisfied with the ease of accessing services.

Quality information: We are committed to providing consistent and accurate information—measured by customer and stakeholder assessments of the quality of services and information.

Eighty-four per cent of customers surveyed agreed that staff had told them everything they had to do in order to get the service and 85 per cent of customers surveyed agreed that they were given accurate information.

Eighty-one per cent of customers surveyed agreed that staff gave them information that was consistent with what they had already heard or read.

Fair and transparent services: We will be open and honest with you and will follow through on our commitments—measured by customer and stakeholder assessments of the transparency and fairness of decision making and how clearly the department provides customers with information about their rights and responsibilities.

Seventy-three per cent of customers surveyed indicated that staff had advised them of their rights and responsibilities.

Genuine consultation: We value your feedback and we will work with you to understand how to improve our services—measured by customer assessment of whether the department took into account their individual circumstances.

Eighty-one per cent of customers surveyed agreed that staff took into account their individual circumstances.

Efficiency: We will simplify the way we deliver services to you. We will streamline processes to provide the right outcome—measured by customer assessment of staff promptness and efficiency.

Eighty-one per cent of customers surveyed agreed that staff were prompt and efficient.

SATISFACTION SURVEY PROGRAM

In 2012–13 we implemented a new department-wide single customer satisfaction survey that replaced the satisfaction surveys previously run by the separate agencies (excluding CRS Australia which continues to conduct its own satisfaction survey and feedback program). Called the Transactional Survey, it targets a random selection of customers who have recently contacted the department and measures their satisfaction with the most recent transaction.

As well as regularly surveying people who have recently interacted with the department, there are other research activities that form part of the satisfaction research program. These include measuring customers' general perceptions of the department (the Relationship survey).

Each year, the Health Provider survey gauges satisfaction with departmental services from health professionals, including aged care providers, pharmacists, general practitioners and practice managers. In 2012–13, each of these groups

recorded a result of more than 90 per cent indicating that they were satisfied or neutral with the services provided by the department with an overall result of 90 per cent.

Surveys also measure customer satisfaction with particular aspects of service delivery such as satisfaction with international services (International Services survey) and with handling customer complaints (Customer Experiences of Complaints Handling survey).

Table 9 summarises the department's satisfaction research activities.

Table 9: Summary of the department's satisfaction research activities in 2012–13

Survey title	Target audience(s) and sample size	Summary of findings
Transactional survey	• targets a random selection of current customers who have recently interacted with the department • measures customer perceptions of the quality of service they received • runs continuously • approximately 27 000 surveys were completed through phone interviews and 13 000 surveys completed through IVR.	Showed an overall satisfaction rating of 74 per cent, including: • satisfaction with Centrelink services at 72 per cent • satisfaction with Medicare services at 87 per cent • satisfaction with Child Support services at 84 per cent • satisfaction with face-to-face services at 75 per cent • satisfaction with phone services at 73 per cent.
Relationship survey	• targets customers who have had any interaction with the department in the past 12 months • measures customers' general perceptions of the department • the survey was conducted in January and February with approximately 1000 surveys completed.	Showed an overall satisfaction rating of 68 per cent, including: • 62 per cent for Centrelink • 80 per cent for Medicare • 44 per cent for Child Support.
Health Provider survey	• targets a random selection of health care providers who have interacted with the department in the past 12 months • run once a year, approximately 950 surveys were completed in 2012–13.	Each of these groups recorded a result of more than 90 per cent, indicating that they were satisfied or neutral with the services provided by the department, with an overall result of 94 per cent.

Survey title	Target audience(s) and sample size	Summary of findings
International Services survey	• targets a random selection of customers residing overseas who had an interaction with the department in the past 12 months • measures customer satisfaction with the services provided by the department's International Services • conducted once every two years • approximately 200 surveys were conducted with customers living in countries with the highest non-resident Australian populations (the United States of America, Greece and Italy).	Overall satisfaction with the services provided by the department's International Services was 96 per cent.
Customer experience of complaints handling survey	• targeted 900 customers who had complaints about the department's services that were recorded in a customer feedback database.	Showed an overall satisfaction rating of 31 per cent, including: • 50 per cent for Medicare • 39 per cent for Centrelink • 15 per cent for Child Support.

CRS AUSTRALIA CUSTOMER SATISFACTION

CRS Australia's quality framework monitors performance against key customer requirements, standards, feedback and quality indicators. CRS Australia's quality framework includes:

• reviews of job seeker/customer case files at the local level

• external audits, including a surveillance audit by NCS International, most recently from October to November 2012, that demonstrated adherence with the 12 Disability Service Standards

• periodic internal audits against customer requirements

• mechanisms for customer and client feedback

• a complaints handling process to ensure quality service delivery to customers and clients

• regular review and update of quality assessment tools.

CRS Australia measures individual job seeker and employer satisfaction through formal and informal feedback.

Job seeker satisfaction is measured through a formal survey of customers after 13 weeks of service from CRS Australia, and at the end of their program. In 2012–13, 2713 customers across all business streams responded to the survey at the end of their program, with 89 per cent of job seekers indicating satisfaction with CRS Australia's services.

Responding to customer feedback

CONSISTENT DEPARTMENTAL APPROACH TO CUSTOMER FEEDBACK

In 2012–13 we continued to develop a consistent approach to customer feedback to make it easier to identify common issues and to develop appropriate department-wide responses.

COLLECTING CUSTOMER FEEDBACK

The department offers a number of different contact points for customers to provide feedback. Customers can:

- phone the Feedback and Complaints line on **1800 132 468**
- send a secure online message through the 'Contact us' section at **humanservices.gov.au** to offer customer feedback about Centrelink payments and services
- send an email to **customer.feedback@humanservices.gov.au** to provide feedback about programs or services
- write to us (no postage stamp required) at: **DHS Customer Relations Reply Paid 7788 Canberra Business Centre ACT 2610**
- phone the National Relay Service if they have a hearing or speech impediment on **1800 555 660**
- speak to a Customer Service Officer at any of our service centres.

CENTRELINK CUSTOMER FEEDBACK

In 2012–13 the department recorded 56 678 direct customer contacts about Centrelink services and payments via different feedback contact points. Of the customer contacts received during the year:

- 8893 were compliments
- 1542 were suggestions
- 46 243 were complaints.

These figures represent an 11.7 per cent (1181) decrease in compliments, 28.7 per cent (621) decrease in suggestions and a 9.6 per cent (4912) decrease in complaints compared with 2011–12.

The top five complaints by volume were:

- access to phone services (23.1 per cent)
- staff knowledge or practice (19.3 per cent)
- decision making (12.2 per cent)
- staff attitude (11.4 per cent)
- Interactive Voice Response (5.6 per cent).

MEDICARE CUSTOMER FEEDBACK

In 2012–13 the department recorded 13 024 direct customer contacts about Medicare services through different feedback contact points. Of the customer contacts received during the year:

- 587 were compliments
- 203 were suggestions
- 12 234 were complaints.

These figures represent a 19.1 per cent (139) decrease in compliments, 32.8 per cent (99) decrease in suggestions and a 126.8 per cent (6840) increase in complaints compared with 2011–12. The increase in Medicare complaints is due to a change in the way complaints are recorded. Medicare complaints were previously not recorded if they were resolved at the first point of contact. Medicare complaints are now recorded if they are resolved at the first point of contact in the same way that Centrelink and Child Support complaints are recorded. In 2012–13, 92.1 per cent of all Medicare complaints were resolved within timeliness targets.

The top five complaints by volume were:

- access to phone services (46.1 per cent)
- self-managed services (9.6 per cent)
- staff knowledge and practice (6.7 per cent)
- decision making (6.6 per cent)
- disagree with internal policy (5.9 per cent).

CHILD SUPPORT CUSTOMER FEEDBACK

In 2012–13 the department recorded 24 530 direct customer contacts about Child Support services through different feedback contact points. Of the customer contacts received during the year:

- 574 were compliments
- 644 were suggestions
- 23 312 were complaints.

These figures represent a 78.8 per cent (253) increase in compliments and a 21.5 per cent (4120) increase in complaints compared with 2011–12.

In 2012–13, 82.6 per cent of all Child Support complaints were resolved within timeliness targets.

The increase in the number of recorded complaints is largely attributed to initiatives introduced since May 2012 to encourage the recording of entry-level complaints and focus on resolving customer issues at the first point of contact. Complaints are currently counted each time they escalate through Child Support's three-step complaint handling process. Systems changes were recently made which allow the department to count complaints which escalate through the three-step process as a single complaint. This will ensure the department measures complaints consistently in each program in the future.

Child Support introduced new categories for recording complaints in December 2012. Since then the top five complaints by volume were:

- collection (32.8 per cent)
- quality of service (28.1 per cent)
- assessment (19.1 per cent)
- service channel (4.0 per cent)
- legislation and policy (3.2 per cent).

To increase the accountability for customer complaints, internal complaint reporting was updated in 2012–13. All staff can access reports and obtain information about complaint volumes, reasons and timeliness which provides increased understanding and accountability for customer feedback. Child Support staff receive monthly training across a range of topics targeted at improving both their customer service and technical skills. Feedback about escalated complaints is provided to individual staff and their team leaders to inform their development plans. To help inform business improvement, frontline management receive monthly complaint reports that highlight the top five and trending complaints.

CRS AUSTRALIA CUSTOMER FEEDBACK

CRS Australia uses a positive and coordinated approach to managing all complaints and appeals and follows a three-tier resolution model. Complaints are typically made at the regional level initially, and escalated to divisional and national levels if necessary.

In 2012–13 CRS Australia received 200 complaints, which represents 0.8 per cent of the total caseload for all services provided, compared with 252 complaints (0.5 per cent of the total caseload) in 2011–12.

**RESPONSES TO CUSTOMER COMPLAINTS ABOUT
THE DEPARTMENT'S SERVICES**

Depending on the type of complaint, the department's responses are tailored to individual circumstances. Responses range from an apology, explanation of policy and legislation, correction of a customer's record, review of a decision, processing action or intensive case management.

Staff receive monthly training targeted at improving their customer service and technical skills. Feedback about escalated complaints is provided to individual staff and their team leaders to improve performance. Frontline management receive monthly complaint reports that highlight the top five and trending complaints to inform business improvement.

Quality management

During the year the department developed an integrated Service Delivery Quality Framework consisting of six elements—accountability, quality processes, issues management, capability, culture and reporting. The framework is based on continuous improvement principles and will help managers identify systemic issues and underlying causes of complaints to resolve them. The framework will be implemented throughout 2013–14.

Quality management includes quality controls and assurance processes to ensure payments and services are delivered correctly across all programs in the department.

Quality controls include processes and systems designed to detect and prevent errors, for example, the Quality On Line tool used in Centrelink and the Quality Management System used in Medicare.

Quality assurance information comes directly from targeted assessments and assurance checks undertaken by business areas. It includes Quality Call Listening which is carried out in all smart centres to monitor the quality of calls. We also use information from payment reviews, audits, preventative error reduction trials, and random sample surveys. Relying on existing legacy quality systems will reduce as products and services are transitioned into the new quality system Customer First (see *Work management design* on page 48).

A program of continuous improvement initiatives was carried out in 2012–13 to ensure the delivery of high quality, accurate and cost-effective Medicare services.

21:45
Brisbane, QLD
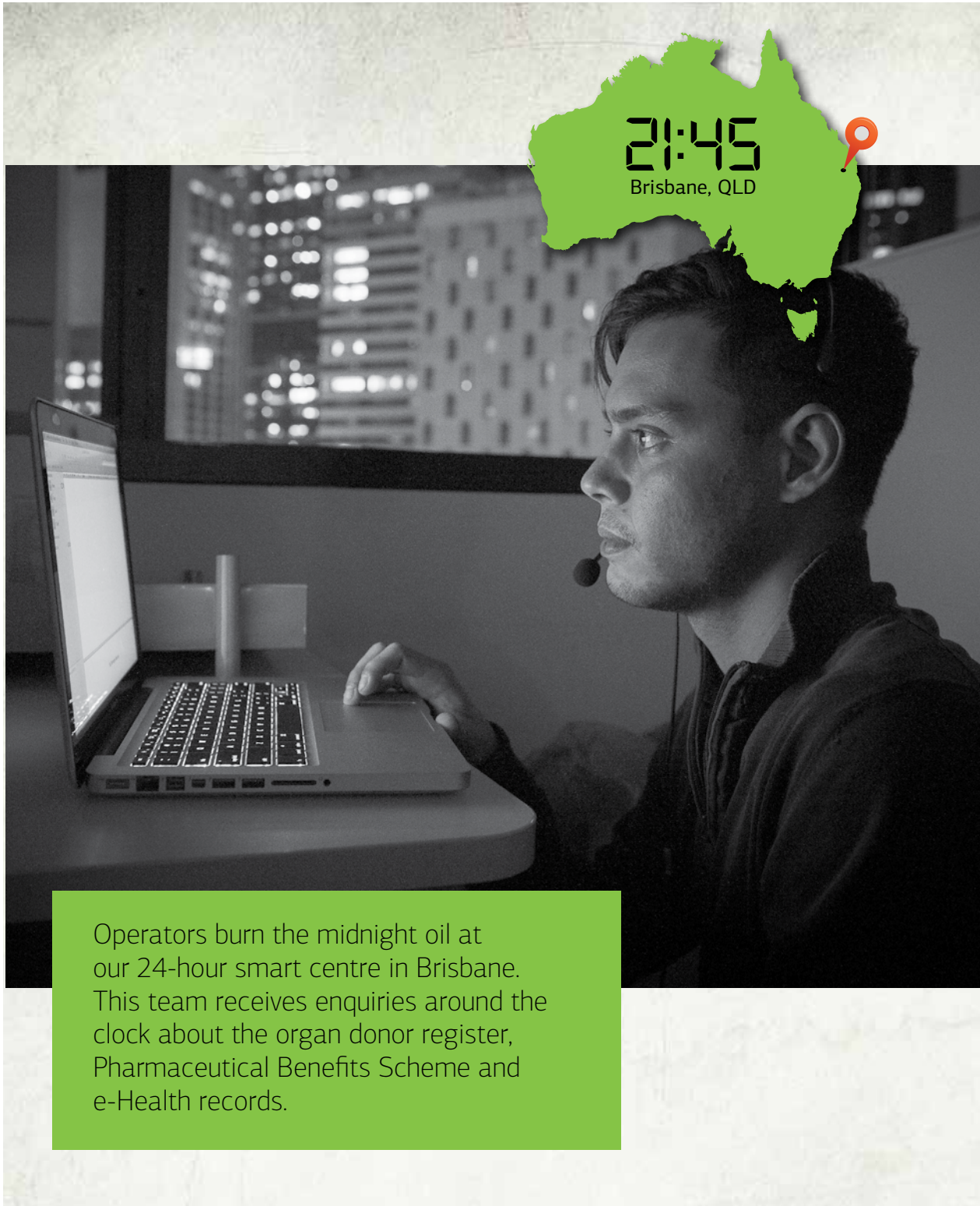
Operators burn the midnight oil at our 24-hour smart centre in Brisbane. This team receives enquiries around the clock about the organ donor register, Pharmaceutical Benefits Scheme and e-Health records.

TRANSFORMING SERVICE DELIVERY

New Service Delivery Operating Model

In 2012–13 the department continued to implement the Service Delivery Operating Model to guide the development of service offers and delivery methods that create better outcomes for government and customers. The operating model is a guide for designing more effective services based on customer needs across the following four service levels:

- **self-managed**—for people who can access and use services by themselves without needing support from staff
- **assisted**—for people who, at times, are unable to self-manage because of their circumstances and require support to access and use services
- **managed**—for people who need services organised into a support plan, to ensure services are properly coordinated
- **intensive**—for people facing significant disadvantage or multiple and complex challenges who need a high level of coordinated assistance.

The department continues to explore different ways to deliver services to different customer groups. The package of services offered to a particular group is known as a 'service offer'. Our aim is to make service offers more accessible to customers, regardless of their location or circumstances.

Increasingly, service offers are incorporating more options for customers who prefer to manage their own affairs. As well, face-to-face service offers are catering to different demographics and needs, including extra assistance for people who need intensive support. It is planned that future face-to-face service offers will have a greater focus on integration of all our services.

In 2012–13 the department continued to provide people with more and improved online services. We made significant improvements, including making more letters available online, moving more claims online, and increasing online income and assets reporting.

Other initiatives are under way to simplify and improve existing forms, letters and services. We are also improving access for the people and organisations who use our services by increasing the types of electronic messages and online letters sent to customers. This will allow people to self-manage more when they deal with the department.

ELECTRONIC MESSAGING

Increasingly, the department is using electronic messaging to communicate with customers receiving Centrelink payments. This involves reducing the volume of physical mail sent to customers by eliminating unnecessary and confusing communication and incorporating alternative distribution such as online letters and electronic messaging through SMS or email.

Once a customer has subscribed to the messaging service, they choose either SMS or email for notifications. The number of people using the messaging service increased from around 3.4 million in 2011–12 to around 4.9 million in 2012–13.

While electronic messaging through SMS or email is currently only available to the department's Centrelink customers, the department is working to make it available more widely.

SIMPLIFIED FORMS AND STATEMENTS

The department continued to make it easier for people making a Centrelink claim, and for health practitioners claiming through the direct billing process.

The existing direct billing paper forms for health practitioners were modified into an online format allowing people to save and submit claims online. Thirteen online forms were released in July 2012 and modified in September 2012. Instruction sheets for each form are also available online.

As part of our Tell Us Once initiative we have further personalised claim forms by including information people have already provided when applying for Centrelink payments or services. The forms include tailored questions to gather any additional information needed for the claim. This is quicker and easier for customers and improves claim processing accuracy.

In 2012–13 more claims were added to the pre-populated claim process—the Commonwealth Seniors Health Card, Low Income Health Care Card, Foster Child Health Care Card, and Ex-Carer Allowance (Child) Health Care Card.

In 2012–13 the content and means of accessing Centrelink statements was improved. Customers can now access more detailed, up-to-date information about their circumstances, at the time of request. Previously statements were updated on a quarterly basis. The statements are no longer issued automatically—they can now be accessed through self-service options or by post at no cost, on request.

In 2012–13:

- 394 887 statements were accessed online or by IVR and sent through online letters
- 26 113 statements were requested to be sent in the post. Those requests were either made in person, through self-service or IVR.

In 2012–13 significant improvements were made to the Child Support Payer Account Statement. The statements were updated to a 'utility' bill format following customer feedback about making them easier to understand. The new single page, double-sided statement also provides ongoing savings through reduced printing and postage costs.

Service delivery reform

Underpinning the department's ongoing improvements across our delivery channels and service offers is the service delivery reform program.

The package of service delivery reform measures was announced in the 2010 Budget, including integration of Centrelink and Medicare Australia into the Department of Human Services. The measures are transforming the way the department delivers government services to make people's dealings with government easier and quicker. We have made significant progress in implementing the reforms, which support our broader transformation agenda.

The package commenced in 2011–12 and runs through to 2014–15.

The reform agenda has three objectives:

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

Two committees oversee service delivery reform—the Service Delivery Reform Steering Committee and the Service Delivery Reform Interdepartmental Committee. See also *Governance committee framework* on page 215 and *Working across government* on page 217.

The department's focus during 2012–13 was on further extending the accessibility of intensive, assisted and self-managed services. More support is now available for people with complex needs, vulnerable customers and customers whose circumstances at various points in their lives mean they need more intensive, targeted and specialised services. This included new and innovative ways to reach out to vulnerable and homeless customers, improved coordination with other services and more community engagement, as well as providing tailored support to rural and remote communities.

More streamlined services mean that dealing with government is easier. Customers can take advantage of more convenient ways to access services and have more choice about when, where and how they access them. For example, more services are available to customers in more locations. There are more one-stop shops which offer an extended range of services. Customers can also view or exchange an increased range of information electronically.

As the service delivery reform program increasingly becomes business-as-usual, some of the capabilities the program has delivered are being used to guide wider departmental business practices—for example, co-design involves frontline staff, customers and the community working together to design improved service delivery. More broadly the department is using co-design to help respond to future face-to-face service delivery changes and to pilot NBN service delivery.

SERVICE DELIVERY REFORM ACHIEVEMENTS

During 2012–13 the department continued to re-engineer services to better meet people's needs by providing more tailored and intensive services.

Improving services

Tailoring support for job seekers

Local Connections to Work (LCTW) services aim to improve job placement outcomes for the long-term unemployed and disadvantaged young people through joint interviews with employment services providers and stronger community partnerships.

At 30 June 2013 LCTW was operating in 17 sites. Since the program began these sites have delivered LCTW services to more than 5400 disadvantaged customers, compared with more than 4600 people at 30 June 2012. See *Local Connections to Work* on page 78.

Increasing support for people needing assistance

Case Coordination delivers a tailored response to a person's circumstances by placing the person at the centre of the process. Staff work with people to help identify their needs, goals and aspirations and establish action plans.

In 2012–13 a further 15 Case Coordination sites were established, bringing the total to 34 sites. During 2012–13, 42 000 people were assisted through Case Coordination, compared with 9100 in 2011–12. See *Case Coordination trials* on page 152.

Improving access

Extending the services provided in our service centres

The department is continuing its efforts to ensure customers can access a range of services across all 598 service centres. This includes creating 108 fully consolidated service centres, where two service centres are brought together in one location offering both Centrelink and Medicare services. In other service centres, we are broadening the services on offer, for example through providing greater access to self-service options. At 30 June 2013, selected Medicare services were accessible in 420 service centres and selected Centrelink services were accessible in 441 service centres. This represents an increase of more than 100 service centres providing access to each of these services. CRS Australia services can also be accessed in 180 sites.

Claiming Medicare benefits online

In 2012–13, 25 Medicare items were claimable through Claiming Medicare Benefits Online. This service allows customers to make Medicare claims at a time and place that suits them and reduces the need to visit a service centre. During the year more than 211 000 claims were processed through this channel, compared with 133 000 claims in 2011–12. See also *Medicare* on page 31.

Extending the reach of mobile service centres

Two Australian Government Mobile Service Centres (named Desert Pea and Kangaroo Paw) provide information and services to people in rural and regional parts of Australia. They cover an estimated 500 000 people who live more than 50 kilometres from a service centre.

In 2012–13 the mobile service centres:

- visited 352 rural communities, of which 102 were visited for the first time, compared with 361 rural communities in 2011–12
- visited 176 communities that were more than 50 kilometres from a service centre
- assisted more than 12 600 people of which more than 3400 were first-time customers, compared with 11 057 people and 3505 first-time customers in 2011–12
- attended 25 field days, expos and community events compared with 40 in 2011–12
- spent 29 days in 10 disaster-affected communities, helping more than 1800 people.

Mobile service centres travel to communities at specified times. They are equipped with tailored services to meet the specific needs of each community, including access to Centrelink, Medicare and Child Support services, as well as services from other agencies—for example, state-based departments of community services. See also *Australian Government Mobile Service Centres* on page 42.

During January and February 2013, the mobile service centres helped communities affected by the bushfires in Tasmania and the floods in Queensland.

Improving our business and integrating the department

Enhancing online services

More than 1.4 million customers accessed online services through a single logon and password, compared with approximately 624 000 customers in 2011–12.

More than 31.7 million Centrelink letters were sent online in 2012–13, compared with 19.4 million letters in 2011–12 (see *Online and other letters* on page 33).

In August 2012 the department commenced work on the myGov online service—a whole-of-government initiative to deliver improved online services. myGov was launched in May 2013 and replaced the **australia.gov.au** account.

Around 1.3 million Australians will be transitioned to myGov. This includes people who use the service to access their eHealth record, Child Support, Centrelink, Medicare and DVA online services. myGov capability will be extended to DisabilityCare Australia and the ATO in 2013–14.

myGov provides improved and easier to use digital services including enhanced account creation, account management and username recovery. myGov features will expand in the future to include:

- an inbox capable of receiving digital letters from participating agencies
- the new, 'Tell Us Once' service, enabling people to notify agencies participating in their myGov online account of simple changes to their personal circumstances (such as name, address and contact details)
- a customer profile.

A board, chaired by the department and including senior officials from the ATO, the Attorney-General's Department, the Department of Finance and Deregulation and the Department of Health and Ageing oversees the delivery of myGov on behalf of the Australian Government.

Integrated business operation and workflow management system

The department has made considerable progress to simplify business processes, better meet customer needs and reduce and eliminate unnecessary effort by customers. The integration of the department, co-location of services and enhanced interoperability of ICT and other systems have made it possible for us to introduce many new capabilities that improve and automate processes and allow us to better manage our work.

Simplifying and automating online services

Redesign of business processes continued to improve the way we deliver our work and helped us to provide better service to our customers (see also *Business process design and Lean methodology* on page 48).

The department is providing enhanced access for customers through improved online services and the release of our mobile apps—Express Plus (see *Express Plus mobile apps* on page 32). These initiatives provide services to customers at a time and place that suits them, and allow our staff to focus on customers who require a more intensive level of assistance.

In March 2013 the department launched Payment Finder, a new way to stream customers to payment and claiming information. Available on our website it has been used almost 300 000 times a month since its launch. It allows customers to quickly filter and identify services they may be eligible for based on broad criteria such as age, employment, or household composition. Payment Finder means people can stream through to online registration and claiming processes. Since its launch, it has been used 865 404 times, providing better information to people and avoiding the need to make general enquiries by phone or in person.

The introduction of the Online Document Lodgement Service (see page 30) allows customers to upload documents such as photos of payslips and proof of birth documents through the Express Plus apps and other online channels.

Several advances were made in the delivery of online services including:

- income and assets questions are included as part of an online claim process for Age Pension, Youth Allowance for students and apprentices, Austudy, and emergency payments
- initial and renewal claims for the Low Income Health Care card can be made online.

We continued the move towards a common department-wide ICT environment, which will further support integration and provide more streamlined and linked services to customers (see *Information and communications technology* on page 238).

Progress was made in rolling out our new telecommunications system, which will result in more flexible and agile services for customers (see *Phone services* on page 38 and *Key ICT achievements* on page 238).

Improving our ICT systems

Australians place enormous trust in the department's systems, and we must continually strive to enhance their capabilities. The department will examine options to ensure it can continue to support and deliver future government programs, efficiently and effectively.

INCOME SUPPORT INTEGRATED SYSTEM BUSINESS CASE

The Income Support Integrated System (ISIS) makes assessments and delivers income support and family payments to more than seven million customers. On average over half a billion dollars is deposited into the bank accounts of Australians every working day.

The technology upon which ISIS was developed is ageing. As the software has been modified over its life it has become increasingly complex and changes are becoming more difficult to implement. The current ISIS platform is limited in its ability to meet a 24/7, 365 days per year standard for online self-service.

The 2013 Budget included an investment of $16.2 million over two years for the department to develop a business case outlining options to replace or upgrade its major ICT system. The cost of this measure will be met from within the department. It is likely that any future upgrade or replacement of the system will take several years.

CHILD SUPPORT ICT SYSTEM REPLACEMENT

The current Child Support computer system is getting close to the end of its useful life. The department was allocated funds in the 2013–14 Budget to develop a new computer system which will provide increased functionality, better data and payment integrity, and completeness in the services being offered to people online. This system is expected to be implemented in the latter half of 2015.

Improving personalised communication

As part of the department's ongoing focus on improving the quality of its personalised communication and adopting technologies that assist the Australian public to receive better quality messages faster, we have completed a systemic analysis of our correspondence. Further opportunities have been identified to improve language and consolidate messages and we are reducing the volume of paragraphs and letters used to communicate with the Australian public.

The department has developed and implemented a set of Community Engagement Principles to promote connection with identified agencies, services, community groups and customers to ensure our communication is clear, informative and relevant, as well as being delivered through the most appropriate channel. Our normal operating procedures have been updated to enhance the use of customer testing and stakeholder engagement about our communication materials.

4

Families, people looking for work, studying or unable to work, and older Australians

This chapter describes the department's role in delivering social policy services.

The department provides services to families with children, including assistance to separating and separated families through child support services, and new programs for families such as Dad and Partner Pay.

We play a pivotal role in assessing job seeker and student claims for income support, linking job seekers to employment service providers, and managing participation requirements, income and study load reporting and other changes affecting entitlements.

We refer people to specialist assessments to determine the best payment or type of employment assistance and connect them to tailored services where there are barriers to employment.

We also provide assistance to people unable to work, their carers and older Australians both through direct payments of disability support, carer and age pensions, and subsidies and supplements to approved aged care providers. Many of these people also access other assistance like Advance Payments, Rent Assistance and Household Assistance Package payments.

We have introduced new ways to communicate with this diverse range of customers to make their interactions with us easier.

Providing these services effectively enables us to deliver against our first strategic theme—government outcomes, customer outcomes.

PERFORMANCE HIGHLIGHTS

- Around 27 000 fathers and partners have received Dad and Partner Pay since it began in January 2013.
- We delivered Age Pension payments to 2.3 million Australians.
- We worked with separated parents to transfer $3.4 billion to support approximately 1.2 million children.
- We helped more than 5400 disadvantaged customers access employment, education, training and support services through the Local Connections to Work program.
- We conducted 27 Jobs and Skills Expos with the Department of Education, Employment and Workplace Relations (DEEWR).

SUPPORTING FAMILIES WITH CHILDREN

The department offers services and payments to support families with children of all ages, from newborns to teenagers. We ensure the effective delivery and integrity of families programs including Child Care (Child Care Rebate/Benefit) and Family Assistance (Family Tax Benefit (FTB), Paid Parental Leave, Baby Bonus, Schoolkids Bonus, Strengthening Immunisation for Children).

The department administers the Child Support Program, balancing the interests of both parents and focusing on the needs of children and the costs of raising them. The Child Support Scheme applies to all separated parents, regardless of the type or length of their relationship.

We have implemented several important new measures in the past year such as Dad and Partner Pay.

Family Tax Benefit

FTB assists families with the day-to-day cost of raising children. FTB is made up of two parts—Part A and Part B. Both payments are income tested and the amount paid is based on the family's individual circumstances.

FTB Part A is paid for each eligible child up to and including the age of 15 and for full-time secondary students aged 16 to 19 years. For separated parents to receive more than the base rate of FTB Part A, reasonable action to obtain child support must be taken. Child support received for a child only affects FTB Part A.

FTB Part B gives extra assistance to single parent families and families with one main income and can be paid until the youngest child in care turns 16 years of age (or until the end of the calendar year in which they turn 18 years of age if they are a full-time secondary student).

Strengthening immunisation for children

In 2012–13 the department implemented a new measure requiring parents to ensure that their children are immunised in order to receive the FTB Part A supplement. Children who turned one, two or five years of age in 2012–13 had to be fully immunised or have an approved exemption for families to receive the supplement.

Child care

The department administers a range of payments to help parents meet the cost of child care. These include the Child Care Benefit to assist with child care fees and the Child Care Rebate which can help with out-of-pocket expenses for approved child care for customers who are working, studying or training. Jobs, Education and Training (JET) Child Care Fee Assistance also provides extra help with child care costs for parents on an eligible income support payment who are working, training or studying to enter or re-enter the workforce. In 2012–13 the department implemented changes to the courses for which parents are eligible for JET Child Care Fee Assistance, the work training study test and the parental co-contribution rate.

Paid Parental Leave Scheme

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

Parental Leave Pay is payable to an eligible parent who is the child's primary carer (usually the birth mother). In 2012–13 around 168 000 parents received Parental Leave Pay, compared with around 155 000 in 2011–12.

In most cases employers provide Parental Leave Pay. In 2012–13 around 34 000 employers paid Parental Leave Pay to 124 000 employees, an increase from 24 625 employers and 75 858 employees in 2011–12.

On 1 January 2013 the department implemented the second payment under the scheme. Dad and Partner Pay is payable to eligible working fathers or partners caring for a recently born or adopted child. Since payments began, around 27 000 fathers or partners have received Dad and Partner Pay.

Paid Parental Leave employer support

The National Business Gateway offers a Paid Parental Leave enquiry and support service for employers. Employers with enquiries about Parental Leave Pay or Dad and Partner Pay can contact the department's National Business Gateway, as well as access a range of employer-specific information on our website.

In 2012–13, more than 73 000 calls were answered about the Paid Parental Leave Scheme, compared with more than 99 000 in 2011–12.

Parenting Payment

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

Parenting Payment customers need to meet:

- an income and assets test (including the partners if partnered)
- residency requirements
- participation requirements if needed.

Schoolkids Bonus

The Schoolkids Bonus payment was introduced in January 2013 to replace the Education Tax Refund which was previously paid by the Australian Taxation Office. The payments provide eligible families with up to $410 per annum for each primary school student and up to $820 per annum for each secondary school student. The Schoolkids Bonus is paid in two instalments, with eligibility being determined on the bonus test dates of 1 January and 30 June. The first instalment was paid in January 2013. The second instalment, based on the 30 June 2013 bonus test date, was made in July 2013. 1.25 million families received a Schoolkids Bonus payment.

Baby Bonus

The Baby Bonus is a payment to help with the costs of a newborn or adopted child. To be eligible a person must have primary care of a newborn child or recently adopted child, meet an income test, and meet Australian residency requirements. In 2012–13 approximately 156 000 customers received the Baby Bonus.

Helping young parents and jobless families

As part of the Building Australia's Future Workforce package, the Helping Young Parents measure targets young parents 19 years of age or younger to create a positive future for themselves and their children. Through this measure, which started on 1 January 2012, the department supports parents who undertake education or training leading to a Year 12 or equivalent qualification. Parents also take part in activities that focus on the health and early childhood development of their children. At 28 June 2013, young parents had attended 1998 general information or commencement interviews.

The Supporting Jobless Families measure also started on 1 July 2012 in 10 local government areas. It focuses on preparing parents to return to work when their youngest child reaches school-age, and helps parents to ensure that their children are ready to start school.

The department links parents with locally available services that can provide support to:

- achieve better health and early development outcomes for their children
- enhance school readiness and school transitions for their pre-school aged children
- assist parents to prepare for work.

At 28 June 2013, parents had attended 11 378 interviews or workshops.

See also *Building Australia's Future Workforce measures* on page 79.

School Enrolment and Attendance Measure

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

Under the SEAM model, parents must provide their children's enrolment details to the department or work with the Northern Territory Government to improve the school attendance of their children otherwise they may have their income support payments suspended until they do so.

As part of SEAM, the department provides intensive social work support to parents to identify and overcome barriers preventing their children regularly attending school.

As part of the Stronger Futures in the Northern Territory package of measures, phase one of a revised model of SEAM was implemented progressively in 10 communities—Angurugu, Alyangula, Hermannsburg, Katherine, Katherine Town Camps, Milyakburra, Numbulwar, Umbakumba, Wallace Rockhole and Wadeye.

Grandparent carers

The department offers services for grandparent carers, including access to payments such as FTB and Baby Bonus, and access to child support. Grandparents, great-grandparents and current and former partners of grandparents, who care for their grandchild and receive an income support payment, may be eligible for Grandparent Child Care Benefit. Grandparent Child Care Benefit pays the full cost of child care fees for each child in approved care for up to 50 hours a week.

The department also provides access to Grandparent Advisers in selected locations, and nationally over the phone. Advisers can:

• assess family circumstances
• provide information and help grandparents access payments and services
• arrange appointments with specialist staff, including social workers
• arrange referrals to other government and community service providers.

Communicating with families

In 2012–13 the department introduced new communication initiatives for families, including:

• *Family Update* provides families with the latest news about family assistance payments and services from the department via Facebook and Twitter
• *News for families* provides families with up-to-date news about families payments and services on our website.

Staff also attended several families expos in New South Wales, Victoria, South Australia and Queensland to promote family assistance services and provide information about the Paid Parental Leave scheme.

Child support

The department assists separating and separated families to ensure their children are supported through the Child Support Program. Staff also work with other government departments and community agencies to ensure separated parents have access to the range of other support services available (see *Linking up to support separated parents* on page 84).

The department provides child support assessment, registration, collection and disbursement services to parents and non-parent carers (for example, 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. Separated parents who register with the department can elect to transfer child support privately (Private Collect) or ask the department to transfer the payments (Child Support Collect).

The percentage of active paying parents with no outstanding child support debt remained steady at 75.3 per cent in 2012–13.

Although more parents now pay their child support on time, with more than half of parents using Private Collect arrangements, early intervention and enforcement measures are still needed for parents who fail to pay their child support. The department uses various means to collect ongoing and overdue child support. See *Managing child support customer compliance* on page 204. The department also uses various methods of assessing customer satisfaction. See *Satisfaction survey program* on page 51.

CHILD SUPPORT TRANSFERS

In 2012–13 the department worked with separated parents to transfer $3.4 billion to support approximately 1.2 million children. This compares with $3.2 billion transferred in 2011–12. Since the Child Support Scheme started in 1988, parents have transferred $41.9 billion or 97 per cent of all liabilities raised.

PRIVATE COLLECT

The department encourages separated parents to manage their child support responsibilities independently through Private Collect arrangements. Research shows that this method gives the most flexibility to parents who can cooperate on parental decisions.

Table 10 shows that 54 per cent of parents used Private Collect arrangements in 2012–13. This compares with 54.2 per cent in 2011–12.

Table 10: Private Collect arrangements 2010–11 to 2012–13

	2010–11	2011–12	2012–13
Parents using Private Collect arrangements	54.3%	54.2%	54%

CHILD SUPPORT COLLECT

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

A greater value of child support payments is being transferred through Child Support Collect than ever before—from $1.3 billion in 2011–12 to $1.4 billion in 2012–13 (see Table 11). Table 12 outlines the percentage of child support debt under a payment arrangement.

Table 11: Amount of child support transferred between parents

Total child support transferred	2010–11 $ billion	2011–12 $ billion	2012–13 $ billion
Child Support Collect credits	1.3	1.3	1.4
Private Collect[1]	1.8	1.9	2.0
Total	**3.1**	**3.2**	**3.4**

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

Table 12: Percentage of child support debt under a payment arrangement

	2010–11	2011–12	2012–13
Child support debt under an arrangement	35.6%	44.6%	41.8%

ACTIVE PAYING PARENTS WITH DEBT UNDER ARRANGEMENT AND WITHOUT DEBT

Active paying parents are those with a role in at least one active case, not including cases that ended with arrears. Of all active paying parents 75.3 per cent had no debt at the end of June 2013, the same result achieved at end of June 2012.

The remaining active paying parents had an outstanding child support debt. Of these, 51.7 per cent had a payment arrangement in place in 2012–13, compared with 53.7 per cent in 2011–12.

Table 13 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 programs and on increasing the percentage of active paying parents with debt under a payment arrangement.

Table 13: Active paying parents with debt under arrangement and without debt

	2010–11	2011–12	2012–13
Active paying parents with a child support debt which is under a payment arrangement	54.6%	53.7%	51.7%
Active paying parents without debt	74.5%	75.3%	75.3%

CHANGE OF ASSESSMENT AND OBJECTIONS TO CHILD SUPPORT DECISIONS

In 2012–13 the number of parents applying for a change of assessment reduced by 5.8 per cent to 19 800. This compares with 21 021 in 2011–12. See *Reviewing Child Support decisions* on page 206.

The number of objections to change of assessment decisions rose slightly (from 3121 in 2011–12 to 3358 in 2012–13) following process changes. This caused delays in the timeframes for decision-making and flow-on objections. This was resolved by August 2012.

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.

COMMUNICATING WITH CHILD SUPPORT CUSTOMERS

During the year the department continued to provide Child Support customers with up-to-date and relevant information through the monthly e-newsletter, *eNews for parents*. We also refined information for separated parents on our website.

LOOKING FOR WORK, PARTICIPATION AND STUDY

The department plays a pivotal role in the government's social and economic participation agenda for people of working age.

The department helps customers who are looking for work by connecting them to tailored services for people with barriers to employment.

We make payments and provide information to job seekers to help them select employment services appropriate to them, referring them directly where possible, which helps create pathways to employment. Table 14 shows the number of job seekers by payment type.

Table 14: Activity tested recipients by payment type

	At 29 June 2012	At 28 June 2013
Newstart Allowance[1]	549 773	660 673
Youth Allowance[1]	83 802	113 840
Special Benefit[2]	1 076	682
Parenting Payment Partnered[1]	9 388	0[3]
Parenting Payment Single[1]	103 952	47 276[4]
Total	**747 991**	**822 471**

1 Sourced by DEEWR on 31 July 2012 and 5 July 2013.

2 Sourced by Department of Families, Housing, Community Services and Indigenous Affairs on 24 July 2012 and 5 August 2013.

3 As of 1 January 2013, Parenting Payment Partnered customers are no longer Activity Tested as they move to Newstart Allowance once their youngest child turns six years of age.

4 As of 1 January 2013, Parenting Payment Single customers move to Newstart Allowance once their youngest child turns eight years of age.

We also support young adults who are studying full-time or undertaking full-time apprenticeships by providing income support and services in ways that are convenient to them.

Newstart Allowance

Newstart Allowance provides financial help to people looking for work. Customers must be 22 years of age or older but under Age Pension age and looking for suitable paid work.

Newstart Allowance customers need to meet an income and assets test and residency requirements, and be able to meet activity test participation requirements.

Youth Allowance—Job seeker and students

Youth Allowance provides financial help for people between 16 and 24 years of age who are studying full-time, undertaking a full-time Australian apprenticeship, training or looking for work.

Youth Allowance customers need to meet an income and assets test and residency requirements.

Austudy

Austudy provides financial help to full-time students and Australian apprentices 25 years of age or older.

Education Entry Payment

The Education Entry Payment is available to people receiving specific income-support payments, to help with the costs of incidental educational expenses such as books and fees.

ABSTUDY

ABSTUDY provides a means-tested allowance and other supplementary benefits to eligible Indigenous secondary and tertiary students. The department administers the ABSTUDY Scheme on behalf of DEEWR.

ABSTUDY claims are processed at four specialist service centres in Cairns (Queensland), Darwin (Northern Territory), Sydney (New South Wales) and Perth (Western Australia). In 2012–13, 37 056 ABSTUDY claims were finalised, compared with 40 651 in 2011–12.

Customers can phone the ABSTUDY number which is part of our Indigenous phone network.

Pensioner Education Supplement

The Pensioner Education Supplement (PES) provides recipients of some Centrelink and Department of Veterans' Affairs (DVA) income support payments with extra assistance towards ongoing study costs. PES is available to full-time students and in certain circumstances those approved to undertake part-time study of at least 25 per cent of a full study load.

Job seeker contact arrangements

Job seekers can report on their participation and income via phone or online self-service facilities instead of lodging forms in person at a service centre. Job seeker self-service reporting increased from 76.9 per cent on 1 July 2012 to 79 per cent on 30 June 2013.

Personal contact interviews complement self-managed reporting and are part of a job seeker's contact arrangements. The interviews maintain personal contact between job seekers and the department and reflect a strong focus on compliance, participation and job search requirements. Almost 3.6 million personal contact interviews were completed in 2012–13.

Local Connections to Work

Local Connections to Work (LCTW) is a place-based program under which disadvantaged job seekers can benefit from better access to existing high quality support services. The primary objective is to assist job seekers to overcome barriers to social inclusion and economic participation and move into employment or training over time. The barriers might include homelessness, drug and alcohol dependency, financial crisis, mental illness or lack of numeracy or literacy skills.

Local providers deliver rostered services from a service centre, helping people get the services they need and building stronger relationships between providers at the local level. A key component of LCTW is joint interviews for the department, the job seeker and their employment services provider, so that people do not need to repeat their information.

At 30 June 2013 LCTW was operating in 17 sites. In 2012–13 these sites delivered LCTW services to more than 5400 disadvantaged customers. A total of over 2100 job placements, more than 2400 education or training placements, and over 1200 job placements of more than 13 weeks were completed in 2012–13, with some customers achieving more than one placement. This compares with 4600 services, 1300 job placements, 1100 education or training placements and 500 job placements of more than 13 weeks in 2012–13.

Building Australia's Future Workforce measures

The department is implementing several measures outlined in the government's Building Australia's Future Workforce package. Together with existing payments and services, the package of measures is to provide greater opportunities particularly for the disadvantaged, to develop their skills, train and get into the workforce. The following services are provided as part of the package.

JOB SEEKER WORKSHOPS

Job seeker workshops help recently unemployed job seekers return to the workforce and reduce their risk of long-term unemployment. They also give job seekers a better understanding of the local labour market. The workshops provide extra assistance to job seekers who are identified as job ready and are in their first 13 weeks of unemployment.

In 2012–13 workshops were held in 40 service centres which were attended by 28 453 customers.

CONNECTIONS INTERVIEWS

Connections interviews help job seekers having difficulty meeting their activity test or participation requirements. These job seekers attend compulsory connections interviews with their Job Services Australia provider and the department. These meetings give the provider and department a better understanding of the job seeker's circumstances, identify what help they need to meet their requirements, and allow both agencies to work with the job seeker to manage unresolved issues. The interviews commenced on 1 July 2012.

In 2012–13, 9508 job seekers participated in connections interviews.

JOBS AND SKILLS EXPOS

Working with DEEWR in 2012–13, the department conducted 27 Jobs and Skills Expos compared with 15 expos in 2011–12. The expos promote information about, and access to, real jobs and skills pathways. They enable employers, industry groups, recruitment and training providers and other key stakeholders to participate in local community events that provide people with access to actual employment vacancies.

In 2012–13:

- 69 980 people attended the expos
- 1802 exhibitors participated in the expos
- 7066 job seekers were connected to employment opportunities as a direct result of attending the expos.

For more information about Building Australia's Future Workforce measures see *Helping young parents and jobless families* on page 71.

Meeting participation requirements for job seekers

Job seekers receiving Newstart Allowance, Youth Allowance (job seeker), Parenting Payment (with participation requirements), or Special Benefit (paid under Newstart Allowance conditions) must satisfy activity test or participation requirements to remain eligible for payment.

PARTICIPATION FOR PARENTS—PARENTING PAYMENT ELIGIBILITY CHANGES

As part of the 2012 Budget, the Australian Government announced changes to Parenting Payment that affected single and partnered parents who had been receiving Parenting Payment before 1 July 2006.

These changes, which came into effect from 1 January 2013, brought all parents receiving Parenting Payment under the same eligibility and participation requirements.

It means that Parenting Payment will cease for all families when the youngest child turns six years of age (in the case of Parenting Payment Partnered) or eight years of age (in the case of Parenting Payment Single). Previously some families had been entitled to the payment until their child turned 16 years of age. Eligible customers can claim Newstart Allowance once their entitlement to Parenting Payment ceases.

The changes also mean that all Parenting Payment recipients must meet participation requirements once their youngest child turns six years of age. Previously, some customers did not have to meet participation requirements until their child was seven years of age.

Approximately 77 500 parents were affected on 1 January 2013 and a further 52 400, grandfathered, recipients will progressively transition until mid-2016.

JOB SEEKER COMPLIANCE

The Job Seeker Compliance Model affects job seekers receiving Newstart Allowance, Youth Allowance (job seeker), Parenting Payment or Special Benefit who have compulsory activity test or participation requirements. Job seekers are generally required to participate in employment-related activities in return for income support payments.

In 2012–13 the department undertook 1 082 599 job seeker compliance investigations and 233 704 contact requests. This compares with 1 015 868 job seeker compliance investigations and 227 969 contact requests in 2011–12.

PARTICIPATION FOR PEOPLE WITH DISABILITIES

Since 1 July 2012 Disability Support Pension (DSP) recipients can work up to 30 hours a week and remain qualified for the pension, subject to an income test. Previously people granted DSP on or after 11 May 2005 could only work up to 15 hours a week without losing their qualification. This change removes a disincentive for people receiving DSP to maximise their participation in the workforce. There are some exceptions for DSP recipients living overseas.

As well, since 1 July 2012, DSP recipients under 35 years of age who have some capacity to work need to attend regular participation interviews. At these interviews staff discuss each person's circumstances, goals and plans for the future and help them develop a participation plan. Activities to help them build their capacity are identified and participation in these activities is voluntary.

Communicating with people looking for work and with students

During the year the department provided information about government initiatives to increase job, education and training opportunities.

This includes information:

- for parents affected by changes to Parenting Payment through our website, in factsheets, articles, online forums, online advertising, social media, and media engagement
- at job seeker workshops to encourage newly-unemployed job seekers to look for work
- about training, education and work opportunities, available on our website
- for people who have been retrenched and made redundant, available on our website
- about the mobile app for job seekers, through products and factsheets and by staff attending Jobs and Skills Expos
- for people receiving services through LCTW sites
- about our online community which supports young parents in 10 local government areas.

Communication with students included:

- information about the Express Plus Students mobile app to help them interact with the department at a time and place that suits them
- encouraging early lodgement of Youth Allowance—each year the department experiences a peak of Youth Allowance claims as students begin university. Encouraging students to lodge a claim 13 weeks before they start studying helps spread the demand throughout the year. Promotion included social media messages, a Google adwords campaign and messages to parents

- encouraging students to take up digital services, including:
  - online promotion through social media
  - live Q&As
  - participation in university o-weeks
  - on-campus promotion, including student diaries.

ASSESSMENT SERVICES

Employment services assessments

Employment services assessments (ESAts) identify the most appropriate type of employment service for people with medical conditions and other barriers to employment. They also identify other assistance to help a job seeker prepare for, find and maintain work, taking into account any partial work capacity. If appropriate, people are referred directly to an employment service. Qualified health and allied health professionals conduct the assessments.

In 2012–13 the department completed 215 803 ESAts, 214 479 of which found that the person could benefit from assistance, and recommended a referral to the most suitable program. Assessors made approximately 1.4 million recommendations for customers for specific assistance that employment service providers could deliver. This compares with 255 104 ESAts in 2011–12, from which 254 588 people were recommended for referral to a program, including a total of approximately 1.5 million recommended interventions.

In May 2013 the department introduced videoconferencing for assessments by using National Broadband Network (NBN) facilities in community digital hubs across Australia. This was the first time assessment services had used the hubs, which are funded by the Department of Broadband, Communications and the Digital Economy. Participants gave very positive feedback, noting the high quality virtual interaction between the individual and the assessor, and enhanced access to assessments.

The two initial hubs extended to four, and a further five departmental sites have been identified for NBN-enabled videoconference assessments in 2013–14.

Job Capacity Assessments

Job Capacity Assessments help the department decide if a person is eligible for DSP. Qualified health and allied health professionals undertake these assessments to consider the person's level of impairment, the impact of their medical condition and disabilities on their capacity to work, and whether they may benefit from employment assistance.

People claiming DSP who do not have a severe impairment must demonstrate that they have actively participated in a program of support or their claim will be rejected. A program of support is designed to help a person prepare for, find or maintain work. Participation in an appropriate program of support is considered during the assessment.

Table 15: Assessment services by assessment type and mix

Type of assessment	Assessments completed	Proportion of assessments submitted %
ESAt non-medical	34 348	10.3
ESAt medical	181 455	54.2
Job Capacity Assessments	118 674	35.5
Total	**334 477**	**100**

Table 16 shows achievement against key performance measures. In 2012–13 the department met or exceeded two of the three performance measures.

The department did not meet the target for proportion of employment services assessments completed by phone, because of an increase in the use of phone assessments in both remote and non-remote areas. Phone assessments reduce the need for extensive assessor travel that is costly and delays the assessment.

Table 16: Employment assessment services—key performance measures

	Target	Actual 2011–12 %	Actual 2012–13 %
Timeliness referral to appointment	80% in 10 days	77.7	90.5
Timeliness appointment to submission[1]	80% in four days	85.9	90.7
Assessment format	<10% by phone[2]	11.7	19.2

1   Completion of assessment services report.

2   If measure has non-remote and remote components, only non-remote shown for brevity.

Health Professional Advisory Unit

The Health Professional Advisory Unit is an integrated, multi-disciplinary unit comprising medical advisers, registered nurses, a senior clinical psychologist, managers and administrative support staff in 12 locations. 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 makes payments to treating doctors for additional medical information requested.

In 2012–13 the unit received 3558 referrals, compared with 4327 referrals in 2011–12. At 30 June 2013 the unit also completed 1731 quality assurance audits of recent DSP claim assessments.

CASE STUDY

Linking up to support separated parents

Recognising that separated parents often face difficult times, an important part of Families Stakeholder Coordinator Ciro's job is to help them link up not only with departmental services but also with the variety of community support available.

Each month Ciro represents the Child Support Program at a Family Law Pathways meeting held at the Family Law Court in South Australia. With up to 30 representatives mainly from the community sector, the meetings are to catch up on current information and issues affecting mutual clients.

Ciro says: 'People from the Legal Services Commission of South Australia, Anglicare, Centacare, Relationships Australia, the Australian Refugee Association, advocacy groups, among others, really appreciate hearing about the department's work, especially initiatives to better integrate and link up our services'.

'For example, I provide updates on what we are doing with Prison Liaison Officers in prisons, and with Indigenous Customer Service Officers in Indigenous communities to set up child support arrangements, reduce child support debt, adjust Family Tax Benefit payments, and if necessary arrange referrals to other services.'

At the same time, the pathways meetings give Ciro a great opportunity to learn more about community and other assistance for separated parents, such as relationship support, housing and legal services, and how people can access these.

A key contact for Ciro at the meetings is Ric, the Regional Coordinator for Child Dispute Services at the Family Law Court.

Ciro says: 'While we cover a lot in the pathways meetings with the other participants, Ric and I will also get together, one-on-one, to discuss more specific details about child support and court matters.

'And I think we both share an incredible sense of achievement in our work, particularly when we help marginalised parents and their children get their lives back on track.'

12:55
Adelaide, SA

...we help marginalised parents and their children get their lives back on track.

SUPPORT FOR PEOPLE UNABLE TO WORK AND OLDER AUSTRALIANS

Disability Support Pension

Disability Support Pension (DSP) provides financial support for people who have a physical, intellectual or psychiatric condition that prevents them from working, or who are permanently blind. In 2012–13, 54 418 new claims for DSP were granted.

Sickness Allowance

Sickness Allowance is a short-term payment for people who are employed or self-employed, or in some cases who are full-time students but who temporarily cannot work or study because of a medical condition. In 2012–13, 20 717 new claims for Sickness Allowance were granted.

Mobility Allowance

Mobility Allowance helps people who have a disability, illness or injury to participate in approved activities. The allowance helps with transport costs if they cannot use public transport without substantial assistance, either permanently or for an extended period. In 2012–13, 8233 new claims for Mobility Allowance were granted.

Carer Payment

Carer Payment provides income support if a person is unable to work in paid employment because they provide full-time care to someone with a severe disability, medical condition, or who is frail aged. In 2012–13, 54 955 new claims for Carer Payment were granted.

Carer Allowance

Carer Allowance is a supplementary payment for carers who provide additional daily care for someone with a disability or medical condition, or who is frail aged. In 2012–13, 105 681 new claims for Carer Allowance were granted.

Age Pension

Age Pension is an income support payment for people of age pension age who do not have adequate levels of income or assets that can be used to support themselves and who fulfil residency requirements. Age Pension payments and services are now made to more than 2.3 million Australians with an expenditure of $36.2 billion in 2012–13. In 2012–13, 117 635 new claims for Age Pension were granted.

The department has expanded its self-service options to include an Express Plus mobile app for seniors. Registered users can access a variety of services such as updating contact details, reporting employment income, viewing payments and capturing and uploading documents.

Communicating with older Australians

The *News for Seniors* magazine is the main way the department communicates with older Australians. It is distributed to approximately 2.1 million people and organisations, and was published three times in 2012–13.

Veterans

DVA administers its own income support pensions and allowances. However, we deliver a range of other services on its behalf, including Veterans' Information Services, Treatment Accounts Processing, the Repatriation Pharmaceutical Benefits Scheme, and administering the Carer Supplement and the Defence Force Income Support Allowance. For more information see *Department of Veterans' Affairs* on page 23.

SUPPORTING CLIMATE CHANGE POLICY

Clean Energy Future Household Assistance Package

In July 2011 the government announced measures relating to the Household Assistance Package as part of its overall Clean Energy Future Plan. The department is delivering a number of payments and initiatives in the package.

CLEAN ENERGY ADVANCE AND CLEAN ENERGY SUPPLEMENT

The Clean Energy Advance is a lump sum tax-exempt payment paid to pensioners, other income support recipients, Seniors Supplement recipients and families receiving FTB payments. The Clean Energy Advance provided assistance from 1 July 2012 until the Clean Energy Supplement payments commenced. In all, 992 107 payments were made totalling $157 million.

The Clean Energy Supplement provides ongoing permanent assistance following the period covered by the Clean Energy Advance. From 20 March 2013 the supplement started to be paid automatically to about 4.3 million people on income support. In June 2013 a quarterly Clean Energy Supplement was paid to 286 221 Commonwealth Seniors Health Card holders receiving Seniors Supplement Payment and 51 985 pensioners who elected to receive their Pension Supplement payment quarterly.

Families on FTB started to receive the supplement from 1 July 2013.

The second Clean Energy Advance payment was paid to most young people and student customers in July 2013, to cover the period until their Clean Energy Supplement payments commence in January 2014.

LOW INCOME SUPPLEMENT AND LOW INCOME FAMILY SUPPLEMENT

The Low Income Supplement and Low Income Family Supplement are $300 yearly payments that help eligible low-income households with any impact from the carbon price on everyday expenses. Payments started from 1 July 2012. In 2012–13, 7645 claims were paid.

ESSENTIAL MEDICAL EQUIPMENT PAYMENT

The Essential Medical Equipment Payment is an annual payment of $143, available to eligible people covered by an Australian Government concession card who experience additional increases in home energy costs from the use of essential medical equipment to manage their disability or medical condition. Payments started on 1 July 2012. In 2012–13, 26 227 claims were paid.

AGED CARE PROVIDERS

As part of the government's overall Clean Energy Future Plan, new arrangements are helping to ensure that household assistance is shared fairly between aged care residents and aged care facilities.

On 1 July 2012 aged care facilities received the ongoing increase in the maximum basic daily fee that residents may be charged (from 84 per cent of the basic Age Pension amount to 85 per cent of the amount for most residents).

Aged care facilities were able to nominate to accept the Basic Daily Fee Supplement in lieu of charging the one per cent increase for some residents who were in their care (subject to conditions).

LPG Vehicle Scheme

On behalf of AusIndustry, a division of the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education, the department makes payments for the Liquefied Petroleum Gas (LPG) Vehicle Scheme (see page 23).

The scheme encourages vehicle owners to buy a new LPG vehicle or convert their existing petrol or diesel vehicle to operate on LPG only, or on LPG and petrol or diesel.

Table 17: Payments and claims under the LPG Vehicle Scheme

Grant type	Grant amount	Claims granted 2011–12	Claims granted 2012–13
Conversion of a new vehicle fitted with LPG before first registration	$2 000	364	458
Conversion of a registered vehicle:			
—1 July 2009–30 June 2010	$1 750	10	0
—1 July 2010–30 June 2011	$1 500	3 972	5
—1 July 2011–30 June 2012	$1 250	11 778	1 551
—1 July 2012–30 June 2013	$1 000	NA[1]	5 466
Total grants paid		**16 124**	**7 480**
Value of payments		$22 018 750	$8 427 608

1   Conversions done in 2012–13 cannot be claimed in 2011–12.

ANCILLARY SERVICES AND SUPPORT

Portability of payments

Portability is the continuation of Australian income support payments, family assistance, allowances and concessions during a customer's absence from Australia. From 1 January 2013 the period of portability for most income support and family assistance payments outside Australia changed from 13 weeks to six weeks. Customers who left Australia after 1 January 2013 are affected by this change.

The department assists customers to understand how their entitlements will be affected and assesses eligibility for payment while they are outside Australia.

Agreements

Australia currently has international social security agreements with 29 countries. The improved access to payment from other countries provided by agreements allows Australians to maximise their income and means both countries contribute to the customer's retirement income (see *International partnerships* on page 25).

16:10
Alice Springs, NT
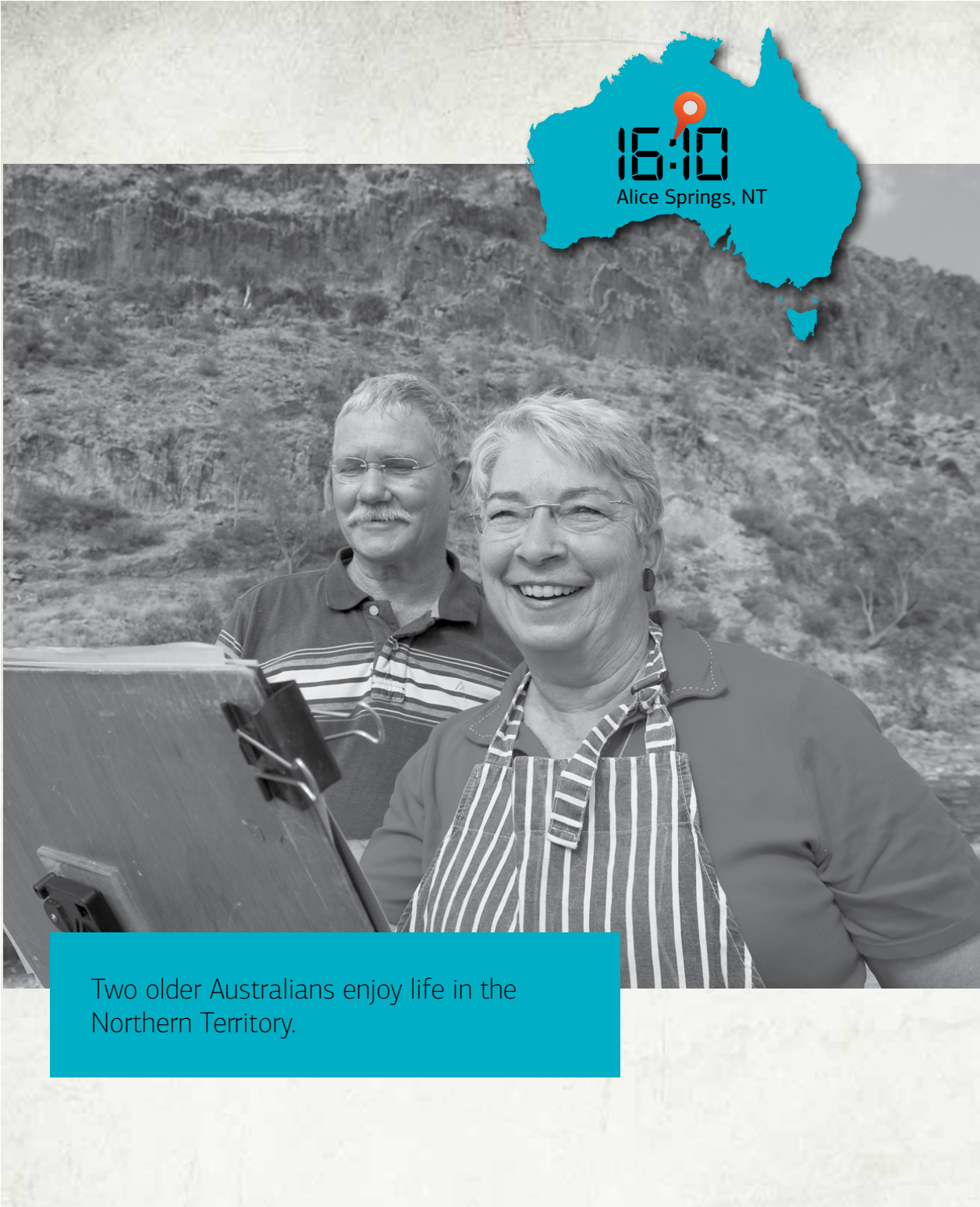
Two older Australians enjoy life in the Northern Territory.

Concession cards

The department issues six different types of concession and health care cards:

- 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. For example, visits to doctors or having medical tests may cost less once cardholders reach the Medicare Safety Net threshold. Cardholders may also find medicines cost less under the Pharmaceutical Benefits Scheme (PBS) and the PBS Safety Net.

Most people receiving an income support payment will automatically receive a concession or health care card. Partners and children may also be covered by a person's card if it relates to an income support payment.

The children of a Low Income Health Care Card cardholder may also be covered by the card.

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

Rent Assistance

Rent Assistance is paid to assist individuals and families with the cost of renting privately. Rent Assistance may be paid to people who:

- receive a pension
- have dependent children and receive more than the base rate of FTB
- have care of a child between 14 and 35 per cent of the time and are not eligible for FTB but do meet other FTB requirements
- receive an allowance or benefit, in certain circumstances, but do not have dependent children.

The amount of Rent Assistance varies depending on family circumstances and the amount of rent paid.

Advance payments

An Advance Payment is a lump sum payment of the customer's future entitlement and 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. Pensioners can receive multiple advance payments depending on the amount available at each application. The minimum and maximum amounts available to pensioners depend on their individual pension rate. FTB customers can receive a regular advance that is paid each 26 weeks as long as they remain eligible. Regular advance payments are paid at the minimum FTB advance payment amount. FTB customers can also apply for a one-off FTB advance payment. The rate of this depends on the individual FTB.

Bereavement payments

A bereavement payment helps ease the adjustment to changed financial circumstances following the death of a customer's partner, child or care receiver. The amount of payment depends on individual circumstances. Customers can choose to receive the FTB Bereavement Payment as a lump sum, or fortnightly payments. All other bereavement payments are paid as a lump sum.

The Bereavement Allowance is a short-term income support payment that provides a level of support to recently widowed people. It is paid under the pensions income and assets test for a maximum period of 14 weeks following the death of a person's partner. If the customer is pregnant at the time of the death of a partner, the Bereavement Allowance can be paid for the duration of the pregnancy.

5

Health, rehabilitation and superannuation services

The department ensures that people have access to a wide range of health services through Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register and the Australian Organ Donor Register. We also deliver a range of payments and services for medical practitioners and other health providers.

Through CRS Australia we provide disability employment services, working in collaboration with non-government agencies and large employers. We also support government policy for small business, including through the Small Business Superannuation Clearing House.

Providing these services enables us to deliver against our first strategic theme—government outcomes, customer outcomes.

We contributed to the implementation of the Personally Controlled Electronic Health Record (eHealth record) system, a secure electronic summary of an individual's health information, by providing consumer and health care professional registration and enquiry services.

PERFORMANCE HIGHLIGHTS

- 96 per cent of bulk bill Medicare claims were lodged electronically by medical practitioners.

- 75 per cent of general practitioner Medicare claims and 42 per cent of specialist Medicare claims were lodged electronically by medical practices on behalf of patients or by patients via the internet.

- 99 per cent of in-hospital services were processed electronically, through simplified billing.

- More than 5.9 million people had their organ and/or tissue donation decision registered on the Australian Organ Donation Register.

- 344 million services were processed under the Medicare Benefits Schedule representing $18.6 billion in benefits.

- 211.1 million services were processed under the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme, representing $9.5 billion in benefits.

- We delivered over $10.5 billion in payments to aged care residential, community and flexible care services and are implementing changes as part of the Living Longer. Living Better Aged Care reforms.
- Since establishment in 2010, over $1 billion in superannuation payments has been processed through the Small Business Superannuation Clearing House.

MEDICARE

Medicare is Australia's universal health care system, which gives people access to free or low cost health and hospital care, with options to also choose private health services.

The department delivers Medicare in collaboration with the Department of Health and Ageing (DoHA). In 2012–13, 23.4 million Australians were enrolled in Medicare.

In 2012–13, $18.6 billion in benefits was paid with continued growth in the number of services bulk billed, as well as in electronic claiming for all medical providers.

Eligibility overview

To be eligible for Medicare, a person must reside in Australia and be one of the following:
- an Australian citizen
- a permanent resident or a New Zealand citizen residing in Australia
- an applicant for permanent residency, meeting certain other criteria (noting that 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).

Medical practitioners, nurse practitioners and midwives must meet legislative requirements, including registration with the Australian Health Practitioner Regulation Agency (AHPRA) and the department, before they can provide Medicare rebatable services to the public. Allied health professionals must meet specific eligibility criteria, which may involve registration with AHPRA or another recognised body, before requesting access to Medicare benefits through the department.

Table 18: Medicare enrolments

Enrolments	2010–11	2011–12	2012–13	% change[2]
People enrolled at 30 June[1]	22.5 million	22.9 million	23.4 million	+2.2
Active cards at 30 June	12.7 million	13.0 million	13.3 million	+2.3
New enrolments	563 423	598 403	618 533	+3.4

1 People enrolled includes some people who are not Australian residents, such as visitors from countries that have reciprocal health care agreements with Australia and people covered under ministerial orders.

2 Percentage change between 2011–12 and 2012–13.

MEDICARE LEVY EXEMPTIONS

People not eligible for Medicare may apply to be exempted from paying the Medicare levy, which is administered by the Australian Taxation Office (ATO). If approved, the department issues them with a Medicare Levy Exemption Certificate, which the ATO may require in the future.

Table 19: Medicare levy exemptions

	2010–11	2011–12	2012–13	% change[1]
Accepted applications	75 407	90 764	95 190	+4.9
Rejected applications	2 612	3 656	4 148	+13.5
Total applications	**78 019**	**94 420**	**99 338**	**+5.2**

1 Percentage change between 2011–12 and 2012–13.

Medicare Safety Net

The Medicare Safety Net can help eligible people with the cost of out-of-hospital medical services. There were two different Medicare safety nets in 2013:

- the Original Medicare Safety Net (based on the gap amount—that is, the difference between the Medicare Benefits Schedule Fee and the Medicare benefit) has one threshold of $421.70

- the Extended Medicare Safety Net (based on out-of-pocket costs—that is, the difference between the doctor's charge and the Medicare benefit) has two threshold levels: $610.70 for concession cardholders and Family Tax Benefit Part A recipients, and a general threshold of $1221.90 for all individuals, registered couples and families.

The thresholds are indexed annually and apply to a calendar year.

Medicare claiming

A health professional can bulk bill a patient—that is, the health professional can claim the Medicare benefit directly 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 practice staff can lodge the claim electronically with the department, if the doctor or practice offers electronic claiming, or
- paying the account and then claiming the benefit from the department, or
- claiming the unpaid account from the department and receive a cheque made out in the health professional's name to give to the health professional along with any outstanding balance.

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

Table 20: Medicare services by claim type

	2010–11	2011–12	2012–13	% change[2]
Services				
Medicare bulk billed	240.2 million	252.7 million	263.0 million	+4.1
Patient claimed	57.3 million	56.6 million	55.1 million	−2.7
Simplified billing[1]	21.6 million	23.3 million	25.8 million	+10.7
Total services processed	**319.1 million**	**332.6 million**	**344.0 million**	**+3.4**
Benefits				
Medicare bulk billed	$10.7 billion	$11.7 billion	$12.4 billion	+6.0
Patient claimed	$4.1 billion	$4.2 billion	$4.2 billion	0.0
Simplified billing	$1.6 billion	$1.8 billion	$2.0 billion	+11.1
Total benefits paid	**$16.3 billion**	**$17.8 billion**	**$18.6 billion**	**+4.5**
Average benefit per service	$51.32	$53.21	$54.15	+1.8
Average period (date of lodgement to processing)	2.2 days	2.6 days	2.6 days	0 days

1   In-hospital claims lodged electronically.

2   Percentage change between 2011–12 and 2012–13.

There were 344 million services processed for payment by Electronic Funds Transfer (EFT), cheque or cash for paid accounts. Unpaid patient accounts were paid by cheques issued to the health professional via the claimant.

Table 21: Medicare services by payment type

	2010–11	%	2011–12	%	2012–13	%
Cash to claimant[1]	26.6 million	8.3	23.9 million	7.2	1.7 million	0.5
Cheque to claimant	2.8 million	0.9	2.6 million	0.8	3.4 million	1.0
EFT to claimant	13.5 million	4.2	16.0 million	4.8	34.4 million	10.0
EFTPOS payment to claimant	5.5 million	1.7	6.7 million	2.0	9.3 million	2.7
Cheque to health professional	8.7 million	2.7	7.0 million	2.1	1.6 million	0.5
EFT to health professional	231.5 million	72.5	245.7 million	73.9	261.4 million	76.0
Pay doctor via claimant cheque	8.8 million	2.8	7.5 million	2.3	6.4 million	1.9
Payment to private health fund or billing agent[2]	21.6 million	6.8	23.3 million	7.0	25.8 million	7.5
Total services	**319.1 million**	**100**	**332.6 million**	**100**	**344.0 million**	**100**

1   Cash payments were phased out from 1 July 2012.

2   In hospital claims lodged electronically.

Medicare electronic claiming

Electronic claiming is a convenient way for health professionals and the public to lodge claims for Medicare benefits. The five options for lodging Medicare claims electronically are:

- Medicare Online—a secure internet connection used to lodge claims from a medical practice
- Medicare Easyclaim—a secure EFTPOS terminal (standalone or integrated with practice management software) used to lodge claims from a medical practice
- ECLIPSE—for claiming services provided in hospitals. ECLIPSE provides a secure connection between providers, public and private hospitals, billing agents and private health insurers
- Claiming Medicare Benefits Online—allows patients to lodge online claims for 25 items including five of the most common general practitioner (GP) consultations
- SMTP—which uses an electronic format similar to email for claiming services provided in hospitals involving private health insurers.

See also *Reaping the benefits of electronic services* on page 106.

Most medical practitioners lodge bulk bill claims electronically, benefiting from streamlined processing and improved cash flow. At 30 June 2013, 95.8 per cent of bulk bill claims were lodged electronically (see Figure 4) compared with 94 per cent at 30 June 2012.

Medicare electronic claiming is also becoming the preferred claiming option for patient and in-hospital claims. Electronic patient claiming continued to grow with 75 per cent of GP claims (an increase of 15 per cent from 2011–12) and 42 per cent of specialist claims (an increase of 17 per cent from 2011–12) lodged electronically. At 30 June 2013, 99.4 per cent of in-hospital services were processed electronically using simplified billing, of which almost 66 per cent was processed using ECLIPSE (an increase of 4 per cent on the previous 12 months) and the remaining 34 per cent via the SMTP system.

During 2012–13 Medicare benefits in service centres were paid by electronic payment options—benefits are paid straight into the customer's bank account by either EFT or credit EFTPOS. Feedback from customers has been overwhelmingly positive.

Figure 4: Medicare services by claim type—electronic and manual
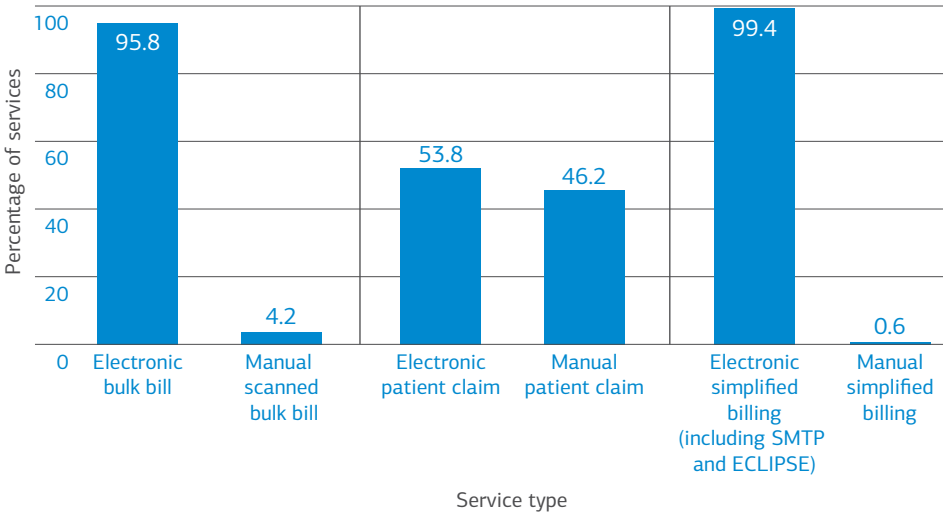
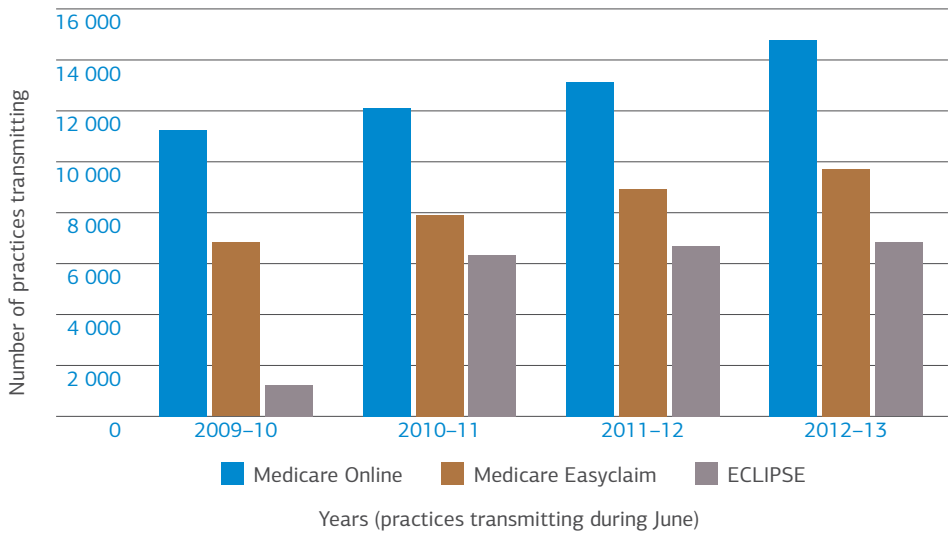**Figure 5**: Practices transmitting electronically 2009–10 to 2012–13

Years (practices transmitting during June)

Table 22: Volumes of services transmitted electronically excluding Simple Mail Transfer Protocol

	2009–10	2010–11	2011–12	2012–13	% change[2]
Medicare Online					
Bulk bill	198 million	207.5 million	220 million	234.5 million	+6.6
Patient claim	11.7 million	12.1 million	13.4 million	21.7 million	+61.9
Medicare Easyclaim					
Bulk bill	11.2 million	15.2 million	17.4 million	17.3 million	–0.6
Patient claim	3.7 million	5.5 million	6.6 million	7.7 million	+16.7
ECLIPSE					
ECLIPSE	3.0 million	7.9 million	13.7 million	16.9 million	+23.4
Claiming Medicare Benefits Online					
Claiming Medicare Benefits Online	NA[1]	31 900	133 000	211 200	+58.8
Total services	**227.6 million**	**248.3 million**	**271.2 million**	**298.3 million**	**+9.9**
Percentage of overall claims lodged electronically	73.8%	77.8%	81.5%	86.7%	+6.4

1   Claiming Medicare Benefits Online began on 27 February 2011.

2   Percentage change between 2011–12 and 2012–13.

Figure 6 shows examples of growth in monthly traffic for Medicare Online, Medicare Easyclaim and total electronic services over the past three years. It also shows the continuing decline of all manual services.

Figure 6: Patient claim by lodgement type
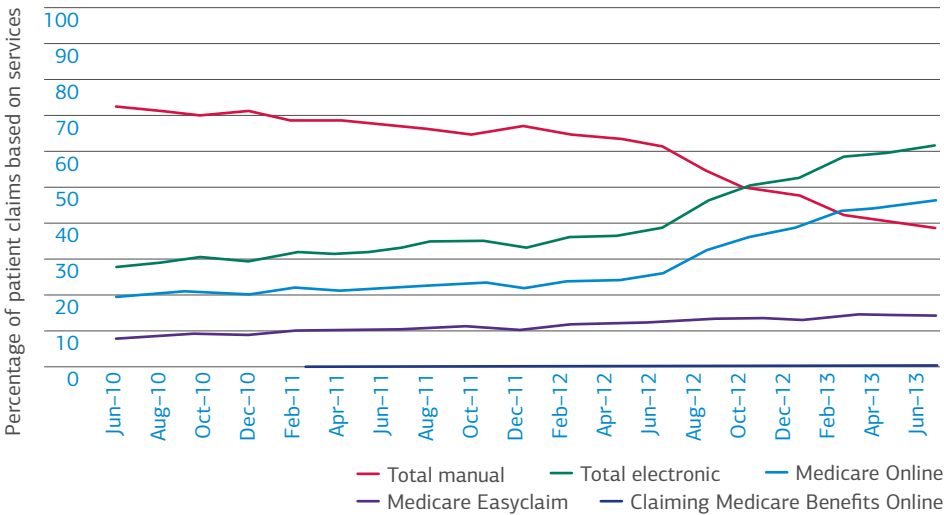
Telehealth Medicare services

The Telehealth program provides Medicare benefits and financial incentive payments to encourage eligible medical practitioners to use video consultations to reach their patients in eligible geographic areas.

Veterans' Affairs processing

The Department of Veterans' Affairs (DVA) assesses veterans' eligibility for medical payments. In collaboration with DVA, the department assesses claims and makes payments to medical, hospital and allied health professionals who treat eligible veterans, spouses and dependants. The department also produces DVA gold cards (for all conditions), white cards (for specific conditions) and orange cards (for pharmaceuticals).

In 2012–13 the department processed 20.6 million services and paid more than $2.1 billion in health benefits for DVA, compared with 21.2 million services and more than $2.1 billion in health benefits in 2011–12.

The department and DVA continue to promote electronic claiming as the primary means of doing business with government. For health professionals, electronic claiming means faster payment times, paperless lodgement of claims, electronic reconciliation of claims, and electronic confirmation of patient details. It also reduces administrative costs for DVA.

DVA online claiming increased to 72.2 per cent in 2012–13, compared with 69.6 per cent in 2011–12.

Table 23: Department of Veterans' Affairs processing

	2010–11	2011–12	2012–13	% change[3]
Cards produced[1]	301 467	19 427[2]	19 334	–0.5
Services processed	22.2 million	21.2 million	20.6 million	–2.8
Total benefits paid	$2.4 billion	$2.1 billion	$2.1 billion	0.0

1   Personal Treatment Entitlement cards, Repatriation Pharmaceutical Benefits Scheme cards, Specific Treatment Entitlement cards and Totally and Permanently Incapacitated Gold cards.

2   Reduction due to a bulk reissue undertaken in 2010–11.

3   Percentage change between 2011–12 and 2012–13.

Australian Childhood Immunisation Register

The Australian Childhood Immunisation Register records information on vaccinations given to children under seven years of age.

Authorised immunisation providers and the child's parent or guardian can access vaccination records. These records also assist with determining eligibility for various family assistance payments.

Parents and guardians can also obtain immunisation history statements for their children. They can be used as proof of immunisation for enrolment in school or child care.

Table 24: Australian Childhood Immunisation Register

	2010–11	2011–12	2012–13	% change[2]
Valid immunisation episodes recorded at 30 June	4.6 million	5.0 million	5.0 million	0.0
Children under seven years of age registered at 30 June	2.1 million	2.2 million	2.2 million	0.0
Total amount paid to immunisation providers[1]	$9.2 million	$9.2 million	$9.2 million	0.0
Percentage of children registered with appropriate immunisation coverage at 30 June				
Children aged 12–15 months	90.3	91.9	90.4	–1.6
Children aged 24–27 months	92.8	92.3	92.1	–0.2
Children aged 60–63 months	89.6	90.5	91.8	+1.4

1   Payments are made on completion of the age-based immunisation schedule of a child, not by submission or notification of a vaccine. Therefore, the payment amount is not a reflection of the number of valid immunisation episodes in a year.

2   Percentage change between 2011–12 and 2012–13.

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 Donor 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 on the Donor Register's website, which also provides general information about organ and tissue donation for transplantation.

At 30 June 2013 more than 5.9 million people had registered their organ or tissue donation decision (both legal consent and intention), compared with just over 5.8 million in 2011–12.

Table 25: Australian Organ Donor Register

At 30 June	2011	2012	2013	% change[3]
Consent registrations (including registrations of people between 16–17 years of age)[1]	1 502 639	1 594 724	1 679 340	+5.3
Intent registrations[2]	4 258 348	4 253 711	4 264 242	+0.2
Total registrations	**5 760 987**	**5 848 435**	**5 943 582**	**+1.6**
Serviced calls to enquiry line	21 370	20 946	22 330	+6.6

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

2   Intent registrations occur when people register their decision to donate through electronic avenues such as the online registration form. Between 2000 and 2005 the Donor Register only registered 'intent' decisions. Irrespective of whether registration is consent or intent, the clinician will always seek approval from the person's family before proceeding with the donation process.

3   Percentage change between 2011–12 and 2012–13.

External Breast Prostheses Reimbursement Program

Under the External Breast Prostheses Reimbursement Program, women who have had a mastectomy 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 26: External Breast Prostheses Reimbursement Program

	2010–11	2011–12	2012–13	% change[1]
Claims processed	13 442	14 474	14 591	+0.8
Total amount paid	$5.1 million	$5.7 million	$5.9 million	+3.5

1   Percentage change between 2011–12 and 2012–13.

National Bowel Cancer Screening Program

The National Bowel Cancer Screening Program aims to reduce the rate of bowel cancer and associated mortality. The department administers the National Bowel Cancer Screening Register on behalf of DoHA.

The department's role is to:

• identify and invite eligible participants to screen

• make payments to medical professionals for providing information to the register about consultations and medical procedures for program participants who have received positive test results

• operate the Program Information Line for the general public and health professionals.

In 2012–13 the department invited 969 749 eligible people to participate in the program and received 105 443 calls to the Program Information Line.

Eligible Australians who turned 50, 55 and 65 years of age in 2012 were invited to undertake screening in the program in 2012–13. The participation rate will be reported in the Australian Institute of Health and Welfare National Bowel Cancer Screening Program Annual Monitoring report.

Table 27: National Bowel Cancer Screening Register

	2010–11	2011–12	2012–13	% change[1]
Invitations distributed	855 969	938 663	969 749	+3.3
Information line calls received	132 488	105 773	105 443	−0.3

1   Percentage change between 2011–12 and 2012–13.

Continence Aids Payment Scheme

The Continence Aids Payment Scheme gives eligible people with severe and permanent incontinence an annual or bi-annual payment to help them buy continence aids products. The department administers the scheme on behalf of DoHA. At 30 June 2013 the department had processed 31 837 applications and had paid eligible people $62 million.

Table 28: Continence Aids Payment Scheme

	2010–11	2011–12	2012–13	% change[1]
Applications processed	94 741	31 658	31 837	+0.6
Total amount paid	$39.5 million	$51.6 million	$62.0 million	+20.2

1   Percentage change between 2011–12 and 2012–13.

Medicare Teen Dental Plan

The Medicare Teen Dental Plan helps with the cost of an annual preventative dental check, making it more affordable for families to keep their teenagers' teeth in good health. More than one million teenagers are eligible for the plan each year.

In 2012–13 the department processed 370 034 services and paid more than $59.5 million in benefits under the plan, compared with 368 051 services and more than $57.4 million in 2011–12. The Medicare Teen Dental Plan will close on 31 December 2013.

Chronic Disease Dental Scheme

The Chronic Disease Dental Scheme closed on 1 December 2012.

From 1 July 2012 to 30 November 2012, more than 4.8 million services were provided to 488 261 patients with a value of approximately $656.6 million. This compares with 7 010 217 services for the full year 2011–12, provided to 625 183 patients, with a value of approximately $878.3 million.

For information about compliance with the scheme see *Ensuring health and aged care payment integrity* on page 207.

CASE STUDY

Reaping the benefits of electronic services

With the number of doctors and allied health professionals using Medicare electronic services increasing over the past few years, nearly 5000 practices are now reaping the benefits of the fast and simple options available to them.

Ensuring that practices have the best possible support with online services, one of five departmental Business Development Officers in Western Australia, Ida, plays a key role in responding to demand for assistance with the services in both metropolitan and regional areas.

Visiting the Fitzgerald Medical practice in North Perth for assistance with online claiming was typical of Ida's busy days.

Ida says: 'I am constantly "on the road" visiting workplaces of all sorts of health providers, including GPs, specialists, dentists, physiotherapists, optometrists and pathologists'.

'I first consult with providers and managers so that I can understand how they do their business and the interactions they have with the department. Then I tell them about the benefits of our suite of electronic services, including Medicare Easyclaim, online claiming and Health Professional Online Services.'

The next step is to go through the registration, installation and training processes to make sure the transition to the new services runs smoothly. But Ida's job doesn't stop there. She makes follow-up visits to practices and has regular phone contact to offer advice and answer any questions.

For practices it means faster payment of claims, less manual record-keeping and paperwork, fewer errors, and improved administrative efficiencies. And patients have also embraced the idea of Medicare's electronic services because they no longer have to visit a service centre to claim a rebate.

Ida says: 'I enjoy establishing relationships with the people I meet and empowering them to use self-service. Providers say they value the support and guidance I give them and they tell me their patients think it's great. So it's very satisfying to feel like you've helped people make a positive difference to their businesses.'

15:35
North Perth, WA

Fitzgerald Medical Practice.
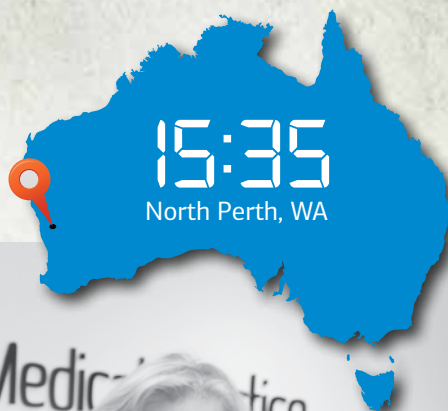
For practices it means faster payment of claims ... improved administrative efficiencies.

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 Australians 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. In 2012–13 the rebate was able to be claimed in one of three ways:

- an upfront reduction in the cost of premium—the Premiums Reduction Scheme
- payment at a service centre—the Incentive Payments Scheme
- a tax offset in annual income tax returns.

The department administers the first two methods of claiming the rebates and the ATO administers the third.

In 2012–13 the number of registered private health fund memberships increased by 4.8 per cent. Cash claims paid directly to individuals decreased by 17.4 per cent to $1.9 million and total private health fund payments were $5.2 billion. The total amount paid for the private health insurance rebate decreased in 2012–13.

Table 29: Private Health Insurance rebate

	2010–11	2011–12	2012–13	% change[1]
Memberships registered	5.9 million	6.2 million	6.5 million	+4.8
Total paid in cash claims	$2.1 million	$2.3 million	$1.9 million	−17.4
Total paid to private health funds	$4.7 billion	$5.5 billion	$5.2 billion	−5.5

1   Percentage change between 2011–12 and 2012–13.

Hearing Services Program

The Australian Government provides hearing services and products to eligible people who have been issued with a voucher from the Office of Hearing Services within DoHA.

The department processes and pays claims via the eClaim facility to accredited hearing service contractors for the Hearing Services Program. The department administers the program on behalf of the Office of Hearing Services.

Table 30: Hearing Services Program services and payments

	2010–11	2011–12	2012–13	% change[3]
Services processed[1]	1 169 901	1 218 966	1 236 515	+1.4
Total amount paid[2]	$310.3 million	$324.7 million	$312.7 million	−3.7

1 Service provided to individuals.

2 Payments made to hearing contractors.

3 Percentage change between 2011–12 and 2012–13.

Compensation Recovery Program

The Compensation Recovery Program aims to prevent double dipping when a compensation claimant receives a lump-sum settlement payment of $5000 or more.

The compensation payer, usually the insurer, must tell the department about compensation settlements so that the Australian Government can recover any Medicare benefits, nursing home benefits and residential care subsidies it pays for services related to a claimant's injury.

The claimant must tell the department which Medicare benefits they received as a result of their injury, and if any nursing home benefits or residential care subsidies were paid on their behalf.

The department then lets the claimant know if they must repay funds to the Australian Government.

Table 31: Compensation recovery cases and benefits

	2010–11	2011–12	2012–13	% change[1]
Cases finalised	46 028	44 865	40 463	−9.8
Total amount of benefits recovered	$39.7 million	$38.6 million	$43.9 million	+13.7

1 Percentage change between 2011–12 and 2012–13.

General Practice Immunisation Incentive

The General Practice Immunisation Incentive operated in conjunction with the Australian Childhood Immunisation Register to encourage the immunisation of children up to seven years of age.

The initiative ceased on 30 June 2013 as there are alternative mechanisms in place to encourage childhood immunisation.

Table 32: General Practice Immunisation Incentive payments

	2010–11	2011–12	2012–13	% change[2]
Practices registered (calculated at the time of the May quarterly payment calculation)	5 651	5 600	5 720	+2.1
Outcomes payments[1]	$20.4 million	$21.2 million	$18.6 million	−12.3
Average outcomes payment	$1 124	$1 114	$1 132	+1.6

1   Outcomes payments are made to practices that have reached the required target level. The 12.3 per cent decrease in expenditure for the program is due to the cessation of this incentive and expenditure not accruing for May and June 2013.

2   Percentage change between 2011–12 and 2012–13.

Practice Incentives Program

The Practice Incentives Program (PIP), which the department administers on behalf of DoHA, consists of 11 incentives.

The incentives, listed in Table 33, are paid to medical practices and individual providers to encourage improvements to general practice.

The After-hours Incentive ceased on 30 June 2013. In its place, the newly established Medicare Locals network will work with local GPs, health professionals and the community to support a comprehensive regional approach to after-hours primary health care that best meets the community's needs.

Medicare Locals are government-funded local organisations that have been established to plan and fund extra health services in communities across Australia.

Table 33: Practice Incentives Program payments

After-hours	Incentive payments encourage general practices to ensure their patients have access to quality after-hours care.
Aged care access	Service Incentive Payments (SIPs) to GPs encourage increased and continuing services in Commonwealth-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 last four years, increasing overall screening rates. SIPs are available to GPs for each cervical smear taken on a woman from 20 to 69 years of age who has not had a cervical smear in the last 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 34: Practice Incentives Program

	2011–12	2012–13	% change
Total number of practices participating	4 949	5 189	+4.8
Practices registered per incentive[1]			
After-Hours Tier 1—Ensuring all regular practice patients have access to care from a doctor, 24 hours a day, seven days a week	4 563	4 670	+2.3
After-Hours Tier 2—Practices with a SWPE[2] value of 2000 or less must provide at least 10 hours of after-hours care for regular practice patients. Practices with a SWPE[2] value of more than 2000 must provide at least 15 hours of after-hours care for regular practice patients.	2 797	2 825	+1.0
After-Hours Tier 3—Provides all after-hours care for regular practice patients, 24 hours a day, seven days a week	1 223	1 246	+1.9
Asthma	2 872	3 136	+9.2
Cervical screening	2 961	3 220	+8.7
Diabetes	2 944	3 209	+9.0
eHealth	4 479	4 012[5]	–10.4
Indigenous health	2 987	3 417	+14.4
Procedural GP	1 531	1 507	–1.6
Practices receiving outcomes payments[3]			
Cervical screening	910	1 017	+11.8
Diabetes	2 236	2 437	+9.0
Indigenous health	3 528	4 356	+23.5
Other information			
Patients registered under the Indigenous Health Incentive	43 988	54 944	+24.9
Teaching sessions	197 042	196 494	–0.3
Service Incentive Payments[4] (Aged care access, Asthma, Cervical Screening, Diabetes incentives)	54 553	57 824	+6.0
Total amount paid at 30 June	$304.3 million	$279.6 million	–8.1

1 Practices are automatically registered for the teaching, rural loading and quality prescribing incentives when approved for the program.

2 PIP payments to practices are based on the practice's Standardised Whole Patient Equivalent (SWPE). The SWPE value of a practice is calculated from the sum of fractions of care provided to practice patients by all GPs in the practice and then weighted for the age and gender of each patient.

3 Outcome payments are made to practices that have reached the target level required to receive the incentive under the program. This is the number of practices that received a payment in the May quarter.

4 This is the total number of Service Incentive Payments which includes the Aged care access, Asthma Incentive, Cervical Screening and Diabetes incentives.

5 From February 2013 eHealth requirements were changed and practices meeting the new requirements had to reapply.

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 current Royal Australian College of General Practitioners Standards for general practices.

At 30 June 2013, 3994 practices were approved and eligible practices were paid more than $313.2 million, compared with 3571 practices approved and eligible practices paid more than $141.5 million in 2011–12.

Mental Health Nurse Incentive Program

The Mental Health Nurse Incentive Program funds community-based general practices, private psychiatric practices and other eligible organisations to engage mental health nurses in providing coordinated clinical care for people with severe mental health disorders.

Based on defined criteria, GPs and psychiatrists determine whether patients have a severe mental health disorder and would benefit from receiving mental health services under this initiative.

Table 35: Mental Health Nurse Incentive Program

	2010–11	2011–12	2012–13
Practices participating at 30 June	777	897	418
Total incentive amounts paid	$27.4 million	$35.4 million	$35.2 million
Eligible organisations receiving establishment payments[1]	69	88	25
Total establishment amounts paid[1]	$500 000	$800 000	$125 000
Total amount paid	$27.9 million	$36.2 million	$35.3 million

1   The number of organisations participating in 2011–12 represented all organisations that had been registered for the incentive since 2007. To provide a more transparent value for organisations receiving benefits under the program, the 2012–13 number represents the number of organisations eligible for payments during 2012–13.

Rural health programs

Four rural health programs 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 comprises:

- a GP component
- a Registrar component
- a Rural Relocation Incentive Grant.

The program encourages medical practitioners to practise in rural and remote communities and promotes careers in rural medicine.

In 2012–13, 12 771 payments were made under the program across the three components.

Table 36: General Practice Rural Incentives Program—GP component

	2010–11	2011–12	2012–13	% change[2]
Medical practitioners paid	2 901	9 051	9 836	+8.7
Payments made	3 000	9 730	10 981	+12.9
Total amount paid	$53.8 million[1]	$88.4 million	$103.6 million	+17.2

1 This is an accrued figure.
2 Percentage change between 2011–12 and 2012–13.

Table 37: General Practice Rural Incentives Program—Registrar component

	2010–11	2011–12	2012–13	% change[1]
Medical practitioners paid	505	1 454	1 696	+16.6
Payments made	581	1 475	1 729	+17.2
Total amount paid	$8.8 million	$18.4 million	$8.7 million	−52.7

1 Percentage change between 2011–12 and 2012–13.

Table 38: General Practice Rural Incentives Program—Rural Relocation Incentive Grant

	2010–11	2011–12	2012–13	% change[1]
Medical practitioners paid	0	33	55	+66.7
Payments made	0	33	61	+84.8
Total amount paid	0	$603 038	$857 143	+42.1

1 Percentage change between 2011–12 and 2012–13.

HECS REIMBURSEMENT SCHEME

The HECS Reimbursement Scheme encourages medical graduates to pursue a career in rural medicine and increases the number of doctors in rural and regional areas.

Eligible graduates, who have completed their final year of study and obtained their medical degree in the last six years, have a proportion of their HECS debt reimbursed for each year of training undertaken or service provided in rural and remote Australia.

Payments are scaled to provide the greatest rewards for medical practitioners working in the most remote areas. The Australian Standard Geographical Classification Remoteness Area system is used to define eligible areas.

In 2012–13 the total amount paid increased due to an increase in providers in more remote areas which attract a higher HECS reimbursement rate.

Table 39: HECS Reimbursement Scheme

	2010–11	2011–12	2012–13	% change[1]
Medical graduates paid	523	748	1 011	+35.2
Payments made	873	1 186	1 738	+46.5
Total amount paid	$5.3 million	$10.6 million	$14.3 million	+34.9

1   Percentage change between 2011–12 and 2012–13.

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.

For procedural GPs in specified locations, the program covers the cost of up to 10 days of training, to a total of $20 000 per GP a year.

For emergency medicine GPs in specified locations, the program covers the cost of up to three days of training, to a total of $6000 per GP a year.

The Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners determine eligibility.

Table 40: Rural Procedural Grants Program

	2010–11	2011–12	2012–13	% change[1]
Medical practitioners paid	1 633	1 760	1 824	+3.6
Payments made	3 937	4 115	4 105	−0.2
Total amount paid	$15.7 million	$16.0 million	$15.8 million	−1.3

1   Percentage change between 2011–12 and 2012–13.

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.

The Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners determine eligibility.

In 2012–13 the total amount paid decreased due to a reduced number of claims submitted by the Australian College of Rural and Remote Medicine and the Royal Australian College of General Practitioners.

Table 41: Rural Locum Education Assistance Program

	2010–11	2011–12	2012–13	% change[1]
GPs allowed to participate	105	42	49	+16.7
GPs paid	70	39	34	−12.8
Payments made	95	55	37	−32.7
Total amount paid	$371 000	$191 000	$116 000	−39.3

1   Percentage change between 2011–12 and 2012–13.

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. The scheme has two thresholds that depend on the date the claim was first notified to the insurer. No claims have been 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. This scheme has three thresholds that depend on the date the claim was first notified to the insurer.

Table 42: High Cost Claims Indemnity Scheme claims processed

	2010–11	2011–12	2012–13	% change[1]
Claims received	122	124	211	+70.2
Total benefits paid	$24.5 million	$20.3 million	$33.4 million	+64.5

1   Percentage change between 2011–12 and 2012–13.

The increase in claims processed in 2012–13 reflects an increase in the number of incidents arising in claims for eligible High Cost Claims Scheme medical practitioners.

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 ensures that if a medical practitioner's gross medical indemnity costs exceed 7.5 per cent of their private medical income, they will pay 30 cents in the dollar for the cost of the premium beyond the threshold.

Actual income is used as part of the formula for determining their eligibility for a subsidy.

Table 43: Premium Support Scheme participation and revenue

	2010–11	2011–12	2012–13	% change[1]
Total eligible practitioners	2 191	2 013	1 993	−1.0
Total amount paid	$13.1 million	$11.4 million	$9.3 million	−18.4
Total administration fees	$2.5 million	$2.5 million	$2.4 million	−4.0

1   Percentage change between 2011–12 and 2012–13.

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 will mirror the last claims arrangement they had with their insurer.

Table 44: Run-off Cover Scheme

	2010–11	2011–12	2012–13	% change[1]
Claims received	25	27	72	+166.7
Total benefit paid	$4.6 million	$1.7 million	$2.9 million	+70.6

1   Percentage change between 2011–12 and 2012–13.

In 2012–13 the number of claims received and the total benefit paid increased. It is anticipated that this trend will continue as more medical practitioners become eligible for this scheme.

RUN-OFF COVER SCHEME SUPPORT PAYMENT

Under the Run-off Cover Scheme, the government guarantees funding for claims against eligible medical practitioners who have left the private medical workforce and have been provided with free run-off cover. The 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 scheme. Medical indemnity insurers will be reimbursed implementation and compliance costs.

Under this program, two types of fees are paid: implementation fees and administration fees. In 2012–13, $2.4 million in administration fees was paid, compared with $1.4 million in 2011–12. 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 (the United Medical Protection Support Payment) imposed on those people who were members of United Medical Protection on 30 June 2000.

Table 45: Incurred-But-Not-Reported Indemnity Claims Scheme

	2010–11	2011–12	2012–13	% change[1]
Claims received	125	75	34	−54.7
Total benefits paid	$13.4 million	$3.9 million	$3.7 million	−5.1

1   Percentage change between 2011–12 and 2012–13.

In 2012–13 the number of claims decreased. To meet eligibility requirements for the Incurred-But-Not-Reported Indemnity Claims Scheme, incidents that lead to claims must have occurred prior to 30 June 2000. The number of unreported incidents is expected to decrease in future.

COMPETITIVE ADVANTAGE PAYMENT

Under the Competitive Advantage Payment Scheme, medical indemnity insurers that benefit from the Incurred-But-Not-Reported Indemnity Claims Scheme must make a payment to the government that reflects their level of competitive advantage. In 2012–13 no competitive advantage payments were made, as was also the case in 2011–12.

UNITED MEDICAL PROTECTION SUPPORT PAYMENT

The United Medical Protection Support Payment was introduced in 2002 when United Medical Protection (now known as Avant Insurance Limited) entered provisional financial liquidation. The payment provides ongoing assurance for medical professionals who were members of United Medical Protection on 30 June 2000, in the form of indemnity for past incidents. In 2008–09 the United Medical Protection Support Payment operated for the last time. The final outstanding debt under the United Medical Protection Support Payment was resolved during 2012–13 and the scheme will be closed.

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 eligible midwives. It benefits private independent midwives by providing indemnity insurance policies.

LEVEL 1 AND 2 COMMONWEALTH CONTRIBUTIONS (CLAIMS SCHEMES)

The Level 1 and Level 2 Commonwealth Contributions (Claims Schemes) were introduced to assist insurers with the financial liability incurred for claims made against eligible midwives. The amount that can be claimed depends on the insurer's liability relating to the claim against the midwife and the relevant scheme thresholds. No claims have been submitted against these schemes since they were introduced in 2010.

Table 46: Level 1 and Level 2 Commonwealth Contributions (Claims Schemes) threshold amounts

Commonwealth contribution	Threshold amount
Level 1 Commonwealth Contribution	$100 000
Level 2 Commonwealth Contribution	$2 000 000

RUN-OFF COVER COMMONWEALTH CONTRIBUTIONS (CLAIMS SCHEME)

Professional indemnity insurers may submit eligible midwife indemnity claims to be reimbursed by the government. To fund this scheme, the insurer pays a levy on the total midwife premiums collected. The collected levy contributes to midwife run-off cover claim payments.

Run-off cover assists eligible insurers with claims made against midwives who:

- are retired
- were not engaged in private practice during the preceding three years
- have a permanent disability

- are deceased
- are on maternity leave, or
- have permanently left private midwifery practice in Australia.

The Australian Government reimburses the insurer 100 per cent of an eligible claim. No claims have been submitted against this scheme since it was introduced in 2010.

MIDWIFE INDEMNITY ADMINISTRATION FEES

Run-off Cover Scheme administration fees (see Table 47) are paid to professional indemnity insurers to compensate for the work they undertake to administer the scheme.

Table 47: Midwife Professional Indemnity Scheme administration fees

	2010–11	2011–12	2012–13	% change[1]
Administration fees paid	$170 320	$162 468	$173 916	+7.0

1   Percentage change between 2011–12 and 2012–13.

Visiting Medical Practitioners Program

Under a service agreement with the Western Australian Government, the department administers a payment and information system for hospital staff to process claims from visiting health professionals who treat public hospital patients under individual contracts with participating public hospitals in Western Australia.

In 2012–13 the department assessed invoices valued at more than $71.3 million for 283 621 services. This compares with $69.7 million for 295 464 services in 2011–12.

Australian Health Survey

The department processes Australian Health Survey reimbursement payments on behalf of the Australian Bureau of Statistics, which administers the survey.

The survey respondents were asked to volunteer biomedical samples for pathology testing, for which the department reimbursed $50 to eligible participants. The reimbursement offsets reasonable costs for having to attend a pathology collection centre.

The reduction in Australian Health Survey reimbursement is due to a smaller sample of survey respondents in 2012–13.

Table 48: Australian Health Survey reimbursement claims and payments

	2010–11	2011–12	2012–13	% change[1]
Total claims received	1 762	6 720	1 208	−82.0
Total claims paid	1 627	6 774	1 240	−81.7
Total amount paid	$81 350	$338 250	$62 150	−81.6

1   Percentage change between 2011–12 and 2012–13.

Medical, dental and pharmaceutical advisers

The department employs more than 40 health professionals, such as doctors, pharmacists, dentists and an optometrist, to provide specialist advice to both internal and external stakeholders.

These advisers regularly meet with health professional organisations and regulatory authorities to provide input into various activities including:

- improving the quality and consistency of information provided by the department to its stakeholders
- responding to requests for advice from health professionals
- conducting the Practitioner Review Program with health professionals
- interpreting and assessing complex claims
- developing educational products.

National Health Funding Administrator Payments System

The National Health Funding Administrator Payments System, implemented on 23 June 2012, supports the reforms to Australian Government and state and territory government funding arrangements for hospital services.

Under an agreement with the National Health Funding Body, the department provides program, corporate and support services to assist the Administrator of the National Health Funding Pool and the National Health Funding Body to carry out their functions.

All states and territories use the payments system and in 2012–13 more than $26.5 billion in payments was made through the system.

PHARMACEUTICAL BENEFITS SCHEME

The Pharmaceutical Benefits Scheme (PBS) subsidises the cost of many prescription medicines, making them more affordable for all Australian residents and eligible overseas visitors.

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.

The department administers both schemes, processing pharmacists' claims, approving authority prescriptions, approving pharmacists and certain doctors to supply PBS medicines, and approving private hospitals and participating public hospitals to supply PBS medicines to eligible patients. It also administers associated programs that support access to medicines and their quality use, such as pharmacist incentive payments.

In 2012–13, 211.1 million services were processed under the PBS and RPBS, representing $9.5 billion in benefits (see Table 49).

Total PBS and RPBS benefits paid in 2012–13 decreased by 2.1 per cent, and total services processed in 2012–13 increased by 1.3 per cent.

Table 49: PBS and RPBS expenditure

	2008–09	2009–10	2010–11	2011–12	2012–13	% change[3]
PBS benefits paid[1]	$7.2 billion	$7.8 billion	$8.9 billion	$9.3 billion	$9.1 billion	−2.2
RPBS benefits paid[2]	$475.3 million	$485.3 million	$508.1 million	$469.8 million	$423.6 million	−9.8
Total benefits paid	**$7.7 billion**	**$8.3 billion**	**$9.5 billion**	**$9.7 billion**	**$9.5 billion**	**−2.1**
PBS services processed	181.7 million	183.9 million	188.3 million	195.5 million	198.7 million	+1.6
RPBS services processed[2]	14.3 million	13.8 million	13.3 million	12.9 million	12.4 million	−3.9
Total services processed	**196 million**	**197.7 million**	**201.5 million**	**208.4 million**	**211.1 million**	**+1.3**

1   PBS benefits paid from 2011–12 includes Highly Specialised Drugs in private hospitals.

2   Payments/services processed on behalf of DVA.

3   Percentage change between 2011–12 and 2012–13.

PBS eligibility

The price paid for the PBS medicines depends on a person's level of eligibility. The two levels of eligibility are the general rate and the concession rate. The patient contribution at the general rate rose to $36.10 from 1 January 2013. Patients and their families with a valid concession card from the department or DVA are eligible at the concession rate of $5.90. These figures are adjusted on 1 January each year, in line with the consumer price index. Patients pay extra for more expensive brands of medicines.

PBS Safety Net

The PBS Safety Net helps people who require a lot of prescription medicines in a calendar year with the cost of their medicines.

To qualify for the PBS Safety Net, people need to keep a record of all PBS medicines supplied to them or their family. They can either get a prescription record form from their pharmacist to present whenever they have a PBS prescription filled or, if they have a preferred pharmacist, they can ask their pharmacist to keep an electronic record.

The PBS Safety Net thresholds are adjusted from 1 January each year, in line with the consumer price index. The 2013 general threshold is $1390.60 and the concession threshold is $354.

Once people reach the relevant threshold, a pharmacist can issue them with a PBS Safety Net card. Their contribution for PBS medicines for the rest of the year will then be:

- $5.90 for general patients
- free for concession cardholders.

Patients 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 via the Aboriginal Health Services and some state and territory funded health services. Patients of approved remote area Aboriginal Health Services can access free PBS medicines without a prescription. People can also receive medicine in the usual way by taking a prescription to a community pharmacy.

At 30 June 2013 there were 173 approved Aboriginal Health Services around the country, compared with 169 approved Aboriginal Health Services in 2011–12.

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 for the concession patient contribution rate.

Travelling with Pharmaceutical Benefits Scheme medicines

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 2012–13 the enquiry line received more than 4500 calls and 34 000 website visits, compared with more than 3000 calls and over 27 500 website visits in 2011–12.

PBS processing

Table 50 shows data related to the administration of the PBS.

Table 50: PBS administration

Deliverables and key performance indicators	2010–11 %	2011–12 %	2012–13 %
PBS claims processed accurately[1]	98.2	98.5	98.6
PBS claims submitted online	99.1	99.4	99.6
Community pharmacy applications referred to the Australian Community Pharmacy Authority within nine days of registration by the department	97.7	99.8	100
Applicants approved to supply PBS medicines were advised within five days of the decision being made	100	100	100

1   Target ≥ 98 per cent.

Online Claiming for PBS

Online Claiming for PBS allows pharmacies to lodge prescription claims with the department each time a PBS or RPBS medicine is dispensed. At 30 June 2013, 5668 approved suppliers of PBS or RPBS medicines used Online Claiming for PBS. This is more than 99.6 per cent of approved suppliers. The system has an average response time of approximately two seconds.

Authority-required prescriptions

Authority-required medicines for the treatment of specific conditions are listed in the *Schedule of Pharmaceutical Benefits* and may require approval from the department before they are prescribed to patients. An authority prescription also allows an increased number of repeat prescriptions of PBS or RPBS medicines. In 2012–13 the department approved 6.6 million authority prescriptions.

Approving suppliers of PBS medicines

Under the *National Health Act 1953* the department can grant approvals to community pharmacies, certain doctors and hospital authorities to supply PBS medicines. A pharmacy application made under section 90 of the Act must be referred to the Australian Community Pharmacy Authority (ACPA) to determine whether it satisfies the Pharmacy Location Rules.

The number of section 90 applications referred to ACPA decreased from 620 in 2011–12 to 424 in 2012–13.

- 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 to approve.

Table 51: Approved PBS suppliers at 30 June

	2008–09	2009–10	2010–11	2011–12	2012–13
Section 90 community pharmacies	5 046	5 088	5 167	5 298	5 351
Section 92 approved medical practitioners	60	53	39	42	33
Section 94 approved hospitals	250	261	238	251[1]	331[2]
Private hospitals	80	84	89	96	95
Public hospitals participating in pharmaceutical reforms	170	177	149	155	159

1   This excludes public hospitals dispensing Highly Specialised Drugs.
2   This includes public hospitals dispensing Highly Specialised Drugs.

New initiatives

PRESCRIPTION EXCHANGE SERVICE—ELECTRONIC FEE

The Prescription Exchange Service (PES) facilitates the electronic transfer of prescription information between doctors and pharmacies. At 30 June 2013, there were two PES providers operating in Australia. The department makes monthly payments to PES providers for all eligible PBS and RPBS electronic prescriptions. The payments are made to PES providers to develop and support connectivity to enable pharmacies connected to one PES system to access electronic prescriptions held by another PES system.

This payment is in addition to the electronic prescription fee paid to pharmacies for PES prescriptions submitted online to the department.

PBS SUPPLY AND CLAIMING FROM MEDICATION CHART IN A RESIDENTIAL AGED CARE FACILITY

On 19 March 2013, a trial commenced with community pharmacies in selected sites in New South Wales to supply eligible PBS and RPBS medicines to patients in Residential Aged Care Facilities, using a National Residential Medication Chart as the prescribing authority.

Pharmaceutical reforms in public hospitals

Under the National Healthcare Agreement, the Australian Government and state and territory governments have reformed the supply of pharmaceutical benefits to eligible patients in public hospitals. Eligible patients include:

- admitted patients on discharge
- outpatients
- day patients accessing chemotherapy drugs.

The pharmaceutical reforms have been widely adopted in the Northern Territory, Queensland, South Australia, Tasmania, Victoria and Western Australia. At 30 June 2013 the department had approved 159 public hospitals under these arrangements—69 in Victoria, 50 in Queensland, 18 in Western Australia, 13 in South Australia, five in the Northern Territory and four in Tasmania. This compares with 155 public hospitals in 2011–12.

SUPPORTING THE eHEALTH PROGRAM

The eHealth program aims to deliver health system standards and infrastructure to improve safety and quality outcomes for patients and management of health information by health care providers. eHealth is transforming the way information is used to plan, manage and deliver health care services.

The department is delivering core components of the eHealth program including:

- Healthcare Identifiers Service
- the eHealth record initiative
- National Authentication Service for Health (NASH).

Healthcare Identifiers Service

The Healthcare Identifiers (HI) Service is a national system for uniquely identifying health care providers, organisations and individuals. The use of Healthcare Identifiers gives individuals and providers confidence that the right information is associated with the right individual at the point of care. A Healthcare Identifier is not a health record and is not required to receive health care or to claim health care benefits such as Medicare.

As the HI Service Operator (as defined in the *Healthcare Identifiers Act 2010*), the department assigns, collects, stores and maintains Healthcare Identifiers. Since the HI Service began on 1 July 2010, the department has:

- assigned more than 25 million Healthcare Identifiers to individuals
- collected or assigned 638 014 Healthcare Identifiers to individual health care providers
- assigned 6179 Healthcare Identifiers to health care organisations (such as hospitals or general practices).

Full details of the HI Service operations are contained in the Healthcare Identifiers Service Annual Report, which is tabled in the Parliament each year.

eHealth record

This has been the first year of the operation of the eHealth record system.

An eHealth record is a secure electronic summary of an individual's health information. Individuals control their eHealth record, including which health care providers may access it.

The department delivered the following eHealth record services in 2012–13:

- consumer registration and support services through phone, face-to-face and mail services across Australia and online
- provided, with consent, Medicare information and other data to the eHealth record system, enabling registered consumers to view their claims history for Medicare, PBS, DVA benefits and RPBS, as well as Australian Childhood Immunisation Register records and Australian Organ Donor Register information
- online and faxed-based registrations for health care provider organisations to participate in the eHealth record system.

National Authentication Service for Health

The NASH delivers authentication services for health care providers and supporting organisations. It enables individuals and organisations to exchange eHealth information securely.

The department implemented the authentication system on 1 July 2012. This built on our existing Gatekeeper accredited Public Key Infrastructure (PKI) framework—that is, the Australian Government's electronic infrastructure that allows information to be securely transmitted via the internet. It was expanded in December 2012 to allow secure messaging between health care organisations, and further expanded in February 2013 with more functionality.

In 2012–13 the department issued:

- 4735 NASH PKI certificates to health care provider organisations
- 3519 NASH PKI certificates to health care provider individuals
- 8 NASH PKI certificates to supporting organisations.

Communicating with health audiences

The department's communication activities to publicise health payments and services included promoting convenient claiming options for Medicare payments such as encouraging people to claim at their doctor's practice or online.

The department promotes many other programs and services including the:

- Australian Organ Donor Register
- Australian Childhood Immunisation Register
- National Bowel Cancer Screening Register
- External Breast Prostheses Reimbursement Program.

The department also delivers communication products for health professionals to educate and inform them about changes to payments and services, and how to do business with the department online. In 2012–13 this included publishing *Forum* and *Bulletin Board*, bi-monthly newsletters for health professionals, specialists, allied health professionals and pharmacists, which include information about Medicare and PBS services.

HEALTH PROFESSIONAL INFORMATION AND EDUCATION SERVICES

The department provides high-quality, accessible information and education resources and services to help health professionals access programs. In 2012–13 these included:

- developing and delivering 28 Medicare Benefits Schedule presentations and workshops for health professional peak bodies, which had 1188 attendees
- engaging internal and external stakeholders to develop information and education resources for health professionals
- running 56 intern training workshops with 1486 attendees under the national training program for pharmacy interns
- running 10 pharmacy student workshops with 230 attendees.

In 2012–13 targeted products were also developed to help health professionals understand the requirements for billing and claiming benefits and how to access Medicare and PBS programs. This included information about:

- new diagnostic audiology services
- better access for mental health services
- new eLearning programs for pharmacy students and interns.

During the year more than 36 000 educational products were downloaded from the department's website and there were more than 977 000 visits to its education pages.

DELIVERING AGED CARE PROGRAMS

The department delivers subsidies and supplements to approved aged care providers, in collaboration with DoHA and DVA, which develop and manage aged care policy. 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 52: Aged Care overview

	2010–11	2011–12	2012–13	% change[3]
Residential claims processed	30 033	32 992	32 647	−1.0
Community packages claims processed	13 650	14 544	14 867	+2.2
Flexible care claims:				
—Extended care at home	8 029	10 330	10 528	+1.9
—Transition care	1 044	1 143	1 176	+2.9
—Total flexible care claims processed	9 073	11 473	11 704	+2.0
Total claims processed	55 756	59 009	59 218	+0.4
Total amount paid	$9.0 billion[1]	$10.0 billion[2]	$10.5 billion[2]	+5.0
Residential aged care services (aged care homes)	2 774	2 739	2 739	0.0
Community packages services (facilities providing community packages)	1 203	1 240	1 242	+0.2
Flexible care services (facilities providing extended care at home and transition care)	930	962	965	+0.3
Active services transmitting (online claiming)	3 022	3 288	3 435	+4.5

1   Including $1.2 billion paid on behalf of DVA.

2   Including $1.3 billion paid on behalf of DVA.

3   Percentage change between 2011–12 and 2012–13.

Aged Care Education and Training Incentive Program

The department manages the Aged Care Education and Training Incentive Program on behalf of DoHA. The program provides incentive payments of up to $5000 to aged care workers employed by approved facilities who undertake specified education and training programs between 1 July 2010 and 30 June 2014. The training enhances their qualifications as a personal care worker, an enrolled nurse or a registered nurse within the aged care sector.

Table 53: Aged Care Education and Training Incentive

	2010–11	2011–12	2012–13
Vocational education and training courses	2 581	9 845	11 035
Enrolled nurse training course	1 506	2 911	2 357
Registered nurse training course	582	1 218	1 147
Total incentive processed	5 984	15 392	16 409
Total amount paid	$4.8 million	$8.5 million	$9.9 million

Income and assets assessments for aged care residents

In 2012–13 the department continued to perform income and assets testing for entry into residential aged care on behalf of DoHA. All four key performance indicators for income and assets assessments were met.

Supporting aged care health reforms

In April 2012 the government announced the Living Longer. Living Better Aged Care Reform package.

The department's role in implementing the following Living Longer. Living Better initiatives includes:

• income and assets testing

• improving the Aged Care Funding Instrument

• providing funding for residential care

• addressing workforce pressures

• help for older Australians to stay at home

• more support for veterans in Home Care Packages and residential aged care

• tackling dementia.

PROVIDING SERVICES THROUGH CRS AUSTRALIA

CRS Australia, a division of the department, provides Disability Employment Services as well as Injury Prevention and Management Services to people with disability, an injury or health condition. It delivers its services to other agencies, organisations and government departments across Australia, under various contracted arrangements. In 2012–13, agreements for services included:

- Disability Employment Service–Disability Management Services (DES–DMS) on behalf of the Department of Education, Employment and Workplace Relations (DEEWR), which represents approximately 90 per cent of CRS Australia's revenue

- Transition to Retirement program at Australian Disability Enterprises on behalf of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)

- injury management and injury prevention services for a range of public and private sector organisations to help employers and their employees maintain a safe work environment.

At 30 June 2013 CRS Australia:

- employed around 1200 full-time equivalent service delivery staff with allied health, employment and administration expertise

- provided services in around 180 offices across Australia

- had visiting arrangements where demand did not require a full-time presence in another 140 locations.

Forging partnerships

CRS Australia recognises the value of collaboration to help its customers. In 2012–13 CRS Australia formed new partnerships at regional and national levels, and strengthened longstanding alliances and strategic relationships.

For example, in a new national partnership, Vision Australia and CRS Australia are working collaboratively to assist greater numbers of people with blindness and low vision to develop a vocational pathway and find suitable and sustainable work.

A regional partnership between Lismore Mental Health Services and CRS Australia delivers the evidence-based Lismore Integrated Employment Program (LIEP). This program supports people experiencing mental health issues to seek and successfully maintained work. The LIEP steering committee includes clinical, support and management personnel from CRS Australia, Lismore Mental Health Service, the Mental Health and Drug and Alcohol Office and DEEWR.

Providing services to other government agencies

CRS Australia provides a range of employment and rehabilitation services to government departments, under memoranda of understanding or service level agreements.

Under the current memorandum of understanding with DEEWR, CRS Australia delivers DES–DMS in all employment service areas.

CRS Australia's Injury Prevention and Management Service provides rehabilitation and injury prevention services, such as workstation assessments and occupational rehabilitation, to a range of Australian Government and state and territory government departments and private organisations.

Maximising workforce participation

In 2012–13 CRS Australia helped more than 49 400 job seekers with disabilities, placing around 11 400 in jobs through the DES–DMS. Of these job seekers, 23 366 were new job seekers and 26 063 were on programs from the previous financial year. Seventy-five per cent of CRS Australia's job seekers remained in work for more than 13 weeks.

Recognising the importance of jobs and training

CRS Australia recognises the importance jobs and training play in achieving social inclusion and has several partnerships and programs with employers, including a range of national retail companies and training organisations, providing training and work for job seekers.

The DEEWR-funded Job in Jeopardy program assists people who are in danger of losing their job due to an injury, disability or health condition. In 2012–13 CRS Australia assisted 625 Job in Jeopardy clients—336 new job seekers and 289 job seekers already participating in the program at the beginning of the financial year. Around 90 per cent of these clients achieved 26 weeks of sustained employment.

Building close relationships with Indigenous job seekers

In March 2013 CRS Australia introduced the *Indigenous Employment Strategy 2013–15*. The strategy and associated action plan were developed to:
- build and support an effective and representative Indigenous workforce
- achieve excellence in service delivery for Indigenous people
- improve employment outcomes for Indigenous people within CRS Australia and through employment service provision

- link into the department's Indigenous Servicing Strategy, *Reconciliation Action Plan 2012–14*, and *Aboriginal and Torres Strait Islander Employees Plan 2011–15*.

The strategy and plan bring together service delivery and people management initiatives to help CRS Australia develop its Indigenous workforce, networks, knowledge and skills to provide more effective employment service delivery. This includes ensuring service delivery strategies are appropriate and working to achieve durable job placements for Aboriginal and Torres Strait Islander peoples.

In 2012–13 CRS Australia delivered Disability Employment Services in all employment services areas across Australia, including in remote areas.

About four per cent of all CRS Australia's job seekers identify as Aboriginal or Torres Strait Islander Australians. In 2012–13 CRS Australia placed 454 Indigenous people in jobs with 356 working for 13 weeks and 299 of these achieving 26 weeks work.

DES contracts in remote areas ended on 30 June 2013. New remote servicing arrangements under the Australian Government's Remote Jobs and Communities Program began on 1 July 2013.

Providing services to other agencies and organisations

In addition to delivering DES–DMS, CRS Australia provides injury management and prevention services to government and private sector organisations. CRS Australia has ongoing agreements with non-government agencies across Australia, to provide such services as:

- Employee Assistance Program (counselling)
- injury prevention and workplace rehabilitation
- manual task training
- ergonomic assessments—workstation, worksite, home-based and vehicle.

At 30 June 2013 CRS Australia had 70 service level agreements and memoranda of understanding in place, delivering these services to around 9750 customers.

For example, CRS Australia is the sole provider for injury prevention and management services to Queensland utility company, Ergon Energy. CRS Australia offers workstation ergonomic assessments to the organisation and, where required, vehicle and WorkCover assessments.

Maintaining quality services

CRS Australia has maintained its Certificate of Compliance with the Disability Services Standards (DSS) since 2001. Compliance with the DSS is a mandatory requirement for all disability service providers.

CRS Australia ensures its quality framework complies with the DSS by:

- conducting internal reviews including individual self-assessments, case reviews, team self-assessments, internal and external audits, customer and client feedback and a complaints handling process to ensure quality service delivery to customers and clients
- conducting a surveillance audit by NCS International during October and November 2012 that demonstrated adherence with the 12 standards
- meeting DEEWR requirements through case reviews as well as internal and external audits
- regularly reviewing and updating quality assessment tools.

PROVIDING SUPERANNUATION SERVICES

Small Business Superannuation Clearing House

The Small Business Superannuation Clearing House is a free government service to assist small businesses with 19 or fewer staff to meet their superannuation guarantee obligations and cut red tape. Under superannuation guarantee requirements, small businesses must make superannuation payments at least four times a year.

The Clearing House simplifies the process into a single, electronic payment for all staff and sends the contributions to the nominated superannuation funds—avoiding the need for small businesses to deal with multiple funds.

Table 54: Small Business Superannuation Clearing House

	2010–11	2011–12	2012–13	% change[2]
Employers registered	4 781	21 920	16 303	−25.6
Employee payments made	96 600	542 651	1 107 964	+104.2
Superannuation payments made	$56.0 million	$318.5 million[1]	$661.3 million	+107.6

1   This number was rounded in the 2011–12 annual report.

2   Percentage change between 2011–12 and 2012–13.

Early Release of Superannuation Benefits

The Early Release of Superannuation Benefits on Specified Compassionate Grounds program allows eligible people to draw on their superannuation benefits in a time of need. This includes when the applicant faces difficulties meeting expenses for:

• their (or their dependants') medical condition

• their (or their dependants') transport for medical attention

• modifications to a home or vehicle because of a severe disability

• palliative care, funeral and burial expenses, or

• a forced sale of an applicant's principal place of residence by their mortgagee.

The program benefits many Australians who are experiencing financial difficulties. Table 55 shows the approvals and amounts released for the program in the past three years.

Table 55: Early release of superannuation benefits on compassionate grounds

	2010–11	2011–12	2012–13	% change[1]
Applications received	15 795	17 391	18 024	+3.6
Applications approved in full or in part	10 141	11 346	11 510	+1.4
Amount approved for release	$122 975 798	$153 674 964	$145 517 285	–5.3
Average amount released per approval	$12 127	$13 544	$12 643	–6.7

1   Percentage change between 2011–12 and 2012–13.

Superannuation benefits may also be released early on the grounds of severe financial hardship. An applicant may be considered to be in severe financial hardship if they have been receiving an income support payment for a certain period of time before application. The department's role is to confirm income support status on request, either directly to the applicant by letter, or electronically to the superannuation fund. The decision to release benefits rests solely with the superannuation fund and is subject to other criteria being met.

6

Community engagement and support for vulnerable people

The department engages with customers, staff and the community to develop and improve service delivery. We have strong and collaborative relationships with government departments, community groups, health professionals, and the not-for-profit and private sectors.

We work with government and community partners to offer a range of services to people who, for various reasons, need additional support. We work with the most vulnerable people in society, providing social work services, support for people with disability, their families and carers, and assistance and recovery services in times of natural disasters. We develop and deliver tailored communication products for multicultural audiences. We administer programs under the Closing the Gap commitment to address the gaps that Indigenous Australians experience, compared with other Australians.

Our achievement in these areas helps us to deliver two of our strategic themes—Capable and engaged people and Government outcomes, customer outcomes.

PERFORMANCE HIGHLIGHTS

- We facilitated national advisory groups and forums with representatives of peak advocacy groups, service providers, professional and industry bodies, and employers.

- We took part in community events to provide support and information.

- We implemented the Better Futures, Local Solutions trial, fostering engagement with local government and community groups to find long-term economic and social solutions to local issues.

- A network of 70 Multicultural Service Officers assisted customers from diverse cultural and linguistic backgrounds to access our services.

- We provided free translation and interpreting services in more than 230 languages through over 3000 contracted interpreters to help people interact with the department.

ENGAGING WITH OTHERS TO IMPROVE SERVICE DELIVERY

The department is committed to engaging with customers, staff and the community to seek input into designing future services. For example, in 2012–13 the department conducted nearly 100 forums that involved customers, community organisation representatives and staff participating in open, honest, and creative discussions about the way the department delivers services and how to improve them.

The feedback and ideas gathered at these forums have contributed to developments in service delivery including the department's phone, processing, frontline and online services.

The department also engages directly with a variety of stakeholders at the local level through the Community Engagement Office which works collaboratively with local community agencies everyday (see *Community Engagement Officers* on page 153).

Engagement framework

During the year we continued to refine our Engagement Framework to improve our stakeholder engagement capacity. The framework ensures strong and collaborative relationships across the Australian Government, and with community, health professionals and the not-for-profit and private sectors. This approach reflects our aim to improve effectiveness and ensure genuine and constructive stakeholder engagement that is strategically driven.

Based on this approach and to focus on strategic engagement, the department established a new group—the Department of Human Services Council on Strategy and Innovation—to advance service delivery and innovation (see page 140). The council's establishment means two other advisory groups no longer need to meet. See *Consumer Consultative Group* and *Service Delivery Advisory Group* on page 140.

The department also engages with the community sector through national advisory and consultative groups and local community engagement.

National advisory groups and forums

During 2012–13 the department facilitated several national advisory groups and forums. These involved representatives from peak advocacy groups, service providers, professional and industry bodies, and employers. The role of these advisory groups is to provide a forum to raise operational and program level issues affecting customer groups they represent, discuss enhancements to service delivery, and participate in co-design before the launch of major initiatives.

DEPARTMENT OF HUMAN SERVICES COUNCIL ON STRATEGY AND INNOVATION

The Department of Human Services Council on Strategy and Innovation, established in May 2013, provides advice on emerging opportunities for innovation in the delivery of payments and services. With extensive experience in innovation and service delivery policy, the council is diverse and includes leading health and welfare experts from non-government, private, academic and research sectors, and the Community and Public Sector Union.

CONSUMER CONSULTATIVE GROUP

The Consumer Consultative Group, which operated from July 2012 to January 2013, was replaced by the Department of Human Services Council on Strategy and Innovation. It was the peak consumer consultation forum for strategic engagement on health programs and their delivery. The group offered advice about the implementation of various products and services and the potential impact on customers.

SERVICE DELIVERY ADVISORY GROUP

The Service Delivery Advisory Group, which operated from July 2012 to January 2013, was replaced by the Department of Human Services Council on Strategy and Innovation. It included members from peak community and service delivery organisations. The group engaged with community organisations about the role of service delivery in social policy development, and looked at the service delivery needs of customers.

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, feedback and advice is exchanged on a range of issues.

NATIONAL STUDENT SERVICES PARTNERSHIP GROUP

The National Student Services Partnership Group continues to work with the department on all aspects of service delivery to students. Including representatives from education and parent peak bodies, the group meets twice a year and is chaired by the department. The department advises members of any changes to student income support policy and service delivery. Group representatives provide feedback on issues affecting students, parents and educational bodies.

In April 2013 the department produced a student payment resource guide to help members of the group and student advisory bodies to understand student payment policy.

CHILD SUPPORT NATIONAL STAKEHOLDER ENGAGEMENT GROUP

The Child Support National Stakeholder Engagement Group is a forum for government and stakeholders to achieve better outcomes for separated and separating parents. The group includes representatives from advocacy groups, legal services, community organisations, academia and other government departments with an interest in child support issues.

The group met once in 2012–13 and covered issues such as customer communication, child support collection options and changes to parent support payments.

LESBIAN, GAY, BISEXUAL, TRANSGENDER AND INTERSEX WORKING GROUP

The Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) Working Group draws on the specialised knowledge and expertise of relevant group community representatives to develop recommendations on service delivery improvements for LGBTI people and on broader issues of social inclusion. The Working Group was convened in October 2011 for an initial period of two years, and met twice in 2012–13.

MULTICULTURAL ADVISORY FORUMS AND COMMITTEES

The department consults regularly with multicultural communities at local, state and territory levels through multicultural advisory committees and forums. These committees and forums operate in areas with high multicultural populations. These consultations ensure communities know about our programs, services and new initiatives. In 2012–13 the issues raised included money management, Bridging Visa E holders, transition to work, and employment services.

NATIONAL MULTICULTURAL ADVISORY GROUP

The National Multicultural Advisory Group includes members from government agencies and peak bodies representing communities from diverse cultural and linguistic backgrounds. The group provides advice and feedback about the quality and effectiveness of our service delivery to multicultural customers. The annual face-to-face meeting was held in August 2012. Issues discussed included an analysis of the recommendations from the Expert Panel on Asylum Seekers, the National Disability Insurance Scheme and future service delivery design.

OLDER AUSTRALIANS WORKING GROUP

The department met with the Older Australians Working Group three times this year. The group has representatives of 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 Australians.

STAKEHOLDER CONSULTATIVE GROUP

The Stakeholder Consultative Group is the department's peak stakeholder consultation forum on health and aged care issues. It includes representatives and professionals from consumer, medical, allied health, pharmaceutical and aged care fields. The group engages with the department on business priorities and programs at a strategic level. The group met twice in 2012–13.

Supporting community events

The department has a strong presence in local communities and engages with community and government organisations at local and national levels. The department takes part in community events to show our support and offer information about our payments and services. We also gain valuable feedback and ideas about our services from others when we attend these events.

CARERS WEEK

Carers Week is an annual event run by Carers Australia to recognise the commitment of people caring for loved ones who are ill, frail, aged or who have a disability.

Carers Week 2012, held from 14 to 20 October, was themed 'Be Care Aware'. The department took part in 44 events throughout the country, bringing together staff, carers and community groups to recognise and celebrate the role of carers in the community.

FAMILIES WEEK

National Families Week is Australia's annual celebration of families and was held from 15 to 21 May 2013. The aim of National Families Week 2013 was to celebrate the vital role that families play. This year's theme was 'Families working together: Getting the balance right'.

The department is proud to support Families Week and share in the enjoyment of family activities within the wider community. This year staff told stories about how they helped families in their community.

HARMONY DAY

Harmony Day is celebrated on 21 March each year. It is a day to celebrate Australia's diversity and foster an understanding and cultural respect for the differences of all Australians. In 2013 the message was 'Everyone Belongs' and focused on community participation, inclusiveness, respect and a sense of belonging.

This year the department celebrated Harmony Day with the theme 'Many Stories—One Australia'. Multicultural Service Officers collaborated with local councils, organisations and businesses to host a variety of events in their communities. These included cultural food fairs and displays of national costumes worn by participants and staff.

INTERNATIONAL DAY OF PEOPLE WITH DISABILITY

International Day of People with Disability is an annual event that was celebrated across Australia on 3 December 2012. The theme was 'Removing barriers to create an inclusive and accessible society for all'.

The day marked the 20th anniversary of International Day of People with Disability. The department's Disability Champions attended a number of local community events to share their stories, the achievements of people with disability and to celebrate this milestone.

NAIDOC WEEK

NAIDOC Week 2012 was celebrated from 1 to 8 July 2012. The week acknowledges Aboriginal and Torres Strait Islander culture, history and achievements. The theme was 'Spirit of the Tent Embassy—40 years on'.

The department celebrated the week by holding more than 110 community events nationwide. We also hosted an event at the department's national office in Canberra which included a flag-raising ceremony, and performances by local Indigenous artists. As well, we announced winners of the departmental NAIDOC awards, which acknowledge the ongoing commitment that our staff make to delivering services to Indigenous customers and communities.

NATIONAL HOMELESS PERSONS' WEEK

National Homeless Persons' Week 2012 was held from 6 to 12 August 2012 to promote homelessness awareness nationwide. The theme was 'Homing In on the real issues of homelessness'. The department supported the week with various activities organised locally across the country, including Homeless Connect days, fundraising and goods donations.

REFUGEE WEEK

World Refugee Day 2013 was celebrated on 20 June 2013, with Refugee Week 2013 held from 16 to 22 June. This year staff supported the week by organising local activities to increase understanding of the issues refugees face.

SENIORS WEEK

Seniors Week is held at different times in each state and territory. In 2012–13 staff celebrated Seniors Week by supporting local events around the country.

STRENGTHENING SOCIAL INCLUSION

The department delivers a range of services that support communities and social inclusion. Importantly, we also make health and welfare payments that strengthen social inclusion and help people increase their economic and social participation.

The department is responsible for the Better Futures, Local Solutions initiative which involves establishing a new place-based approach in 10 communities:

- Bankstown, Shellharbour and Wyong (New South Wales)
- Burnie (Tasmania)
- Greater Shepparton and Hume (Victoria)
- Kwinana (Western Australia)
- Logan and Rockhampton (Queensland)
- Playford (South Australia).

The place-based approach includes new community positions and a locally-led grants scheme called the Local Solutions Fund. For more information see *Community innovation through collaboration (Better Futures, Local Solutions)* on page 145.

The department supports communities and strengthens social inclusion for Australians through:

- Case Coordination—assists people with complex needs to access services and support, including housing assistance, health services, legal advice, education support and financial assistance. See *Homelessness* on page 149 and *Case Coordination trials* on page 152.

- Local Connections to Work—assists long-term unemployed and disadvantaged youth overcome their barriers to employment. See *Local Connections to Work* on page 78.

- Social workers—support social inclusion through support and intervention for the most disadvantaged and marginalised members of the community. See *Providing social work services* on page 156.

- Prison Liaison Officers—visit correctional facilities, juvenile justice centres and forensic hospitals across Australia to assist people and their families as they transition through the criminal justice system. See *Services for prisoners* on page 156.

- Multicultural services—include communication strategies for people from different cultures and services that meet their specific needs. See *Providing multicultural services* on page 172.

- Indigenous Specialist Officers—work with Aboriginal and Torres Strait Islander peoples and communities as connection points to the department's programs and services. See *Indigenous Specialist Officers* on page 161.

- Remote Servicing Teams—provide departmental services to remote Indigenous communities. See *Remote servicing teams* on page 162.

Community innovation through collaboration (Better Futures, Local Solutions)

PLACE-BASED BETTER FUTURES, LOCAL SOLUTIONS TRIAL

The Better Futures, Local Solutions trial started in 2011–12 and is scheduled to run to 2014–15. It uses a place-based approach to promote long-term economic and social participation in selected communities. The trial aims to help people get the skills and training needed to get a job. People working in new community positions, including Government and Community Action Leaders and Local Advisory Group members, work together in consultation with local communities to explore new and effective ways of improving pathways to employment and education.

This initiative recognises that local people are better able to understand the challenges faced within their communities and can use that knowledge to improve services at local, state, territory and national levels.

LOCAL SOLUTIONS FUND

The Local Solutions Fund supports innovative and creative programs designed by communities to increase social and economic participation in 10 local government areas. The fund's objectives are to:

- reduce poverty and disadvantage through community-based approaches by improving opportunities for children, educational attainment, and workforce and social participation
- reduce service gaps and improve service coordination
- support different levels of government, community groups, businesses and individuals to create coordinated and sustainable responses to local issues and needs
- reduce risk factors associated with teenage pregnancy and parenthood, youth unemployment and vulnerable children.

The government approved 61 projects in round two of the Local Solutions Fund, with $4.8 million available for 2012–13. For example, the Salvation Army's Retail Plus project, funded by the first round of the Local Solutions Fund, has equipped young parents and jobless families in the Shellharbour region with skills and qualifications to work in the retail sector. Not only do the participants now have increased confidence and self-esteem, many of them have already gained employment. Due to the success of this project, it has secured round two funding under the Local Solutions Fund so it can continue its good work.

GOVERNMENT ACTION LEADERS

Government Action Leaders are employed by the department to:

- coordinate services across governments
- implement measures
- work with the community to improve participation.

Government Action Leaders work closely with the Community Action Leaders to ensure service delivery is meeting local needs.

COMMUNITY ACTION LEADERS

Community Action Leaders, funded by the Australian Government, are employed by community organisations with experience in delivering local initiatives. They help:

- build community capacity
- identify ways to improve service standards for Australian Government services
- community organisations develop high quality applications for funding through the Local Solutions Fund.

Community Action Leaders work closely with Local Advisory Groups and Government Action Leaders.

LOCAL ADVISORY GROUPS

Local Advisory Groups provide advice on improving, coordinating and integrating Australian, state, territory and local government and community service delivery initiatives. A group's role is to:

- identify local priorities and drive local initiatives that will strengthen labour markets and help people find and keep jobs
- engage local employers to work out their needs in hiring and maintaining ongoing employment of people with vocational and non-vocational barriers to employment
- advise how to improve, coordinate and integrate local service delivery between all levels of government, and with community partners to assist disadvantaged job seekers join the workforce
- identify, develop and recommend Local Solutions Fund projects
- harness other resources that may be available in the community to support employment outcomes.

NATIONAL PLACE-BASED ADVISORY GROUP

The National Place-Based Advisory Group advises the Minister on community initiatives that help build strong social and economic outcomes. These initiatives focus on the very long-term unemployed, jobless families and young parents. During the year the group concentrated on a number of themes including:

- strengthening engagement with local government
- using social media to link young people to work
- improving job readiness of job seekers
- finding innovative ways to match demand and supply for child care at the local level
- reflective practice to identify insights and lessons from the place-based trial approach.

CONSULTATION WITH OTHER GOVERNMENTS

A cross-government consultation framework supports engagement on issues and ideas identified through the place-based approach. The department consults regularly with state and territory governments to improve links across the different levels of government to address participation issues.

Reporting against agreed social inclusion strategic indicators

From 2011 several Australian Government agencies, including the department, have reported against agreed social inclusion strategic indicators. In pursuing the government's social inclusion agenda, the department reports against the following three indicators:

• **number of people aged under 18 years claiming Youth Allowance— unreasonable to live at home assisted by social workers to reconnect with families and/or communities**
Departmental social workers provide additional support and other interventions to young people and their families. These young people are generally under 18 years of age, have applied for Youth Allowance, and are considered at risk of homelessness. During 2012–13, 44 975 referrals were made to social workers to support young people who were considered homeless or at risk of homelessness, with 5085 given intensive support and intervention. See also *Homelessness* on page 149.

• **number of people accessing wrap-around services in designated areas**
(wrap-around services—including Centrelink and Medicare services provided during the year—are multiple services provided in the one location for customers with multiple needs).
Local Connections to Work (LCTW) connects government and non-government agencies across the community to provide more targeted, personalised assistance in joint interviews to help long-term unemployed and disadvantaged youth overcome their barriers to employment. During 2012–13, more than 5400 people accessed wrap-around services through LCTW. See also *Local Connections to Work* on page 78.

• **number of contacts with people and families by Community Engagement Officers**
Community Engagement Officers continued to provide services to people who are homeless or at risk of homelessness, and who find it difficult to access mainstream departmental services. These officers also provide information and assistance to community organisations to ensure they have an accurate understanding of entitlements and obligations for their clients. In 2012–13 Community Engagement Officers assisted more than 44 970 customers. See also *Community Engagement Officers* on page 153.

Other initiatives that address social inclusion

HOMELESSNESS

The department has contact with the majority of people who are homeless. It also holds information which may indicate if a person is vulnerable and at risk of becoming homeless.

The department has a range of initiatives to address homelessness and improve access to services in response to the White Paper, *The Road Home: A National Approach to Reducing Homelessness, 2008*. Initiatives include:

- applying the homelessness indicator—a flag placed on records of payment recipients identified as homeless or at risk of becoming homeless (see *Homelessness Indicator* on page 155)
- expanding the Community Engagement Officer network which provides services to homeless and at risk customers who are unable to visit a service centre (see *Community Engagement Officers* on page 153).

In addition, more intensive service delivery models and trials, such as Case Coordination (see page 152), assist vulnerable people, including those experiencing homelessness through consistent identification of people with complex needs and better links to support services.

At 30 June 2013 the department had 34 Case Coordination sites across Australia. More than 11 000 people seeking support at Case Coordination sites have identified housing instability and homelessness as a need since the trials began in September 2011.

During the year, the department made significant progress on the first phase of a joint research project with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the Department of Education, Employment and Workplace Relations (DEEWR) and the Australian Institute of Health and Welfare. The Connecting the Dots: Service Delivery Pathways and Homelessness project analysed the characteristics of people who are homeless, or at risk of homelessness, and who receive our services and those provided by specialist homelessness services and employment services. This research provides a more comprehensive picture of the pathways people take through agencies. The department will use the research results to improve services for these vulnerable people.

VULNERABILITY AND ASSESSMENT

The department has continued to expand its understanding of vulnerability and disadvantage among people accessing our services. Early trials of models to predict vulnerability through data research and analysis were productive and the department will further refine and test these models to better tailor and target its services. The aim is to identify indicators of vulnerability and disadvantage early on and provide support before people are in crisis.

FAMILY AND DOMESTIC VIOLENCE

Based on trials conducted in 2011–12, family and domestic violence risk identification and referral processes were embedded into the department's business-as-usual procedures. Customers who are part of an application for child support assessment are asked risk identification questions and, when appropriate, are referred to a specialist service such as 1800RESPECT. This is the national family violence and sexual assault counselling service funded by the government and operated by Medibank Health Solutions Telehealth Pty Ltd. The counselling for the service is provided by the NSW Rape Crisis Centre.

In February 2013 the department issued its Family and Domestic Violence Strategy, which sets out the rationale and framework for our approach to family and domestic violence for both payment recipients and staff. Existing departmental approaches, a comprehensive literature review by the Australian Institute of Family Studies, and consultations with internal and external stakeholders provided valuable input into the strategy.

The strategy was developed in parallel with the Australian Law Reform Commission Inquiry on Family Violence and Commonwealth Laws which culminated in the publication of the *Family Violence and Commonwealth Laws— Improving Legal Frameworks* report. The department is part of a cross-government working committee convened by the Attorney-General's Department to develop a coordinated Australian Government response to the inquiry's recommendations.

The strategy aligns with the Australian Government's *The National Plan to Reduce Violence against Women and their Children 2010–2022*. The department is working with FaHCSIA to ensure the strategy's implementation also reflects the national plan and its action plans.

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 between 12 and 17 years of age and seeking income support. The department is reviewing the protocol agreements to help improve their effectiveness.

DISABILITY EMPLOYMENT AND SOCIAL INCLUSION

CRS Australia helps people with disability, injury or health conditions to access suitable and sustainable employment. Its programs focus on interventions that reduce the impact of a person's barriers to work and build on their abilities and strengths. Helping job seekers find and enjoy meaningful work increases their independence, gives them the opportunity to participate more fully in community life, and contributes to their personal wellbeing and greater level of social inclusion. See also *Strengthening social inclusion* on page 144.

In 2012–13 CRS Australia helped more than 49 400 people, placing around 11 400 job seekers into employment. Through its Injury Prevention and Management Service, CRS Australia also helped 9764 people in 2012–13 by providing a range of workplace rehabilitation services, and ergonomic and wage assessments. See *Providing services through CRS Australia* on page 132.

RESEARCH INTO SERVICES FOR 'DISCONNECTED' PEOPLES

The department is working with RMIT University to investigate ways to decrease intergenerational welfare dependency. In partnership with the Bridgewater community in Tasmania, a three-year longitudinal study (June 2012–June 2015) is underway to test new, innovative and practical services for people who are disconnected from their community's economic and social life.

A Community Liaison Research Officer is facilitating community consultations in Bridgewater and the surrounding suburbs. This community focus will complement RMIT University's engagement with local service providers and organisations, and assist staff from the Bridgewater Service Centre to develop an in-depth understanding of the area's community, government and individual connections.

The Bridgewater study involves working with the community and local organisations to support people to achieve better outcomes, including opportunities for education and training.

REFUGEES

The department offers a range of services to help and support refugees entering the community. The department works closely with settlement service providers and community groups to ensure refugees have adequate services on arrival in Australia. See *Support for refugees and humanitarian entrants* on page 172.

ASSISTING VULNERABLE PEOPLE

Case Coordination trials

During the year the department continued to trial a Case Coordination approach in 34 sites. The trial responded to one of the major service delivery challenges—providing vulnerable and marginalised people access to services, and at the right level. The trial commenced in 2011–12 and is scheduled to finish in 2014–15.

Case Coordination delivers a tailored response to a person's circumstances by placing them at the centre of the process. Staff work with people to help identify their needs, goals and aspirations and establish action plans. The plans can involve linking people to internal and external services such as emergency relief, housing, health, crisis support, education and training, family and financial support.

This initiative aims to:

• deliver coordinated services that increase people's access to local support services

• provide enhanced assistance to people with additional needs, including referrals and follow up

• give staff the capacity to consistently identify people with complex needs who will benefit from more targeted or specialised services

• enable partnerships and collaboration with local service providers to support better outcomes for people.

Results from the trial will add to our evidence base and help us evaluate the best ways to deliver intensive support. The results will also build on other work underway in local communities, for example, the Place Based Futures, Local Solutions trial (see page 145).

In 2012–13 Case Coordination assisted approximately 42 000 people, with more than 65 000 connections to services and supports. This compares with 9100 people, with more than 15 000 connections to services and support in 2011–12.

External referrals at times of crisis

Many of the department's interactions with people occur during times of crisis and distress, such as separation, family violence, homelessness or financial difficulty. People are referred to appropriate services so that needs outside the department's control are addressed by skilled professionals. See Table 56 for external referrals in 2012–13.

People in crisis or distress can be transferred by phone to:

- Parent Support Telephone Service (telephone counselling for highly distressed people and those at risk of harm to themselves and others)
- MensLine Australia
- Family Relationship Advice Line
- Financial Counselling Australia
- 1800RESPECT (for people affected by family and domestic violence).

Table 56: External referrals

	2010–11	2011–12	2012–13
Parent support service—priority referrals	445	557	562
Family Relationships Advice Line	2 866	3 041	2 699
Financial Counselling Australia	153 (November–June)[1]	267	206
MensLine Australia	NA[2]	80 (October–June)[2]	103
1800RESPECT	NA[2]	93 (October–June)[2]	57
Total referrals	**3 464**	**4 038**	**3 627**

1   The ability to transfer, and record the transfer of, people in need of financial assistance to Financial Counselling Australia commenced in November 2010.

2   The ability to record the transfer of people to MensLine Australia and 1800RESPECT became available in October 2011.

During 2012–13 the department commenced trials to expand the list of appropriate referral services that could be offered to people during times of vulnerability, these include:

- departmental social workers
- Homelessness Australia (and its state and territory-based affiliates)
- Child Abuse Prevention Service.

Expanding homelessness services

The government is working with the states and territories to expand the reach of homelessness services throughout Australia.

COMMUNITY ENGAGEMENT OFFICERS

Community Engagement Officers provide services to people who are homeless or at risk of homelessness, and who find it difficult to access mainstream services. They also provide information and assistance to community organisations to ensure they have an accurate understanding of entitlements and obligations for their clients.

Community Engagement Officers are located in areas of highest need. Their role is to ensure that homeless and marginalised customers have access to and maintenance of, income support and services. Officers provide outreach services through agencies that support homeless and at risk customers—for example, in rehabilitation centres, psychiatric hospitals, post-prison release accommodation, hostels, boarding houses, refuges, drop-in centres and organised meeting places.

In 2012–13 the department expanded this service by employing 10 new Community Engagement Officers, bringing the total number of officers to 100.

The department's community engagement service continues to receive positive feedback from community organisations and homeless customers.

SOCIAL WORKERS AND HOMELESSNESS

Social workers assist vulnerable individuals and families who are homeless or at risk of homelessness by providing early intervention and crisis responses. Assistance is provided through direct intervention, engagement with local community agencies and groups, and referrals to support services.

In 2012–13 there were 99 899 referrals to social workers for homelessness or accommodation issues. This resulted in 212 774 contacts with individuals and families. This compares with 98 443 referrals which resulted in 223 381 contacts in 2011–12.

In December 2012 six dedicated social workers were appointed to work closely with Community Engagement Officers to support people who are homeless or at risk of homelessness. At 30 June 2013 these social workers had assisted 349 customers.

CO-LOCATING WITH STATE AND TERRITORY HOUSING AUTHORITIES

To help provide homelessness services in the one place, the department continued to pursue options for co-locating with state and territory departments of housing, in service centres.

Housing New South Wales (part of the New South Wales Department of Family and Community Services) is a partner agency with the department's Baylink Service Centre in Batemans Bay (New South Wales). It has a permanent presence during regular opening hours.

State and territory housing visiting services were provided in 17 departmental sites in 2013. Of these, four are Local Connections to Work sites (see *Local Connections to Work* on page 78).

HOME ADVICE PROGRAM

The HOME (Household Organisational Management Expenses) Advice Program is an early intervention program that helps families at risk of homelessness manage their finances and household expenses to prevent future accommodation crises. Funded by FaHCSIA, the program is delivered in eight sites—one in each state and territory—by community-based non-government organisations in partnership with a departmental social workers.

Social workers and community caseworkers work together with families to resolve accommodation, budgeting and financial issues, provide appropriate support and counselling, develop pathways to training and employment and offer referrals to other support services.

Departmental social workers also ensure that families access appropriate departmental services, address social security debts and receive their full entitlements.

On average, families are supported for approximately six months (23 weeks). This assists with improving family stability to reduce the likelihood of homelessness recurring. In 2012–13 social workers conducted 4924 interventions with HOME client families, compared with 4410 interventions in 2011–12.

INCREASED SUPPORT TO YOUNG PEOPLE LIVING AWAY FROM HOME

Each year, social workers provide intensive support and interventions for a target group of about 5000 young people under 18 years of age who apply for Youth Allowance and who are considered to be at risk of homelessness. This work aims to ensure that young people are linked with state and territory youth homelessness prevention services and, if possible, focus on family reconciliation. In 2012–13 social workers helped 5085 young people who were unable to live at home with their families, compared with 5064 in 2011–12.

HOMELESSNESS INDICATOR

The department continued to make improvements to the Homelessness Indicator placed on records of customers identified as homeless or at risk of becoming homeless. The indicator is a flag for staff to consider offering appropriate tailored services. Improvements to the indicator include a prompt to staff to update the record when changes to a customer's circumstances become known. In 2012–13, 62 641 customers had a Homelessness Indicator on their customer record, compared with 70 605 customers in 2011–12.

Services for prisoners

A prison pre-release service is provided nationally to all prisons and youth justice centres. Program protocol agreements with state and territory correctional authorities have been updated to cover Child Support, Medicare and Centrelink services. In 2012–13 revised agreements were signed with the Australian Capital Territory and the Northern Territory and negotiations on revised agreements commenced with the states. These agreements support strategies that assist reintegration into the community including:

• preventing debts

• assistance with course expenses for Indigenous customers

• Employment Service Assessments and Job Capacity Assessments

• Medicare services

• income support on release.

PROVIDING SOCIAL WORK SERVICES

Supporting repatriated customers

In 2012–13 the department received 11 social work referrals from the Department of Foreign Affairs and Trade, compared with five referrals in 2011–12. Referrals are covered under a service schedule signed in July 2010 to assist overseas Australian citizens who have voluntarily repatriated to Australia and do not have the support of kin or other networks, and require assistance to reintegrate.

Carers specialist assessments

The department has five social workers working with staff assessing carer claims. In 2012–13 there were 909 referrals to these social workers, compared with 854 in 2011–12. During the year social workers assessed 1641 claims from carers under 18 years of age (1565 in 2011–12) and 1829 claims from carers over 80 years of age (1596 in 2011–12). Both these customer groups are considered vulnerable and often need specialist assistance and support.

Family Relationship Advice Line

The Family Relationship Advice Line enables parents to access specialist Parenting Advisers to support them to develop post-separation parenting arrangements that focus on the best interests of their children. Information is provided about the family law system and family relationship services that support healthy family relationships. Departmental social workers operated as Parenting Advisers until the contract with FaHCSIA ended on 30 November 2012.

Domestic violence and family assessments

The Department of Immigration and Citizenship (DIAC) assisted certain visa applicants who had to leave an abusive relationship with a former spouse or partner and who had subsequently applied for a permanent visa. Applicants may have received permanent residency to avoid having to remain in an abusive situation.

Until 31 December 2012 when the contract with DIAC (including the Migration Review Tribunal) ceased, the department's social workers provided an independent expert assessment service for more complex cases. When the department received a referral from DIAC, a social worker conducted an interview in a service centre close to the applicant's residence. DIAC required a written report outlining the professional opinion of the independent expert (the social worker), about whether or not 'relevant domestic violence' or 'relevant family violence', as defined in the Migration Regulations, had occurred. The Migration Review Tribunal could also request an independent expert assessment service from a departmental social worker.

In 2012–13 (until 31 December 2012 when the contract with DIAC ceased) Social Work Services conducted 115 family violence assessments and nine reviews for DIAC and the Migration Review Tribunal. This compares with 128 family violence assessments and 14 reviews in 2011–12.

Social work service and compliance

Social workers are integral to the department's response to job seekers facing compliance action because they failed to meet their participation requirements.

Social workers continued to work with senior Customer Service Officers to carry out Comprehensive Compliance Assessments. These assessments underpin the integrity of the Activity Test Compliance and Employment Services Model. Information captured in the Comprehensive Compliance Assessments is used to guide decision making about serious failures and persistent non-compliance, and ensures that vulnerable job seekers are supported and protected.

Social workers received 32 212 referrals for Comprehensive Compliance Assessments in 2012–13, compared with 24 226 in 2011–12.

Social work services during emergency recovery

In January and February 2013, social workers provided immediate support in recovery centres and within communities for people affected by the bushfires in Tasmania and Wambelong (New South Wales), and floods in Queensland and New South Wales. People adversely affected by disasters also received support via our phone services. For more information about responses to emergencies see *Responding to emergencies* on page 178.

Eight social workers also went to Bali (Indonesia) on 7–8 October 2012 to provide on-the-ground support to Australians who attended a memorial service marking the 10th anniversary of the 2002 Bali bombings.

SUPPORTING PEOPLE WITH DISABILITY AND CARERS

DisabilityCare Australia and the National Disability Insurance Scheme

The National Disability Insurance Scheme was launched in four locations across the country from 1 July 2013. In the lead up to the launch the department worked closely with DisabilityCare Australia to support a smooth implementation. The department:

- shared internal policies and procedures and distributed DisabilityCare Australia information products to service centres
- transitioned affected Commonwealth programs for which the department has delivery responsibility
- implemented information communications technology (ICT) processes to support emerging information needs
- provided access to the new Reliance Framework to allow participants to use myGov at **my.gov.au** (see page 25)
- made office space available in a small number of sites in South Australia and Victoria for DisabilityCare Australia staff.

National Disability Strategy

The National Disability Strategy, which began in March 2011, sets out a 10-year national plan for improving life for Australians with disability, their families and carers. This strategy is endorsed by the Australian Government and all state and territory governments. The strategy represents a commitment by all levels of government, industry and the community, to a national approach to policy and program development. It also represents a shared vision for an inclusive Australian 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 strategy recognises that people with disability achieve their full potential by participating in inclusive, high-quality education that leads to meaningful work. In turn, income from employment increases financial independence, raises living standards and contributes to personal wellbeing.

See Appendix C on page 360 for information about the department's compliance with the *Carer Recognition Act 2010*.

Disability Support Pension reforms

The government's recent reforms have focused on improving the assessment processes for the Disability Support Pension to ensure greater efficiency and consistency in determining payment eligibility, and encourage greater engagement in support services. See *Participation for people with disabilities* on page 81.

Communicating with people with disability and their carers

Some information about the department's payments and services is available in alternative formats on request. These formats include audio CD, DVD, large print, braille and e-text.

Information is also on our website in text, podcasts and video on demand. People can also select the 'listen to this page' icon to hear the contents of selected web pages.

The publications *Caring for someone?* and *Are you ill, injured, or do you have a disability?* contain information about the options and services available to carers and people with disability. The department also produces newsletters for carers and people who receive the Disability Support Pension.

The *News for Carers* magazine is published and distributed twice a year and sent to more than 515 000 people receiving Carer Payment and Carer Allowance.

PROVIDING SUPPORT TO INDIGENOUS PEOPLE

Closing the Gap

The Australian Government's Closing the Gap commitment addresses the gaps that Indigenous Australians experience, compared with the non-Indigenous Australian population, in:

• life expectancy

• child mortality

• access to early childhood education

• educational achievement

• employment outcomes.

The majority of Aboriginal and Torres Strait Islander peoples and communities access mainstream services that are available to all Australians.

The department works to improve Indigenous Australians' access to information and services in urban, regional and remote communities via permanent shopfronts and regular outreach visiting services, as well as through Access Points and Agents, self-service options and by phone. The department also has Indigenous Specialist Officers who provide information and advice about our programs and services and various Closing the Gap initiatives delivered by other agencies.

The department administers special Pharmaceutical Benefits Scheme (PBS) arrangements in remote Indigenous communities via the Aboriginal Health Service and some state and territory-funded health services (see *Indigenous people's access to the PBS* on page 123. CRS Australia has several programs supporting Indigenous communities (see *Building close relationships with Indigenous job seekers* on page 133).

Indigenous Servicing Strategy

The department's Indigenous Servicing Strategy gives direction to staff who provide services to Aboriginal and Torres Strait Islander peoples.

The strategy supports the government's commitment to Closing the Gap and reflects the themes and priorities in our Strategic Plan. It is supported by our Indigenous Servicing Guiding Principles and the *Aboriginal and Torres Strait Islander Employees Plan 2011–15*. See *Employment of Aboriginal and Torres Strait Islander peoples*, and *Reconciliation Action Plan 2012–14* on page 229.

The strategy has three strategic goals that together aim to improve outcomes for Aboriginal and Torres Strait Islander customers and provide support to staff. Each strategic goal is supported by operational strategies.

The strategic goals are:

- **People**—develop the department's capability to provide a workplace which recognises and acknowledges the cultural and situational differences experienced by Aboriginal and Torres Strait Islander staff

- **Understanding**—increase understanding of, and respect for the cultural identities and experiences of Aboriginal and Torres Strait Islander peoples by our staff to ensure that this awareness is reflected within all service delivery

- **Customer service delivery**—provide quality services that recognise the diverse needs, preferences and expectations of Aboriginal and Torres Strait Islander customers. Specifically, the strategy also assists the department to provide culturally appropriate services to Indigenous Australians and helps raise awareness of the services, programs and payments available.

Indigenous Specialist Officers

The department has a network of 89 Indigenous Specialist Officers (ISOs) who work with Aboriginal and Torres Strait Islander peoples and communities as a connection point to the department's programs and services.

ISOs identify customer and community service gaps and trends through established relationships, service delivery experiences, capacity building activities and internal and external management information. By delivering messages about programs and services, ISOs aim to increase levels of understanding, awareness and service uptake by Aboriginal and Torres Strait Islander peoples and communities.

ISOs also advocate for vulnerable Aboriginal and Torres Strait Islander peoples to help lessen the level of disadvantage they experience.

Indigenous Services Units

All service zones have access to an Indigenous Services Unit. They help the department and Australian Government agencies to work with Aboriginal and Torres Strait Islander peoples and their communities to improve and deliver integrated services that contribute to positive participation and social inclusion outcomes.

Indigenous Customer Service Officers

A network of Indigenous Customer Service Officers operates in various locations, providing culturally appropriate services to Indigenous Australians. Activities include:

- delivering specialised services to Aboriginal and Torres Strait Islander customers in service centres

- referring customers to service providers to link them with community support
- providing out-servicing to local communities
- providing advice on customer rights and obligations.

Remote servicing model

The department uses a hub-based model to deliver services to remote Indigenous communities. It enables consistency of services while achieving organisational and resource efficiencies. Hubs include service centres, remote service centres, Agents, Access Points, self-service options, remote servicing teams, and place-based services, supported by Indigenous phone services.

The department has 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 have between two and four staff supported by coordination teams located in major towns. They provide departmental services to remote Indigenous communities on a rotation cycle, ranging from fortnightly to yearly. The department hires and trains local Indigenous staff wherever possible. As well as improving community employment levels, employing local staff means they are more likely to speak the local Indigenous language, and understand local customs, traditions and relationships. Local Indigenous staff also provide role models for young Indigenous people.

Remote Jobs and Communities Program

During the year the department was involved in extensive multilateral consultations with DEEWR and FaHCSIA to ensure successful implementation of the new Remote Jobs and Communities Program.

Commencing from 1 July 2013, the program is providing better participation and employment services for people living in remote areas through a more integrated and flexible model. The new participation and employment service is the 'one-stop shop' for people in remote Australia who currently access Job Services Australia, Disability Employment Services, the Indigenous Employment Program and the Community Development Employment Projects Program.

Interpreting services

Indigenous interpreting services are mainly supplied by the Aboriginal Interpreting Service (AIS) based in the Northern Territory. The AIS is the peak Indigenous interpreting body and the department is the major user of its services. AIS interpreters provide regular sessional services in high-demand sites and also travel to remote Indigenous communities. The department has seen an increase in the use of AIS interpreters, with 10 059 hours of interpreting services provided in 2012–13, compared with 8857 hours in 2011–12.

A trial in South Australia which engaged Indigenous interpreters as Indigenous Language Officers to provide onsite and phone interpreting services recently concluded. Throughout the trial Indigenous Language Officers also helped Indigenous customers to use self-help facilities and assisted Indigenous Specialist Officers and Indigenous Customer Service Officers in community outreach activities. The department is currently evaluating the trial.

During the year the department continued to work with FaHCSIA on developing a nationally-consistent Indigenous Interpreting Protocol and a National Framework for Indigenous interpreters.

National Indigenous Coalition

The National Indigenous Coalition is the department's peak advisory forum on Indigenous service delivery issues. It gives the department's Indigenous servicing network opportunities to contribute to improving services and gives a voice to Indigenous customers, communities and staff. The National Indigenous Coalition contributes to improvements in Indigenous servicing by:

- providing input to the whole-of-government approach to Indigenous affairs
- strengthening stakeholder relationships with Australian Government departments and agencies
- influencing policy to improve outcomes for Indigenous people and communities
- improving accessibility of programs and services to Indigenous customers and communities
- exploring and developing new business opportunities with stakeholder groups
- providing accurate and consistent advice to stakeholders on service delivery issues affecting Indigenous customers and communities
- developing and highlighting best practice
- strengthening internal networks between Indigenous Services Units.

Community Development Employment Projects

The Community Development Employment Projects (CDEP) Program helps Indigenous job seekers gain the skills, training and capabilities needed to find sustainable employment. The program also improves the economic and social wellbeing of remote communities. The program is a community-based employment initiative administered by FaHCSIA in remote regions of Australia, other than in the Torres Strait where the program is managed by the Torres Strait Regional Authority.

The department administers the payment of supplements to eligible participants. Payments of $20.80 per fortnight can be made to Indigenous job seekers participating in the program. There are two supplements:

- the CDEP Participant Supplement, available for participants who receive CDEP wages
- the Approved Program of Work Supplement, available to participants who receive income support payments such as Newstart Allowance, Youth Allowance (job seeker), Parenting Payment (Partnered or Single) or Disability Support Pension.

Communicating with Indigenous Australians

The department communicates with Indigenous people in a variety of ways, including face-to-face, over the phone, through our website, and using printed materials and Indigenous language translations. We work closely with peak community groups about service delivery to Indigenous people.

In 2012–13 the department also focused on recruiting and retaining Aboriginal and Torres Strait Islander staff. Communication activities supported the department's cadetship program, Indigenous scholarships, internal mentoring programs and the cultural awareness training programs available to staff. See also *Employment of Aboriginal and Torres Strait Islander peoples* on page 229.

DELIVERING INCOME MANAGEMENT

As part of the government's commitment to addressing disadvantage, the department has a major role in delivering Income Management.

Income Management is a budgeting tool that can help people receiving income support to manage their money to meet essential household needs and expenses for themselves and their families. It ensures a percentage of a person's fortnightly income support and family assistance payments, and 100 per cent of lump-sum payments, are set aside to pay for essentials such as food, housing, utilities, education and medical care.

People can use their income-managed money on most items except excluded goods and services. These excluded goods include alcoholic drinks, tobacco products, pornographic material, gift cards or vouchers and gambling. Income Management does not change the amount of payment a person receives, it only changes the way they receive it.

All people on Income Management have access to processes for review and appeal of the decision to place them on Income Management.

Accessing managed income

The department works with people on Income Management so that part of their payment is used to pay for items they and their family need. People can use their income-managed money to pay for their expenses by:

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

The BasicsCard can be used outside Income Management areas at stores and businesses that are approved to accept it. At 30 June 2013 there were 8959 stores and businesses that accepted the BasicsCard, compared with 6788 at 30 June 2012.

The department has a compliance process to investigate complaints, and conducts random sample reviews to ensure stores and businesses are complying with the terms and conditions of the contract.

In 2012–13:

- the department issued 21 868 customers with a new BasicsCard to replace cards due to expire on 30 June 2013
- more than $175.5 million was spent using the BasicsCard, compared with $157.6 million in 2011–12.

Income Management in the Northern Territory

The government is working in partnership with the Northern Territory Government to support people on income support payments to encourage participation and to increase their financial literacy. In the Northern Territory there are six measures of Income Management—five are compulsory and one is voluntary.

The six measures are:

- **Disengaged Youth**—compulsory Income Management for people who are 15 to 24 years of age and who have been receiving Youth Allowance, Newstart Allowance, Special Benefit or Parenting Payment Partnered or Parenting Payment Single for three of the past six months

- **Long Term Welfare Payment Recipient**—compulsory Income Management for people who are 25 years of age or older and have been receiving Youth Allowance, Newstart Allowance, Special Benefit, Parenting Payment Partnered or Parenting Payment Single for more than one of the past two years

- **Vulnerable Welfare Payment Recipient**—compulsory Income Management for people who have been referred by a departmental social worker

- **Child Protection Income Management**—compulsory Income Management for people who have been referred by the Northern Territory Department of Children and Families

- **Supporting People at Risk Income Management**—compulsory Income Management for people who have been referred by the Northern Territory Alcohol and Other Drugs Tribunal

- **Voluntary Income Management**—an option available to people who are not subject to any of the other compulsory Income Management measures.

Departmental staff make the decision to refer people to Income Management under these measures except in two instances:

- the Northern Territory Office of Children and Families is the approved referring authority for the Child Protection Income Management measure

- the Northern Territory Alcohol and Other Drugs Tribunal is the approved referring authority for the Supporting People at Risk Income Management measure.

Income Management in Western Australia

The government is working with the Western Australian Government to deliver Income Management in metropolitan Perth and the Kimberley region. The initiative encourages responsible behaviour by parents that will improve their child's wellbeing.

From 15 April 2013 Income Management was extended to people living in the Ngaanyatjarra Lands and Laverton Shire. This will help ensure income support payments are spent in the best interests of children and families, and help ease immediate financial stress.

The measures are:

- **Vulnerable Welfare Payment Recipient**—compulsory Income Management for people who have been referred by a departmental social worker
- **Child Protection Income Management**—compulsory Income Management for people who have been referred by the Western Australian Department of Child Protection and Family Services
- **Voluntary Income Management**—an option available to people who are not subject to any of the other compulsory Income Management measures.

Income Management in South Australia

Income Management was introduced to assist people living in the Anangu Pitjantjatjara Yankunytjatjara Lands from 1 October 2012.

The three measures in South Australia are the same as those operating in Western Australia. However, referrals from South Australia Housing where a mandatory social worker assessment is undertaken are also accepted under the Vulnerable Welfare Payment Recipient measure.

Income Management in Queensland (Cape York Welfare Reform Trial)

The Cape York Welfare Reform Trial is a partnership between the Australian Government, the Queensland Government and the Cape York Institute to deliver Income Management in the communities of Aurukun, Coen, Hope Vale and Mossman Gorge. The trial aims to influence the development of social responsibility and provide a safe environment for children and the community.

The Queensland Government's Family Responsibilities Commission makes the decision about whether to place a person on Income Management in the four communities. People can also apply to the commission to have their payments voluntarily income managed. The commission will advise the department how much (between 60 and 75 per cent of regular fortnightly payments) will be income managed and the period for which Income Management will apply.

Place Based Income Management

From 1 July 2012, Place Based Income Management operates in the Local Government Areas of Bankstown (New South Wales), Logan and Rockhampton (Queensland), Greater Shepparton (Victoria) and Playford (South Australia) as part of the Building Australia's Future Workforce (BAFW) Budget initiative.

Income Management in these areas can be voluntary or a person may be referred by a child protection worker or by a departmental social worker.

Income Management in the BAFW locations operates in a similar way to income management in other areas. It is also positioned to work in conjunction with other BAFW initiatives such as Supporting Jobless Families and Local Connections to Work. By providing people with a level of financial stability, customers may better realise the benefits from the other forms of support that are offered through these measures.

At the end of June 2013, there were 501 people being supported by Income Management in the place-based locations. Of these, 92 per cent volunteered to participate in Income Management.

Data on Income Management

Table 57 sets out the number of people on each Income Management measure, including the amount that has been income managed.

Table 57: Income Management customers

Measure	Customers at 30 June 2013	Amount income managed 2012–13 ($)
Cape York Income Management	202	2 861 950
Child Protection Income Management	392	8 763 223
Disengaged Youth	4 670	40 338 979
Long Term Welfare Payment Recipient	10 226	107 952 497
Supporting People at Risk	13	116 896
Voluntary Income Management	6 041	63 725 868
Vulnerable Welfare Payment Recipient	196	1 698 142

Income Management support

Additional support for people on Income Management includes:

- **Financial Management Program Services and Financial Counselling Services**—an offer of a referral to community-based financial management and education services contracted by FaHCSIA. These services can help build practical financial literacy skills and knowledge, link people to affordable and safe credit, increase understanding of consumer rights, and deal with an immediate financial crisis and complex financial stress issues. These services are free and confidential.

- **Matched Savings Scheme Payments**—people on Income Management may be able to receive a Matched Savings Scheme Payment. This means for each dollar a person saves in their personal bank account—not the account into which the department pays their income-managed funds—the government may match that amount, up to a maximum of $500. This payment is 100 per cent income-managed.

- **Voluntary Income Management Incentive Payment**—people on Voluntary Income Management will automatically receive a $250 Incentive Payment every 26 weeks during the time they remain on Voluntary Income Management. This payment is 100 per cent income-managed.

- **Departmental support services**—including from social workers and other specialist staff.

Improving Income Management

Further improvements were introduced on 1 July 2013. These included:

- providing parents with a reminder every eight weeks about exemption qualifications and how they can qualify
- improving access to money management services
- ensuring vulnerable young people benefit from Income Management through automatic inclusion in the Vulnerable Welfare Payment Recipient measure for those:
  - under 16 years of age receiving Special Benefit
  - 16 years of age and older receiving the Unreasonable to Live at Home payment
  - under 25 years of age receiving a Crisis Payment after release from prison.

CASE STUDY

Breaking down the barriers

With a large Burmese community centred around Ringwood in Melbourne, Multicultural Service Officer Peter was thrilled to host a morning tea for them to celebrate Refugee Week in June 2013.

Peter says: 'This is a relatively new community and the people are a bit shy. But with the help of our interpreters we managed to get around 50 Burmese people to join us at the Ringwood Service Centre for the event.

'We set up trestle tables to display their craft and you could see how proud they were when customers stopped to admire their handiwork.

'Until recently the Burmese community has been almost "invisible", and because of persecution as Christians in their own country, some of them worry about dealing with bureaucracies and government authorities.

'So we work with organisations like Migrant Resource Centres, Humanitarian Settlement Services, churches, the police and fire services to build community confidence and understanding of all the support available.'

Peter and other Multicultural Service Officers in and around Melbourne also engage with mainly Greek, Chinese, Afghan, Vietnamese and Indochinese communities through community leaders and local groups.

Informing and educating communities about the department's services and payments outside the service centre environment is key to engaging them. Most recently this included using settings like nursing homes and community meetings to tell people about Age Pension, Disability Support Pension and Family Tax Benefit changes.

Peter is passionate about his work. 'I love my job. I'm a people person. It's amazing to see the progress migrants make with our encouragement and assistance. And I'm very happy we're now helping to break down the barriers experienced by the Burmese community as they settle into the Australian way of life,' Peter said.

10:45
Ringwood, VIC

... educating communities about the department's services and payments outside the service centre environment ...

PROVIDING MULTICULTURAL SERVICES

Development of the department's Agency Multicultural Plan

On 18 November 2011 the government announced an inquiry into the responsiveness of Australian Government services provided to customers with cultural and linguistic barriers. The report, *Inquiry into the responsiveness of Australian Government services to Australia's culturally and linguistically diverse population*, included 20 recommendations to strengthen access and equity performance across government.

In March 2013 the government accepted all recommendations of the inquiry. This includes a requirement that all Australian departments and agencies prepare a two-year Agency Multicultural Plan to address their multicultural access and equity obligations. The department's plan is published on our website.

Multicultural Servicing Strategy

In August 2012 the department launched its multicultural servicing strategy *Delivering services to Multicultural Australia 2012–2016*. The strategy highlights the department's commitment to multicultural servicing, outlines the services that are available to multicultural customers, and identifies priorities.

In particular, the department is focusing on:

- reflecting the needs and issues affecting multicultural customers in the design and implementation of service delivery and business strategies
- developing and implementing communication strategies for multicultural customers
- ensuring customers interact with culturally-skilled staff
- ensuring we are connected with the multicultural community by consulting with individuals, communities, agencies and service providers
- building on the strengths of our programs to improve access and outcomes for multicultural customers.

Support for refugees and humanitarian entrants

The department ensures high quality services are available and accessible to refugees and humanitarian entrants, as soon as possible after arrival.

In 2012–13 the department's Refugee Servicing Network supported refugees and humanitarian entrants by:

- delivering timely payments and services
- providing interpreters and translation services

- assisting with Medicare enrolments
- providing information about the range of payments and services available through the department
- referring people to local employment and community service providers.

A number of service delivery enhancements were implemented in 2012–13, including:

- combined Centrelink and Medicare registrations for new refugee arrivals
- better local engagement through local area coordination meetings chaired by Humanitarian Settlement Service providers
- improved support for unaccompanied humanitarian minors
- contribution to DIAC's onshore orientation program.

Language services

The department provides free translation and interpreting services in more than 230 languages to help customers conduct their business with us. More than 3000 contracted interpreters deliver these services. We also supply regular, rostered onsite interpreters who work out of 67 service centres where demand for assistance in certain languages is high.

The department also employs bilingual staff. These staff may be paid a Community Language Allowance if they use their language skills in the course of their work. In June 2013 more than 775 staff received the Community Language Allowance, compared with more than 750 staff in 2011–12.

In 2012–13 the department provided:

- 70 364 pre-booked on-site interpreter appointments, compared with 70 508 in 2011–12
- 12 945 pre-booked phone interpreter appointments, compared with 16 549 in 2011–12
- 171 390 'on demand' phone interpreter requests, compared with 134 060 in 2011–12
- 3745 translations of customers' personal documents needed to complete their business with the department, compared with 2762 in 2011–12
- an average of 3500 hours per week of regularly rostered interpreting services in areas with a high language demand. This is similar to the number of hours in 2011–12.

To supplement the department's language services, customers can use DIAC's Translating and Interpreting Service. In 2012–13, 24 449 customer calls were made to this service to facilitate contact with the department, compared with 32 488 calls in 2011–12.

Multicultural Service Officers

In 2012–13 a network of 70 Multicultural Service Officers continued to operate throughout Australia. Each officer covers a defined geographical area, giving all service centres access to multicultural expertise.

Multicultural Service Officers have close relationships with multicultural communities and play a critical role in supporting service delivery to customers from diverse cultural and linguistic backgrounds. They work with community agencies and government departments to:

- promote the department's programs and services
- provide information
- attend community forums
- build community and inter-agency networks
- offer support, advice, information and training to staff.

During the year Multicultural Service Officers participated in:

- Adult Migrant English Program information sessions—monthly meetings with students to discuss 'hot topics' and other departmental issues students raise with their teachers. These include sessions about Jobs, Education and Training (JET) Child Care, Express Plus mobile apps, Income Support Bonus and changes to Parenting Payment.
- The Youth Engagement and Training Initiative—targets students at risk of disengaging from education or those who have already disengaged, to keep them in study at school or TAFE or enrolled in an apprenticeship. The project targets youth from culturally and linguistically diverse backgrounds and young Indigenous people.

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 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.

Assurance of Support application numbers depend on the Australian Government's current migration program.

Innovative multicultural services

NEW MOBILE APP

A new, translation mobile app to make it easier for customers from diverse cultural and linguistic backgrounds to do business with us, was launched on 12 July 2013. The Express Plus Lite (Multilingual apps) is available in three community languages—Arabic, Chinese and Vietnamese. Customers can use the app to report their earnings to the department without having to visit a service centre or call us. The department plans to expand the number of translated languages available on the app. For more information see *Express Plus mobile apps* on page 32.

WORKING WITH PARTNERS

Multicultural Service Officers continue to help deliver innovative services, for example:

- **In Blacktown, Sydney**—use of the department's self-service facilities is included as part of the curriculum in language classes for students. A Multicultural Service Officer trained the teachers so they could assist students to register for and use self-service. Other classes in New South Wales are now using this model,
- **Across South Australia**—Multicultural Service Officers have joined with ARA Jobs and the Southern Network to provide education on employment pathways and information about work credits, reporting income and self-service,
- **In Watergardens, Melbourne**—the Learn for Life Program is focused on employment readiness for customers from diverse cultural and linguistic backgrounds, especially parents. A Multicultural Service Officer, job service providers and a project worker were involved in sessions that provided information on types of benefits and paid work, and how to access job services.

Citizenship testing

The department and DIAC have an agreement that allows better access to citizenship testing for people living in regional Australia. The department hosts visits by DIAC staff in 28 service centres.

Following a 2012 pilot to trial departmental staff administering the citizenship test on behalf of DIAC, this service is now operating in seven regional sites—Bunbury and Kalgoorlie (Western Australia), Kawana Waters, Mackay, Toowoomba and Townsville (Queensland), and Warrnambool (Victoria).

Communicating with multicultural audiences

The department delivers tailored communication products to multicultural audiences. This helps to improve their access to information about our services and payments. In 2012–13 the department continued to:

- publish *The Journey*, a national eNewsletter distributed to multicultural community organisations
- offer translated information about our payments and services in up to 50 languages on the *Information in your language* page of our website
- provide information on the Special Broadcasting Service (SBS) radio network and through community radio stations in up to 15 languages nationally
- provide translated media releases and notices to ethnic newspapers throughout Australia
- publish articles and advertisements promoting our multicultural services in *Mosaic*, a magazine published by the Federation of Ethnic Communities' Councils of Australia
- target information products to newly-arrived refugees and humanitarian entrants.

DELIVERING RURAL SERVICES

The department supports regional, rural and remote communities in many ways. We provide easy access to our services, administer 176 rural payments, and manage programs providing medical and other support services.

Taking services to regional and rural communities

The department's two Australian Government Mobile Service Centres travel continually through regional and rural Australia, with priority given to those communities that are more than 50 kilometres from a service centre. In 2012–13, the mobile service centres visited 352 towns (of which 176 were more than 50 kilometres from a service centre) and helped over 12 600 people. See *Australian Government Mobile Service Centres* on page 42.

Rural payments and grants

The department administers the Transitional Farm Family Payment to help Australians in rural areas who are in financial difficulty. The payment (formerly known as Transitional Income Support) granted 434 claims totalling $6.6 million in 2012–13, compared with 773 claims totalling $12.3 million in 2011–12.

Incentives and support for rural general practitioners

The department administers four rural health programs which provide incentives and support for general practitioners (GPs) in rural areas.

The General Practice Rural Incentives Program encourages GPs to practise in rural and remote communities and promotes careers in rural medicine.

The Rural Procedural Grants Program gives financial assistance to GPs who provide procedural or emergency medicine services in rural and remote areas to attend training courses to maintain and improve their skills.

Under the Rural Locum Education Assistance Program, urban GPs who undertake emergency medicine training can access the Rural Procedural Grants Program if they commit to a four-week general practice locum placement in a rural locality within two years.

The Higher Education Contribution Scheme (HECS) Reimbursement Scheme encourages medical graduates to pursue a career in rural medicine and increase the number of GPs in rural and regional areas.

For more information see *Rural health programs* on page 114.

Tasmanian transport programs

The department continued to deliver payments under the following schemes:

- Tasmanian Freight Equalisation Scheme—assistance to alleviate sea freight costs incurred when certain categories of non-bulk goods are moved by sea between mainland Australia and Tasmania and between King Island and Tasmania. The scheme also covers shipments between any island in the Furneaux Group and Tasmania
- Bass Strait Passenger Vehicle Equalisation Scheme—assistance for eligible seagoing passengers travelling in passenger vehicles across the Bass Strait
- Tasmanian Wheat Freight Scheme—established to subsidise the cost of bulk wheat transported from mainland Australia to Tasmania by sea. The scheme operates by paying a rebate against the sea freight costs of eligible bulk wheat shipments.

Communicating with people living in rural and regional Australia

For people living outside major population centres, in 2012–13 the department's communication activities focused on:

- working closely with our network of 579 Agents and Access Points to ensure people are not disadvantaged by distance, language or literacy barriers
- promoting the Australian Government Mobile Service Centres

- publishing information, updates and news stories which target rural communities—both online and in news media

- promoting self-service options, including the new Express Plus mobile apps

- communicating information about payments and services to people who use our services through third parties, for example, community organisations

- introducing compact information and reminder cards listing important phone numbers and online services relevant to rural and Indigenous people

- trialling 'Talking Book' which provides information about payments and services in local Indigenous languages

- providing information, updates and news stories which target rural communities, including online and in local media.

RESPONDING TO EMERGENCIES

Payments and services

The department's core responsibility in response to emergencies is to ensure the continuity of payments and services. This includes:

- 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 and assisting employers to continue to meet child support obligations

- providing social work services

- delivering the Australian Government Disaster Recovery Payment (AGDRP).

During an emergency, immediate support is given to pharmacists to help them maintain supplies of medicines and dispense PBS medicines to people whose prescriptions are lost or destroyed. Support is also provided to health practitioners working in emergency-affected areas.

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.

When an event is severe, the government may request Emergency Management Australia (part of the Attorney-General's Department) to deliver additional Australian Government assistance. The department delivers disaster payments such as the AGDRP and ex-gratia assistance on behalf of the Attorney-General's Department.

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 to respond quickly following emergencies. Approximately 5600 staff (or 15 per cent) 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 emergency activations.

These Emergency Reserve staff supported the department's recovery efforts following the 2013 bushfires and floods.

Emergency Management Framework

Following the 2011–12 disaster season, the department's Emergency Management Framework was reviewed to ensure lessons learned are incorporated into the framework and that it remains current. As a result of the review, plans are under way to implement the following:

- emergency reserve protocols to provide governance and guidance in the use of the Emergency Reserve
- emergency cost centre protocols to accurately identify and manage departmental costs in an emergency activation
- greater integration of programs within the department
- managing local emergency responses affecting more than one service zone through combined zone emergency response and recovery committees.

In January 2013 the framework was activated in response to bushfire and flood incidents.

Current events

AUSTRALIAN GOVERNMENT DISASTER RECOVERY PAYMENTS (AGDRP)

The department responded to several emergency events, including the bushfires in Tasmania and Wambelong (New South Wales), and floods in Queensland and New South Wales in January and February 2013. The response included payment of AGDRP claims.

The AGDRP was provided to people adversely affected by bushfires and floods in the following local government areas and townships:

- Tasmania bushfires—Glamorgan Spring Bay, Sorrell and Tasman and Central Highlands
- Wambelong (New South Wales) bushfires—Coonamble, Gilgandra and Warrumbungle
- Queensland floods—Bundaberg, Cherbourg, Fraser Coast, Gladstone, Gympie, Lockyer Valley, North Burnett, Rockhampton, Somerset and South Burnett
- New South Wales floods—Clarence Valley and the township of Tumbulgum.

Table 58: AGDRP payments at 30 June 2013

	Tasmania bushfires[1]	Wambelong bushfires[2]	Queensland floods[3]	New South Wales floods[4]
Calls taken by the Australian Government Emergency Information Line	> 12 600	> 1 500	> 180 000	> 17 800
Claims received	> 7 400	> 1 000	> 163 000	> 18 000
Claims paid to affected people	> 7 000	> 800	> 120 000	> 14 000
Amount paid into people's bank accounts	> $8.1 million	> $1.0 million	> $141.4 million	> $17.3 million

1   AGDRP activated for affected areas on 6 January 2013.

2   AGDRP activated for affected areas on 16 January 2013.

3   AGDRP activated for affected areas on 28 January 2013.

4   AGDRP activated for affected areas on 6 February 2013.

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

Ex-gratia payments to New Zealand non-protected special category visa holders affected by bushfires in Tasmania and Wambelong (New South Wales), and floods in Queensland and New South Wales in January and February 2013 were also activated from:

- 16 January 2013 for the Tasmania and Wambelong bushfires
- 28 January 2013 for the Queensland floods
- 6 February 2013 for the New South Wales floods.

At 30 June 2013 more than:

- 700 claims had been received
- 400 claims had been paid to affected people
- $555 400 had been paid into people's bank accounts.

EX-GRATIA ASSISTANCE—DISASTER INCOME RECOVERY SUBSIDY

The Disaster Income Recovery Subsidy was activated to assist employees, small business owners and farmers in the following local government areas and townships who experienced a loss of income as a direct result of ex-Tropical Cyclone Oswald and associated flooding in Queensland and New South Wales and because of bushfires in Tasmania in January and February 2013:

- Queensland floods—Banana, Bundaberg, Central Highlands, Fraser Coast, Gladstone, Gold Coast, Goondiwindi, Gympie, Ipswich, Lockyer Valley, Logan, North Burnett, Rockhampton, Scenic Rim, Somerset, South Burnett, Southern Downs, Sunshine Coast, Toowoomba and Western Downs
- New South Wales—Ballina, Bellingen, Byron, Clarence Valley, Coffs Harbour, Greater Taree, Kempsey, Lismore, Nambucca and Port Macquarie (Hastings, Richmond Valley and Tweed regions)
- Tasmania Bushfires—Sorell and Tasman.

At 30 June 2013 more than:

- 3500 claims had been received
- 2900 claims had been paid to affected people
- $4.6 million had been paid into people's bank accounts.

EMERGENCY CLAIM LODGEMENT CHANNELS

People have various options to claim disaster recovery payments, including over the phone (61 per cent), online (12 per cent), on paper and in person (27 per cent).

FINANCIAL ASSISTANCE FOR TRAVEL TO BALI BOMBING MEMORIAL SERVICES

Financial assistance was made to eligible Australians to attend the 2012 Bali Memorial Services: Honouring the Victims and Survivors of the 12 October 2002 Bali Bombings in Bali, Indonesia or memorial services in Canberra, Australia.

Payments were made to:

- the direct family members of deceased Australian victims
- Australians seriously injured (plus their partner, dependent child/children or a close family member)
- two members from each recognised club on a club trip to Bali at the time of the 2002 Bali bombings.

At 30 June 2013 more than:

- 1100 calls had been answered by the Bali Memorial Hotline
- 600 people were assisted to travel to memorial events
- $2.1 million had been paid into people's bank accounts.

WORKING IN EMERGENCY RECOVERY

In 2012–13, following the bushfires and floods, 251 staff were sent to field locations to assist in recovery centres as soon as the government announced activation of these payments.

During the bushfires and floods the department had up to six 'Points of Presence' activated 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 and allow on-the-spot assessment of claims and other departmental assistance.

The department tailored business-as-usual activities for the bushfire affected and flooded areas to reduce the impact on affected people. This was achieved by reducing contact requirements where customers were due to report and exempting customers from activity test requirements when possible.

NATIONAL EMERGENCY CALL CENTRE SURGE CAPABILITY

The National Emergency Call Centre Surge Capability (NECCSC) was established in 2009 in response to a decision by the Council of Australian Governments. The NECCSC allows Australian and state and territory government agencies to divert excess calls to their emergency (non-000) lines to the department and the Australian Taxation Office. The department is the lead agency for the NECCSC.

The NECCSC was activated in 2012–13 for the following events:

- Department of Agriculture, Fisheries and Forestry—September and November 2012, May 2013—to provide information to the public in relation to concerns about live exports—more than 110 calls answered
- Royal Commission into Institutional Responses to Child Sexual Abuse—November 2012—more than 2170 calls answered
- Tasmanian State Government for bushfires—January 2013—more than 2150 calls answered
- Queensland Government for ex-Tropical Cyclone Oswald—February 2013—no calls received.

EVENTS THAT CLOSED IN 2012–13

Claims for the AGDRP can be lodged up to six months from the date the payment is activated. Claims were paid in 2012–13 for events that occurred during the 2011–12 disaster season—that is, the period for claiming some payments did not 'close' in 2011–12. These events included:

- Queensland floods 2012
- Northern New South Wales floods 2012
- Northern Victoria floods 2012
- Southern New South Wales floods 2012.

In 2012–13 the department had paid:

- more than 2800 AGDRP payments, worth more than $3.1 million
- less than 20 ex-gratia payments to New Zealand non-protected special category visa holders worth more than $30 000.

Special assistance schemes

The Australian Government helps people meet health and community care costs arising from adverse events, such as natural disasters and terrorist attacks. The department administers the following and continuing special assistance schemes:

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

09:45
Mossman Gorge, QLD

One of our staff members meeting with a community representative in the remote aboriginal community of Mossman Gorge in Far North Queensland.

SUPPORTING PEOPLE TO MANAGE THEIR MONEY

Financial Information Service

The Financial Information Service (FIS) is an education and information service available to everyone. FIS staff help people to make informed decisions about investment and financial issues for their current and future financial needs.

FIS is an independent and confidential service and is not limited to customers receiving a Centrelink payment. All Australians can benefit from the free information and education programs available.

There are 134 FIS staff working in all states and territories. The service is available by phone, appointment and through a program of seminars, some of which the FIS officers delivered this year via internet broadcasts.

During the year FIS staff participated in the Jobs and Skills Expos around the country. Officers talked to attendees one-on-one, and at some expos delivered seminars on 'Managing your money in changing times'.

In 2012–13 FIS staff:

- answered more than 82 500 phone calls
- conducted more than 67 900 interviews
- delivered 4400 hours of outreach services
- held 2581 seminars for more than 77 800 participants.

FIS staff also piloted the use of 'webinars' to deliver FIS seminars and interviews to remote viewers via the internet. This has enabled FIS staff to deliver information to areas where a physical FIS presence is not practical. FIS is also testing mini-FIS seminars as video-on-demand broadcasts (VODs). VODs appear on our website to allow customers to source information on specific topics via this self-service option.

Centrepay

Centrepay is a direct bill-paying service offered to people receiving Centrelink payments making it easier for them to budget. People can choose to pay bills by having a regular manageable amount deducted from their income support payments instead of receiving large bills monthly or quarterly.

Participation in Centrepay is voluntary. People can start, vary or cancel existing deductions any time by contacting their nominated service provider, phoning the department, visiting one of our service centres or using self-service. Centrepay is free for customers, while organisations are charged a nominal fee.

In June 2013:

- 583 433 people were using Centrepay, compared with 545 512 in June 2012
- 13 731 third-party organisations participated in Centrepay, compared with 13 575 in June 2012
- 1 860 623 deductions were made to the value of $157 316 295, compared with 1 742 315 deductions worth $148 729 386 in June 2012.

In 2012–13, an independent review of Centrepay was undertaken by Ms Anna Buduls, a professional non-executive director on a range of public, and private sector boards. As part of her consultations, Ms Buduls met with a range of community organisations, business representatives and government agencies across Australia and received 34 written submissions.

The independent reviewer made several recommendations to improve the operation of Centrepay, for the department's consideration. The department supports the focus of the majority of the recommendations and recognises the need to examine existing regulatory frameworks that may be used to safeguard the financial wellbeing of Centrepay customers and minimise additional regulatory burden on business.

Rent Deduction Scheme

The Rent Deduction Scheme is a voluntary and free service that enables customers to pay their state or territory housing authority rent through regular deductions from their Centrelink payments. The scheme provides an easy way for people to meet their government housing obligations.

At 30 June 2013, 313 312 people receiving income support were using the scheme and 665 258 deductions were made. This compares with 299 147 people and 652 733 deductions in 2011–12.

7

Ensuring compliance and business integrity

The department takes a strategic approach to managing risk in relation to social, health and child support payments. Our approach is to prevent incorrect payments and claims and we use a range of measures to do this, including education, targeted early interventions and support to customers and health professionals.

We work with other government departments and stakeholders to promote a high level of program integrity. This includes detection and prosecution of serious non-compliance and fraud.

Effective compliance and risk management enable us to deliver against our first strategic theme—government outcomes, customer outcomes.

PERFORMANCE HIGHLIGHTS

- We strengthened compliance activities to increase the accuracy of payments and help individuals and health professionals ensure they meet their reporting obligations.

- We continued to work closely with partner law enforcement agencies, and in October 2012 the department accepted membership of the Heads of Commonwealth Operational Law Enforcement Agencies.

- We improved our fraud control processes and conducted 3294 investigations into fraudulent activity.

- We received more than 55 000 tip-offs about suspected fraudulent activity.

- We achieved payment correctness of 98 per cent, against our target of 95 per cent.

- We undertook more than 297 000 early intervention contacts with customers to prevent debt and ensure customer compliance.

- We recovered $1.2 billion of Centrelink payment debts.

A STRATEGIC APPROACH TO COMPLIANCE

During 2012–13 the department continued to work closely with partner departments on compliance policies and challenges. Progress was made in further developing our integrated approach to managing areas of highest risk associated with social, health and child support payment systems. The approach recognises that most people are trying to do the right thing and the emphasis is on prevention, early intervention, and combating non-compliance and fraud.

The department's compliance program for 2012–13 was released in 2012 and is a key part of our compliance preventative strategy. It communicates to external stakeholders and the public the department's priority areas of compliance and how we will identify and manage non-compliance and fraud in delivering social welfare and health programs.

Continually assessing, controlling and monitoring compliance risks is central to managing the integrity of government outlays. Our priorities are to assess identified risks using evidence—including data analysis and the outcomes of reviews and audits. To understand emerging risks, we keep up-to-date with the latest developments and trends in the social welfare and health fields.

We consult with stakeholders including community advisory groups and representative bodies so we can better understand factors affecting compliance. We work collaboratively with our partner departments and stakeholders to provide information and support to promote a high level of program integrity and develop treatment strategies when required.

Our compliance approach is focused on preventing inaccurate payments and encouraging voluntary compliance. It balances:

- **information and education**—providing brochures, eLearning programs, quick reference guides and other reference material
- **reminders**—making phone calls, sending SMSs, emails or online messages and writing letters to remind customers to report changes in their circumstances to prevent debt, and providing targeted feedback letters to health professionals
- **entitlement reviews**—reviewing a customer's income and assets to ensure they are still entitled to the amount they are receiving
- **audits of health professionals**—verifying services when there is a risk that payments were incorrect
- **reducing debt**—enhancing departmental performance in partnership with policy departments to minimise overpayments and deal promptly and efficiently with debts
- **enforcement activities**—recovering overpayments out of tax refunds and referring matters for prosecution.

Our compliance activities help customers to receive accurate payments and encourage them to meet their reporting obligations. They also assist health professionals to ensure that claims made under the Medicare Benefits Schedule (MBS), the Pharmaceutical Benefits Scheme (PBS), and health-related incentives are correct.

New compliance initiatives

During the year initiatives planned or under way included:

- **Increased Data-matching Program compliance activity**—we increased our focus on compliance matches from the 2010–11 and 2011–12 Data-matching Program cycles. The increased activity commenced in July 2012.

- **Increased compliance for international risks**—we addressed two specific areas of concern:
  - foreign pension income for some customers that has not been updated for some time. Intervention with customers started in July 2012
  - social security payments to Australians living overseas who are at risk of incorrect payment, including payments that may have continued after the person has died. Interventions with customers living overseas started in July 2012.

- **Additional real estate reviews**—the review cycle for pension recipients was accelerated, with reviews for high-value real estate investments moving from every two years to every year. We identified pension recipients most at risk of incorrect payment because of changes in the value of their real estate assets. This measure was implemented on 1 January 2013.

- **Increased billing assurance for the MBS**—we commenced the development of compliance approaches to better reflect the shift in the health sector from small owner-operated practices to larger medical centres. This measure started on 1 July 2012.

- **Increased recovery of high value non-current customer debt**—we increased the recovery of outlays by increasing investigative and intelligence capability to locate former customers with a capacity to repay their debts, together with targeted administrative and legal action. This measure started on 1 July 2012.

- **Improved billing practices within public hospitals**—we are implementing compliance activities to identify, understand and address the challenges of inappropriate billing of pathology and diagnostic imaging services provided to emergency department patients in public hospitals. This measure started on 1 July 2012.

MANAGING SERIOUS NON-COMPLIANCE

Strengthening our intelligence capability

Intelligence plays a key role in guiding the department's fraud control activities. The intelligence capability includes data mining and extensive data matching with Australian, state and territory government agencies and business entities. Data matching and data mining techniques are used in conjunction with other sources of intelligence, such as public tip-offs, to detect fraud and assist with investigation activities.

The department continued to strengthen our intelligence capability during 2012–13 by:

- establishing new Data-matching Program protocols with the Office of the Australian Information Commissioner
- increasing the use of data and intelligence held by various entities
- continuing the development and application of multi-factor analysis and profiling techniques and applying these tools to existing data holdings
- increasing the use of online information and online search tools to detect fraud
- reviewing case selection and prioritisation guidelines and establishing a quality control process for referring cases for investigation or administrative action.

Public tip-offs

Reviews resulting from tip-offs build confidence in the integrity of the income support system. People can phone the Australian Government Fraud Tip-off Line, write to us with tip-off information, or report a suspected fraud through our website.

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.

Patient complaints and tip-offs about potential fraud and other concerns relating to health care programs are also individually assessed to determine any compliance concerns and investigated if required. Allegations that indicate patient safety concerns are referred to the relevant authorities.

In 2012–13 we received more than 55 000 tip-offs through the Australian Government Services Fraud Tip-off Line, compared with 49 742 in 2011–12. We also received more than 50 000 tip-offs from other sources, compared with 41 790 in 2011–12.

Partnerships in intelligence sharing

The department maintains partnerships with a large number of Australian, state and territory government agencies and businesses. These partnerships are important because they support a whole-of-government approach to dealing with serious and organised crime. They also give the department access to data needed to target intelligence activities and investigations. The department liaises with the Office of the Australian Information Commissioner to ensure we comply with privacy laws and procedures whenever information is shared.

In 2012–13 we continued to work closely with partner law enforcement agencies. For example, we contributed to the development of the Australian Gangs Intelligence Coordination Centre and committed to assisting in future efforts to disrupt organised crime. We also developed a new memorandum of understanding for the exchange of information between the Australian Fisheries Management Authority and the department.

In October 2012 we accepted membership of the Heads of Commonwealth Operational Law Enforcement Agencies. We attend meetings twice a year and contribute to strategic discussions that guide government efforts to combat serious and organised crime.

AUSTRAC

The department's intelligence analysts work closely with the Australian Transaction Reports and Analysis Centre (AUSTRAC). AUSTRAC provides intelligence analysts with access to its records of significant or suspicious financial transactions which may be used to detect undisclosed income or unexplained wealth.

AUSTRALIAN CRIME COMMISSION

The department supports the Australian Crime Commission's (ACC) Financial Intelligence Assessment Team (FIAT) by seconding one employee to the ACC Fusion Centre to help combat financial crime. The Fusion Centre has co-located investigators and analysts from law enforcement agencies with the aim of disrupting and stopping serious and organised crime. We benefit from the FIAT relationship by gaining access to ACC operational intelligence reports for cases that may be of interest to the department.

AUSTRALIAN FEDERAL POLICE

Our fraud control efforts are supported by the Australian Federal Police (AFP). The department had nine seconded AFP agents working within the department during 2012–13. These agents help the department to meet our obligations under the Commonwealth Fraud Control Guidelines. Specifically, the AFP agents assist the department's investigators to prepare and execute search warrants, provide advice about potential lines of inquiry and assist in the training of

investigators. See *Letter of transmittal* on page VI for Commonwealth Fraud Control Guidelines certification.

SIX COUNTRIES ACTIVITIES

The aim of the Six Countries Benefit Fraud Group (or Windsor Arrangement) is to work together to combat benefit fraud. During the year the department led discussions about improving the use of intelligence to target welfare fraud, improving data exchange capabilities, and enhancing internal fraud detection capabilities in the group. The Windsor Arrangement is a cooperative partnership between Australia, Canada, New Zealand, the Republic of Ireland, the United Kingdom and the United States of America. Under the arrangement, countries share information about strategies, activities and best practices that are used in member countries to target welfare-related fraud.

INVESTIGATING FRAUD

Investigations are an important component of the department's fraud control strategy. We prosecute fraud to deter repeat behaviour and discourage others from committing fraud. The department's fraud control processes are deliberately designed to focus intelligence and investigation activity on the most serious cases of non-compliance, rather than people making honest mistakes.

In 2012–13 the department conducted 3294 investigations into fraudulent activity, compared with 3352 investigations in 2011–12. Examples of investigations included:

- 218 identity fraud investigations
- 287 undeclared family relationships investigations
- 676 investigations relating to organised and systemic fraud
- 232 investigations relating to child support
- two investigations relating to potential criminal conduct of health professionals and associated business entities.

During the year the department:

- transitioned to a new investigation case management system that improves our ability to manage, oversee and report on Centrelink fraud investigations
- made strong advances in developing a risk-based project approach targeting specific fraud risks. For instance, data matching with eBay Australia enabled us to review and investigate the entitlements of payment recipients with undisclosed business income earned through eBay Australia
- replaced our fraud investigation manual with a new investigation tool kit. The kit provides reference materials and resources needed by investigators to prepare high quality briefs of evidence when referring matters to the Commonwealth Director of Public Prosecutions (CDPP)

- hosted two lawyers seconded from the CDPP for four months. The lawyers worked directly with our investigators to build an understanding of prosecution policy and to improve investigative capability
- strengthened the quality assurance framework that applies to investigations. We re-engineered quality assurance review processes and implemented a new process for assessing correspondence received from the CDPP.

Optical surveillance

We continued to use optical surveillance as an intelligence and evidence-gathering tool when there was reasonable suspicion of fraudulent activity and serious cases of child support avoidance or income minimisation. Optical surveillance involves observation of people, vehicles, places or objects.

In 2012–13 the department completed 143 investigations using optical surveillance. These included:

- 137 investigations of customers receiving Centrelink payments, compared with 322 in 2011–12
- six investigations relating to Child Support, compared with 15 in 2011–12.

Organised and systemic fraud

The department contributes to government approaches dealing with serious and organised crime. In 2012–13 this work included:

- working alongside Australian Government and state and territory law enforcement agencies on government-sponsored taskforces
- contributing to the development of a new national organised crime response plan
- identifying and assisting vulnerable people receiving welfare support who are at risk of criminal exploitation
- increasing the use of AUSTRAC financial intelligence reports
- working with the CDPP to develop an approach to deal with cases of unexplained wealth
- continuing to take strong action to deter fraud against the Australian Government Disaster Recovery Payment
- cooperating with state and territory police to disrupt serious and organised crime.

Prosecuting fraud

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

In 2012–13 the department referred 1238 cases to the CDPP to consider prosecution action, including:

- 1165 cases related to customers receiving Centrelink payments, compared with 1235 in 2011–12
- 45 cases related to customers receiving Child Support services, compared with 36 in 2011–12
- 22 cases related to customers receiving Medicare services, compared with 17 in 2011–12
- six cases related to health professionals providing Medicare services, compared with one in 2011–12.

During the year the department worked with the CDPP to develop and agree evidence requirements and standards for the prosecution of offences perpetrated through internet self-service applications.

ENSURING PAYMENT INTEGRITY

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

Payment accuracy

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

Payment accuracy is calculated by our relevant partner departments using data derived from random sample surveys. They report on payment accuracy in their annual reports.

Payment correctness

Payment correctness is calculated using data derived from random sample surveys. Payment correctness is measured as the percentage of surveys that identified there were no administrative errors that affected a customer's payment. With a payment correctness target of 95 per cent, in 2012–13 we achieved payment correctness of 98 per cent, compared with 97.6 per cent in 2011–12.

Foreign Pension Data Exchange Program

Under the Foreign Pension Data Exchange Program the department increased electronic data exchanges with many countries to reduce the risk of incorrect payment and debt. This means foreign pension rate increases are applied automatically to a customer's record leading to a reassessment of their Centrelink payment. A heads of department arrangement on mutual cooperation on fraud between Australia, Canada, New Zealand, the Republic of Ireland, the United Kingdom and the United States of America governs this information sharing.

During the year we also successfully exchanged data with Cyprus, Finland, Germany, the Netherlands, Portugal, Slovenia, Spain and the United Kingdom.

In 2012–13 the program led to 290 000 foreign pension data exchange reviews, delivering savings of more than $8.3 million. This compares with more than $17.4 million in savings in 2011–12.

MANAGING CUSTOMER COMPLIANCE

In 2012–13 the department continued to focus on managing risk by identifying risks and building capability for multiple stream data analysis. This enables us to identify and respond to risks faster.

The department applied appropriate compliance interventions based on managing risk in 2012–13. The extension of educating customers through the introduction of letters and SMSs to remind them of their obligations was a major area of focus.

During the year the use of early intervention to prevent debt continued. Whenever possible, we made immediate contact with customers, for example by phone, to remind them about their reporting obligations and to update their records. See *Helping to prevent debts* on page 202.

In 2012–13 more than 297 000 customers were contacted using this approach with the average debt amount, per review, reducing from $352 to $51. This compares with 53 117 customers with an average debt of $39 in 2011–12. This approach allows customers most at risk to receive the support they need to ensure their payments are correct.

In 2012–13 the department undertook more than 866 000 compliance interventions—see Table 59.

Table 59: Centrelink payments compliance activity

	2011–12[1]	2012–13[2]
Interventions	1.9 million	866 597
Reductions in payments	280 962	85 318
Fortnightly savings in future outlays	$58.2 million	$20.9 million
Prevented outlays	NA[3]	$89.4 million
Debts raised	169 588	109 619
Total debt value	$337.3 million	$219.9 million

1   The figure reported in 2011–12 represents all departmental reviews and interventions, including general circumstance reviews.

2   The figure reported for 2012–13 is specific to targeted compliance interventions only, aligned to the department's risk-based approach.

3   Agreed measurement of prevented outlays did not commence until 2012–13.

The department's risk-based intervention approach uses data from a variety of sources and combines it where appropriate to allow a holistic intervention with the customer. Data from both internal and external sources is used in data-matching exercises to identify customers at risk of incorrect payment. External sources include the Australian Taxation Office (ATO) and DEEWR.

The details of our data-matching initiatives are also reported to the Office of the Australian Information Commissioner and are publicly available through the Personal Information Digest available at **oaic.gov.au**

In accordance with section six of the *Data-matching Program* (*Assistance and Tax*) *Act 1990*, the department, the ATO and the Department of Veterans' Affairs (DVA) participated in four complete data-matching cycles. These activities resulted in 32 316 reviews and returned $118 million in net benefits to government. This compares with 28 209 reviews and $131.8 million in net benefits in 2011–12.

See Appendix D on page 362 for reporting on the Data-matching Program.

REVIEWING CENTRELINK PAYMENT DECISIONS

Merit reviews

If Centrelink customers think a decision is wrong they have the right to ask for a review. The decision is then reviewed by an independent review officer not involved with the original decision. The review officer's role is to contact the customer, explain the original decision, and answer any questions they may have. The review officer will seek further information as required, and will then affirm, vary or set aside the decision, advising the customer first by phone and then in writing.

Once this internal process is completed, the customer can apply for review to the Social Security Appeals Tribunal (SSAT) and then the Administrative Appeals Tribunal (AAT).

In 2012–13 the department completed 123 526 internal reviews of customers receiving Centrelink payments, compared with 169 726 internal reviews in 2011–12. The decrease in the number of internal reviews in 2012–13 is due to the implementation of the Enhanced Internal Review process in April 2012.

Decisions most commonly challenged are:

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

Reviewing decisions

Table 60: Centrelink payments external review timeliness

Key performance indicators—internal measures	Target %	2011–12 %	2012–13 %
SSAT applications sent within seven days	100	93	88
SSAT documents sent within 28 days	100	100	100
AAT documents lodged within 28 days	100	98	96

Table 61: Centrelink payments merit review applications

Applications	2011–12	2012–13
Internal reviews	169 726	135 545
SSAT	11 097	12 147
AAT—customer applications	1 633	1 919
AAT—Secretary applications[1]	32	48

1   The Secretary refers to the Secretary of any department where under the Administrative Arrangements Order the Minister of that department has administrative responsibility for part of the social security laws when a decision under that part has a right of appeal to the AAT.

Table 62: Centrelink payments merit review outcomes

	Unchanged decisions[1]		Changed decisions	
	2011–12	2012–13	2011–12	2012–13
Internal review officer	67.3% (59 390)	63.9% (78 960)	32.7% (28 811)	36.1% (44 566)
SSAT	73.1% (7 091)	76.9% (9 002)	26.9% (2 608)	23.1% (2 707)
AAT—customer applications	70.2% (1 131)	92.5% (1 651)	29.8% (479)	7.5% (134)
AAT—Secretary applications[2]	74.4% (32)	57.1% (28)	25.6% (11)	42.9% (21)

1   Unchanged decisions include withdrawals for a number of reasons.

2   Secretary applications are managed in accordance with the partner department's instructions. The Secretary refers to the Secretary of any department where under the Administrative Arrangements Order the Minister of that department has administrative responsibility for part of the social security laws when a decision under that part has a right of appeal to the AAT.

MANAGING DEBTS

Debt raising

In 2012–13 the department took action to raise 2 006 991 Centrelink debts to the value of $1.8 billion (see Table 63).

Table 63: Debts raised from customers receiving Centrelink payments

	2010–11	2011–12	2012–13
Debts raised	1 965 994	1 808 125	2 006 991
Amount raised	$1.7 billion	$1.8 billion	$1.8 billion

Debt recovery

People with Centrelink payment debts have several options available to make repayments, including by cheque, money order, direct debit, BPAY, phone, internet banking, or at Australia Post. The most common method of repaying a debt for a customer receiving a Centrelink payment is through withholdings from their Centrelink payment. When a customer has difficulties repaying a debt, the department organises a repayment agreement that ensures the customer is not put in financial hardship.

When a person is no longer receiving Centrelink 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.

In 2012–13 the department recovered $1157.6 million in Centrelink customer debts, compared with $1149.8 million in 2011–12. Of the total amount recovered in 2012–13, contracted collection agents recovered $114.7 million, accounting for 9.9 per cent of all debt recovered. This compares with $114.3 million in 2011–12, which was 9.94 per cent of all debt recovered.

To help improve the recovery of significant Centrelink debts, in 2012–13 the department established a team with an investigative and intelligence capability to locate former customers who have large debts and the capacity to repay those outstanding debts. If necessary, legal action may be taken to recover the amounts owed to the Australian Government.

During the year the department introduced strategies to increase recovery of debts through improved processes to assess and finalise potential debts.

Compensation payments

The compensation provisions in the *Social Security Act 1991* are structured to encourage people to use private financial resources, such as compensation payments, before accessing the taxpayer-funded social security system. The provisions also ensure that people who receive compensation for an injury or illness have those payments considered in the calculation of any social security benefits. Under the compensation provisions in the Act:

- people can be compelled to claim for compensation when compensation may be payable
- past payments of social security can be recovered from arrears payments of periodic 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
- social security payments cannot be paid within preclusion periods due to the receipt of lump-sum compensation payments.

To ensure 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 access an online compensation estimator on the department's website to estimate the impact of a pending compensation claim. Also available is information for compensation recipients, compensation authorities, legal, insurance, union and community representatives.

The department continues to work closely with a range of stakeholders, including legal and insurance organisations, to ensure the compensation recovery process operates effectively.

CASE STUDY

Helping to prevent debts

In the past if someone got a phone call from the department about their government payment they would get a shock and think there was something wrong, according to Phil from one of the department's compliance teams.

'Things have changed now and most people end up being pleased we had the contact with them to explain what they need to tell the department,' Phil said.

As part of a compliance team of eight, Phil's job is to have contact with customers who may need reminding of their reporting requirements. This might be an unemployed person who takes on some part-time work, or a student who changes their university hours.

Customers should tell the department about things like income from work or a change in their study load because it might affect the amount they get paid. If they don't let the department know, they might end up in debt and have to pay some money back to the department.

The department recognises that people make genuine mistakes and can forget to report changed circumstances. The early intervention contacts are part of the compliance approach used by the department's compliance teams to help people get their correct entitlements and to prevent debts.

'It's really rewarding when we get to talk to customers early, rather than waiting until they accumulate large debts. The feedback from our customers is that this is working well for them and it is working for the department.'

14:45
Queanbeyan, NSW

… we get in early and talk to customers, rather than waiting until they accumulate large debts.

MANAGING CHILD SUPPORT CUSTOMER COMPLIANCE

In 2012–13 the department continued to implement its child support compliance programs. The department uses various activities to collect ongoing and overdue child support including those listed in Tables 64 and 65.

Table 64: Child support compliance and enforcement actions

	Number of actions			Child support collected/ corrected $ million		
	2010–11	2011–12	2012–13	2010–11	2011–12	2012–13
Tax lodgement enforcement	128 418	81 500	63 353	15.2	37.4	25.3
Tax refund intercept payment	110 084	109 056	109 164	108.7	110.5	116.4
Departure prohibition orders	294	471	467	3.3	4.2	6.7
Litigation	179	290	162	6.9	7.4	4.1

Table 65: Description of child support compliance and enforcement activities

Activity	Description	Results
Employer withholding from wages and salaries	The department may initiate this measure for both current liability and child support debt.	63 924 active paying parents had employer withholding payments set up at 30 June 2013, compared with 65 910 at 30 June 2012.
Deductions from Centrelink payments and DVA payments	These deductions may be made for both current liability and child support debt.	We collected $26.7 million from Centrelink and DVA payments in 2012–13, compared with $25.1 million in 2011–12.
Interception of tax refunds	A tax refund may be intercepted to pay some or all of a child support debt if other collection avenues have been unsuccessful.	Tax refund intercept activity collected $116.4 million in 2012–13, compared with $110.5 million in 2011–12.

Activity	Description	Results
Enforcement of tax return lodgement	Customers may be referred to the ATO for investigation of non-lodgement of tax returns or attempts to avoid obligations by under-declaring incomes.	Under a new memorandum of understanding made with the ATO effective from 2012–13, the department revised the performance measures of the Lodgement Enforcement program to focus on the number of income tax periods finalised rather than the number of finalised non-lodgers. For 2012–13 the ATO was given a target of 105 000 income tax periods to finalise—against which it achieved 132 047 income tax periods finalised. 67 569 of these were the result of tax return lodgement; the remainder were finalised through ATO Default Assessments or Return Not Necessary determinations. A total of 36 653 referred customers finalised all their outstanding tax obligations in 2012–13, compared with 45 411 in 2011–12.
Prohibition of departure from Australia	Departure Prohibition Orders preventing overseas travel are issued to customers who have not made satisfactory arrangements to clear substantial debts.	Departure Prohibition Orders collected $6.7 million in 2012–13, compared with $4.2 million in 2011–12.
Litigation	The department targets parents who repeatedly avoid paying their child support when other enforcement options have been unsuccessful and an assets or income stream is identified.	Litigation activity reduced debt by $4.1 million in 2012–13, compared with $7.4 million in 2011–12.

REVIEWING CHILD SUPPORT DECISIONS

The department is required to finalise all objections to child support decisions received within 60 days for domestic customers and 120 days for international customers. In 2012–13 we achieved 73.7 per cent in 60 days for domestic customers and 77 per cent in 120 days for international customers. This was a reduction from 2011–12 when we achieved 85.8 per cent in 60 days for domestic customers and 86.9 per cent in 120 days for international customers.

Parents are contacted when an objection is received, throughout the review process and before a final decision is made. Both parents are required to provide information to ensure decisions are accurately based on their individual circumstances and financial capacity, and to promote greater procedural fairness.

In 2012–13 the total number of objections received was 15 307. The majority were for decisions about Care (29.1 per cent), Change of Assessment (21.9 per cent) and Estimates (21.9 per cent). Feedback is provided to original decision-makers on the number and outcomes of objections received to help improve future decision making.

Objections to change of assessment

In 2012–13, 3358 objections to finalised change of assessment applications were received, compared with 3121 in 2011–12. The objection rate has increased slightly from 15.6 per cent in 2011–12 to 16.6 per cent in 2012–13. This was a result of an increase in change of assessment applications finalised in June 2012, which resulted in a higher number of objections being received in 2012–13.

Table 66: Change of assessment applications finalised and change assessment objections received

	2009–10	2010–11	2011–12	2012–13
Change of assessment applications finalised	20 151	19 021	20 044	20 262
Change of assessment objections received	4 601	4 143	3 121	3 358

Social Security Appeals Tribunal reviews

The SSAT is responsible for independently reviewing most child support objection decisions. The SSAT's statutory objective is to provide a review mechanism that is 'fair, just, economical, informal and quick'. The SSAT received 1965 applications for review of child support decisions in 2012–13, compared with 2051 applications in 2011–12.

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

ENSURING HEALTH AND AGED CARE PAYMENT INTEGRITY

The department is responsible for maintaining the integrity of health and aged care programs by ensuring public funds are used appropriately. Our compliance activities are designed to help reduce incorrect payments, debt and fraud.

A key compliance focus is to ensure that health-related payments are claimed correctly, including claims made under the MBS and PBS. The aim is to maximise the number of people who voluntarily comply with their obligations and to actively pursue those who seek to exploit the programs.

In 2012–13 compliance activity involved:

- continuing to develop our intelligence and risk assessment processes to deliver targeted compliance activities
- continuing to provide support to health professionals and the public to help them voluntarily comply with their obligations
- collaborating with stakeholders in the design of compliance initiatives
- working across the department to improve compliance and fraud management.

During the year the department continued to work closely with the Department of Health and Ageing and stakeholders on changes to the compliance arrangements for the Chronic Disease Dental Scheme (CDDS).

On 1 December 2012 the government closed the CDDS. At Senate Estimates in October 2012 the then Minister for Human Services, Senator the Hon Kim Carr, announced that following consideration of a range of options the department would make waiver applications to the Department of Finance and Deregulation for certain dental practitioners who had made claims under the CDDS in some circumstances. The circumstances considered suitable for waiver application were:

- the late or non-provision of treatment plans and quotes for audited dental practitioners' claims made before April 2010
- in cases after April 2010 when an audited practitioner has shown their intent to meet the scheme's requirements. This intent is established if treatment plans and quotes were provided within a reasonable timeframe after the service was delivered.

In 2012–13, 10 waiver submissions were made by the department covering 57 dental practitioners with debts eligible for waiver totalling $13.5 million. The Special Minister of State or his delegate approved waiver submissions for 39 dental practitioners with a total waived debt value of $12 million.

As the department finalises the remaining CDDS audits, further debts may be identified, some of which may be subject to waiver applications. The department continues to seek recovery for non-compliance that falls outside the waiver criteria. When fraud is suspected, the matter is investigated and, if warranted, referred to the CDPP for consideration of criminal prosecution. There were no referrals of dental practitioners in 2012–13.

Where inappropriate practice is suspected, cases are referred to the department's Practitioner Review Program for review and, when appropriate, referred to the Director of Professional Services Review (see page 212). Complaints and tip-offs are investigated and action taken as required.

In 2012–13, four Practitioner Review Program cases relating to dental practitioners were completed. As well, four referrals of dental practitioners were made to the Professional Services Review.

AUDITING HEALTH AND AGED CARE SERVICES AND BENEFITS

In 2012–13 the department finalised 3474 compliance activities on health-related cases under various programs.

Table 67: Completed audit and review of health-related cases

Programs/groups	2010–11	2011–12	2012–13
Medicare Benefits Schedule	2 179	2 549	2 573
Pharmaceutical Benefits Scheme	348	279	288
Health support programs	70	352	326
Aged care	69	50	0
Members of the public	314	209	282
Other[1]	0	0	5
Total	**2 980**	**3 439**	**3 474**

1   Other includes programs such as Australian Childhood Immunisation Register, Continence Aids Payment Scheme and Medicare Teen Dental Plan.

Audit and review activity

In 2012–13 the department carried out a number of compliance activities relating to Medicare, the PBS and health-related incentives. These involved:

- **potential inappropriate prescribing of narcotics and benzodiazepines**—reviewing prescribers who may be prescribing large quantities of addictive medicines inappropriately
- **pharmacy practice incentives**—reviewing claims for pharmacy practice incentives to ensure claims were within the guidelines

- **brand substitution**—reminding pharmacists of their obligations to supply brands according to the prescriber's instructions
- **unapproved pharmacies**—reviewing claims from approved pharmacies where there were allegations the prescriptions were supplied from a pharmacy not approved to supply PBS medicines
- **GP risk analysis system**—selecting and referring health professionals whose patterns of practice may suggest inappropriate practice to the Practitioner Review Program
- **80/20 rule**—reviewing health professionals identified as breaching the 80/20 service level through the Practitioner Review Program. The *Health Insurance Act 1973* specifies that a health professional is deemed to have practised inappropriately if they have rendered 80 or more professional attendances on each of 20 or more days within 12 months. Health professionals identified as approaching the 80/20 service level without yet breaching the rule received a letter reminding them of their obligations
- **bulk bill incentive items**—sending letters to targeted health professionals who appear to have routinely billed bulk bill incentive items where the patient did not have a current concessional status
- **cryotherapy and serial curettage**—auditing health professionals billing cryotherapy and serial curettage MBS items to determine if they had obtained histopathology or specialist opinion confirming malignancy in accordance with the legislative requirements
- **upcoding of skin flap repairs and skin lesion excisions**—auditing health professionals billing skin flap repair and/or skin lesion excision items to determine that they are clinically relevant and have met the MBS item descriptor
- **Telehealth**—auditing the validity of claims for MBS Telehealth services and determining whether health professionals were entitled to the additional Telehealth incentive payments, including the Telehealth On-Board incentive
- **computer tomography (CT) scans**—reviewing health professionals identified as requesting high ratios of CT scans compared to x-rays under the Practitioner Review Program for potential inappropriate practice
- **radiology**—reviewing identified providers who may be performing diagnostic imaging services without a valid request, upcoding and excessive servicing
- **public claims**—reviewing unusual MBS claims by patients to identify potentially fraudulent payments
- **Practice Incentives Program**—auditing participating practices that had not returned an annual Confirmation Statement or had returned it with no changes to confirm their ongoing eligibility. In addition, targeted letters were sent to a number of practices receiving Practice Incentives Program Indigenous Health Incentive payments to remind them of the eligibility requirements in the guidelines

- **aged care: residential**—reviewing claims for aged care payments to ensure the accuracy of the payments made
- **podiatry**—verifying the compliance level of podiatrists in terms of reporting requirements under the Chronic Disease Management Scheme
- **Private Health Insurance Rebate**—reviewing claims for rebates made by private health insurance funds.

Reviews of audit decisions

INTERNAL REVIEWS

A health professional who was the subject of a general compliance audit can request that the department review the audit decision.

Table 68: Internal reviews

	2011–12	2012–13
Allied health providers	12	9
Dentists	6	0
General practitioners	2	4
Incentive payments	1	3
Pharmacies	6	1
Total	**27**	**17**

REVIEWS UNDER INCREASED MEDICARE COMPLIANCE AUDITS PROVISIONS

The *Health Insurance Amendment (Compliance) Act 2011* provides the right to seek a formal review of a decision where an MBS compliance audit identifies that amounts are recoverable. This right only applies to services provided on or after 9 April 2011. In 2012–13, one formal request for review of decision was made to the department as a result of recoveries made under the Increased Medicare Compliance Audit provisions. There were no formal requests in 2011–12.

Targeted letters

We send targeted feedback letters to health professionals to encourage them to consider whether their Medicare claiming is accurate and to make any necessary adjustments. These letters include the health professional's billing or claiming statistics along with supporting information to help them understand their obligations. We encourage the health professional to review their claiming patterns and to voluntarily repay any services they identify as being incorrectly received.

In 2012–13, 955 targeted letters were sent to health professionals on a number of topics including Bulk Bill Incentive items, same day prescribing, urgent

after-hours items, brand substitution and pathology ordering. This compares with 316 letters sent in 2011–12.

Departmental analysis has demonstrated significant change in billing behaviour when providers received targeted letters as part of the compliance intervention strategy. The results reinforce that targeted letters support voluntary compliance and maximise billing behaviour change.

Compliance surveys

The Compliance Professionalism Survey gathers feedback on the conduct of compliance officers while undertaking compliance activities with health professionals. The survey was sent to health professionals within one month following closure of a compliance activity and allowed for anonymous responses.

Health professionals were asked to rate the performance of compliance officers in relation to fairness, professionalism and outcomes being communicated clearly. During 2012–13, 553 surveys were sent and 398 responses received, compared with 1143 surveys and 408 responses in 2011–12.

Feedback indicates that overall compliance activities were professionally undertaken and respected confidentiality. Responses also indicated there is an opportunity to improve education outcomes that support health professionals to meet the MBS and PBS claiming requirements. Work is underway to identify potential education gaps and the strategies needed to meet the identified needs.

Feedback from respondents concluded that:

- 88.7 per cent agreed or strongly agreed that they were treated in a professional manner
- 90.5 per cent agreed or strongly agreed that their privacy was respected
- 87.2 per cent agreed or strongly agreed that the reason for the compliance activity was fully explained
- 82.9 per cent agreed or strongly agreed that they were given an opportunity to respond to concerns.

Health programs debt

In 2012–13 the department initiated action to recover more than $5 million in incorrect payments (see Table 69 on page 212). This was through:

- identification of recoverable amounts from the conduct of audits and investigations
- payment orders resulting from successful prosecutions
- payment orders resulting from determinations by the Director of Professional Services Review.

Table 69: Debts raised for recovery of benefits incorrectly paid

Program	2010–11		2011–12		2012–13	
	Number	Amount $ million	Number	Amount $ million	Number	Amount $ million
Medicare Benefits Schedule	331	25.9	428	8.6	639	3.8
Pharmaceutical Benefits Scheme	234	1.9	126	1.1	105	0.7
Health support programs	37	0.5	12	0.8	28	0.5
Total	**602**	**28.3[1]**	**566**	**10.4**	**772**	**5.0**

1   Significant non-compliance (approximately $19.9 million) identified within the CDDS was reported in 2010–11.

Director of Professional Services Review

The Professional Services Review (PSR) is an independent statutory body within the health portfolio. In 2012–13 the PSR was accountable to the Minister for Health and Medical Research. Suspected cases of inappropriate practice may be referred to the Director of PSR, who is responsible for reviewing and examining possible inappropriate claiming by practitioners when they provide Medicare services or prescribe government subsidised medicines under the PBS.

In 2012–13 the department referred 45 practitioners to the Director of PSR, compared with 30 practitioners in 2011–12.

Medicare Participation Review Committees

Medicare Participation Review Committees (MPRCs) are independent statutory committees established on a case-by-case basis under Part VB of the *Health Insurance Act 1973*. Committees are established to make determinations about whether a practitioner or other person should retain the right to bill for professional services which attract a payment under Medicare.

A practitioner or person must be referred to a committee when they:

• have been convicted of a relevant criminal offence or relevant civil contravention

• are reasonably thought to have breached a pathology undertaking or to have engaged in prohibited diagnostic imaging practices

• have been found to have engaged in inappropriate practice under the PSR on two or more occasions.

In 2012–13, seven new practitioners were referred to MPRC by the Director of the PSR because of inappropriate practice on two or more occasions, compared with five referrals in 2011–12. This meant the MPRC had 16 cases on hand. Hearings were conducted in six matters during 2012–13 and nine determinations were finalised.

8

Supporting service delivery: governance, people, ICT and corporate services

Our governance, people, information and communications technology (ICT) and corporate services are key enablers for our continued high level of service delivery.

This chapter presents the internal structures, frameworks and activities that guide the department's enabling services.

It also shows how a skilled and flexible workforce, supported by secure and adaptable ICT systems and a strong accountability framework enable us to deliver against our four strategic themes.

PERFORMANCE HIGHLIGHTS

- We finalised policies and guidelines for the *Department of Human Services Agreement 2011–14.*
- The *Department of Human Services Medical Officers Agreement 2013–2014* was formally approved by the Fair Work Commission.
- We continue to support staff to balance their work and personal commitments with access to flexible working hours—at 30 June 2013, 10 772 (30.1 per cent) of staff worked part-time.
- Our commitment to work health and safety and rehabilitation was recognised at Comcare's annual awards in 2012–13.
- We implemented a framework to provide assurance about the department's legislative compliance.
- We saved $596 297 on our 2013–14 Comcover insurance payment by being awarded an 8.3 per cent discount.
- We continued to review our ICT capability and architecture.
- Our Gold Membership with the Australian Network on Disability continues to provide access to support mechanisms and employment programs for people with disability. In 2012–13 around 450 staff received ongoing training and product support for assistive technology software.

GOVERNANCE

Good governance is central to the way the department delivers its outcomes in a controlled, transparent and accountable manner and ensures the needs of its customers are served efficiently, effectively and fairly.

The department has a governance framework which outlines the principles, practices and tools required to ensure a consistent and coordinated approach to governance of the department. Key elements include:

- planning and performance monitoring
- a governance committee framework
- a risk management framework.

During 2012–13:

- planning and performance monitoring progressed with quarterly reports on strategic key performance indicators (KPIs) and six-monthly reports on the progress of operational KPIs managed by the Associate and Deputy Secretaries (see *Table 1* on page 12)
- the terms of reference and membership of the governance committees were reviewed and updated
- the management of risk in the department was enhanced by regular review of risk ratings and treatments, the establishment of an independently chaired Risk, Business Continuity and Security Committee, and the development of a legislative compliance framework.

Governance committee framework

In June 2013 the Executive Committee endorsed a revised departmental governance committee structure. The structure includes the Executive Committee and eight supporting governance committees that provide advice and assurance to the Executive Committee.

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. It sets the department's strategic directions, advises on significant management and investment decisions, and monitors financial performance, risk and compliance standards. The Secretary chairs the committee which meets weekly.

Audit Committee—provides advice and assurance for the Secretary to meet obligations under the *Financial Management and Accountability Act 1997* (FMA Act). It also reviews, monitors and recommends improvements to the department's governance arrangements, risk management, internal control processes, financial reporting processes, and processes for monitoring compliance with legislation and government policy. This committee has three independent members, including Mark Ridley as chair, and meets quarterly.

ICT Governance Committee—provides advice and assurance to the Secretary and Executive Committee that ICT management, operations and expenditure deliver the outcomes sought by government within the budgets and timelines agreed by government. This committee has two independent members and meets monthly.

Risk, Business Continuity and Security Committee—provides advice and assurance to the Secretary and Executive Committee that there is oversight of the department's risk, business continuity and security arrangements. The committee has an independent chair, Sandra Lambert AM, and meets monthly.

Finance and Investment Committee—provides advice and assurance to the Secretary and Executive Committee that there is a clear line of sight on all financial matters. The Secretary chairs this committee which meets 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.

People and Leadership Committee—provides advice and assurance to the Secretary and Executive Committee on all departmental people matters including people leadership management, people development and workforce strategies to maintain and create the capability to deliver government priorities and outcomes. This committee has two independent members and meets every eight weeks.

Service Delivery Reform Steering Committee—provides advice and assurance to the Secretary and Executive Committee in driving service delivery reform and delivering its outcomes and benefits. This committee has two independent members and meets monthly.

Service Delivery Round Table—established in September 2012 to provide assurance to the Secretary and Executive Committee that senior managers have a shared understanding of current service delivery issues and risks. The Secretary chairs this forum which meets weekly.

Figure 7: Governance committee structure at 30 June 2013

Secretary	Audit Committee

Executive Committee	ICT Governance Committee
	Risk, Business Continuity and Security Committee
	Finance and Investment Committee
	Customer Committee
	People and Leadership Committee
	Service Delivery Reform Steering Committee
	Service Delivery Round Table
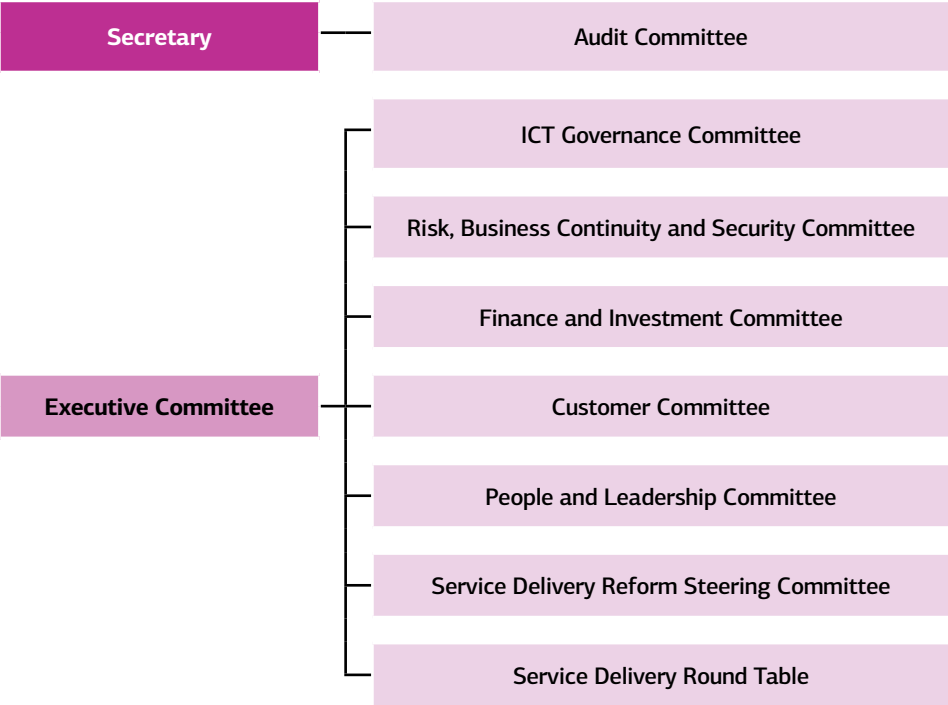
Working across government

The department participates in several external forums that bring together policy formulation, program design and implementation to more effectively deliver outcomes for government. These forums include:

Strategic Partnerships Interdepartmental Committee (IDC)—formed in line with the government's requirement to ensure that policy and service delivery are effectively interconnected in achieving program outcomes. The committee has an agreed performance monitoring regime. This provides for high-level strategic oversight of the performance and development of the department's service delivery system and its alignment with expected policy outcomes. Core members of the committee are the secretaries of the Department of Human Services (chair), Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and Department of Education, Employment and Workplace Relations (DEEWR).

Health and Human Services Secretaries and Chief Executive Medicare Forum—facilitates timely engagement between the department and the Department of Health and Ageing (DoHA) on service delivery reform, eHealth, policy development, and effective administration and implementation of programs. In 2012–13 members were the Secretary, the Deputy Secretary, Health and Service Delivery Reform (in her role as Chief Executive Medicare) and the Secretary of DoHA.

Service Delivery Reform IDC—makes recommendations to the Secretary on strategic issues and the progress of service delivery reform implementation. The committee helps the department ensure alignment with the government's broader reform agenda and provides support in the governance of business-as-usual activities across the department. Representatives from various government departments make up membership of this committee.

MANAGING RISK

In 2012–13 the department strengthened its risk management approach by implementing a department-wide Enterprise Risk Management Framework. The department made significant progress on risk profiling and reporting and on improving risk capability.

The new framework outlines the vision, direction and guiding principles of the department's risk management approach. It was endorsed by the Risk, Business Continuity and Security Committee and is consistent with the international risk management standard AS/NZS ISO 31000:2009 *Risk Management: Principles and Guidelines.*

Guided by the new framework, in 2012–13 all groups within the department developed their own risk management plans, which included risk profiling and reporting. The department's integrated Enterprise Risk Management Framework included risk profiling and reporting and covered both strategic and operational risks. Ten strategic risks are identified and were reported on quarterly. These address a diverse range of matters, including:

- implementing government initiatives
- service delivery and provision of customer service
- integrity of government outlays
- protection of customer information
- security and safety of our staff
- ICT capability.

Strategic risks are actively managed through existing controls and regular implementation of new treatments.

As part of the department's business planning cycle, operational risks were also developed. Senior executive staff manage operational risks and report on them regularly.

Legislative compliance framework

The department implemented a legislative compliance framework in 2012–13 to provide the Secretary with assurance about the department's compliance with non-FMA Act legislation. The requirement for a framework stems from regulation 22C(4)(d) of the *Financial Management and Accountability Regulations 1997*, which refers to the responsibility of audit committees to review the adequacy of an agency's controls that are designed to ensure compliance with legislation. The framework was developed through internal and external consultation with a range of Australian Government departments and agencies, to ensure that it meets the needs of the department and represents best practice.

Comcover risk management benchmarking

In February 2013 the department participated in the annual Comcover Risk Management Benchmarking Program. The department was awarded an 8.3 per cent discount (out of a possible 10 per cent) on the 2013–14 insurance premium. This resulted in $596 297 in savings, an increase from $419 577 in savings on the 2012–13 insurance premium.

CAPABILITY REVIEW

The department participated in the Australian Public Service Commission's (APSC) Capability Reviews Program, established as a result of the recommendations of *Ahead of the Game: Blueprint for the Reform of Australian Government Administration.* The program looks at ways to improve the capability of both individual agencies and the Australian Public Service (APS) as a whole.

The APSC published the report of the department's Capability Review in November 2012. The report indicates that the department is well-positioned to build on what the review describes as a 'very strong footing to perform both now and into the future' to achieve its strategic vision of excellence in providing government services to every Australian.

While the Review Panel acknowledged the department is in a great position to move forward, it also identified areas for improvement to prepare for future challenges that the department may face. These include:

• enhancing the department's leadership, teamwork and communication

• promoting a unified organisational structure

• strengthening coordination

• improving ICT and risk management processes

• engaging more effectively with policy partners and stakeholders.

We have agreed to an action plan with the APSC to address priority areas identified in the review. To do this, the department has established eight projects in the areas of building capacity and capability, leadership, internal communication and collaboration, and culture. The department is reporting quarterly to the APSC on progress.

The department has made significant progress against a number of key capability areas identified in its action plan following the Capability Review, including:

- implementing a change framework and establishing a dedicated Deployment, Integration and Coordination Branch, including a 'Change Frontdoor' team, as the point of contact for all change initiatives
- formulating the department's core values and desired behaviours, identified during extensive staff consultation forums across the organisation, and developing a *Culture Action Plan 2013–14*
- establishing a communication framework and identifying actions required to improve internal communication which target four key areas: culture, process, content and capabilities
- rolling out a new recruitment service model and eRecruitment system, strengthening the department's contingent workforce capability and providing managers with more autonomy.

SUPPORTING AND MANAGING OUR PEOPLE

At 30 June 2013 the department employed 35 838 people, of whom 33 868 (94.5 per cent) were ongoing and 1970 (5.5 per cent) were non-ongoing.

At 30 June 2013 the number of Full Time Equivalent (FTE) staff was 31 991.56. The FTE is the average number of staff, adjusted for part-time and casual staff, to show the FTE. The FTE is fewer than the total number of people employed, as the total headcount includes full-time, part-time and casual workers.

Access to flexible working hours is an important mechanism for staff to balance their work and personal commitments. At 30 June 2013, 10 772 (30.1 per cent) of staff worked part-time—that is, they worked less than 37.5 hours a week.

Appendix E on page 369 presents statistics on staff by classification, employment status, gender and location. Appendix F on page 372 sets out staff salary ranges by classification.

Strategic human resource management

The People and Leadership Committee provides advice and assurance to the Secretary and Executive Committee on all departmental people matters including leadership, management, people development and workforce strategies to maintain and create the capability to deliver government priorities and outcomes.

The department has a range of policies that cover people management issues. The policies and supporting guidelines allow managers to manage staff in a flexible and reasonable way while ensuring that the department complies with legislative requirements.

PEOPLE ADVISORY CENTRE

The People Advisory Centre has been in place since September 2011. The centre resolves 85 per cent of all human resource enquiries from staff, with the remaining 15 per cent being complex issues that are escalated to subject matter experts.

JOB PLACEMENT SERVICES

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. Established in 2011–12, the scheme aims to ensure that valuable skills and capabilities are retained. Information about Job Placement Services is available for staff on our intranet.

COMMITMENT TO CONSULTATION

The *Consultative Committee Framework 2011–2014*, which supports consultation with staff, has been agreed to by the Secretary, the Community and Public Sector Union (CPSU) and the Media Entertainment and Arts Alliance.

The National Consultative Committee (NCC) meets quarterly and focuses on national strategic issues, including government decisions affecting staff. Membership of the NCC comprises four management and four union representatives.

Zone Consultative Committees (ZCCs) focus on information and issues relevant to their particular geographic zone and provide a referral point to and from the NCC. Membership of each ZCC comprises three management and three union representatives.

Workplace relations

ENTERPRISE BARGAINING AGREEMENTS

The *Department of Human Services Agreement 2011–14* commenced on 27 December 2011, and replaced the separate agreements that operated in Medicare Australia and Centrelink before integration. The agreement has a nominal expiry date of 30 June 2014.

The agreement covers all non-Senior Executive Service (SES) staff in the department except those on a Medical Officer classification. It is underpinned by four messages—the need for consultation, the importance of the employee/manager relationship, the need to be reasonable in all circumstances, and the importance of flexibility in the workplace.

During negotiations for the department's agreement, medical officers sought and were granted an order from the Fair Work Commission which excluded them from coverage of that agreement. This required the department to negotiate a separate agreement to cover medical officers only. The *Department of Human Services Medical Officers Agreement 2013–2014* was formally approved by the Fair Work Commission on 25 March 2013 and implemented from 1 April 2013. It reflects the terms and conditions that apply to all non-SES Medical Officer staff. The agreement has a nominal expiry date of 30 June 2014.

INDIVIDUAL FLEXIBILITY ARRANGEMENTS

Staff working where exceptional circumstances exist, such as in a remote location or if they have highly specialised skills, can supplement their conditions with an individual flexibility arrangement.

For more information about employment instruments, see Table 89 on page 373.

Strategic workforce planning

The department's *Strategic Workforce Plan* outlines the people implications of our longer-term business strategy and the impact on future workforce requirements. The plan is supported by group-level workforce sub-plans that are developed in consultation with SES staff.

The benefits of this approach include:
- the ability to engage and collaborate more effectively and transparently with SES staff on future workforce requirements
- targeted strategy development to reduce future workforce risk
- the inclusion of workforce planning within wider strategic business planning
- the identification and solution of emerging workforce issues.

WORKFORCE AVAILABILITY

The unscheduled absence result for 2012–13 was 15.97 days per FTE. This is an increase on the 2011–12 result of 14.9 days per FTE. The department is committed to improving workforce availability through the implementation of an attendance strategy. This includes working with business areas to design and implement plans to reduce unscheduled absences, including conducting workshops with people teams and business unit managers about attendance and injury management and implementing a positive attendance training program for supervisors.

STANDARDS OF BEHAVIOUR

The department takes alleged breaches of the APS Code of Conduct seriously. We conduct investigations according to procedural fairness, and if a breach is found, appropriate sanctions are imposed.

In 2012–13, 165 matters involving a breach of the code were finalised. Table 70 shows the types of behaviour that led to the breaches.

Table 70: Breaches of the APS Code of Conduct

Type of activity	Cases finalised 2012–13[1]
Improper access to personal information	82
Improper use of internet/email at work or using work resources	27
Improper use of resources other than internet/email	4
Harassment and/or bullying	11
Failure to act with respect and courtesy during working hours	26
Private behaviour of employees	5
Unauthorised disclosure of information	5
Theft	1
Fraud other than theft	18
Misuse of drugs or alcohol	1
Conflict of interest	26
Improper use of position or status	4
Other[2]	4
Total	**214**

1   A breach may involve more than one type of behaviour.

2   'Other' includes activities such as a failure to comply with a direction, providing false or misleading information, plagiarism and wrongful disposal of material.

PEOPLE SURVEY

The department conducts intermittent 'pulse polling' of a sample of staff to test engagement levels across the organisation. Staff engagement is an important measure and is an indicator of staff commitment to the work of the organisation. Results from quarterly polls show staff engagement is relatively stable, ranging between 67 and 68 index points from September 2012 to March 2013. These scores indicate staff are generally willing to exercise discretionary effort for the department and are motivated to do their job. This is a positive result given the significant change experienced by the department over the past year. The department's engagement is consistent with that of other large APS agencies.

PERFORMANCE MANAGEMENT

The department's performance management process is relevant to all staff.

All staff develop an individual performance agreement with their manager. This gives staff a clear understanding of their role and the performance standards expected of them, aligns individual and team work effort to departmental priorities, and helps staff to identify their learning and development needs. In 2012–13, 91.15 per cent of staff had an individual performance agreement in place. When taking into account staff on either long-term leave or secondment, who are not required to have a performance agreement, this is a strong result.

We encourage regular feedback between staff and their managers, supported by two formal reviews in each performance cycle.

JOB FAMILY MODEL

In 2012–13 the department categorised the majority of positions to a defined hierarchy of 15 job families, 63 job functions and 289 job roles. The model used is consistent with that provided by the APSC, ensuring good comparability with the wider APS.

The department can now analyse changing skills requirements, job roles and ICT needs in a more sophisticated way, and better inform longer-term workforce planning and capability.

JOB DESIGN

The department continues to transition from a transaction-based approach to a relationship and outcome-focused approach to customer service. Through job design, roles are being redesigned to support service delivery reforms consistent with changing community needs. We are continuing to develop new job statements to support roles and identify ongoing requirements. At 30 June 2013, 347 roles had been reviewed covering approximately 50 per cent of staff roles.

Work is also well advanced in evaluating the roles of the SES staff in response to the recommendations in the *Ahead of the Game: Blueprint for the Reform of Australian Government Administration* report.

ENTRY-LEVEL FRAMEWORK

The department has an entry-level framework which includes programs leading to ongoing roles and also work experience opportunities.

The programs leading to ongoing roles are:
- Apprenticeship Program
- Cadetship Program
- National Graduate Program.

APPRENTICESHIP PROGRAM

The Apprenticeship Program is a study-to-work program made up of Diploma or Certificate level study and formal workplace components to provide on the job training to supplement the formal study. Both components need to be successfully completed in order to graduate from the program.

In addition we offer paid and unpaid placements which give participants (particularly young people) the chance to experience the business of the department and lead to opportunities for them to apply for ongoing positions. This initiative focuses on diversity, especially in attracting and retaining Indigenous people and people with disability to work in the department.

CADETSHIP PROGRAM

The Cadetship Program is a study-to-work program made up of approved university study and workplace components, both of which need to be successfully completed in order to graduate from the program.

NATIONAL GRADUATE PROGRAM

The National Graduate Program runs for 10 months and offers university graduates a guaranteed APS 5 position on successful completion.

The department engages approximately 100 graduates each calendar year across two pathways—generalist and professional. The professional pathway attracts people with allied health, communication, finance, human resources, ICT and legal qualifications.

In addition to the three programs described above, the department:
- ran two pilot programs for university student placements during semester breaks (summer/winter vacation placements and internships)
- took part in the ICT cadetship and apprenticeship programs managed by the Australian Government Information Management Office (10 cadets and 19 apprentices commenced in January 2013)
- conducted an ICT Apprenticeship diploma program
- continued the Allied Health university placement arrangements
- developed guidelines for participation in APS-specific disability inititatives such as RecruitAbility.

CASE STUDY

Meeting the challenge head on

With technology changing rapidly in the department and more and more customers doing their business electronically, Indigenous Apprentice Phyllita met the learning challenge head on.

Over the course of her apprenticeship Phyllita built a new set of skills which mean she now delivers a whole range of services in various customer service centres in metropolitan Perth.

Phyllita's training included on and off-the-job components, which started with simple scanning in the back office to take the load off other busy staff. The next step was to learn how to process forms lodged by unemployed customers.

With this introduction to customer service, Phyllita progressed quickly to more direct customer contact roles. This included providing information about the department's support and services, helping people to register for online services, and offering them assistance with the department's new mobile apps.

Phyllita has also taken on the Customer Liaison Officer role, which involves 'meeting and greeting' customers and, when needed, streaming them through the queuing system using an iPad.

Since she began her apprenticeship Phyllita has also represented the department at several events, including NAIDOC Week celebrations and family and jobs expos.

Supervisor June says: 'After her year's apprenticeship, Phyllita is now ready to move on to a permanent Customer Service Officer job. The whole experience together, I think, has been transforming and inspiring for both of us. We are very lucky to have such an enthusiastic and capable person join the department.'

Reflecting on the past year, Phyllita says: 'The journey through this apprenticeship has given me hope for a great future in the department. June has been a great support and has always ensured I had many opportunities to discover what the department is all about. I really recommend the apprenticeship program to anyone wanting a rewarding career.'

11:45
Victoria Park, WA

Centrelink
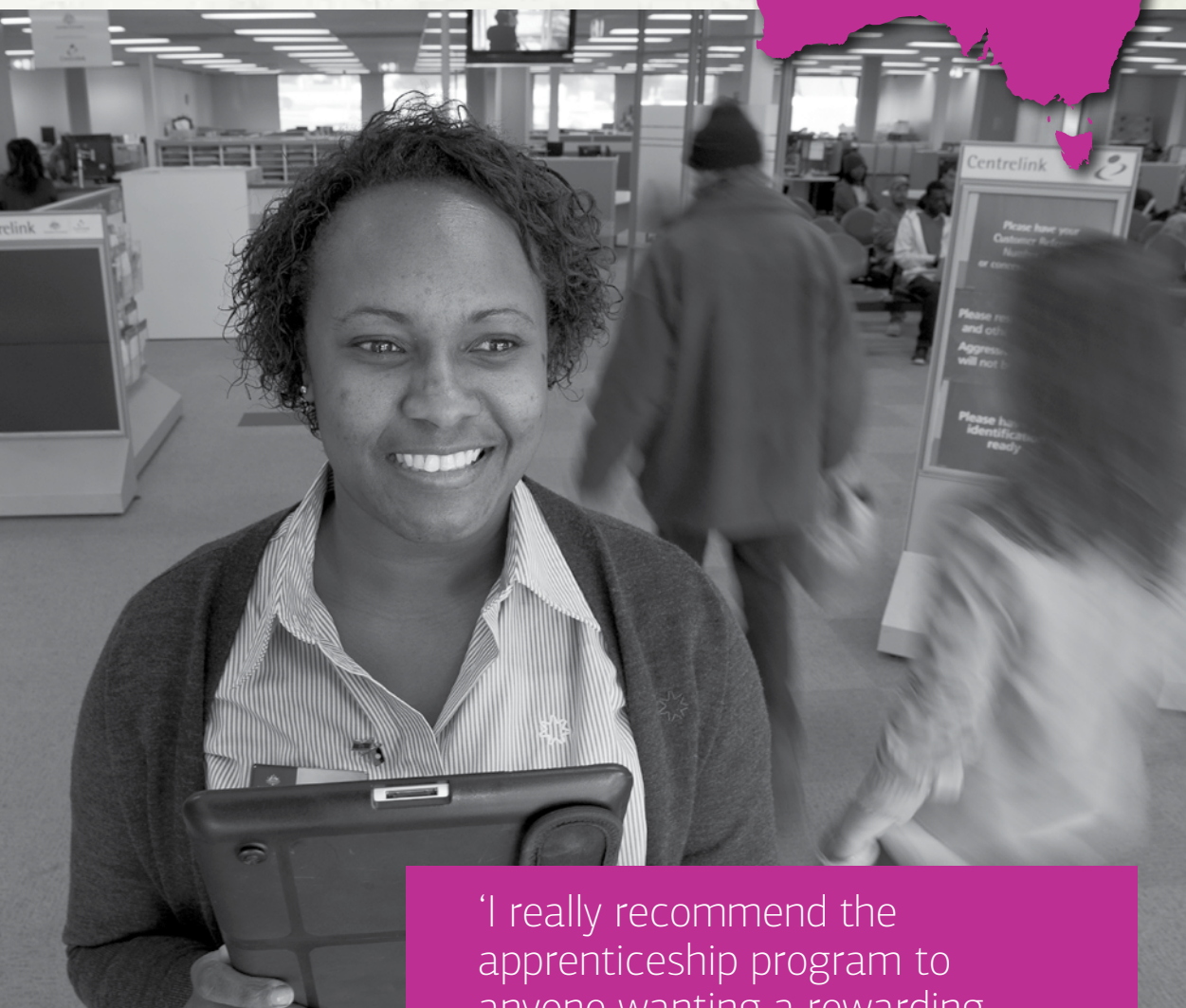
'I really recommend the apprenticeship program to anyone wanting a rewarding career'

Making the workplace accessible and inclusive

The department is focused on creating a workplace that is accessible and inclusive for all staff. Its efforts are guided by the *Workplace Diversity and Inclusion Strategy 2011–15*, the *Workplace Accessibility Plan 2012–15* and Workplace Diversity and Inclusion Policy and Guidelines.

ICT SUPPORT FOR GREATER ACCESSIBILITY

In 2012–13 around 450 staff received ongoing training and product support for assistive technology software.

The department is taking a lead role in the ICT Accessibility Roundtable that aims to identify and prioritise initiatives that can improve ICT accessibility across the APS.

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.

During the year the department introduced new initiatives that will help to provide pathways to employment for people with disability. This included a targeted recruitment campaign, implementing a Reasonable Adjustment Policy, and delivering awareness training to staff and managers. The department also has three senior executive Disability Champions who reinforce our commitment to employing people with disability, and assist in maintaining an inclusive workplace.

Our Gold Membership with the Australian Network on Disability continues to provide access to support mechanisms and employment programs for people with disability.

OTHER DIVERSITY INITIATIVES

In 2012–13 the department joined the Diversity Council of Australia, giving immediate access to the latest information and research to support our workplace diversity and inclusion initiatives.

The department hosts four staff diversity networks covering disability; mature age, cultural and linguistic diversity; and lesbian, gay, bisexual, transgender and intersex issues. The networks give members an opportunity to help shape workplace diversity and inclusion initiatives.

The department widely promoted and celebrated Harmony Day in March 2013 (see page 143).

RECONCILIATION ACTION PLAN

The department implemented the *Reconciliation Action Plan 2012–14* in March 2012 with the vision of working collaboratively to improve social, economic and cultural outcomes for Aboriginal and Torres Strait Islander peoples. Under the plan, the department implements strategies and ideas that commit us to achieving specific targets and outcomes and give clear recognition to the importance of reconciliation.

EMPLOYMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES

In 2012–13 the number of Indigenous staff within the department increased to 3.5 per cent which is well above the APS average of 2.1 per cent. The department supported its Indigenous staff by continuing to implement actions under the *Aboriginal and Torres Strait Islander Employees Plan 2011–15*.

Membership of the Indigenous Employees Network has grown to 730. The network provides leadership, support and development opportunities for Indigenous staff at the local level and is a consultative forum for Indigenous employment policies and strategies.

In 2012–13 three Executive Level (EL) 1 staff participated in the external cultural immersion and leadership program called Jawun, which promotes Indigenous corporate partnerships. It gives staff a short-term secondment to work with Indigenous communities on a local project. Several SES staff also participated in the Jawun Executive program and all SES staff undertook cultural competency training. The department piloted a Remote Placement opportunity with six graduates placed in Darwin and Alice Springs (the Northern Territory) and Broome (Western Australia) for three to six months. Following a review, future graduate recruitment intakes will also include this opportunity.

The department also manages a centralised Indigenous Apprenticeship Program. The program recruits Aboriginal and Torres Strait Islander staff via bulk recruitment rounds as well as through the APSC's Pathways Program. In the 2013 program, 135 apprentices were employed to work across the department. The apprentices gain on-the-job experience and also complete a Certificate III or IV in Government, Business, Customer Contact or Business Administration. See also *Meeting the challenge head on* on page 226.

This year we partnered with the Department of Immigration and Citizenship (DIAC) to recruit Indigenous apprentices in Northern Australia. The department employed 26 apprentices in Darwin, Palmerston, Alice Springs and the Kimberley region, and DIAC employed six apprentices in Darwin.

The department follows Welcome to Country, and Acknowledgement of Country protocols when hosting or officiating at events. Aboriginal and Torres Strait Islander traditional custodians, usually the elders, welcome people to their country and the land of their ancestors at the beginning of proceedings. Staff can also show respect for Aboriginal and Torres Strait Islander peoples by acknowledging the traditional custodians at the start of events.

Supporting learning and development

The *Learning Strategy 2011–15* guides the department's investment in training our staff to ensure they have the skills and capabilities needed to deliver high quality services and government outcomes.

TECHNICAL TRAINING

In 2012–13 the department ensured that staff had the skills and knowledge to perform their work by:

- ensuring they have the training and tools to keep them up-to-date with ICT system changes
- developing and trialling learning and development material to support future job roles
- upgrading and improving accessibility of existing legacy training material developed for the previous Medicare Australia, Centrelink and Child Support systems and processes.

The department has also been implementing the department's *Learning Strategy 2011–15* by creating on-the-job learning and development initiatives including:

- coaching and mentoring
- job rotations and job shadowing
- workplace projects that provide challenges
- 'stretch' projects
- action learning groups
- online collaborative forums such as virtual classrooms.

LEADERSHIP DEVELOPMENT AND ENGAGEMENT

The department continues to run Action Learning Sets for SES staff. These focus on developing peer support, collaboration and learning though sharing knowledge and experience. SES staff also attend core leadership and development programs, including the Australia and New Zealand School of Government and APSC programs.

The department helps new SES staff make a smooth transition to their new role. To guide talent development and succession planning, SES staff complete career profiles of their work and development history.

The Secretary convened a series of nine four-hour open Leadership Dialogues with SES and other staff in Adelaide, Brisbane, Canberra, Darwin, the Gold Coast, Hobart, Melbourne, Newcastle and Western Sydney. The dialogues allowed business and operational leaders to exchange perspectives about departmental directions and decisions directly with senior executives.

MIDDLE MANAGEMENT DEVELOPMENT

Manager development within the department targets APS 5 through to EL 2 managers. A Manager Development Guide sets out the development courses offered, both internal and external. The guide is aligned to the department's Management and Leadership Capability Framework.

The department's Talent Council advises the Secretary and Executive Committee on talent and succession management within the department.

In 2012–13, 24 EL staff participated in a pilot Talent Development Program—a 12-month intensive development program which focuses on building leadership skills and capabilities in high performing, high potential EL 2 staff. The program aims to ensure succession for SES staff leadership roles.

ETHICS AND VALUES

The department has continued to promote a culture of high ethical standards and decision-making through the ethics intranet site and regular messaging to staff. This builds on the successful roll-out of the ethics guide, *Putting Ethics and Values into Practice*, and the mandated department-wide ethics briefings.

Managing change

The department continues to undergo significant change as it builds smarter and better services for customers. Ongoing support has been provided to staff throughout this change. Specific initiatives include:

- transitioning the workforce to support the new way of delivering services
- embedding a network of change managers across the department to provide local support during the implementation of major change projects
- managing an online change community to share information about change initiatives with staff
- advising staff managing change projects about the likely impact on staff of proposed business, process or systems changes
- monitoring and supporting the progress of reform projects
- developing programs and online resources to help managers lead change and staff to adapt to change.

Ensuring work health and safety

The department's work health and safety guidelines and procedures aim to develop and adopt best practice in health and safety management to reduce the social and financial cost of occupational injury and illness and improve business performance. The department has continued the program of work started in 2011–12 to ensure compliance with the new *Work Health and Safety Act 2011*, including reviewing and implementing safety guidelines and procedures and delivering programs to ensure that all workers are aware of their health and safety responsibilities.

The department's work health and safety priority areas for 2012–13 were:

- customer aggression
- offsite safety, including remote travel
- psychological health, including bullying and harassment
- body-stressing injury prevention, including sedentary work.

The department's health and safety outcomes in 2012–13 included:

- implementing new restricted service arrangements for aggressive customers and providing resources and training to help staff reduce and manage customer aggression risks and respond to incidents, such as customer management plans for customers at risk of acting aggressively

- implementing a new Customer Aggression training program for supervisors to enable them to support staff after serious incidents of customer aggression

- implementing health and safety training standards and products, including the Safety Essentials training program for workplace managers and the Managing Work Health and Safety eLearning program for supervisors

- implementing the Safety Assurance Program, which involves reviewing safety management at a sample of workplaces annually

- undertaking work health and safety checks in office administration reviews and property inspection procedures

- improving how safety trends are monitored through Incident and Injury and Customer Aggression Reports

- improving health and safety guidelines and procedures in the areas of contractor safety management, hazardous chemical and asbestos safety, alcohol and drugs, fatigue management, communicable disease, thermal comfort, visual fatigue, workplace safety inductions and workplace inspections

- implementing early intervention training for supervisors

- addressing psychological injury risks, including publishing staff support and employee assistance guidelines, Mental Health First Aid training programs for team leaders, new mental health eLearning programs, and trialling suicide awareness training programs

- continuing to incorporate crime prevention through environmental design in service centres and best practice in emergency procedures, including the use of code grey (shelter in place) and code black (evacuation) procedures

- continuing the workplace influenza vaccination program

- reviewing influenza pandemic plans.

The department's long-term injury trend shows fewer workers compensation claims but an increase in their average cost. See Appendix G on page 374 for information required under the *Work Health and Safety Act 2011*.

Figure 8 on page 234 shows the impact of body-stressing injuries, which make up 46 per cent of the accepted claims and 43 per cent of claim costs in 2012–13.

Figure 8: Percentage of accepted claims for 2012–13 by type of injury

- Body-stressing
- Mental stress
- Falls, trips and slips
- Being hit by moving objects
- Hitting objects with body
- Other
- Chemicals and other substances
- Sound and pressure
- Biological factors
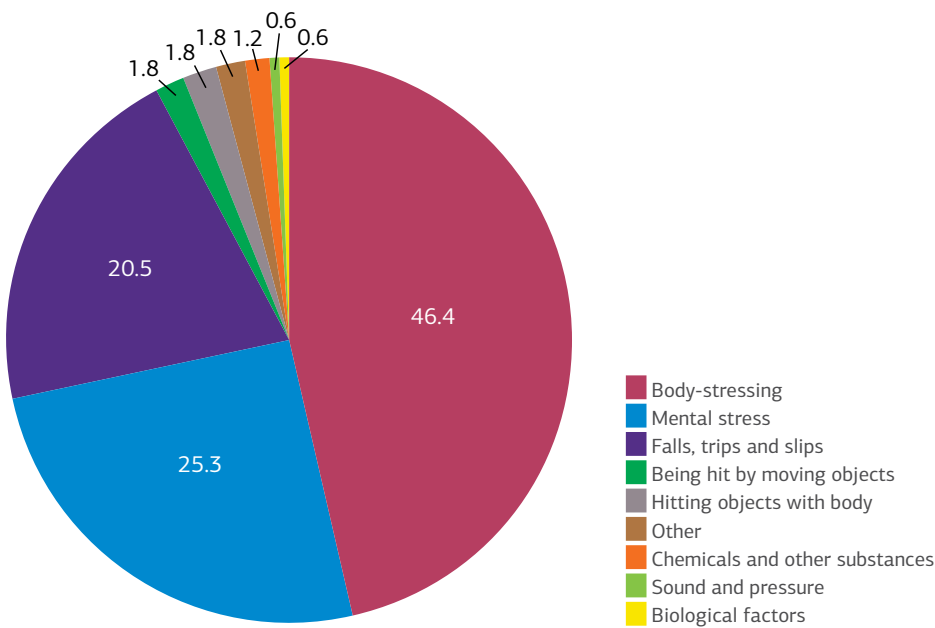
COMCARE WORK HEALTH AND SAFETY AND REHABILITATION AWARDS 2012–13

Three staff members were recognised in Comcare's annual work health and safety and rehabilitation awards in 2012–13:

- Megan Evans from the Workplace Health and Safety Branch won the 2012 Comcare Award for the Best Individual Contribution to Health and Safety by a work health and safety practitioner for her work in preparing the department for the new work health and safety laws. The winners of the Comcare safety awards, along with the winners of the respective state, territory and the Seacare Awards, are nominated for the Safe Work Australia Awards. Megan also received a high commendation in these awards.

- Jo Coleman from the Youth, Education and Employment Branch won the 2012 Comcare Award for the Health and Safety Representative of the Year for her efforts in working closely with managers in the workplace to achieve a healthy and strong approach to managing work health and safety.

- Debra Kelly from the People Support Branch won the 2012 Comcare Award for Rehabilitation and Return to Work for an individual for her ongoing work and commitment in providing rehabilitation and early intervention for staff, including supporting staff who deliver customer services, and dealing with serious incidents of customer aggression.

Recognising excellence

The department's Awards and Honours Program recognises and rewards performance excellence. The primary national award program focuses on exceptional customer service, successful innovation, inspirational leadership, and business excellence of both individuals and teams. The department also participates in external awards programs.

INTERNAL AWARD PROGRAMS

The Pinnacle Achievement Awards are the department's primary national annual award event. They include categories and criteria aligned to the department's strategic direction, culture and leadership priorities.

The 2012 Pinnacle Achievement Award winners by category were:

- Secretary's Award—The ESSentials Project Team and the Change Management and Channel Integration Team
- Customer Focus Award—Wendy Williamson and Judy Brooke
- Exceptional Service Award—Ana Majdandzic
- Innovative Solutions Award—The Clean Energy Advance Project Team
- Inspirational Leadership Award—The Bankstown Service Centre
- Business Excellence Award—The Managed Telecommunications Services Project Team
- Youth Employee Award—Rikeesha (Wia) Rivers
- Ross Divett Memorial Award—The Policy Strategy and Business Solutions Section.

Significant Achievement Awards are sponsored by the SES and recognise achievements by individuals and teams within their business lines. Award presentations are conducted several times a year.

The 'In the Moment' program encourages informal recognition at a local level and has the advantage of enabling immediate recognition.

The department's Australia Day Achievement Awards, as part of the National Australia Day Council program, recognise staff who have greatly helped customers around the country.

The individual 2013 Australia Day Achievement Award recipients were: Stephen Brecely; Joanne McGuffie; Cheyenne Stace; Joe Costa; Colleen Wright; Mark Lazaric; Jessica Barnett-Milne; Steven Janek; Helen Ferguson; Lee-Anne Foxe; Anthony McArdle; Kerry Brown; and Angela Franco.

The team 2013 Australia Day Achievement Award recipients were: Removal of Cash Project Team; Doris Blackburn Building Project Team; Child Support Online Improvement Project Team; Strategic Letters and Forms Improvement Team; Chronic Disease Dental Scheme Taskforce; Governance and Program Support Section and National Health Funding Administrator Payments System.

EXTERNAL AWARD PROGRAMS

The following achievements were celebrated in 2012–13:

- Three staff members won awards in the Comcare Work Health and Safety and Rehabilitation Awards. The winners were recognised across three categories: Best Individual Contribution to Health and Safety, Health and Safety Representative of the Year, and Rehabilitation and Return to Work (see also *Comcare Work Health and Safety and Rehabilitation Awards 2012–13* on page 234).

- Sheryl Lewin was awarded a Public Service Medal as part of the Australia Day Honours Program.

- Denise Hodgson and Helen Ferguson were awarded Public Service Medals as part of the Queen's Birthday Honours Program.

- The department was awarded the 2012 Customer Contact Achievement Award and Most Innovative People Strategy Category in the Customer Contact Management Association Government awards.

- Four staff members received acknowledgement for their achievement and efforts from Certified Practising Accountants (CPA) Australia. The winners were:

  - Secretary Kathryn Campbell accepted the Recognised Employer Partner certificate for the department's strong ongoing commitment to learning and development for staff.

  - Deputy Secretary Malisa Golightly received an ACT Division President's award for excellence for her outstanding service to the area of public sector accounting and management.

  - Chief Financial Officer Darren Box was presented with a Fellow CPA (FCPA) certificate. FCPA is the highest level of membership and is only awarded to those with 15 years or more in membership with more than five years in a leadership role.

  - Dallas Richardson from the department's Chief Financial Officer Division received an award from the University of New England, sponsored by CPA Australia, for finishing in the top five per cent of one of the subjects completed at university that is part of a CPA accredited course.

- The department was awarded the 2013 Overall Excellence in eGovernment and the Service Delivery Category Award for our Express Plus mobile apps at this year's Australian Government ICT Awards. This project has taken advantage of mobile device technology to develop the first authenticated Australian Government mobile apps. Express Plus means people have more flexibility in managing common transactions and reporting requirements quickly and easily from any location, at any time—without having to phone the department or visit a service centre.
- The department was recognised for its 2011–12 annual report. The report received a Bronze Award at the Australasian Reporting Awards in Melbourne.

SERVICE RECOGNITION PROGRAM

In 2012–13 the Service Recognition Program acknowledged 3745 staff for their increased level of experience, capability and insight developed from continuous employment in the APS. It is an important part of the employee engagement strategy to build a culture that values the service contribution of staff.

Service recognition certificates and service pins are provided to staff who reach 10, 20, 30, 40 and 50 years of service in the APS.

Workplace giving

Workplace giving allows staff to donate to selected charities under pre-tax arrangements. In 2012–13, 28 workplace giving charities were available to staff through the payroll system. More than $55 800 was donated by staff, the main beneficiaries being the Salvation Army and CARE Australia. The department is also actively involved in charity fundraising at the local level. For the third consecutive year, our Secretary participated in the St Vincent de Paul Society's annual Vinnies CEO Sleepout, and this year raised more than $39 000 for the homeless.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The department is at the forefront of public sector ICT transformation. Our technology infrastructure, combined with our deep understanding and experience in delivering complex customer-focused services, has made us a world-leader in social and health-related service delivery.

To support service transformation, our ICT vision is to deliver reliable, accessible and personalised solutions. We put customers at the centre of everything we do and support our staff in developing solutions that improve customer experience. We are also working towards a single, efficient, flexible and innovative ICT infrastructure to improve customer service delivery.

Technology plan

The department's *Technology Plan 2012–16* sets out how we will transform and add new capabilities to provide better services to the community.

The technology plan has five major themes:

1. build for the future
2. improve how we work
3. deliver high quality service
4. build a high-performing technology capability
5. invest in people.

Progress on a number of major themes in the plan, including enhanced online, mobile and self services for customers, is described below.

Key ICT achievements

Major achievements in 2012–13 included:

- **Common communications platform**—our email systems were consolidated to a common and updated backend mail infrastructure delivering improved and consistent capability and performance to all staff. This was rolled out on new desktop infrastructure supported by a common operating system across all devices.

- **Telstra contract**—in July 2012 we entered into a contract with Telstra to supply telecommunication services, which consolidated multiple separate arrangements. This has led to greater efficiencies and productivity improvements for staff. It will also significantly enhance how services are delivered to Australians. Telstra will provide the department with a fully-managed service covering voice, mobile and data services from 2014. This will bring with it improved servicing capabilities including voice biometrics.

- **Consolidated data centres**—we consolidated our data centre infrastructure down from 13 sites to three, and will move to two by the end of 2014.
- **Consolidated services**—we exited major outsourcing agreements for Medicare and Child Support bringing all equipment in-house, removing duplication and consolidating technology platforms.
- **Mobile apps**—we released a suite of mobile apps targeted at meeting customer demand for convenient and flexible access to the department's services (see *Express Plus mobile apps* on page 32).
- **Online service stability**—we made significant improvements to online service stability, with the rate of major incidents declining from 249 in the second half of 2011–12 to 82 in the first half of 2012–13 and to 49 in the second half of 2012–13 (see Figure 9).
- **Online capability**—we enhanced online capability, resulting in more transactions being completed online than onsite or over the phone for the first full year.
- **myGov**—this single, secure, online platform was officially launched in May 2013 (**my.gov.au**). It allows customers to easily access their existing Centrelink, Medicare and Child Support online services accounts as well as their personally controlled eHealth record, using only one username and password.
- **Enterprise architecture**—the future state enterprise architecture was developed as the foundation for new and improved service delivery initiatives. This work made it possible to begin developing a physical technology blueprint for all of the department's ICT systems, ensuring that future projects align to a single, integrated ICT system.

Figure 9: Service stability incidents
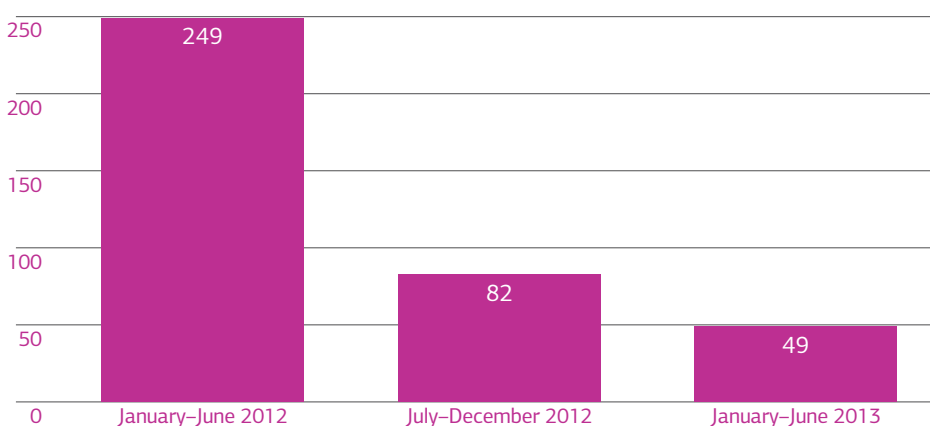
ICT support for other government agencies

The department continues to provide support to deliver a range of government initiatives and for other government agencies including:

- internet gateway services to:
    - Australian Radiation Protection and Nuclear Safety Agency
    - Australian Sports Anti-Doping Authority
    - Department of Veterans' Affairs
    - Murray-Darling Basin Authority
    - National Blood Authority
    - National Health and Medical Research Council
    - Professional Services Review
    - Therapeutic Goods Administration
- enhanced online capability for users of the Small Business Superannuation Clearing House (see *Small Business Superannuation Clearing House* on page 135)
- ICT components and ICT operational support of the eHealth record system on behalf of DoHA. An eHealth record provides a secure electronic summary of an individual's health information (see *eHealth record* on page 127)
- ICT components and ICT operational support of the National Authentication Solution for Health which enables the use of secure electronic communications across the health sector (see *National Authentication Service for Health* on page 128)
- enhanced ICT online capability for the Practice Incentives Program for DoHA. The program offers incentives to medical practices as well as individual providers to improve the quality of care provided to patients. This is a web-based self-service system for general practitioners to simplify administration (see *Practice Incentives Program* on page 110)
- enhanced ICT online capability for the Registrar component of the General Practice Rural Incentives Program (see page 114), the HECS Reimbursement Scheme (see page 115), the Rural Procedural Grant Program (see page 115) and the Rural Locum Education Assistance Program (see page 116)
- release of the National Health Funding Administrator Payment System to enable the states and territories to make payments to hospitals for providing public hospital services
- investment in a new system for the Aged Care Reform Modernisation sub-program, to provide a contemporary and stable solution to meet existing aged care payment requirements. It replaces some system components that have been in operation for 15 to 20 years. The new system will provide a viable long-term solution and will support the department in delivering the Living Longer. Living Better Aged Care Reform package.

ACCOUNTABILITY AND SCRUTINY

External audits

In 2012–13 the Australian National Audit Office (ANAO) issued five audit reports involving the department. The department agreed with all recommendations, and the Audit Committee (see page 375) was responsible for monitoring implementation. 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 the Parliament. The department was not required to attend any hearings of the committee in 2012–13.

For more information see Appendix H on page 375.

Commonwealth Ombudsman

In 2012–13 the Commonwealth Ombudsman approached the department with 1234 investigations from customers. This resulted in 44 findings of administrative deficiency—a decrease of 56 per cent compared with last year.

The Ombudsman published one section 15 report involving the department. See Appendix H on page 375.

Freedom of information

In 2012–13 the department had an Information Publication Scheme page on its website (see Appendix I on page 378).

During the year we received 3632 Freedom of Information (FOI) requests for documents. This represents a 4.2 per cent decrease on the previous year. The department received 28 requests for amendment or annotation of personal records. While overall FOI requests were down, there was an increase of 60 per cent in the number of complex requests seeking non-personal information.

Taking into account cases pending from previous years, 3243 requests were finalised. Of these requests:

- applicants withdrew 148 requests before decisions on access were made
- full access was granted in 1741 cases
- part access was granted in 1015 cases

- access was refused in 331 cases
- 8 cases were transferred to other agencies.

REVIEWS OF FREEDOM OF INFORMATION DECISIONS

In 2012–13 the department received 80 requests for an internal review of access decisions and amendment decisions. Of the reviews of access decisions completed in 2012–13, and taking into account requests pending from previous years, 43 requests resulted in granting access or part access, and one request was withdrawn. The original decision was affirmed in 36 of the reviews completed, compared with 24 from 2011–12.

Office of the Australian Information Commissioner

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

Personal information requests

The department provides various ways for people to access their own information including:

- access to their records online through:
  - Medicare Online Services
  - Centrelink Online Services
  - Child Support Online Services
- access to Medicare benefit tax statements and Medicare claims histories either online or by request
- access for law firms representing customers in personal injury matters with the customers' consent
- access to personal information through the *Freedom of Information Act 1982*.

The department also responds to requests for personal information in the public interest and under specific provisions in the legislation it administers.

In 2012–13 the department processed 121 376 personal information requests compared with 121 128 in 2011–12.

Judicial decisions and tribunal appeals

See Appendix H on page 375 for judicial decisions in 2012–13.

A large number of the department's decisions are subject to merit review by the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. For more information see *Merit reviews* on page 198.

Internal audits

The department completed 29 internal audits in 2012–13 (including three that were carried over from the 2011–12 audit program). We developed the 2012–13 internal audit program in consultation with the Audit Committee, Executive and business areas, and aligned it with corporate strategic risks to correctly target assurance activities. We further refined the program following a mid-year review of strategic risks, emerging issues and available resources, which resulted in a reprioritisation of some audits based on their relative risk.

The internal audit program provided independent assurance on the department's performance in managing strategic priorities, achieving operational objectives in line with organisational and legislative requirements, and ensuring that high standards of probity and accountability were met.

Managing internal fraud

The department takes fraud control very seriously and is committed to a culture of ethical behaviour. The systems it uses to respond to fraudulent activity include tactical intelligence capability, links to criminal intelligence information and financial intelligence tools, optical surveillance, a fraud tip-off system and data-matching programs.

The department complies with the *Commonwealth Fraud Control Guidelines 2011* (see *Letter of transmittal* on page VI for Commonwealth Fraud Control Guidelines certification) and section 45 of the FMA Act, which requires fraud risk assessments and fraud control planning to be undertaken. The *2012–13 Fraud Control Plan* sets out our approach to managing fraud across the department.

Substantiated incidents of internal fraud may be dealt with administratively by applying the APS Code of Conduct or by referral to the Australian Federal Police or the Commonwealth Director of Public Prosecutions if an Australian law has been breached.

In June 2013 the department promoted fraud awareness to all staff. Activities included:

- a central intranet page, linking all relevant fraud awareness information
- articles on fraud in staff messaging
- screensavers about fraud awareness on staff computer monitors
- briefing papers and talking points for managers.

Business continuity

The department has a business continuity policy that enables us to manage business disruptions. The procedures are flexible and match the response to the nature of the disruption. The overall program is based on international standard BS ISO 22301:2012 *Societal security: Business continuity management systems requirements*.

The department reviews its critical functions and business continuity plans annually through the Business Impact Analysis process. This enables us to prioritise the functions that support the delivery of our products and services and integrate our response across the organisation.

The department has tested each service zone management team for its response to significant disruptions, following up with a range of business improvements.

SAFEGUARDING PRIVACY

Customer records and personal information

The department places great emphasis on protecting the privacy of customers and staff. Our processes to protect personal information are of a very high standard. In January 2013 the Secretary approved the Operational Privacy Policy, which includes 10 requirements with which staff must comply. The policy reinforces that:

- all staff must sign a privacy and confidentiality responsibilities undertaking when they start with the department, and then annually
- privacy incidents must be reported as soon as they are identified.

Personal information related to the administration of the department's programs and services is protected by the *Privacy Act 1988* and the confidentiality and 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 information privacy principles and relevant confidentiality and secrecy provisions.

Privacy impact assessments

As new projects and program improvements are developed, the department considers their potential impact on privacy. The operational privacy policy mandates (other than in exceptional circumstances) the use of the privacy impact assessment process 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. Usually these are raised by departmental management, staff, customers, the OAIC or the Commonwealth Ombudsman.

Escalation and reporting processes minimise the effects of any substantiated privacy incident. The total number of substantiated privacy incidents was 471, which is a three per cent decrease compared with 2011–12.

COMPENSATING CUSTOMERS

Administrative errors

In 2012–13 the department received 3323 compensation claims from customers for settlement under the Legal Services Directions or for payment under the Scheme for Compensation for Detriment Caused by Defective Administration. This compares with 3189 claims received in 2011–12.

The department approved a total of 1801 claims in 2012–13. This represents 59 per cent of all determined claims, compared with 57 per cent in 2011–12.

We aim to process claims within 90 days. In 2012–13, 63 per cent of claims were completed within 90 days, compared with 81 per cent in 2011–12.

The most common reason for paying customer compensation is to reimburse people for financial losses caused by the department's failure to follow proper procedure or to provide appropriate advice.

Act of Grace payments

The department received 138 claims for Act of Grace payments in 2012–13 compared with 136 in 2011–12. The Department of Finance and Deregulation (DoFD) approved 21 claims in 2012–13, compared with 28 in 2011–12. These numbers may not align with those reported in the financial statements, which only include Act of Grace payments funded by the department. The financial statements do not include Act of Grace payments made in respect of payments administered by the department but funded by other departments.

MANAGING PURCHASING AND CONSULTANCIES

Purchasing

The department conducts its procurement activities in accordance with the *Commonwealth Procurement Rules* (CPRs). The Chief Executive's Instructions about the department's procurement activities and related policy and procedural publications align with the CPRs. In 2012–13 we reviewed the instructions to ensure they were consistent with the Commonwealth procurement framework.

In 2012–13 the department continued to provide specialist procurement advice, training and assistance to staff undertaking procurements to ensure compliance with the CPRs, in particular, value for money.

The department also continued to contribute to the establishment and implementation of a number of whole-of-government coordinated procurement initiatives led by DoFD. We also helped the APSC establish panel arrangements for capability development and eLearning, and continued to manage ongoing panel arrangements that support sourcing of print and related services by 42 Australian Government agencies.

Consultancies

The department's consultancy contracts are categorised in accordance with the Department of the Prime Minister and Cabinet's *Requirements for Annual Reports* and DoFD's guidance on reporting on consultancies. In addition to the measures that ensure the department's procurements comply with the CPRs and departmental policies, all proposals for consultancy services are referred to a procurement specialist before the relevant Deputy Secretary approves them.

In 2012–13 the department engaged consultants to provide specialised, professional services, independent research or assessment, and other necessary skills when they were unavailable in the department.

The department reduced spending on consultancy services significantly from 2011–12, continuing the trend since 2010–11. In 2012–13, the department expended $3.0 million on a total of 16 consultancy contracts, involving a total of $362 500 expenditure on four ongoing consultancy contracts and the balance on 12 new consultancy contracts.

Table 71 shows total expenditure (including GST) on consultancy contracts for the current and previous three financial years.

Table 71: Expenditure on consultancy services 2009–10 to 2012–13

	2009–10[1]	2010–11[1]	2011–12	2012–13
Total consultancy services expenditure	$6 138 844	$14 143 651[2]	$7 356 187	$3 006 440

1   Total departmental expenditure for 2009–10 and 2010–11 was calculated by adding together the total expenditure reported in the separate annual reports of the former agencies (Centrelink, Medicare Australia and the Department of Human Services, including the Child Support Program and CRS Australia).

2   Departmental expenditure on consultancy services was high in 2010–11 due to significant work related to service delivery reform.

This annual report contains information about actual expenditure on contracts and consultancies. Information about the contract value of departmental contracts and consultancies is available on the AusTender website.

Exempt contracts

In 2012–13 the department had no contracts or standing offers that were exempted from publication on AusTender by the Secretary. This was also the case in 2011–12.

Australian National Audit Office

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

Grants

Information on grants awarded by the department during 2012–13 is available on our website at **humanservices.gov.au**

IMPROVING CORPORATE RECORDS MANAGEMENT

The government's Digital Transition Policy is moving Australian Government agencies to digital record-keeping for efficiency purposes. We have continued to increase our digital record-keeping capability.

The primary focus continues to be increasing the digitisation of incoming paper records through scanning and reducing the need to create new paper files (see also *Online Document Lodgement Service* on page 30). In 2011–12 the department created 233 837 paper customer files. As a result of digitisation, in 2012–13 we significantly reduced the number of new paper files created to 1086.

COMMUNICATING WITH THE PUBLIC

In 2012–13 the department increased its focus on promoting our website and online services. We communicated our new online capabilities (our mobile apps for example) to staff so they can pass this information on to our customers. (See *Express Plus mobile apps* on page 32).

The department's communication activities are conducted in line with DoFD's *Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies.* The department did not undertake any government advertising campaigns in 2012–13. See Appendix J on page 379 for information about advertising agencies and organisations carrying out market research, polling, direct mailing or media advertising.

While the department communicates with individuals and groups of customers, the media is an effective way of informing the broader community about Australian Government support, services and payments. The department's engagement with the media has demonstrated its responsiveness to community and government needs, as well as performing a vital education function.

The department's spokesperson participated in regular talkback radio interviews across Australia, answering questions on a variety of topics related to the department's services. Talkback radio is an important way for us to tell customers about their rights and responsibilities and to demonstrate we are an accessible and customer-focused organisation.

The department continues to monitor media coverage to evaluate issues and messages communicated to the community, as well as the likely effects on our service delivery. Analysis of media coverage helps to identify service delivery issues early and prepare strategies to respond to community enquiries or increases in customer demand.

MANAGING OUR PROPERTIES AND OTHER ASSETS

Property management

At 30 June 2013 the department maintained a leased portfolio of 708 commercial properties around Australia occupying 814 631 square metres. The property portfolio includes sites delivering Centrelink, Medicare, Child Support and CRS Australia programs and services. The department owns 34 residential properties and leases a further 17 residencies in remote locations. These properties provide accommodation for staff in parts of the country where sourcing residential accommodation has historically been difficult.

The department's strategy for accommodating national office staff in Canberra is consolidating staff from 21 sites (at 30 June 2012) into seven core sites by the end of 2013. About 90 per cent of the Canberra-based national office staff will be located together at Greenway in the Tuggeranong Town Centre precinct.

The new Doris Blackburn Building in Forrest was officially opened by the then Minister, Senator the Hon Kim Carr on 4 February 2013. Construction of the Louisa Lawson building in Greenway was completed in June 2013 and it was officially opened by the then Minister, Senator the Hon Jan McLucas on 9 August 2013.

The integration of business and service delivery operations during 2012–13 has enabled the department to:

- consolidate staff, where appropriate
- optimise business outcomes
- rationalise and reduce the lease portfolio by around 12 400 square metres in locations outside the Australian Capital Territory.

Fourteen service centres were relocated to new premises, four of which brought Medicare and Centrelink services together into a single service centre offering a full range of services, with three also incorporating CRS Australia services. A further 38 service centres were refurbished to facilitate consolidation of Medicare and Centrelink services, and 18 service centres and processing centres were refurbished to bring them up to current standards.

In 2012–13 office lease and associated costs for the department were $430.8 million. Capital improvements to our properties incurred a further $50.8 million. Jones Lang LaSalle provides property management services for the department, other than for CRS Australia which manages these services internally.

Asset management

The department's assets largely comprise leasehold improvements, office equipment and computer software. The departmental assets register is updated as assets are purchased, disposed of or retired.

WORKING SUSTAINABLY

We are committed to carrying out our business in an environmentally responsible way. We have a strong presence across the country, with 35 838 staff operating out of 686 sites. With such a large footprint, the department's comprehensive environment management system (EMS) is designed to minimise the effect of our activities on the environment.

In 2012–13 the department continued to integrate improvements and control measures into our EMS, which is aligned to the international standard ISO 14001:2004. The EMS framework helps us manage environmental risks such as 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.

We also support the mandatory environmental standards for procurement processes, set by the government to drive performance, resource efficiency and innovation in supply chains and across industry.

See Appendix K on page 381 for more information about the department's contribution to ecologically sustainable development and environmental performance.

9

Financial overview and financial statements

FINANCIAL PERFORMANCE

In 2012–13 the department administered an estimated $149.4 billion in payments or around 39 per cent of government outlays. Financial performance targets were, for the most part, met and the department reported an operating deficit of $7.3 million before unfunded depreciation and revaluation adjustments.

This compares with a deficit of $38.6 million in 2011–12. This year the department has changed the method for calculating the operating deficit reported in 2012–13 from the 2011–12 Annual Report where the loss of $14.8 million reported included the impact of revaluation adjustments and funded depreciation.

See Appendix L on page 387 for resource statements and expenses for Outcome 1.

Statement of financial performance

INCOME

The department was primarily funded through direct appropriation in the annual budget cycle. We also received service-related revenue from other Australian Government agencies and non-government entities under service arrangements (see Table 72).

In 2012–13 the department received total income of $4.2 billion, comprising $3.9 billion in government appropriation and $0.3 billion from other sources (see Table 73 on page 253). This compares with the total income of $4.3 billion in 2011–12.

Table 73 shows that in 2012–13 the department's income decreased by $81.7 million or 1.9 per cent compared with the previous year. This was due to a decrease of $29.9 million in appropriation revenue and a reduction of $51.8 million in own source income. Figure 10 on page 253 shows a comparison of income and expenses over the past three years.

Table 72: Other sources of funding (contract revenue)

Government departments and other entities	$ '000
Attorney-General's Department	2 220
Department of Broadband, Communications and the Digital Economy	1 496
Department of Defence	987
Department of Education, Employment and Workplace Relations	157 620
Department of Families, Housing, Community Services and Indigenous Affairs	8 884
Department of Foreign Affairs and Trade	5 833
Department of Health and Ageing	16 493
Department of Veterans' Affairs	24 491
National E-Health Transition Authority	17 194
Other	46 111
Total	**281 329**

EXPENSES

The department's expenses in 2012–13 totalled $4.5 billion compared with $4.6 billion in 2011–12.

In 2012–13 staff expenses were $2.9 billion and supplier expenses were $1.3 billion.

Table 73: Income and expenses 2010–11 to 2012–13

	2010–11 $ million	2011–12 $ million	2012–13 $ million	% change[1]
Income	4 117.8	4 274.1	4 192.4	−1.9
Expenses	4 492.1	4 572.8	4 456.0	−2.6

1   Percentage change between 2011–12 and 2012–13.

Note: Figures for 2010–11 show the combined total for the Department of Human Services including Centrelink and Medicare Australia.

Figure 10: Income and expenses 2010–11 to 2012–13
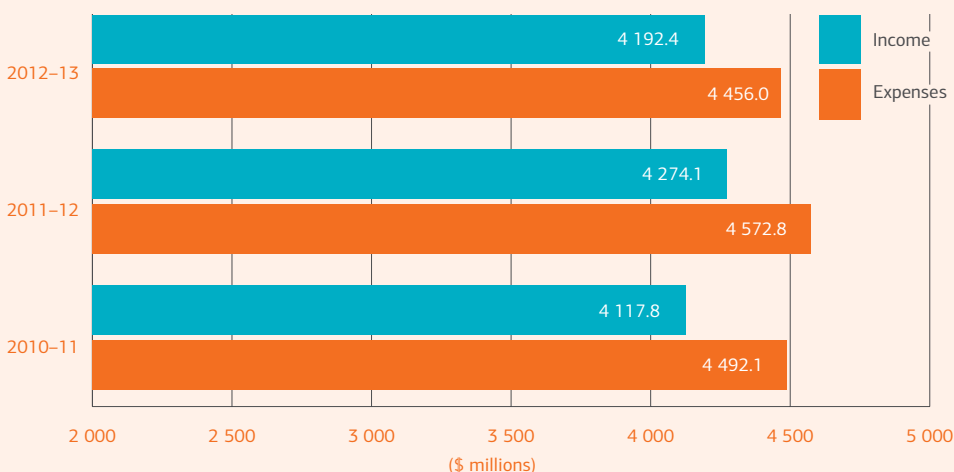
Statement of financial position

EQUITY

The total equity of the department at 30 June 2013 was $562.4 million representing contributed equity $1087.6 million, reserves $57.1 million and accumulated deficit of $582.3 million. Figure 11 on page 254 shows the trend in equity over the past three years.

ASSETS

At 30 June 2013 the department's assets totalled $1.9 billion, compared with $2 billion in 2011–12. Figure 11 shows the trend in assets over the past three years.

LIABILITIES

At 30 June 2013 the department had total liabilities of $1.3 billion, compared with $1.4 billion in 2011–12. Figure 11 shows the trend in liabilities over the past three years.

Table 74: Equity, assets and liabilities 2010–11 to 2012–13

	2010–11 $ million	2011–12 $ million	2012–13 $ million	% change[1]
Equity	610.0	627.5	562.4	−10.4
Assets	1 839.3	2 027.6	1 854.5	−8.5
Liabilities	1 229.3	1 400.1	1 292.1	−7.7

1   Percentage change between 2011–12 and 2012–13.

Figure 11: Equity, assets and liabilities 2010–11 to 2012–13
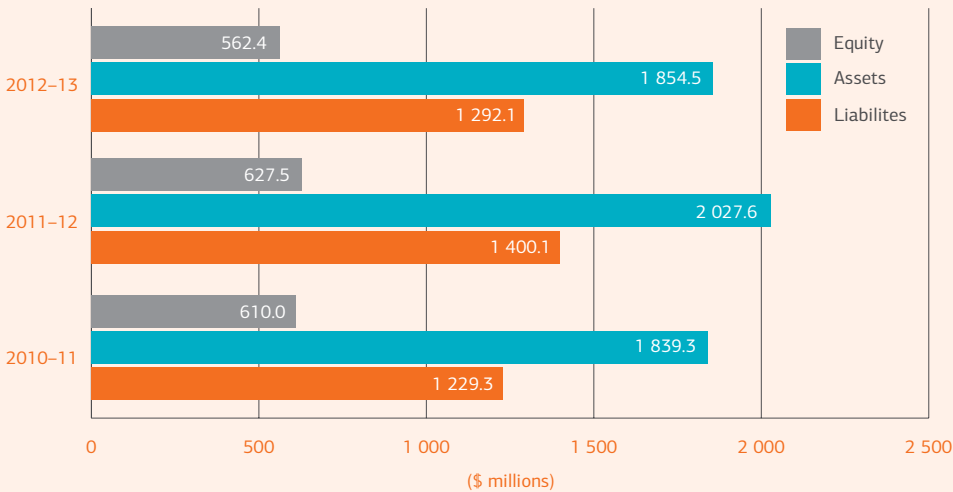
Administered items

The department transfers child support payments between separated parents for the support of their children. It receives appropriations for expenses incurred in delivering the BasicsCard and Community Innovation through Collaboration which is part of the Building Australia's Future Workforce initiative.

The department also receives dividends and competitive neutrality payments on behalf of the Australian Government from Australian Hearing. All administered receipts are transferred directly to the Official Public Account.

FINANCIAL STATEMENTS

Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Human Services

<u>Report on the Financial Statements</u>

I have audited the accompanying financial statements of the Department of Human Services for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information.

Secretary's Responsibility for the Financial Statements

The Secretary of the Department of Human Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of Human Services' preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Human Services' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary of the Department of Human Services as well as evaluating the overall presentation of the financial statements.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT 2600
Phone (02) 6203 7300 Fax (02) 6203 7777

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Department of Human Services:

(a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and

(b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Human Services' financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

Note 35 *Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund* discloses information on the Department of Human Services' review of its exposure to risks of not complying with statutory conditions on payments from special appropriations and special accounts, and annual appropriations which fund statutory payments. Non-compliance with statutory conditions may lead to a contravention of section 83 of the Constitution, which requires that no money shall be drawn from the Treasury of the Commonwealth except under an appropriation made by law.

As disclosed in Note 35 and Note 35A *Compliance with Section 83 of the Constitution*, payments totalling $41,677 were identified in 2012-13 in contravention of section 83 of the Constitution.

Australian National Audit Office

Puspa Dash
Executive Director

Delegate of the Auditor-General

Canberra
6 September 2013

DEPARTMENT OF HUMAN SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed..................................

Kathryn Campbell CSC
Secretary

6 September 2013

Signed..................................

Emily Canning
Acting Chief Financial Officer

6 September 2013

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DEPARTMENT OF HUMAN SERVICES
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

	Notes	2013 $'000	2012 $'000
EXPENSES			
Employee benefits	4A	**2,885,372**	2,821,103
Supplier expenses	4B	**1,295,709**	1,470,344
Depreciation and amortisation	4C	**260,334**	266,024
Finance costs	4D	**1,352**	1,482
Write-down and impairment of assets	4E	**7,002**	7,453
Losses from asset sales	4F	**1,204**	1,547
Other expenses	4G	**5,036**	4,884
Total expenses		**4,456,009**	4,572,837
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	5A	**280,738**	331,431
Rental income	5B	**591**	2,085
Total own-source revenue		**281,329**	333,516
Gains			
Foreign Exchange	5C	**2**	-
Other gains	5D	**2,701**	2,350
Total gains		**2,703**	2,350
Total own-source income		**284,032**	335,866
Net cost of services		**4,171,977**	4,236,971
Revenue from Government	5E	**3,908,373**	3,938,277
Deficit before income tax on continuing operations		**(263,604)**	(298,694)
Income tax expense	6A	**315**	707
Deficit after income tax on continuing operations		**(263,919)**	(299,401)
Deficit attributable to the Australian Government		**(263,919)**	(299,401)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation surplus		**22,809**	18,531
Total other comprehensive income		**22,809**	18,531
Total comprehensive loss attributable to the Australian Government		**(241,110)**	(280,870)

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The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
BALANCE SHEET
as at 30 June 2013

	Notes	2013 $'000	2012 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	7A	**45,614**	24,065
Trade and other receivables	7B	**772,400**	864,382
Other financial assets	7C	**82**	113
Total financial assets		**818,096**	888,560
Non-Financial Assets			
Land and buildings	8A	**363,060**	387,229
Property, plant and equipment	8B	**175,284**	190,633
Intangibles	8D	**416,896**	412,702
Other non-financial assets	8F	**81,155**	148,480
Total non-financial assets		**1,036,395**	1,139,044
Total assets		**1,854,491**	2,027,604
LIABILITIES			
Payables			
Suppliers	9A	**274,926**	393,633
Tax liabilities	9B	**487**	1,236
Lease incentives	9C	**19,397**	23,975
Other payables	9D	**80,237**	78,044
Total payables		**375,047**	496,888
Interest Bearing Liabilities			
Leases	10A	**-**	238
Total interest bearing liabilities		**-**	238
Provisions			
Employee provisions	11A	**885,128**	848,270
Other provisions	11B	**31,918**	54,728
Total provisions		**917,046**	902,998
Total liabilities		**1,292,093**	1,400,124
Net assets		**562,398**	627,480
EQUITY			
Parent Entity Interest			
Contributed equity		**1,087,599**	911,571
Reserves		**57,098**	34,289
Retained surplus (accumulated deficit)		**(582,299)**	(318,380)
Total parent entity interest		**562,398**	627,480

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The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2013

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Opening balance								
Balance carried forward from previous period	(318,380)	(19,842)	34,289	15,758	911,571	121,278	627,480	117,194
Adjustment for errors	-	863	-	-	-	750	-	1,613
Adjusted opening balance	(318,380)	(18,979)	34,289	15,758	911,571	122,028	627,480	118,807
Comprehensive income								
Asset revaluation surplus	-	-	22,809	18,531	-	-	22,809	18,531
Deficit for the period	(263,919)	(299,401)	-	-	-	-	(263,919)	(299,401)
Total comprehensive income	(263,919)	(299,401)	22,809	18,531	-	-	(241,110)	(280,870)
Transactions with owners								
Distributions to owners								
Returns of capital:								
Reduction of appropriation	-	-	-	-	-	(29,836)	-	(29,836)
Contributions by owners								
Departmental capital budget (DCB)	-	-	-	-	131,826	285,001	131,826	285,001
Equity injection - Appropriations[1]	-	-	-	-	44,202	34,493	44,202	34,493
Restructuring	-	-	-	-	-	499,885	-	499,885
Sub-total transactions with owners	-	-	-	-	176,028	789,543	176,028	789,543
Closing balance attributable to the Australian Government	(582,299)	(318,380)	57,098	34,289	1,087,599	911,571	562,398	627,480

[1] Equity Injection – Appropriation for 2012–13 includes an amount of $0.455 million relating to *Appropriation Act No.2 (2013–14)*. The comparative amount of $34.493 million for 2011–12 includes an amount of $2.498 million relating to *Appropriation Act No.2 (2012–13)*.

The above statement should be read in conjunction with the accompanying notes.

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DEPARTMENT OF HUMAN SERVICES
CASH FLOW STATEMENT
for the period ended 30 June 2013

	Notes	2013 $'000	2012 $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations[1]		**4,284,851**	4,288,271
Sale of goods and rendering of services		**363,462**	402,597
Net GST received		**130,233**	142,664
Total cash received		**4,778,546**	4,833,532
Cash used			
Employees		**2,847,966**	2,746,239
Suppliers		**1,472,963**	1,657,462
Competitive neutrality payments		**1,385**	316
Returns to OPA		**347,411**	419,937
Total cash used		**4,669,725**	4,823,954
Net cash from operating activities	13	**108,821**	9,578
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**2,929**	39
Total cash received		**2,929**	39
Cash used			
Purchase of property, plant and equipment		**160,834**	183,853
Purchase of intangibles		**114,953**	177,852
Total cash used		**275,787**	361,705
Net (cash used) by investing activities		**(272,858)**	(361,666)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - DCB		**131,826**	299,551
Contributed equity - Capital injection		**53,760**	65,677
Total cash received		**185,586**	365,228
Cash used			
Payment of finance lease liabilities		**-**	775
Total cash used		**-**	775
Net cash from financing activities		**185,586**	364,453
Net increase in cash held		**21,549**	12,365
Cash and cash equivalents at the beginning of the reporting period		**24,065**	11,700
Cash and cash equivalents at the end of the reporting period	7A	**45,614**	24,065

[1] Transfers from Official Public Account (OPA) are shown with appropriations.

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The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF COMMITMENTS
as at 30 June 2013

	2013	2012
BY TYPE	**$'000**	$'000
Commitments receivable		
Operating lease receivable	**580**	553
Net GST recoverable on commitments[1]	**254,989**	266,821
Other commitments	**3,880**	111,782
Total commitments receivable	**259,449**	379,156
Commitments payable		
Capital commitments		
Property, plant and equipment[2]	**(2,860)**	(31)
Land and buildings[3]	**(1,288)**	(787)
Intangibles	**(2,028)**	(5,580)
Total capital commitments	**(6,176)**	(6,398)
Other commitments payable		
Operating leases[4]	**(1,999,607)**	(1,868,832)
Other commitments[5]	**(836,250)**	(1,168,244)
Total other commitments payable	**(2,835,857)**	(3,037,076)
Total commitments payable	**(2,842,033)**	(3,043,474)
Net commitments by type	**(2,582,584)**	(2,664,318)
BY MATURITY		
Commitments receivable		
Operating lease receivable		
One year or less	**286**	553
From one to five years	**294**	-
Total operating lease receivable	**580**	553
Net GST recoverable		
One year or less	**57,916**	80,730
From one to five years	**125,285**	124,538
Over five years	**71,788**	61,553
Total net GST recoverable	**254,989**	266,821
Other commitments receivable		
One year or less	**1,940**	38,651
From one to five years	**1,940**	73,131
Total other commitments receivable	**3,880**	111,782
Total commitments receivable	**259,449**	379,156
Commitments payable		
Capital commitments		
One year or less	**(5,845)**	(2,435)
From one to five years	**(331)**	(3,963)
Total capital commitments	**(6,176)**	(6,398)
Operating lease commitments		
One year or less	**(430,328)**	(447,929)
From one to five years	**(997,713)**	(1,025,543)
Over five years	**(571,566)**	(395,360)
Total operating lease commitments	**(1,999,607)**	(1,868,832)

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF COMMITMENTS
as at 30 June 2013

SCHEDULE OF COMMITMENTS (Continued)	2013	2012
	$'000	$'000
Other commitments payable		
One year or less	**(214,539)**	(474,929)
From one to five years	**(403,605)**	(411,597)
Over five years	**(218,106)**	(281,718)
Total other commitments payable	**(836,250)**	(1,168,244)
Total commitments payable	**(2,842,033)**	(3,043,474)
Net commitments by maturity	**(2,582,584)**	(2,664,318)

[1] Commitments are GST inclusive where relevant.

[2] Property, plant and equipment commitments are primarily contracts for purchases of communications equipment and ICT hardware.

[3] Outstanding contractual payments for fitout of leased properties.

[4] Most operating leases included are effectively non-cancellable.

[5] Other commitments mainly comprises of telecommunication services.

General description of all leasing arrangements

Leases for office accommodation

Lease payments were subject to increases in accordance with upwards movements in the Consumer Price Index, market rates, fixed increase rate or a combination of the aforementioned rates. The initial periods of office accommodation leases are still current and most may be renewed for up to five years, at the Commonwealth's option, following a once-off adjustment of rentals to current market levels. They include Caroline Chisholm Centre lease with a term of 18 years, which may be renewed for two further terms of five years each at the Commonwealth's option on the same terms and conditions.

Agreements for the provision of motor vehicles to substantive senior executive officers

No contingent rentals exist. There were no purchase options available to the department.

There are 32 substantive senior executives who have taken the option of a motor vehicle under the Executive Vehicle Scheme and this is reflected in the Senior Executive Remuneration Note 15.

Leases of mainframe computer equipment and software

The Open Infrastructure Offering (OIO) agreement with IBM provides hardware, software and services focussed on attaining the department's business objectives with fixed lease payments until June 2016. After the initial term, the contract may be extended on a monthly basis. As the department's business changes or as new legislation is implemented the OIO may be updated to facilitate the requirement for such changes.

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF CONTINGENCIES
as at 30 June 2013

	2013 $'000	2012 $'000
Contingent assets		
Claims for damages or costs	**3,179**	802
Total contingent assets	**3,179**	802
Contingent liabilities		
Claims for damages or costs	**1,552**	243
Total contingent liabilities	**1,552**	243
Net contingent assets	**1,627**	559

Details of each class of contingent assets and contingent liabilities listed above are disclosed in Note 14: Contingent Assets and Liabilities, along with information on significant remote contingencies and contingencies that cannot be quantified.

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME
for the period ended 30 June 2013

	Notes	2013 $'000	2012 $'000
EXPENSES			
Child support payments	19A	**1,329,546**	1,348,308
Compensation recovery payment	19B	**11,964**	18,279
Write-down and impairment of assets	19C	**170,674**	118,048
Other expenses	19D	**3,463**	2,552
Grants	19E	**7,579**	2,759
Depreciation	19F	**35**	36
Total expenses administered on behalf of Government		**1,523,261**	1,489,982
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Non-taxation revenue			
Child support revenue	20A	**1,384,101**	1,271,311
Fees and fines	20B	**125,359**	144,767
Compensation recoveries	20C	**11,964**	18,279
Competitive neutrality revenue	20D	**6,224**	8,889
Dividends	20E	**1,736**	3,993
Other revenue	20F	**1**	106
Total non-taxation revenue		**1,529,385**	1,447,345
Total own-source revenue administered on behalf of Government		**1,529,385**	1,447,345
Gains			
Reversal of previous asset write-downs and impairments	20G	**-**	57,707
Total gains administered on behalf of Government		**-**	57,707
Total own-source income administered on behalf of Government		**1,529,385**	1,505,052
Net contribution by services		**6,124**	15,070
Surplus		**6,124**	15,070
Total comprehensive income		**6,124**	15,070

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES
as at 30 June 2013

	Notes	2013 $'000	2012 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	21A	133	15
Child support receivables	21B	724,025	703,843
Trade and other receivables	21C	3,382	6,379
Investments	21D	38,522	37,342
Total financial assets		766,062	747,579
Non-Financial Assets			
Property, plant and equipment	22A	72	107
Total non-financial assets		72	107
Total assets administered on behalf of Government		766,134	747,686
LIABILITIES			
Payables			
Child support and other payables	23A	33,248	32,734
Payments received in advance	23B	16,754	17,389
Total payables		50,002	50,123
Provisions			
Child support provisions	24A	712,132	691,346
Total provisions		712,132	691,346
Total liabilities administered on behalf of Government		762,134	741,469
Net assets		4,000	6,217

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
ADMINISTERED RECONCILIATION SCHEDULE
as at 30 June 2013

	2013 $'000	2012 $'000
Opening administered assets less administered liabilities as at 1 July	**6,217**	7,414
Surplus (deficit) items:		
Plus: Administered income	**1,529,385**	1,505,052
Less: Administered expenses (non CAC)	**(1,523,261)**	(1,489,982)
Other comprehensive income:		
Increase in investments	**1,180**	2,757
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Special accounts	**1,247,503**	1,147,177
Special appropriations (unlimited) (non CAC)	**69,184**	90,588
Annual appropriations for administered expenses (non CAC)	**12,407**	8,872
Transfers to the OPA	**(1,338,615)**	(1,265,661)
Closing administered assets less administered liabilities as at 30 June	**4,000**	6,217

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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 2013

	Notes	2013 $'000	2012 $'000
OPERATING ACTIVITIES			
Cash received			
Child support receipts		**1,309,338**	1,244,354
Recoveries		**11,964**	18,279
Fees and fines		**9,210**	8,827
Competitive neutrality receipts		**7,377**	7,443
Dividends		**2,518**	4,628
Net GST received		**1,218**	303
Departure prohibition order receipts		**459**	253
Other		**-**	106
Total cash received		**1,342,084**	1,284,193
Cash used			
Child support payments		**1,308,998**	1,241,018
Compensation recovery payment		**11,964**	18,279
Income management card payments		**2,805**	2,860
Grants		**8,337**	2,759
Departure prohibition order returns		**341**	253
Total cash used		**1,332,445**	1,265,169
Net cash flows from operating activities	25	**9,639**	19,024
Net increase in cash held		**9,639**	19,024
Cash and cash equivalents at the beginning of the reporting period		**15**	15
Cash from Official Public Account for:			
Special accounts		**1,247,503**	1,147,177
Appropriations		**80,578**	98,949
Other		**1,013**	511
Total cash from the Official Public Account		**1,329,094**	1,246,637
Cash to Official Public Account for:			
Special accounts		**(1,247,196)**	(1,152,141)
Other		**(90,089)**	(110,332)
Appropriations		**(1,330)**	(3,188)
Total cash to the Official Public Account		**(1,338,615)**	(1,265,661)
Cash and cash equivalents at the end of the reporting period	21A	**133**	15

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF ADMINISTERED COMMITMENTS
as at 30 June 2013

	2013	2012
BY TYPE	**$'000**	$'000
Commitments receivable		
GST recoverable on commitments	**1,315**	1,227
Total commitments receivable	**1,315**	1,227
Commitments payable		
Other commitments payable		
Grants[1]	**(11,361)**	(7,300)
Other[2]	**(3,109)**	(6,198)
Total other commitments payable	**(14,470)**	(13,498)
Total commitments payable	**(14,470)**	(13,498)
Net commitments by type	**(13,155)**	(12,271)
BY MATURITY		
Commitments receivable		
GST recoverable		
One year or less	**858**	553
From one to five years	**457**	674
Total GST recoverable	**1,315**	1,227
Total commitments receivable	**1,315**	1,227
Commitments payable		
Other commitments payable		
One year or less	**(9,446)**	(6,083)
From one to five years	**(5,024)**	(7,415)
Total other commitments payable	**(14,470)**	(13,498)
Total commitments payable	**(14,470)**	(13,498)
Net commitments by maturity	**(13,155)**	(12,271)

NB: Commitments are GST inclusive where relevant.

[1] The department enters into an agreement to make these grants but services have not yet been performed or payment criteria satisfied.

[2] Other commitments relate to contractual agreements where the contractor has yet to provide the service required under the agreement.

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
SCHEDULE OF ADMINISTERED CONTINGENCIES
as at 30 June 2013

There were no Administered contingencies in the 2012–13 or 2011–12 financial years.

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 1:   Summary of Significant Accounting Policies

1.1   Objectives of the Department of Human Services

As a result of the *Human Services Act 2011* obtaining royal assent, the Commonwealth Services Delivery Agency, referred to as Centrelink, and Medicare Australia were integrated into the Department of Human Services effective 1 July 2011. Integration is continuing to provide further opportunities to increase efficiencies across the portfolio and to deliver improved and more convenient services to Australians.

The Department of Human Services is an Australian Government controlled entity. It is a not for profit entity. The department performs a significant function in the development of service delivery policy and provides access to social, health and other payments and services on behalf of Australian Government policy departments and other organisations. These payments and services support Government outcomes in policy and program areas such as Social Inclusion, Closing the Gap, Welfare Reform, Health Reform and Emergency Management.

The department's objective 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's activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenue and expenses controlled or incurred by the department in its own right. Administered activities involve the management and oversight by the department, on behalf of the Government, of items controlled or incurred by the Government.

The continued existence of the department is dependent on Government policy and on continuing funding by Parliament for the department's administration and programs.

1.2   Basis of Preparation of the Financial Statements

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* (FMA Act) and are general purpose financial statements.

The financial statements have been prepared in accordance with:
- Finance Minister's Orders (FMOs), for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to or from the department and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).

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

Administered revenues, expenses, assets and liabilities and cash flows reported in the Administered Schedules and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.22.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

1.3   Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

Child Support Maintenance Impairment Allowance
The Child Support program 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 program acts as the intermediary only.

As part of the financial statements preparation, the department engaged the Australian Government Actuary (AGA) to perform a methodology review and calculation of the impairment allowance for administered child support maintenance debt. A similar review was undertaken in 2011–12 and will be undertaken annually.

During the 2013 review, it was identified that changes in collection rates meant that the provision rate for child support maintenance debt increased from 39.38% reported in 2011–12 to 40.55% for 2012–13. This resulted in an increase to the provision of $14 million.

In undertaking the 2013 review, the AGA used a five year Commonwealth bond rate where in the 2011–12 review a ten year bond rate was used. AASB 139 *Financial Instruments: Recognition and Measurement* requires that payments be discounted at a rate reflecting the estimated timing of the payments. AGA's analysis was that child support receivable has a discounted mean term of approximately five years and therefore the use of the five year rate is appropriate. The five year bond rate is 3.2% and the ten year bond rate is 3.76%. If the ten year rate was applied the result would be an additional increase in the impairment of approximately $12 million.

Child Support Penalty Impairment Allowance
The purpose of the penalties on Child Support debt is to encourage customers to comply with their child support obligations and can be used as an effective negotiation tool. Under section 68 of the *Child Support (Registration and Collection) Act 1988*, the Child Support Registrar can decide to remit a late payment penalty in part or in full. This discretion is used in a way that will further the objectives of the child support scheme.

Penalty debts remain as accounts receivable in the administered financial statements whilst the associated maintenance debt remains outstanding. An impairment allowance of 99% is applied to the outstanding penalty receivable reflecting the purpose of penalties debts as a negotiation and payment incentive tool.

Onerous Lease
During 2012–13, the department updated the methodology for the calculation of surplus lease space. Previously the surplus lease space was calculated using average work space per work point including variations to address specific operational requirements. This methodology did not adequately provide for the nature of activities undertaken by the department. For instance, it did not make sufficient allowance for seasonal/surge requirements or space required for operational requirements.

The 2012–13 methodology recognises that a lease should be deemed onerous (and provided for) only if it relates to a vacant floor and/or identifiable and separable portion (e.g. a vacant, self-contained floor of a larger building/wing) of a building for which there are no immediate future plans or sub-let arrangements.

The outcome of implementing the change was a reduction in Other Provisions of $21.925 million in 2012–13 (Refer to Note 11B). This adjustment is non-recurring and the department will actively review the provision in line with new and changing lease arrangements and activities in future periods.

Internally Developed Software
In 2011–12, the department utilised a 5% average deflator rate for rework associated with capitalisation of internally developed software (IDS) projects.

In 2012–13, the department implemented a new process to identify and expense actual rework for IDS projects replacing the 5% average deflator. As a result of this change $2.362 million (2012: $6.181 million) actual rework was identified as non-capital in nature and recorded as operating expenses.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

1.4   Changes in accounting policies

Presentation of Transactions Recognised in Other Comprehensive Income
From 1 July 2012 the department applied amendments to AASB 101 *Presentation of Financial Statements*
outlined in AASB 2011-9 Amendments to Australian Accounting Standards· Presentation of Items of Other
Comprehensive Income. The change in accounting policy only relates to disclosures and has had no impact on
net income. The changes have been applied retrospectively and require the department to separately present
those items of other comprehensive income that may be reclassified to profit or loss in the future from those that
will never be reclassified to profit or loss. These changes are included in the Statement of Comprehensive
Income.

1.5   New Australian Accounting Standards

No other accounting standard has been adopted earlier than the application date as stated in the standard.

Adoption of New Australian Accounting Standard Requirements
The department applied amendments to AASB 101 *Presentation of Financial Statements* outlined in AASB
2011-9 Amendments to Australian Accounting Standards *Presentation of Items of Other Comprehensive
Income.*

Other new and revised accounting standards and interpretations that were issued prior to the sign-off date and
are applicable to the current reporting period did not have a financial impact and are not expected to have future
financial impact on the department.

Future Accounting Standard Requirement
There are no new standards, revised standards, amended standards or interpretations that have been issued by
the AASB prior to sign off date that are applicable to the future reporting period and are expected to have a
future material financial impact on the department.

1.6   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 (2012) 288 ALR 410, as they
contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance
with its general practice, the 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.

1.7   Revenue

Revenues from Government
Amounts appropriated for departmental outputs for the year (adjusted for any formal additions and reductions)
are recognised as revenue from Government when the department gains control of the appropriation.

Appropriations receivable are recognised at their nominal amounts.

From 1 July 2010 the funding for depreciation and amortisation ceased to be funded through departmental
appropriations for outputs and has been replaced by departmental annual appropriation for Departmental
Capital Budget (DCB) which is accounted for as contributions by owners (i.e. equity).

Revenue received by CRS Australia from the Department of Families, Housing, Community Services and
Indigenous Affairs and the Department of Education, Employment and Workplace Relations for disability
services is recognised in full in the year to which the underlying appropriation relates. These receipts have been
classified as non-reciprocal in nature under AASB 1004 *Contributions* and therefore payments received in
advance are not treated as unearned income.

Other Revenue
Revenue from the sale of goods is recognised when:
- the risks and rewards of ownership have been transferred to the buyer;
- the department retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the department.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:
- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for rendering of services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance for bad and doubtful debts. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.
Dividends are recognised when the right to receive payment is established.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement.*

1.8   **Gains**

Resources Received Free of Charge
Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.9).

Sale of Assets
Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.9   **Transactions with the Government as Owner**

Equity Injections
Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and the DCB are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements
Net assets received from or relinquished to another Australian Government entity or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners
The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.10   **Employee Benefits**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave
The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

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The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of the AGA for the department in the 2012–13 financial year. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation
Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or non-government superannuation funds. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The department makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans.

Where employees have received significant pay increases, the contributions made by the department during the year may not cover the full superannuation liability. The department has made provision for additional lump sum contributions for the difference between the total estimated contributions required and those already incurred.

The liability for superannuation recognised as at 30 June 2013 represents outstanding contributions for the year.

Separation and Redundancy
Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination if it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.11   Leases

A distinction is made between finance and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

Lease incentives provided to the department to enter into property leases are recognised as liabilities. Subsequent lease payments are allocated between a reduction of the liability and property rental expense to effect a spreading of the rental expense in accordance with the pattern of benefits derived from the rental properties.

The department makes an immediate allowance for property make-good where required under lease agreements.

1.12   Borrowing Costs

All borrowing costs are expensed as incurred.

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1.13   Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include:
    a) cash on hand;
    b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
    c) cash held by outsiders; and
    d) cash in special accounts.

1.14   Financial Assets

The department classifies its financial assets as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

Effective Interest Method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit and loss.

Loans and Receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

1.15   Financial Liabilities

Financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Other Financial Liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.16   Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.17   Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.18   Property, Plant and Equipment

Asset Recognition Threshold
Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than $3,000, which are expensed in the year of acquisition. No threshold has been assigned to land and buildings. Leasehold improvements are recognised in the Balance Sheet, except when the cost is less than $20,000, per site, in which case they are expensed in the year of acquisition.

The initial cost of a property asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make-good' provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the 'make-good' recognised.

Revaluations
Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserves except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus/deficit. Revaluation decrements for a class of assets are recognised directly through surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. A revaluation in the 2012–13 year has been completed in relation to land, buildings and leasehold improvements. Property, plant and equipment is being revalued on a rolling basis over 2012–13 and 2013–14. Any class of assets not formally revalued in a given year has been subject to a materiality review to ensure that carrying values do not materially differ to fair values.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and Amortisation
Land, being an asset with an unlimited useful life, is not depreciated.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their useful lives to the department using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Departmental Assets	*2012–13*	*2011–12*
Buildings	50 years	50 years
Leasehold improvements	Shorter of unexpired lease term or useful life	Shorter of unexpired lease term or useful life
Plant and equipment	3 to 10 years	3 to 10 years

Impairment
All assets were assessed for impairment as at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the department was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.19   Intangibles

The department's intangible assets comprise purchased software and internally developed software for internal use, and externally purchased copyright costs associated with various agency publications. Purchased software assets are recognised at cost in the Balance Sheet, except for those costing less than $25,000, which are expensed in the year of acquisition. Internally developed software assets are recognised at cost in the Balance Sheet, except for those costing less than $1 million, which are expensed in the year of acquisition.

These assets are carried at cost less accumulated amortisation and accumulated impairment losses.
Intangibles are amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software are 5 to 10 years (2012: 5 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2013.

1.20   Taxation/Competitive Neutrality

The department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Competitive Neutrality
The department provides some services on a commercial basis. Under competitive neutrality arrangements, for certain components, the department is required to make Australian income tax, state payroll and land tax equivalent payments to the Government, in addition to payments for FBT and GST.

1.21   Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at reporting date. Associated foreign currency gains and losses are not material.

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1.22 **Reporting of Administered Activities**

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Administered Schedules and related notes.

These administered revenues, expenses, assets, liabilities and cash flows relate to Child Support; Income Management Basics Card; Better Futures, Local Solutions grants program; Compensation Recoveries; fees and fines; dividends and competitive neutrality administered items.

The personal benefit related administered revenues, expenses, assets, liabilities and cash flows which are administered on behalf of other agencies are disclosed in the financial statements of the relevant Government agencies which are responsible for administering the outcomes to which the items relate.

The payments made from appropriations administered by other agencies are disclosed in Note 29E.

Administered Cash transfers to and from the Official Public Account
Revenue collected by the department for use by the Government rather than the department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under parliamentary appropriations on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of the Government and reported as such in the Administered Cash Flow Statement and in the Administered Reconciliation Schedule.

Administered Revenue
All administered revenues are revenues relating to the course of ordinary activities performed by the department on behalf of the Australian Government.

The department receives administered revenues from Australian Hearing in the form of dividend revenue and competitive neutrality revenue. Administered revenue is recognised when the entitlement passes to the department. All administered receipts are transferred directly to the OPA.

The department receives Compensation for Health Care and Other Services recoveries relating to Medical and Pharmaceutical Benefits and Health Rebate Scheme on behalf of Department of Health and Ageing (DoHA) and the department records this as administered revenue. All recoveries are transferred directly to DoHA and are recognised as administered expenses.

Administered Child Support Penalties Revenue and Receivables
Under section 67 of *the Child Support (Registration and Collection) Act 1988* a late payment penalty is applied whenever a person fails to pay their child support by the due date, where the outstanding maintenance debt exceeds $1000. A late payment penalty is a debt due and payable to the Commonwealth (section 67(2)) and is recognised as revenue, and whilst it remains unpaid as accounts receivable, in the administered financial statements.

Collectability of debts is reviewed at the end of the reporting period. Allowance is made when collection of the debt is judged to be less rather than more likely.

Administered Child Support Revenue and Receivables
Revenues from the assessment and collection of child support are recognised at their nominal amounts. The revenues are recognised at the point when 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*.

The Child Support program reviews the collectability of child support debts on a continual basis and makes an allowance for the impairment of those debts not considered collectable based on historical collection.

Child Support Liability and Expenses
Liabilities for child support are recognised at the reporting date to the extent that they have not been settled. Liabilities for amounts collected, but not yet remitted to the custodial parent are measured at their nominal amounts.

The liability for child support includes provision for child support obligations that have been assessed but not yet received. The liability is calculated on the basis of the present value of the estimated future cash flows to be made to custodial parents at the reporting date. Estimated future cash flows are calculated with reference to the past experience of the recoverability of gross child support receivables from non-custodial parents.

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The estimate does not include future cash outflows that may result from child support re-assessments, relating prior to the reporting date, that are requested by non-custodial or custodial parents after the reporting date.

Child support expenses are recognised and measured in line with the child support liabilities. The Child Support Special Account is utilised for the receipt of child support payments and the making of regular and timely payments to custodial parents. The nature of the special account requires that child support monies received into the account are paid from the account to the relevant recipient. As such net child support receivables reported on the schedule of administered items are offset by equivalent child support payables and provisions.

Administered Investments
Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is only relevant at the Whole-of-Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2013. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at end of the reporting period.

Administered Foreign Currency
Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at reporting date. Associated foreign currency gains and losses are not material.

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Note 2:   Events After the Reporting Period - Departmental

Departmental

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the department.

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DEPARTMENT OF HUMAN SERVICES
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Note 3:   Events After the Reporting Period - Administered

Administered

There were no subsequent events that had the potential to significantly affect the ongoing structure and financial activities of the department delivered on behalf of the Government.

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Note 4: Expenses

	2013	2012
	$'000	$'000
Note 4A: Employee Benefits		
Wages and salaries	**1,983,119**	1,973,690
Superannuation:		
Defined contribution plans	**126,948**	109,319
Defined benefit plans	**270,527**	234,287
Leave and other entitlements	**456,821**	495,640
Separation and redundancies	**43,718**	5,008
Other employee expenses	**4,239**	3,159
Total employee benefits	**2,885,372**	2,821,103
Note 4B: Supplier Expenses		
Goods and services		
Communications	**276,302**	295,926
Consultants and contractors	**127,155**	215,709
IT maintenance	**101,382**	105,734
Property operating	**117,904**	124,988
Customer related	**66,705**	80,284
Travel and motor vehicles	**31,788**	41,407
Staff related	**29,890**	39,407
Legal services and compensation	**12,043**	12,759
Other goods and services	**51,022**	59,263
Total goods and services	**814,191**	975,477
Goods and services are made up of:		
Provision of goods - related entities	**-**	4
Provision of goods - external parties	**42,389**	34,045
Rendering of services - related entities	**180,535**	189,491
Rendering of services - external parties	**591,267**	751,937
Total goods and services	**814,191**	975,477
Other supplier expenses		
Operating lease rentals - external parties:		
Minimum lease payments	**412,292**	449,503
Contingent rentals	**2,256**	2,426
State tax equivalent	**321**	529
Workers compensation expenses	**66,649**	42,409
Total other supplier expenses	**481,518**	494,867
Total supplier expenses	**1,295,709**	1,470,344

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for the period ended 30 June 2013

	2013 $'000	2012 $'000
Note 4C: Depreciation and Amortisation		
Depreciation:		
Buildings	358	396
Leasehold improvements	97,949	118,928
Property, plant and equipment	59,752	52,422
Total depreciation	158,059	171,746
Amortisation:		
Internally developed software	63,528	58,283
Purchased computer software	38,747	35,995
Total amortisation	102,275	94,278
Total depreciation and amortisation	260,334	266,024
Note 4D: Finance Costs		
Unwinding of discount	1,177	1,337
Other interest payments	175	145
Total finance costs	1,352	1,482
Note 4E: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Impairment on financial instruments	5	852
Impairment of leasehold improvements	1,259	115
Impairment of property, plant and equipment	2,631	1,063
Impairment on internally developed software	1,521	5,152
Impairment on computer software purchased	22	271
Revaluation decrement - property, plant and equipment	1,564	-
Total write-down and impairment of assets	7,002	7,453
Note 4F: Losses from Asset Sales		
Property, plant and equipment:		
Proceeds from sale	(2,929)	(39)
Carrying value of assets sold	4,133	1,586
Total losses from asset sales	1,204	1,547
Note 4G: Other Expenses		
Act of Grace payments	186	22
Settlement of litigation	4,850	4,663
Other expenses	-	199
Total other expenses	5,036	4,884

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DEPARTMENT OF HUMAN SERVICES
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Note 5: Income

	2013	2012
OWN-SOURCE REVENUE	**$'000**	$'000
Note 5A: Sale of Goods and Rendering of Services		
Provision of goods - related entities	**55**	58
Provision of goods - external parties	**1,987**	289
Rendering of services - related entities	**232,096**	287,021
Rendering of services - external parties	**46,600**	44,063
Total sale of goods and rendering of services	**280,738**	331,431
Note 5B: Rental Income		
Other operating lease	**591**	2,085
Total rental income	**591**	2,085
GAINS		
Note 5C: Foreign Exchange		
Non-speculative	**2**	-
Total foreign exchange gains	**2**	-
Note 5D: Other Gains		
Resources received free of charge	**2,152**	2,350
Found assets	**318**	-
Other	**231**	-
Total other gains	**2,701**	2,350
Resources received free of charge from:		
Australian National Audit Office	**1,600**	1,600
Australian Taxation Office	**552**	750
Total resources received free of charge	**2,152**	2,350
REVENUE FROM GOVERNMENT		
Note 5E: Revenue from Government		
Departmental appropriations	**3,908,373**	3,938,277
Total revenue from Government	**3,908,373**	3,938,277

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Note 6:   Income Tax Expense (Competitive Neutrality)

	2013	2012
	$'000	$'000
Note 6A: Income Tax Expense		
Competitive neutrality - Commonwealth tax equivalent expense	**315**	707
Total income tax expense	**315**	707

The department provides some services on a commercial basis and is subject to the Australian Government's Competitive Neutrality Policy. The above amounts have been calculated as being payable to the Official Public Account in the form of company tax under the *Income Tax Assessment Act 1997* had they applied. These amounts have been paid, or are payable by the department to the Official Public Account.

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Note 7: Financial Assets

	2013	2012
	$'000	$'000
Note 7A: Cash and Cash Equivalents		
Cash on hand or on deposit	45,614	24,065
Total cash and cash equivalents	45,614	24,065
Note 7B: Trade and Other Receivables		
Good and Services:		
Goods and services - related entities	11,423	46,825
Goods and services - external parties	13,172	3,266
Total receivables for goods and services	24,595	50,091
Appropriations receivable:		
For existing programs	707,386	753,434
For departmental supplementation	13,372	9,558
For equity	-	7,515
For appropriation adjustment - Centrelink funding model	-	4,790
Total appropriations receivable	720,758	775,297
Other receivables:		
GST receivable from the Australian Taxation Office	28,370	40,500
Total other receivables	28,370	40,500
Total trade and other receivables (gross)	773,723	865,888
Less impairment allowance account:		
Goods and services	(1,323)	(1,506)
Total impairment allowance account	(1,323)	(1,506)
Total trade and other receivables (net)	772,400	864,382
Receivables are expected to be recovered in:		
No more than 12 months	772,400	864,382
Total trade and other receivables (net)	772,400	864,382
Receivables are aged as follows:		
Not overdue	768,046	845,770
Overdue by:		
0 to 30 days	1,336	4,210
31 to 60 days	882	1,899
61 to 90 days	1,285	7,859
More than 90 days	2,174	6,150
Total receivables (gross)	773,723	865,888
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	(1,323)	(1,506)
Total impairment allowance account	(1,323)	(1,506)

Credit terms for goods and services were within 30 days (2012: 30 days).

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Reconciliation of the Impairment Allowance Account:

Movements in relation to 2013

	Goods and services $'000	Total $'000
Opening balance	**(1,506)**	**(1,506)**
Amounts written off	**25**	**25**
Amounts recovered and reversed	**1,078**	**1,078**
Movement recognised in net surplus	**(920)**	**(920)**
Closing balance	**(1,323)**	**(1,323)**

Movements in relation to 2012

	Goods and services $'000	Total $'000
Opening balance	(212)	(212)
Restructure	(470)	(470)
Amounts written off	11	11
Amounts recovered and reversed	86	86
Movement recognised in net surplus	(921)	(921)
Closing balance	(1,506)	(1,506)

	2013 $'000	2012 $'000
Note 7C: Other Financial Assets		
Accrued revenue	**82**	113
Total other financial assets	**82**	113
Total other financial assets - are expected to be recovered in:		
No more than 12 months	**82**	113
Total other financial assets	**82**	113

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Note 8:   Non-Financial Assets

	2013	2012
	$'000	$'000
Note 8A: Land and Buildings		
Land:		
Land at fair value	**5,225**	6,438
Total land	**5,225**	6,438
Buildings on freehold land:		
Fair value	**10,217**	11,822
Accumulated depreciation	**(39)**	(405)
Total buildings on freehold land	**10,178**	11,417
Leasehold improvements:		
Fair value	**344,755**	316,158
Accumulated depreciation	**(31,912)**	(38,050)
Accumulated impairment losses	**(680)**	-
Under construction	**35,494**	91,266
Total leasehold improvements	**347,657**	369,374
Total land and buildings	**363,060**	387,229

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2012–13, an independent valuer, the Australian Valuation Office (AVO), conducted the revaluation of land, buildings and leasehold improvements.

A revaluation increment for land of $0.287 million (2012: nil), buildings of $0.086 million (2012: nil) and leasehold improvements of $25.318 million (2012: $18.531 million) was credited to asset revaluation surplus by asset class and has been included in the equity section of the Balance Sheet.

No amounts (2012: nil) from the revaluation of land, buildings or leasehold improvements were credited to the Statement of Comprehensive Income to recognise the recoupment of prior period revaluation decrements.

There was a write down and impairment of $1.259 million (2012: $0.115 million) for the leasehold improvements class of assets.

Note 8B: Property Plant and Equipment

	2013	2012
	$'000	$'000
Property, plant and equipment:		
Fair value	**250,899**	237,796
Accumulated depreciation	**(75,615)**	(47,163)
Total property, plant and equipment	**175,284**	190,633
Total property, plant and equipment	**175,284**	190,633

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2012–13, an independent valuer, the Australian Valuation Office (AVO), conducted the revaluation of property, plant and equipment.

A net revaluation decrement relating to a property, plant and equipment of $4.446 million (2012: nil) was recorded. Of this amount, $2.882 million (2012: nil) was debited to the asset revaluation surplus being the available credit balance. The remainder of $1.564 million (2012: nil) was recognised as an expense in the Statement of Comprehensive Income.

There was a write down and impairment of $2.631 million (2012: $1.063 million) for property, plant and equipment class of assets.

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Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2013)

	Land $'000	Buildings $'000	Leasehold improvements $'000	Total land and buildings $'000	Other property, plant & equipment $'000	Total $'000
As at 1 July 2012						
Gross book value	6,438	11,822	407,424	425,684	237,796	663,480
Accumulated depreciation and impairment	-	(405)	(38,050)	(38,455)	(47,163)	(85,618)
Net book value 1 July 2012	6,438	11,417	369,374	387,229	190,633	577,862
Additions:						
By purchase	-	-	56,076	56,076	49,555	105,631
By found assets	-	-	-	-	318	318
Revaluations and impairments recognised in other comprehensive income	287	86	25,318	25,691	(2,882)	22,809
Revaluations recognised in the operating result	-	-	-	-	(1,564)	(1,564)
Impairments recognised in the operating result	-	-	(1,259)	(1,259)	(2,631)	(3,890)
Depreciation expense	-	(358)	(97,949)	(98,307)	(59,752)	(158,059)
Other movements	-	-	(2,370)	(2,370)	1,740	(630)
Disposals - Other	(1,500)	(967)	(1,533)	(4,000)	(133)	(4,133)
Net book value 30 June 2013	5,225	10,178	347,657	363,060	175,284	538,344
Net book value as of 30 June 2013 represented by:						
Gross book value	5,225	10,217	380,249	395,691	250,899	646,590
Accumulated depreciation and impairment	-	(39)	(32,592)	(32,631)	(75,615)	(108,246)
Net book value 30 June 2013	5,225	10,178	347,657	363,060	175,284	538,344

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Note 8C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012)

	Land $'000	Buildings $'000	Leasehold improvements $'000	Total land and buildings $'000	Other property, plant & equipment $'000	Total $'000
As at 1 July 2011						
Gross book value	1,610	1,260	61,390	64,260	9,741	74,001
Accumulated depreciation and impairment	-	(9)	(2,787)	(2,796)	(1,091)	(3,887)
Net book value 1 July 2011	1,610	1,251	58,603	61,464	8,650	70,114
Additions:						
By purchase	-	-	110,928	110,928	129,567	240,495
By finance lease	-	-	-	-	193	193
By found assets	-	-	-	-	863	863
From acquisition of other entities (including restructuring)	4,828	10,467	299,886	315,181	108,103	423,284
Revaluations and impairments recognised in other comprehensive income	-	-	18,531	18,531	-	18,531
Impairments recognised in the operating result	-	-	(115)	(115)	(1,063)	(1,178)
Depreciation expense	-	(396)	(118,928)	(119,324)	(52,422)	(171,746)
Other movements	-	95	469	564	(1,672)	(1,108)
Disposals - Other	-	-	-	-	(1,586)	(1,586)
Net book value 30 June 2012	6,438	11,417	369,374	387,229	190,633	577,862
Net book value as of 30 June 2012 represented by:						
Gross book value	6,438	11,822	407,424	425,684	237,796	663,480
Accumulated depreciation and impairment	-	(405)	(38,050)	(38,455)	(47,163)	(85,618)
Net book value 30 June 2012	6,438	11,417	369,374	387,229	190,633	577,862

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

	2013 $'000	2012 $'000
Note 8D: Intangibles		
Computer software:		
Internally developed - in progress	126,704	145,871
Internally developed - in use	348,887	229,683
Accumulated amortisation	(156,822)	(91,188)
Total computer software	318,769	284,366
Computer software purchased		
Purchased	218,987	171,579
Accumulated amortisation	(120,860)	(43,243)
Total computer software purchased	98,127	128,336
Other intangibles:		
Purchased	105	105
Accumulated amortisation	(105)	(105)
Total other intangibles	-	-
Total intangibles	416,896	412,702

No intangibles are expected to be sold or disposed of within the next 12 months.

There was a write down and impairment of $1.521 million (2012: $5.152 million) for internally developed software class of assets and $0.022 million (2012: $0.271 million) for computer software purchased class of assets.

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DEPARTMENT OF HUMAN SERVICES
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Note 8E: Reconciliation of the Opening and Closing Balances of Intangibles (2013)

	Computer software internally developed $'000	Computer software purchased $'000	Other intangibles purchased $'000	Total $'000
As at 1 July 2012				
Gross book value	375,554	171,579	105	547,238
Accumulated amortisation and impairment	(91,188)	(43,243)	(105)	(134,536)
Net book value 1 July 2012	284,366	128,336	-	412,702
Additions:				
By purchase	-	8,559	-	8,559
By internally developed	99,453	-	-	99,453
Impairments recognised in the operating result	(1,521)	(22)	-	(1,543)
Amortisation	(63,528)	(38,747)	-	(102,275)
Other movements	(1)	1	-	-
Net book value 30 June 2013	318,769	98,127	-	416,896
Net book value as of 30 June 2013 represented by:				
Gross book value	475,591	218,987	105	694,683
Accumulated amortisation and impairment	(156,822)	(120,860)	(105)	(277,787)
Net book value 30 June 2013	318,769	98,127	-	416,896

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 8E: Reconciliation of the Opening and Closing Balances of Intangibles (2012)

	Computer software internally developed $'000	Computer software purchased $'000	Other intangibles purchased $'000	Total $'000
As at 1 July 2011				
Gross book value	59,220	18,007	105	77,332
Accumulated amortisation and impairment	(35,458)	(14,837)	(105)	(50,400)
Net book value 1 July 2011	23,762	3,170	-	26,932
Additions:				
By purchase	-	62,634	-	62,634
By internally developed	117,441	-	-	117,441
From acquisition of other entities (including restructuring)	206,598	97,121	-	303,719
Impairments recognised in the operating result	(5,152)	(271)	-	(5,423)
Amortisation	(58,283)	(35,995)	-	(94,278)
Other movements	-	1,677	-	1,677
Net book value 30 June 2012	284,366	128,336	-	412,702
Net book value as of 30 June 2012 represented by:				
Gross book value	375,554	171,579	105	547,238
Accumulated amortisation and impairment	(91,188)	(43,243)	(105)	(134,536)
Net book value 30 June 2012	284,366	128,336	-	412,702

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

	2013 $'000	2012 $'000
Note 8F: Other Non-Financial Assets		
Prepayments[1]	81,155	148,474
Lease incentive	-	6
Total other non-financial assets	81,155	148,480
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	61,934	141,119
More than 12 months	19,221	7,361
Total other non-financial assets	81,155	148,480

No indicators of impairment were found for other non-financial assets.

[1]Mainly relates to software maintenance, mainframe infrastructure services, telecommunication services and lease payments.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 9: Payables

	2013	2012
	$'000	$'000
Note 9A: Suppliers		
Trade creditors and accruals	231,776	345,627
Operating lease rentals	43,150	48,006
Total supplier payables	274,926	393,633
Supplier payables expected to be settled within 12 months:		
Related entities	3,633	7,605
External parties	271,293	386,028
Total supplier payables	274,926	393,633

Settlement was usually made within 30 days.

	2013	2012
Note 9B: Tax Liabilities		
Tax equivalent liabilities	487	1,236
Total tax liabilities (competitive neutrality)	487	1,236
Total tax liabilities (competitive neutrality) are expected to be settled in:		
No more than 12 months	487	1,236
Total tax liabilities (competitive neutrality)	487	1,236
Note 9C: Lease incentives		
Lease incentives	19,397	23,975
Total lease incentives	19,397	23,975
Total lease incentives are expected to be settled in:		
No more than 12 months	3,580	5,610
More than 12 months	15,817	18,365
Total lease incentives	19,397	23,975
Note 9D: Other Payables		
Wages and salaries	65,683	66,108
Superannuation	10,535	9,562
Unearned income	4,019	2,374
Total other payables	80,237	78,044
Total other payables are expected to be settled in:		
No more than 12 months	80,237	78,044
Total other payables	80,237	78,044

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 10: Interest Bearing Liabilities

	2013 $'000	2012 $'000
Note 10A: Leases		
Finance leases	-	238
Total leases	-	238
Payable:		
Within one year:		
Minimum lease payments	-	249
Deduct: future finance charges	-	(11)
Finance leases recognised on the Balance Sheet	-	238

Finance leases existed in relation to information technology assets managed by Hewlett Packard, this agreement ceased 1 July 2012. The interest rate implicit in finance leases averaged at 4.64% in 2012.

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DEPARTMENT OF HUMAN SERVICES
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Note 11: Provisions

	2013	2012
	$'000	$'000
Note 11A: Employee Provisions		
Leave	**875,245**	848,270
Separations and redundancies	**9,883**	-
Total employee provisions	**885,128**	848,270
Employee provisions are expected to be settled in:		
No more than 12 months	**328,957**	314,092
More than 12 months	**556,171**	534,178
Total employee provisions	**885,128**	848,270
Note 11B: Other Provisions		
Property make-good provision	**25,596**	29,847
Surplus lease space provision	**2,801**	24,726
Other	**3,521**	155
Total other provisions	**31,918**	54,728
Other provisions are expected to be settled in:		
No more than 12 months	**12,073**	17,382
More than 12 months	**19,845**	37,346
Total other provisions	**31,918**	54,728

	Property make-good provision	Surplus lease space provision	Other	Total
	$'000	**$'000**	**$'000**	**$'000**
Carrying amount 1 July 2012	**29,847**	**24,726**	**155**	**54,728**
Additional provisions made	**1,207**	**2,273**	**3,521**	**7,001**
Amounts used	**(1,531)**	**(539)**	**(113)**	**(2,183)**
Amounts reversed	**(5,092)**	**(23,671)**	**(42)**	**(28,805)**
Unwinding of discount or change in discount rate	**1,165**	**12**	**-**	**1,177**
Closing balance 2013	**25,596**	**2,801**	**3,521**	**31,918**

The department currently has 739 (2012: 779) agreements for the leasing of premises which have provisions requiring the entity to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

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DEPARTMENT OF HUMAN SERVICES
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Note 12: Restructuring

Note 12A: Departmental Restructuring

There was no departmental restructuring in 2012–13. The *Human Services Legislation Amendment Act 2011* was granted royal assent and is effective from 1 July 2011. The legislation supports the Government's agenda for service delivery reform and provided for the integration of Medicare Australia and Centrelink into the department effective from that date.

All of the functions of the former agencies, Centrelink and Medicare Australia, were consolidated to the Department of Human Services. The net assets assumed from both entities were $499.879 million on 1 July 2011.

	2013	2012	
		Centrelink	Medicare Australia
	$'000	$'000	$'000
Assets recognised			
Financial Assets			
Cash and cash equivalent	-	11,259	8,922
Trade and other receivables	-	420,380	229,084
Accrued revenue	-	-	6,577
Total financial assets	-	431,639	244,583
Non-Financial Assets			
Land and buildings	-	232,184	82,996
Property, plant and equipment	-	107,447	650
Intangibles	-	218,716	85,003
Other	-	52,182	10,546
Total non-financial assets	-	610,529	179,195
Total assets recognised	-	1,042,168	423,778
Liabilities recognised			
Payables			
Suppliers	-	113,661	74,468
Other	-	88,764	23,287
Total payables	-	202,425	97,755
Provisions			
Employee provisions	-	504,394	105,871
Other	-	36,414	19,208
Total provisions	-	540,808	125,079
Total liabilities recognised	-	743,233	222,834
Net assets assumed	-	298,935	200,944

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DEPARTMENT OF HUMAN SERVICES
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Note 12A: Departmental Restructuring (Continued)

Responsibility for the early release of superannuation benefits on compassionate grounds function was transferred to the Department of Human Services on 1 November 2011. The department's appropriation was increased in 2011–12 to reflect the transfer.

	2013	2012
	$'000	$'000
Income		
Recognised by the department - appropriation	-	2,710
Recognised by the department - cost recovery	-	1,355
Total income	-	4,065
Assets recognised		
Property, plant and equipment	-	6
Total assets recognised	-	6

Note 12B: Administered Restructuring

There was no Administered restructuring in the 2012–13 or 2011–12 financial years.

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DEPARTMENT OF HUMAN SERVICES
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Note 13: Cash Flow Reconciliation

	2013	2012
	$'000	$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	**45,614**	24,065
Balance Sheet	**45,614**	24,065
Difference	**-**	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	**(4,171,977)**	(4,236,971)
Add revenue from Government	**3,908,373**	3,938,277
Less income tax expense	**(315)**	(707)
Adjustments for non-cash items		
Depreciation / amortisation	**260,334**	266,024
Net write down of non-financial assets	**7,002**	7,453
Loss on disposal of assets	**1,204**	1,547
Net operating assets transferred in upon restructure	**-**	(312,523)
Finance expenses	**1,352**	1,482
Changes in assets / liabilities		
(Increase) / decrease in net receivables	**446,762**	(598,215)
(Increase) / decrease in prepayments	**67,325**	(141,224)
(Increase) / decrease in other non-financial assets	**-**	21
(Increase) / decrease in accrued revenue	**31**	55
Increase / (decrease) in employee provisions	**36,858**	737,076
Increase / (decrease) in employee payables	**548**	64,090
Increase / (decrease) in supplier payables	**(421,946)**	216,519
Increase / (decrease) in lease incentive	**(4,578)**	13,206
Increase / (decrease) in competitive neutrality payable	**(749)**	920
Increase / (decrease) in leases	**(238)**	(643)
Increase / (decrease) in unearned income	**1,645**	2,238
Increase / (decrease) in other provisions	**(22,810)**	50,953
Net cash from operating activities	**108,821**	9,578

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DEPARTMENT OF HUMAN SERVICES
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Note 14: Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Contingent assets				
Balance from previous period	**802**	345	**802**	345
Restructure	**-**	985	**-**	985
New contingent assets recognised	**2,503**	292	**2,503**	292
Re-measurement	**80**	(197)	**80**	(197)
Assets recognised	**(206)**	(261)	**(206)**	(261)
Expired	**-**	(362)	**-**	(362)
Total contingent assets	**3,179**	802	**3,179**	802
Contingent liabilities				
Balance from previous period	**243**	1,000	**243**	1,000
Restructure	**-**	454	**-**	454
New	**1,532**	381	**1,532**	381
Re-measurement	**5**	(19)	**5**	(19)
Liabilities recognised	**(125)**	(642)	**(125)**	(642)
Obligations expired	**(103)**	(931)	**(103)**	(931)
Total contingent liabilities	**1,552**	243	**1,552**	243
Net contingent assets	**1,627**	559	**1,627**	559

Quantifiable Contingencies
At 30 June 2013, the Schedule of Contingencies for the department reports $3,179,000 contingent assets in respect of insurance and compensation claims (2012: $802,000).

At 30 June 2013, the Schedule of Contingencies for the department reports $1,552,000 contingent liabilities in respect of compensation claims (2012: $243,000). The amount represents an estimate of the department's liability based on information provided by executive management and the department's solicitors.

Unquantifiable Contingencies
At 30 June 2013, the department had a number of legal claims for which it has denied liability and is defending the claims. It is not possible to estimate the amount of any eventual payments that may be required in relation to these claims.

Significant Remote Contingencies
Various organisations have been indemnified from losses they may incur arising from legal actions which may be initiated by clients of CRS Australia under the work training scheme.

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 15: Senior Executive Remuneration

Note 15A: Senior Executive Remuneration Expense for the Reporting Period

	2013	2012
	$	$
Short-term employee benefits:		
Salary	**31,414,038**	33,469,243
Annual leave accrued	**35,203**	766,206
Motor vehicle and other allowances	**4,572,986**	5,220,653
Total short-term employee benefits	**36,022,227**	39,456,102
Post-employment benefits:		
Superannuation	**5,203,373**	5,097,636
Total post-employment benefits	**5,203,373**	5,097,636
Other long-term benefits:		
Long-service leave	**1,334,460**	1,119,071
Total other long-term benefits	**1,334,460**	1,119,071
Termination benefits	**427,922**	551,333
Total senior executive remuneration expenses	**42,987,982**	46,224,142

1. Note 15A is prepared on an accrual basis.

2. Note 15A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than $180,000.

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DEPARTMENT OF HUMAN SERVICES
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Note 15B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2013

Average annual reportable remuneration[1]	Substantive senior executives No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowances[4] $	Total reportable remuneration $
Total remuneration (including part-time arrangements):					
less than $180,000	34	78,793	11,305	89	90,187
$180,000 to $209,999	44	176,297	25,438	25	201,760
$210,000 to $239,999	72	195,094	29,035	13	224,142
$240,000 to $269,999	29	217,660	31,708	17	249,385
$270,000 to $299,999	15	245,958	36,195	-	282,153
$300,000 to $329,999	3	266,056	38,619	-	304,675
$330,000 to $359,999	4	297,963	48,237	-	346,200
$360,000 to $389,999	1	314,279	50,288	-	364,567
$390,000 to $419,999	2	363,562	40,716	-	404,278
$420,000 to $449,999	1	419,668	25,000	-	444,668
$600,000 to $629,999	1	538,078	73,962	-	612,040
Total number of substantive senior executives	**206**				

Notes:
1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
a) gross payments;
b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
c) salary sacrifice benefits.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries. During 2013 four individuals received allowances of $2,277, $357, $128 and $250 reported in the first band; four individuals received allowances of $634, $945, $105 and $355 in the second band; and one individual received an allowance of $488 in the third band.

Various salary sacrifice arrangements were available to senior executives including superannuation and motor vehicles. Salary sacrifice benefits are reported in the 'reportable salary' column. The department does not pay bonuses to senior executives.

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 15B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period (Continued)

Average annual reportable remuneration paid to substantive senior executives in 2012

Average annual reportable remuneration[1]	Substantive senior executives No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowances[4] $	Total reportable remuneration $
Total remuneration (including part-time arrangements):					
less than $180,000	32	108,847	15,532	-	124,379
$180,000 to $209,999	64	174,285	23,452	17	197,754
$210,000 to $239,999	67	195,622	27,314	7	222,943
$240,000 to $269,999	26	221,057	29,301	132	250,490
$270,000 to $299,999	9	248,221	32,841	-	281,062
$300,000 to $329,999	3	268,120	46,335	-	314,455
$330,000 to $359,999	4	300,079	45,257	-	345,336
$360,000 to $389,999	1	345,599	28,937	-	374,536
$510,000 to $539,999	1	445,848	64,759	-	510,607
Total number of substantive senior executives	207				

Notes:
1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
a) gross payments;
b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
c) salary sacrifice benefits.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries. During 2012 actual reportable allowances of $1,115, $480 and $3,436 were paid to one individual in each of the respective bands.

Various salary sacrifice arrangements were available to senior executives including superannuation and motor vehicles. Salary sacrifice benefits are reported in the 'reportable salary' column. The department does not pay bonuses to senior executives.

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Note 15C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period

Average annual reportable remuneration paid to other highly paid staff in 2013

Average annual reportable remuneration[1]	Other highly paid staff No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowances[4] $	Total reportable remuneration $
Total reportable remuneration (including part time arrangements):					
$180,000 to $209,999	7	167,478	24,284	-	191,762
$210,000 to $239,999	5	190,981	27,507	-	218,488
Total number of other highly paid staff	**12**				

Notes:
1. This table reports staff:
   a) who were employed by the entity during the reporting period;
   b) whose reportable remuneration was $180,000 or more for the financial period; and
   c) were not required to be disclosed in Note 15B.

2. 'Reportable salary' includes the following:
   a) gross payments;
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) salary sacrifice benefits.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries. Nil allowances were paid in 2013.

Various salary sacrifice arrangements were available to highly paid staff including superannuation and motor vehicles. Salary sacrifice benefits are reported in the 'reportable salary' column. The department does not pay bonuses to highly paid staff.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 15C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period (Continued)

Average annual reportable remuneration paid to other highly paid staff in 2012

Average annual reportable remuneration[1]	Other highly paid staff No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowances[4] $	Total reportable remuneration $
Total reportable remuneration (including part time arrangements):					
$180,000 to $209,999	16	168,535	21,908	27	190,469
$210,000 to $239,999	4	189,794	24,463	-	214,257
Total number of other highly paid staff	20				

Notes:
1. This table reports staff:
 a) who were employed by the entity during the reporting period;
 b) whose reportable remuneration was $180,000 or more for the financial period; and
 c) were not required to be disclosed in Note 15B.

Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:
 a) gross payments;
 b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 c) salary sacrifice benefits.

3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period as per the individuals' payslips.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries. During 2012 actual reportable allowances of $427 was paid to one individual.

Various salary sacrifice arrangements were available to highly paid staff including superannuation and motor vehicles. Salary sacrifice benefits are reported in the 'reportable salary' column.
The department does not pay bonuses to highly paid staff.

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DEPARTMENT OF HUMAN SERVICES
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Note 16: Remuneration of Auditors

	2013 $'000	2012 $'000
Financial statement audit services were provided free of charge to the department by the Australian National Audit Office (ANAO).		
Fair value of the services provided		
Financial statement audit services	1,600	1,600
Total remuneration of auditors	**1,600**	1,600

No other services were provided by the auditors of the financial statements.

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Note 17: Financial Instruments

	2013	2012
	$'000	$'000
Note 17A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	**45,614**	24,065
Trade and other receivables	**23,272**	48,585
Other	**82**	113
Total	**68,968**	72,763
Carrying amount of financial assets	**68,968**	72,763
Financial Liabilities		
At amortised cost:		
Supplier payables	**274,228**	394,035
Lease incentives	**19,397**	23,975
Finance leases	**-**	238
Total	**293,625**	418,248
Carrying amount of financial liabilities	**293,625**	418,248
Note 17B: Net Income and Expense from Financial Assets		
Loans and receivables		
Impairment	**5**	852
Net loss loans and receivables	**5**	852
Net loss from financial assets	**5**	852
Note 17C: Net Income and Expense from Financial Liabilities		
Financial liabilities - at amortised cost		
Interest expense	**-**	145
Net loss financial liabilities - at amortised cost	**-**	145
Net loss from financial liabilities	**-**	145

The department does not have interest revenues.

The total interest expense from financial liabilities not at fair value through profit or loss is nil (2012: $145,000).

Note 17D: Fair Value of Financial Instruments
The department considers that the carrying amounts of financial instruments reported in the Balance Sheet are
a reasonable approximation of fair value.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 17E: Credit Risk

The department is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the trade and other receivables of $24,595,000 in 2013 (2012: $50,091,000). The department has assessed the risk of the default on payment and has allocated $1,323,000 in 2013 (2012: $1,506,000) to an impairment allowance account.

The department manages its credit risk by undertaking background and credit checks prior to entering into a debtor relationship. In addition, the department has policies and procedures that guide employees' debt recovery techniques.

The department holds no collateral to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2013 $'000	Not past due nor impaired 2012 $'000	Past due or impaired 2013 $'000	Past due or impaired 2012 $'000
Loans and receivables				
Cash and cash equivalents	**45,614**	24,065	**-**	-
Trade and other receivables	**18,918**	29,973	**5,677**	20,118
Accrued revenues	**82**	113	**-**	-
Total	**64,614**	54,151	**5,677**	20,118

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Loans and receivables					
Trade and other receivables	**1,336**	**882**	**1,285**	**851**	**4,354**
Total	**1,336**	**882**	**1,285**	**851**	**4,354**

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days $'000	31 to 60 days $'000	61 to 90 days $'000	90+ days $'000	Total $'000
Loans and receivables					
Trade and other receivables	4,210	1,899	7,859	4,644	18,612
Total	4,210	1,899	7,859	4,644	18,612

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 17F: Liquidity Risk

The department's liabilities are payables and other interest bearing liabilities. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as the department is appropriated funding from the Australian Government and manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations and has no past history of defaults.

Maturities for non-derivative financial liabilities 2013

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Supplier payables	-	274,228	-	-	-	274,228
Lease incentives	-	3,580	2,977	6,385	6,455	19,397
Total	**-**	**277,808**	**2,977**	**6,385**	**6,455**	**293,625**

Maturities for non-derivative financial liabilities 2012

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Supplier payables	-	394,035	-	-	-	394,035
Lease incentives	-	5,610	5,128	8,901	4,336	23,975
Finance leases	-	238	-	-	-	238
Total	**-**	**399,883**	**5,128**	**8,901**	**4,336**	**418,248**

The department had no derivative liabilities in 2012–13 or 2011–12 financial years.

Note 17G: Market Risk

The department holds basic financial instruments that do not expose the department to certain market risks. The department is not exposed to 'Currency risk' or 'Other price risk'.

In 2012, the only interest-bearing item on the Balance Sheet was 'Leases'. Finance leases existed in relation to information technology assets managed by Hewlett Packard, this agreement ceased on 1 July 2012.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 18: Financial Assets Reconciliation

Financial assets	Notes	2013 $'000	2012 $'000
Total financial assets as per Balance Sheet		**818,096**	888,560
Less: non-financial instrument components			
Appropriation receivable	7B	**720,758**	775,297
GST receivable from the Australian Taxation Office	7B	**28,370**	40,500
Total non-financial instrument components		**749,128**	815,797
Total financial assets as per financial instruments note	17A	**68,968**	72,763

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 19: Administered - Expenses

	2013	2012
	$'000	$'000
Note 19A: Child Support Payments		
Child support payments	1,329,546	1,348,308
Total child support payments	1,329,546	1,348,308
Note 19B: Compensation Recovery Payment		
Compensation recovery payment to DoHA	11,964	18,279
Total compensation recovery payment	11,964	18,279
Note 19C: Write-Down and Impairment of Assets		
Asset write-downs and impairments from:		
Child support doubtful debt expense	64,657	-
Child support write off expense	29,332	20,294
Child support penalty debt remittance	76,594	91,938
Child support waiver expense	30	3,846
Other - fines and costs	61	1,970
Total write-down and impairment of assets	170,674	118,048
Note 19D: Other Expenses		
Income management card payments	2,617	2,552
Competitive neutrality	846	-
Total other expenses	3,463	2,552
Note 19E: Grants		
Private sector:		
Non-profit organisations	7,579	2,759
Total grants	7,579	2,759
Note 19F: Depreciation		
Depreciation:		
Other property plant and equipment	35	36
Total depreciation	35	36

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 20: Administered - Income

	2013 $'000	2012 $'000
OWN-SOURCE REVENUE		
Note 20A: Child Support Revenue		
Child support revenue	1,384,101	1,271,311
Total child support revenue	1,384,101	1,271,311
Note 20B: Fees and Fines		
Child support - fees and fines	125,052	142,274
Other - fees and fines	307	2,493
Total fees and fines	125,359	144,767
Note 20C: Compensation Recoveries		
Recoveries	11,964	18,279
Total compensation recoveries	11,964	18,279
Note 20D: Competitive Neutrality Revenue		
Competitive neutrality revenue	6,224	8,889
Total competitive neutrality revenue	6,224	8,889
Note 20E: Dividends		
Dividends	1,736	3,993
Total dividends	1,736	3,993
Note 20F: Other Revenue		
Other	1	106
Total other revenue	1	106
Note 20G: Reversals of Previous Asset Write-Downs and Impairments		
Reversal of impairment losses	-	57,707
Total reversals of previous asset write-downs and impairments	-	57,707

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 21: Administered - Financial Assets

	2013	2012
	$'000	$'000
Note 21A: Cash and Cash Equivalents		
Cash on hand or on deposit	**133**	15
Total cash and cash equivalents	**133**	15
Note 21B: Child Support Receivables		
Maintenance receivables	**1,197,886**	1,140,476
Less: impairment allowance account	**(485,753)**	(449,130)
Net maintenance receivables	**712,133**	691,346
Client penalty receivables	**757,553**	729,181
Less: impairment allowance account	**(749,978)**	(721,890)
Net client penalty receivables	**7,575**	7,291
Customer miscellaneous receivables	**5,790**	5,847
Less: impairment allowance account	**(4,845)**	(4,892)
Net customer miscellaneous receivables	**945**	955
Client top up receivables	**2,054**	2,919
Net client top up receivables	**2,054**	2,919
Costs recovery receivables	**1,967**	1,988
Less: impairment allowance account	**(649)**	(656)
Net cost recovery receivables	**1,318**	1,332
Total child support receivables (net)	**724,025**	703,843
Child support receivables are expected to be recovered in:		
No more than 12 months	**304,600**	292,288
More than 12 months	**419,425**	411,555
Total child support receivables (net)	**724,025**	703,843
Child support receivables are aged as follows:		
Not overdue	**91,393**	85,047
Overdue by:		
0 to 30 days	**71,939**	72,750
31 to 60 days	**58,635**	62,896
61 to 90 days	**59,325**	54,945
More than 90 days	**1,683,958**	1,604,773
Total child support receivables (gross)	**1,965,250**	1,880,411
The impairment allowance account is aged as follows:		
Not overdue	**(42,844)**	(39,877)
Overdue by:		
0 to 30 days	**(34,927)**	(34,717)
31 to 60 days	**(29,730)**	(31,186)
61 to 90 days	**(32,285)**	(29,794)
More than 90 days	**(1,101,439)**	(1,040,994)
Total impairment allowance account	**(1,241,225)**	(1,176,568)

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2013

	Child support receivables $'000	Total $'000
Opening balance	**(1,176,568)**	**(1,176,568)**
Movement recognised in surplus	**(64,657)**	**(64,657)**
Closing balance	**(1,241,225)**	**(1,241,225)**

Movements in relation to 2012

	Child support receivables $'000	Total $'000
Opening balance	(1,234,275)	(1,234,275)
Reversal of amounts previously impaired	57,707	57,707
Closing balance	(1,176,568)	(1,176,568)

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

	2013	2012
	$'000	$'000
Note 21C: Trade and Other Receivables		
Dividends receivable	**1,415**	2,197
Competitive neutrality receivable	**1,687**	3,686
GST receivable from the Australian Taxation Office	**23**	228
Other - fines and costs	**2,288**	2,238
Total trade and other receivables (gross)	**5,413**	8,349
Less: impairment allowance account - fines and costs	**(2,031)**	(1,970)
Total impairment allowance account	**(2,031)**	(1,970)
Total trade and other receivables (net)	**3,382**	6,379
Trade and other receivables are expected to be recovered in:		
No more than 12 months	**3,238**	6,379
More than 12 months	**144**	-
Total trade and other receivables (net)	**3,382**	6,379
Trade and other receivables are aged as follows:		
Not overdue	**3,166**	6,111
Overdue by:		
0 to 30 days	**95**	-
31 to 60 days	**(9)**	-
61 to 90 days	**1**	-
More than 90 days	**2,160**	2,238
Total trade and other receivables (gross)	**5,413**	8,349
The impairment allowance account is aged as follows:		
Not overdue	**-**	-
Overdue by:		
0 to 30 days	**(38)**	-
31 to 60 days	**5**	-
61 to 90 days	**(1)**	-
More than 90 days	**(1,997)**	(1,970)
Total impairment allowance account	**(2,031)**	(1,970)

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2013

	Trade and other receivables $'000	Total $'000
Opening balance	**(1,970)**	**(1,970)**
Movement recognised in surplus	**(61)**	**(61)**
Closing balance	**(2,031)**	**(2,031)**

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Movements in relation to 2012	Trade and other receivables $'000	Total $'000
Opening balance	-	-
Movement recognised in surplus	(1,970)	(1,970)
Closing balance	(1,970)	(1,970)

	2013 $'000	2012 $'000
Note 21D: Other Investments		
Shares (equity interest in):		
Australian Hearing[1]	**38,522**	37,342
Total other investments	**38,522**	37,342
Other investments are expected to be recovered in:		
More than 12 months	**38,522**	37,342
Total other investments	**38,522**	37,342

[1] Refer to Note 26.

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Note 22: Administered - Non-Financial Assets

	2013 $'000	2012 $'000
Note 22A: Property, Plant and Equipment		
Property, plant and equipment:		
Fair value	**161**	161
Accumulated depreciation	**(89)**	(54)
Total property, plant and equipment	**72**	107

Note 22B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2012–13)

	Property, plant & equipment $'000	Total $'000
As at 1 July 2012		
Gross book value	**161**	**161**
Accumulated depreciation and impairment	**(54)**	**(54)**
Net book value 1 July 2012	**107**	**107**
Additions	**-**	**-**
Depreciation expense	**(35)**	**(35)**
Net book value 30 June 2013	**72**	**72**
Net book value as of 30 June 2013 represented by:		
Gross book value	**161**	**161**
Accumulated depreciation and impairment	**(89)**	**(89)**
	72	**72**

There are no indicators of impairment for property, plant and equipment. No property, plant and equipment is expected to be sold or disposed within the 12 months.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 22B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2011–12)

	Property, plant & equipment $'000	Total $'000
As at 1 July 2011		
Gross book value	161	161
Accumulated depreciation and impairment	(18)	(18)
Net book value 1 July 2011	143	143
Additions	-	-
Depreciation expense	(36)	(36)
Net book value 30 June 2012	107	107
Net book value as of 30 June 2012 represented by:		
Gross book value	161	161
Accumulated depreciation and impairment	(54)	(54)
	107	107

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 23: Administered - Payables

	2013	2012
	$'000	$'000
Note 23A: Child Support and Other Payables		
Child support payables	32,394	32,066
Other payables	854	668
Total child support and other payables	33,248	32,734
Child support and other payables expected to be settled within 12 months:		
External parties	33,248	32,734
Total	33,248	32,734
Total supplier payables	33,248	32,734
Note 23B: Payments Received in Advance		
Child support payments received in advance	16,754	17,389
Total payments received in advance	16,754	17,389

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 24: Administered - Provisions

	2013	2012
	$'000	$'000
Note 24A: Child Support Provisions		
Child support provisions	**712,132**	691,346
Total child support provisions	**712,132**	691,346
Total child support provisions are expected to be settled in:		
No more than 12 months	**301,811**	288,160
More than 12 months	**410,321**	403,186
Total child support provisions	**712,132**	691,346

	Child support provisions $'000	**Total $'000**
Carrying amount 1 July 2012	**691,346**	**691,346**
Additional provisions made	**1,384,101**	**1,384,101**
Amounts used	**(1,329,546)**	**(1,329,546)**
Amounts reversed	**(33,769)**	**(33,769)**
Closing balance 30 June 2013	**712,132**	**712,132**

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 25: Administered - Cash Flow Reconciliation

	2013	2012
	$'000	$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of Administered Cash Flows	133	15
Schedule of Administered Assets and Liabilities	133	15
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	6,124	15,070
Adjustments for non-cash items		
Depreciation	35	36
Changes in assets / liabilities		
(Increase) / decrease in net child support related receivables	(20,182)	(116,368)
(Increase) / decrease in net trade and other receivables	2,997	(1,287)
Increase / (decrease) in revenue received in advance	(635)	1,503
Increase / (decrease) in supplier payables	514	3,661
Increase / (decrease) in child support provisions	20,786	116,409
Net cash from operating activities	9,639	19,024

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 26: Administered - Investments

The principal activity of the department's administered investment is with Australian Hearing whose aim is helping people manage their hearing impairment to improve their quality of life.

The Australian Government owns 100% of the issued share capital of Australian Hearing, a statutory authority, which is valued at net asset value, obtained from the latest available financial statements.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 27: Administered - Financial Instruments

	2013 $'000	2012 $'000
Note 27A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables:		
Cash and cash equivalents	**133**	15
Total loans and receivables	**133**	15
Available for sale:		
Shares in Australian Hearing	**38,522**	37,342
Total available for sale	**38,522**	37,342
Carrying amount of financial assets	**38,655**	37,357
Financial Liabilities		
Fair value through profit and loss (designated):		
Other payables	**854**	668
Total	**854**	668
Carrying amount of financial liabilities	**854**	668
Note 27B: Net Income and Expense from Financial Assets		
Available for sale		
Dividend revenue	**1,736**	3,993
Net gain available for sale	**1,736**	3,993
Net gain from financial assets	**1,736**	3,993

Note 27C: Administered Financial Instruments

The department considers that the carrying amounts of administered financial instruments reported in the Administered Schedule of Assets and Liabilities are a reasonable approximation of fair value.

Note 27D: Credit Risk

The administered activities of the department are exposed to minimal credit risk as financial assets were made up of cash and cash equivalents and shares in Australian Hearing, a statutory authority, in which the Australian Government owns 100% of the issued share capital.

The entity held no collateral to mitigate against the credit risk.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2013 $'000	Not past due nor impaired 2012 $'000	Past due or impaired 2013 $'000	Past due or impaired 2012 $'000
Cash and cash equivalents	**133**	15	**-**	-
Shares in Australian Hearing	**38,522**	37,342	**-**	-
Total	**38,655**	37,357	**-**	-

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 27E: Liquidity Risk

The department's administered financial liabilities are trade creditors. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the department (e.g. advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations and there is no past history of defaults.

Maturities for non-derivative financial liabilities 2013

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Other payables	-	854	-	-	-	854
Total	**-**	**854**	**-**	**-**	**-**	**854**

Maturities for non-derivative financial liabilities 2012

	On demand $'000	Within 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	> 5 years $'000	Total $'000
Other payables	-	668	-	-	-	668
Total	-	668	-	-	-	668

Note 27F: Market Risk

The department holds basic financial instruments that do not expose the department to certain market risks. The department is not exposed to 'Currency risk' or 'Other price risk'.

There are no interest bearing items on the department's Administered Schedule of Assets and Liabilities, therefore the department is not exposed to 'Interest rate risk'.

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 28: Administered Financial Assets Reconciliation

Financial assets	Note	2013 $'000	2012 $'000
Total financial assets as per Schedule of Administered Assets and Liabilities		766,062	747,579
Less: non-financial instrument components			
Child support receivables	21B	724,025	703,843
Trade and other receivables	21C	3,382	6,379
Total non-financial instrument components		727,407	710,222
Total financial assets as per financial instruments note	27A	38,655	37,357

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CHAPTER 9 | FINANCIAL OVERVIEW AND FINANCIAL STATEMENTS

DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2013

Note 29: Appropriations

Note 29A: Annual Appropriations ('Recoverable GST exclusive')

| | 2013 Appropriations | | | | | | | | |
| | Appropriation Act | | | FMA Act | | | | | |
	Annual Appropriation[1] $'000	Appropriations increased $'000	Appropriations reduced[2] $'000	Section 30 $'000	Section 31 $'000	Section 32 $'000	Total appropriation $'000	Appropriation applied in 2013 (current and prior years) $'000	Variance[3] $'000
DEPARTMENTAL									
Ordinary annual services	4,039,132	-	-	-	337,311	-	4,376,443	(4,406,638)	(30,195)
Other services									
Equity	46,245	-	-	-	-	-	46,245	(53,760)	(7,515)
Total departmental	4,085,377	-	-	-	337,311	-	4,422,688	(4,460,398)	(37,710)
ADMINISTERED									
Ordinary annual services									
Administered items	18,084	-	(7,811)	1,190	-	-	11,463	(10,744)	719
Total administered	18,084	-	(7,811)	1,190	-	-	11,463	(10,744)	719

[1]Annual appropriation includes supplementation of $14.348 million (operating $11.850 million and equity $2.498 million) which was recognised in the 2011–12 financial year but appropriated in 2012–13. The department has recognised in the 2012–13 financial year, supplementation appropriation that will be received in 2013–14 amounting to $13.372 million (operating $12.917 million and equity $0.455 million). These amounts are not reflected in the table above.

[2]The responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of *Appropriation Acts (Nos. 1, & 3) 2012–13* and section 12 of *Appropriation Acts (Nos. 2, & 4) 2012–13*, the appropriation is taken to be reduced to the required amount specified in Note 29F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

[3]The department has applied appropriations and funds available from previous years to meet its operating and capital requirements in the 2012–13 financial year.

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DEPARTMENT OF HUMAN SERVICES
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for the period ended 30 June 2013

Note 29A: Annual Appropriations ('Recoverable GST exclusive') (continued)

| | 2012 Appropriations | | | | | | | | |
| | Appropriation Act | | | FMA Act | | | | | |
	Annual Appropriation $'000	Appropriations increased[1] $'000	Appropriations reduced[2] $'000	Section 30 $'000	Section 31 $'000	Section 32[2] $'000	Total appropriation $'000	Appropriation applied in 2012 (current and prior years) $'000	Variance[3] $'000
DEPARTMENTAL									
Ordinary annual services	4,267,616	433,602	(3,012)	-	366,091	-	5,064,297	(4,558,156)	506,141
Other services									
Equity	31,994	48,805	(13,947)	-	-	-	66,852	(65,677)	1,175
Total departmental	4,299,610	482,407	(16,959)	-	366,091	-	5,131,149	(4,623,833)	507,316
ADMINISTERED									
Ordinary annual services									
Administered items	9,912	-	(2,795)	1,391	-	-	8,508	(7,856)	652
Total administered	9,912	-	(2,795)	1,391	-	-	8,508	(7,856)	652

[1]"Appropriation increased" — The department gained legal control of the 2010–11 and previous years unspent appropriation ordinary annual services of Medicare Australia ($258.576 million) and Centrelink ($175.026 million) in 2011–12 after consolidation on 1 July 2011 under the *Human Services Legislation Amendment Act 2011*. Equity includes the unspent appropriation balances that were legally transferred across from Centrelink and Medicare Australia of $32.677 million and $16.128 million respectively.

[2]Appropriations reduced under *Appropriation Acts (Nos.1, 3 & 5) 2011–12*: sections 10, 11, 12 and 15 and under *Appropriation Acts (Nos. 2, 4 & 6) 2011–12*: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination. In 2011–12 the following reduction was made:

Ordinary annual services: total amount of $3.012 million comprising of:

- Amounts previously appropriated to Medicare Australia
   - *Appropriation Act (No.1) 2009–2010* - $0.730 million
   - *Appropriation Act (No.1) 2010–2011* - $0.965 million

- Amounts previously appropriated to Centrelink
   - *Appropriation Act (No.1) 2010–2011* - $1.317 million

Other Services: total amount of $13.947 million comprising of:

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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- Amounts previously appropriated to Medicare Australia
  - *Appropriation Act (No.2) 2009–2010* - $0.647 million
  - *Appropriation Act (No.2) 2010–2011* - $10.664 million

- Amounts previously appropriated to Centrelink
  - *Appropriation Act (No.2) 2010–2011* - $2.636 million

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of *Appropriation Acts (Nos. 1, 3 & 5) 2011–12* and section 12 of *Appropriation Acts (Nos. 2, 4 & 6) 2011–12*, the appropriation is taken to be reduced to the required amount specified in Note 29F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

[3] The variance between total appropriation and appropriation applied is consistent with balances for cash at bank and on hand, undrawn unlapsed appropriations and funds available yet to be drawn from OPA recorded in the appropriation receivable.

The department recognised in the 2011–12 year supplementation appropriation that will be received in 2012–13 amounting to $14.348 million. These amounts are not reflected in the table above.

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DEPARTMENT OF HUMAN SERVICES
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Note 29B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

| | 2013 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2013 (current and prior years) | | | |
| | *Appropriation Act* | | *FMA Act* | | | | | |
	Annual Capital Budget[1] $'000	Appropriations reduced $'000	Section 32 $'000	Total Capital Budget Appropriations $'000	Payments for non-financial assets[2] $'000	Payments for other purposes $'000	Total payments $'000	Variance $'000
DEPARTMENTAL								
Ordinary annual services -								
Departmental								
Capital budget	131,826	-	-	131,826	(131,826)	-	(131,826)	-

[1] Departmental and Administered Capital Budgets are appropriated through *Appropriation Acts (No. 1, & 3)*. They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 29A.

[2] Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised and costs incurred to make good an asset to its original condition.

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DEPARTMENT OF HUMAN SERVICES
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Note 29B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive') (continued)

| | 2012 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2012 (current and prior years) | | | |
| | Appropriation Act | | FMA Act | | | | | |
	Annual Capital Budget[1] $'000	Appropriations increased[1] $'000	Appropriations reduced[2] $'000	Total Capital Budget Appropriations $'000	Payments for non-financial assets[3] $'000	Payments for other purposes $'000	Total payments $'000	Variance[4] $'000
DEPARTMENTAL								
Ordinary annual services -								
Departmental								
Capital budget	285,001	8,106	(1,317)	291,790	(299,551)	-	(299,551)	(7,761)

[1] Departmental and Administered Capital Budgets are appropriated through *Appropriation Acts (No.1, 3, & 5)*. They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 29A: Annual appropriations. "Appropriations increased" – The department gained legal control of the 2010–11 and previous years unspent appropriation for ordinary annual services of Centrelink of $8.106 million relating to the Departmental Capital Budget.

[2] During the 2011–12 year the Finance Minister made the following determination to reduce appropriations for ordinary annual services (Departmental) relating to excess unspent appropriations in 2010–11:
- Amounts previously appropriated to Centrelink:
 - $1.317 million, Appropriation Act (No.1) 2010–2011

[3] Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

[4] Variance represents payments for non-financial assets from prior year Departmental Capital Budget.

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for the period ended 30 June 2013

Note 29C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2013 $'000	2012 $'000
DEPARTMENTAL		
Appropriation Act (No. 2) 2007–08	**-**	734
Appropriation Act (No. 1) 2010–11	**-**	13,662
Appropriation Act (No. 1) 2011–12[1]	**32,532**	689,912
Appropriation Act (No. 3) 2011–12	**-**	73,925
Appropriation Act (No. 4) 2011–12	**-**	6,781
Appropriation Act (No. 1) 2012–13	**694,181**	-
Appropriation Act (No. 3) 2012–13	**26,287**	-
Total	**753,000**	785,014
ADMINISTERED		
Appropriation Act (No. 1) 2009–10	**-**	452
Appropriation Act (No. 1) 2011–12	**-**	3,107
Appropriation Act (No. 3) 2011–12	**-**	341
Appropriation Act (No. 1) 2012–13	**8,530**	-
Total	**8,530**	3,900

The total amount for unspent Departmental Annual Appropriations includes the Official Public Account receivable of $707.386 million (2011–12: $760.949 million) plus cash on hand of $45.614 million (2011–12: $24.065 million).

[1]*Appropriation Act (No.1) 2011–12* includes quarantined amount of $32.532 million.

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DEPARTMENT OF HUMAN SERVICES
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Note 29D: Special Appropriations ('Recoverable GST exclusive')

| | | | Appropriation applied | |
| | | | 2013 | 2012 |
Authority	Type	Purpose	$'000	$'000
Child Support (Registration and Collection) Act 1988 Section 77, Administered	Unlimited Amount	To enable payments to be made for unremitted employer deductions for child support liabilities.	**69,184**	90,588
Child Support (Registration and Collection) Act 1988 Section 78, Administered	Unlimited Amount	To enable payments to be made for which the employer has not remitted the correct amount for child support liabilities.	**-**	-
Financial Management and Accountability Act 1997 s.28(2), Administered	Refund	To enable payments of security bonds following issuance of a Departure Prohibition Orders (DPO).	**87**	238
Total			**69,271**	90,826

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DEPARTMENT OF HUMAN SERVICES
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Note 29E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

2013	DEEWR[1] $'000	DAFF[2] $'000	FaHCSIA[3] $'000	DIICCSRTE[4] $'000	AGD[5] $'000	DIT[6] $'000	DoHA[7] $'000	DVA[8] $'000	DCCEE[9] $'000	ABS[10] $'000
Total receipts	16,508,734	7,622	79,704,962	3,215,419	174,054	145,493	44,075,546	3,890,217	-	200
Total payments	16,528,668	7,665	79,766,519	3,221,201	176,232	145,493	44,075,546	3,890,217	-	200
2012	DEEWR[1] $'000	DAFF[2] $'000	FaHCSIA[3] $'000	DIICCSRTE[4] $'000	AGD[5] $'000	DIT[6] $'000	DoHA[7] $'000	DVA[8] $'000	DCCEE[9] $'000	ABS[10] $'000
Total receipts	17,653,547	62,940	77,241,218	1,720,939	78,772	126,140	42,294,524	3,940,549	5,044	423
Total payments	17,677,123	63,385	77,304,887	1,721,317	80,310	125,729	42,294,524	3,940,549	5,044	423

[1] Department of Education, Employment and Workplace Relations – The department makes third party payments on behalf of the entity for Personal Benefits including the Newstart Allowance, Single Parenting Payment and Child Care Rebate.

[2] Department of Agriculture, Fisheries, and Forestry – The department makes third party payments on behalf of the entity for Personal Benefits including the Transitional Farm Family Payment and the Climate Change Adjustment Program Advice and Training Grant.

[3] Department of Families, Housing, Community Services and Indigenous Affairs – The department makes third party payments on behalf of the entity for Personal Benefits including the Age Pension, Disability Support Pension and Family Tax Benefit.

[4] Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education – The department makes third party payments on behalf of the entity for Personal Benefits including Austudy and Youth Allowance.

[5] Attorney-General's Department– The department makes recovery relief payments on behalf of the entity and also includes amounts in relation to Queensland Premier's Disaster Recovery Appeal fund.

[6] Department of Infrastructure and Transport – The department makes third party payments on behalf of the entity for the Bass Strait Passenger Vehicle Equalisation Scheme and Tasmanian Freight Equalisation Scheme.

[7] Department of Health and Ageing – The department makes third party payments on behalf of the entity for Medical and Aged Care Benefits.

[8] Department of Veterans' Affairs – The department makes third party payments on behalf of the entity for Medical and Aged Care Benefits.

[9] Former Department of Climate Change and Energy Efficiency – The department makes third party payments on behalf of the entity for the Home Insulation Program, Finance Assistance Scheme and Training Assistance Scheme.

[10] Australian Bureau of Statistics – The department makes third party payments on behalf of the entity for the Australian Health Survey.

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DEPARTMENT OF HUMAN SERVICES
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Note 29F: Reduction in Administered Items ('Recoverable GST exclusive')

2013	Amount required - by Appropriation Act[1] Act (No.1)	Total amount required[1]	Total amount appropriated[2]	Total reduction[3]
Ordinary Annual Services				
Outcome 1	**$10,272,798.61**	**$10,272,798.61**	**$18,084,000.00**	**$7,811,201.39**

Numbers in this section are disclosed to the cent.

Administered item for 2013 is reduced to these amounts when these financial statements are tabled in Parliament as part of the department's 2013 annual report. This reduction is effective in 2013–14, but the amount is reflected in Note 29A in the 2013 financial statements in the column 'Appropriations reduced' as it is an adjustment to 2013 appropriations.

[1]Amount required as per section 11 of *Appropriation Act (Act 1 s.11; Act 2 s.12)*.

[2]Total amount appropriated in 2013.

[3]Total reduction effective in 2014.

2012	Amount required - by Appropriation Act[1] Act (No.1)	Total amount required[1]	Total amount appropriated[2]	Total reduction[3]
Ordinary Annual Services				
Outcome 1	$7,116,683.87	$7,116,683.87	$9,912,000.00	$2,795,316.13

Numbers in this section are disclosed to the cent.

Administered item for 2012 was reduced to these amounts when these financial statements were tabled in Parliament as part of the department's 2012 annual report. This reduction is effective in 2012–13, but the amount was reflected in Note 29A in the 2012 financial statements in the column 'Appropriations reduced' as it was an adjustment to 2012 appropriations.

[1]Amount required as per section 11 of *Appropriation Act (Act 1 s.11; Act 2 s.12)*.

[2]Total amount appropriated in 2012.

[3]Total reduction effective in 2013.

DEPARTMENT OF HUMAN SERVICES
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Note 30: Special Accounts and FMA Act Section 39 Investments

Note 30: Special Accounts ('Recoverable GST exclusive')

	Child Support Special Account[1]		Recovery of Compensation for Health Care and Other Services Special Account[2]		Superannuation Clearing House Special Accounts[3]		Services for Other Entities and Trust Moneys Medicare Australia Special Account[4]	
	2013	2012	2013	2012	2013	2012	2013	2012
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance brought forward from previous period	58,838	54,683	75,029	57,099	8,948	1,967	-	101
Increases:								
Child Support (Registration & Collection) Act 1998 Section 77	69,184	90,588	-	-	-	-	-	-
Ordinary annual services	1,267	3,197	-	-	-	-	-	-
Other receipts	1,250,031	1,168,491	296,523	273,703	-	-	-	387
Receipts from employers	-	-	-	-	665,926	325,495	-	-
Total increases	1,320,482	1,262,276	296,523	273,703	665,926	325,495	-	387
Available for payments	1,379,320	1,316,959	371,552	330,802	674,874	327,462	-	488
Decreases:								
Administered								
Payments to custodial parents	(1,321,058)	(1,256,730)	-	-	-	-	-	-
Repayments debited from the special account	(1,190)	(1,391)	-	-	-	-	-	-
Payments made to the Department of Health and Ageing	-	-	(26,848)	(38,788)	-	-	-	-
Refunds to customers	-	-	(251,408)	(216,985)	-	-	-	-
Total administered decreases	(1,322,248)	(1,258,121)	(278,256)	(255,773)	-	-	-	-
Special public money								
Payments made	-	-	-	-	-	-	-	(488)
Payments made to Superannuation Funds	-	-	-	-	(661,257)	(318,514)	-	-
Total special public money decreases	-	-	-	-	(661,257)	(318,514)	-	(488)

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Note 30: Special Accounts ('Recoverable GST exclusive') (Continued)

	Child Support Special Account[1]		Recovery of Compensation for Health Care and Other Services Special Account[2]		Superannuation Clearing House Special Accounts[3]		Services for Other Entities and Trust Moneys Medicare Australia Special Account[4]	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total decreases	**(1,322,248)**	(1,258,121)	**(278,256)**	(255,773)	**(661,257)**	(318,514)	**-**	(488)
Total balance carried to the next period	**57,072**	58,838	**93,296**	75,029	**13,617**	8,948	**-**	-

[1] *Appropriation: Financial Management and Accountability Act 1997, section 21.*

Establishing Instrument: *Section 73, Child Support (Registration and Collection) Act 1988.*

Purpose: For the receipt of child support payments and the making of regular and timely payments to custodial parents.

[2] *Appropriation: Financial Management and Accountability Act 1997, section 20.*

Establishing Instrument: Determination 2005/24 under *Financial Management and Accountability Act 1997, section 20.*

Purpose: To credit monies for the purpose of recovery of compensation following a judgement or settlement under the *Health and Other Services (Compensation) Act 1995* and;

   (a) to pay the claimant, or the claimant's authorised representative, amounts credited to the Special Account; and

   (b) to reduce the balance of the Special Account (therefore, the available appropriation for the Special Account) without making a real or notional payment; and

   (c) to repay amounts where an Act or other law requires or permits the repayment of an amount received.

[3] *Appropriation: Financial Management and Accountability Act 1997, section 20.*

Establishing Instrument: Determination 2010/05 under *Financial Management and Accountability Act 1997, section 20.*

Purpose: To receive amounts for the purpose of the Superannuation Clearing House and:

   (a) make payments to superannuation funds on behalf of small business employers in performance of the functions of the Superannuation Clearing House;

   (b) repay to an original payer amounts credited to the Special Account, including the residual after any necessary payments are made for the purpose mentioned in paragraph (a);

   (c) reduce the balance of the Special Account (therefore, the available appropriation for the Special Account) without making a real or notional payment; and

   (d) repay amounts where an Act or other law requires or permits the repayment of an amount received.

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[4] *Appropriation: Financial Management and Accountability Act 1997, section 20.*

Establishing Instrument: Determination 2009/18–Services for Other Entities and Trust Moneys – Medicare Australia Special Account Establishment 2009 under *Financial Management and Accountability Act 1997, section 20.*

Purpose:

    (a)   to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;

    (b)   to disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;

    (c)   to repay amounts where an Act or other law requires or permits the repayment of an amount received; and

    (d)   to reduce the balance of the Special Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.

This special account was abolished by Determination 2011/12.

Other nil balance special account – Services for Other Entities and Trust Moneys – Department of Human Services Special Account

Establishing instrument: Determination 2011/13 Financial Management and Accountability (Establishment of Special Account for Department of Human Services) under *Financial Management and Accountability Act 1997, section 20.*

Purpose:

    (a)   to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;

    (b)   to disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;

    (c)   to repay amounts where an Act or other law requires or permits the repayment of an amount received; and

    (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.

For the years ending 30 June 2013 and 30 June 2012 this account had a nil balance and there were no transactions debited or credited during either year.

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Note 31: Compensation and Debt Relief

Compensation and Debt Relief - Departmental	2013 $	2012 $
5 payments were made under *Legal Services Directions Act 2005* during the reporting period (2012: 5 payments made).	**9,909**	21,816
1 'Act of Grace' payment was made during the reporting period (2012: No payments).	**6,091**	-
None of the above payments were made on a periodic basis (2012: No payments).		
1 waiver of amount owing to the Australian Government was made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012: No waiver).	**4,146**	-
No waivers of amounts owing to the Australian Government were made pursuant to other legislation (2012: No waiver).	**-**	-
1719 payments were made under the 'Compensation for Detriment caused by Defective Administration' (CDDA) Scheme during the reporting period (2012: 1641 payments).	**4,853,186**	4,485,543
No ex-gratia payments were made for during the reporting period (2012: No Payments).	**-**	-
No payments were made in special circumstances relating to APS employment pursuant to section 73 of the *Public Services Act 1999* (PS Act) during the reporting period (2012: No payments).	**-**	-

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	2013	2012
Compensation and Debt Relief - Administered	**$**	$
No 'Act of Grace' payments were made during the reporting period (2012: No payments).	**-**	-
45 waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012: 4787 waivers).	**87,605**	3,289,487
No waivers of amounts owing to the Australian Government were made pursuant to section 23 of the *Disability Services Act 1986* (2012: No waivers).	**-**	-
No payments were made under the 'Compensation for Detriment caused by Defective Administration' (CDDA) Scheme during the reporting period (2012: No payments).	**-**	-
No ex-gratia payments were made for during the reporting period (2012: No payments).	**-**	-
No payments were made in special circumstances relating to APS employment pursuant to section 73 of *Public Services Act 1999* during the reporting period (2012: No payments).	**-**	-

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Note 32: Reporting of Outcomes

Note 32A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2013	2012	**2013**	2012
	$'000	$'000	**$'000**	$'000
Departmental				
Expenses	**4,456,324**	4,573,544	**4,456,324**	4,573,544
Own-source income	**284,032**	335,866	**284,032**	335,866
Administered				
Expenses	**1,523,261**	1,489,982	**1,523,261**	1,489,982
Own-source income	**1,529,385**	1,505,052	**1,529,385**	1,505,052
Net cost of outcome delivery	**4,166,168**	4,222,608	**4,166,168**	4,222,608

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating Budget outcome.

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Note 33: Competitive Neutrality and Cost Recovery

	2013	2012
	$'000	$'000
Note 33A: Competitive Neutrality - Expenses		
State tax equivalent expense	**321**	529
Commonwealth tax equivalent expense	**315**	707
Total expenses	**636**	1,236

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Note 34: Net Cash Appropriation Arrangements

	2013 **$'000**	2012 $'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations[1]	**15,463**	(20,111)
Plus: depreciation/amortisation expenses previously funded through appropriation	**(256,573)**	(260,759)
Total comprehensive loss - as per the Statement of Comprehensive Income	**(241,110)**	(280,870)

[1] From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Depreciation and amortisation associated with CRS Australia are primarily funded from section 31 receipts. Depreciation and amortisation expense for CRS Australia for 2013 was $3.761 million (2012: $5.265 million) and is not included for the purpose of Note 34.

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DEPARTMENT OF HUMAN SERVICES
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Note 35: Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Special Accounts

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. The Department of Finance and Deregulation provided information to all agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations, including special accounts. The department first reported on this issue in the notes to the 2011–12 financial statements.

During 2012–13 the department built on the work done in 2011–12, completing work focused on:
- issues raised by the Australian Government Solicitor in relation to possible legislative amendments to reduce the risk of s83 breaches;
- reviewing policies and procedures to ensure they adequately reduce the risk of non-compliance with s83;
- assessing effectiveness of controls environment;
- implementing and documenting new processes, systems and controls for minimising the risk of s83 breaches where appropriate; and
- obtaining legal advice as appropriate to resolve questions of potential non-compliance.

The department has three special accounts involving statutory conditions for payment, and as at 30 June 2013, this work had been completed in respect of these accounts. The department has a fourth special account for which there has been no transactions in the financial year.

The four special accounts identified above, and the establishing legislation, are as follows:

1. Child Support Account - *s21 Financial Management and Accountability Act 1997*, and *s73 Child Support (Registration and Collection) Act 1988*

2. Financial Management and Accountability - Determination 2005/24 - Recovery of Compensation for Health Care and Other Services Special Account Establishment 2005 - *s20 Financial Management and Accountability Act 1997*

3. Financial Management and Accountability - Determination 2010/05 - Superannuation Clearing House Special Account Establishment 2010 - *s20 Financial Management and Accountability Act 1997*

4. Financial Management and Accountability (Establishment of Special Account for Department of Human Services) - Determination 2011/13 Services for Other Entities and Trust Moneys - Department of Human Services Special Account - *s20 Financial Management and Accountability Act 1997*

The Department identified forty five payments totalling $41,677 for which it sought legal advice from the Australian Government Solicitor (AGS). Advice has been received from the AGS which confirms that these payments were made without legal authority and are in contravention of s83 of the Constitution.

Of the total amount paid in contravention of s83 in 2012–13 and prior years:
- amounts totalling $41,677 were incorrectly paid; and
- amounts totalling $26,306 have been recovered to 30 June 2013.

Details of payments made in contravention of s83 in 2012–13 and prior years are set in Note 35A.

Generic Payments

During 2012–13 additional legal advice was received that indicated there could be breaches of s83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The department has reviewed payments made under the determination of the Remuneration Tribunal and all payments made were as determined by the Remuneration Tribunal. The department will review its processes and controls over payments for long service leave and goods and services tax to minimise the possibility for future breaches as a result of these payments.

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Note 35A: Compliance with Section 83 of the Constitution

Appropriations identified as subject to conditions	Expenditure in 2012–13		Confirmed Breaches		
SPECIAL ACCOUNTS		Number	Total	Incorrect	Recovered/offset As at 30 June 2013
	$		$	$	$
Superannuation Clearing House	661,257,392	39	29,495	29,495	24,056
Recovery of Compensation for Health Care and Other Services	278,256,423	6	12,182	12,182	2,250

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Appendices

APPENDIX A: EXERCISING OF POWERS UNDER SECTION 42 OF THE *HUMAN SERVICES (MEDICARE) ACT 1973*

The *Human Services (Medicare) Act 1973* provides for the Chief Executive Medicare to authorise the exercise of powers requiring a person to give information or to produce a document that is in the person's custody, or under the person's control, and the power to obtain a statutory report under section 42 of the Act.

Table 75: *Human Services (Medicare) Act 1973*—section 42 reporting requirements

Section 42(1) paragraphs (a) to (h)	2010–11	2011–12	2012–13
(a) The number of signed instruments made under section 8M	1	6	3
(b) The number of notices in writing given to organisations under section 8P	77	65	103
(c) The number of notices in writing given to individual patients under section 8P.	1	4	27
(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	3	13	16
(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[1]	90	1 147	0

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.

APPENDIX B: SERVICES DELIVERED ON BEHALF OF OUR PARTNERS

The table below provides a summary of the key payments the department made on behalf of other government departments in 2012–13.

Table 76: Payments on behalf of other departments

Department	2012–13
Department of Families, Housing, Community Services and Indigenous Affairs	$80.2 billion
Department of Health and Ageing	$43.6 billion
Department of Education, Employment and Workplace Relations	$16.9 billion
Department of Veterans' Affairs	$3.8 billion
Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education	$3.2 billion
Attorney-General's Department	$176.2 million
Department of Infrastructure and Transport	$145.5 million
Department of Agriculture, Fisheries and Forestry	$8.9 million

The department provided the following services and support for other government agencies and organisations.

Australian Government agencies

ATTORNEY-GENERAL'S DEPARTMENT

- Document verification service
- Australian Government Disaster Recovery Payments
- Financial Intelligence Assessment Team
- Australian Identity Protection Register
- Emergency call centre services.

AUSTRALIAN BUREAU OF STATISTICS

- Australian Health Survey.

AUSTRALIAN ELECTORAL COMMISSION

- Improving public access to enrolment forms, reply paid envelopes and promotional material
- Providing data services on behalf of the Australian Electoral Commission for data-matching purposes
- Providing services related to the next federal election, including phone services
- Providing data centre services.

AUSTRALIAN FEDERAL POLICE

- Investigation and ancillary services
- Outposted agents.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

- Joint compliance and intelligence activities.

AUSTRALIAN HEARING

- Accommodation for hearing services
- Australian Government Mobile Service Centres.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

- Financial Intelligence Assessment Team.

AUSTRALIAN TAXATION OFFICE

- Australian Business Register/Australian Business Number confirmation services
- Application for a Tax File Number
- Provision of limited tax information to customers—shared services
- Electronic transfer of payment summary information and the Australian Taxation Office's Pre-filling service
- Family Assistance data exchange
- Inter-Agency Cash Economy Working Group
- Co-location
- Education Tax Refund (data exchange).

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE (AUSTRAC)

- Financial Transaction Reports.

COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS

- Protocols for the prosecution of alleged criminal offences in relation to social security and health-related programs, staff, facilities and operations.

CRIMTRAC

- Provision of criminal history information.

DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY

- Transitional Farm Family Payment.

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

- Digital TV Switchover—Household Assistance Scheme.

DEPARTMENT OF EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

- Education payments
  - ABSTUDY
  - ABSTUDY Pensioner Education Supplement
  - Assistance for Isolated Children Scheme
  - Language, Literacy and Numeracy Supplement
- Education referrals and other services
  - Referrals of eligible customers to Youth Connections
  - School Enrolment and Attendance Measure
  - School Nutrition Program
- Employment payments
  - Education Entry Payment
  - Mobility Allowance
  - Newstart Allowance
  - Parenting Payment
  - Partner Allowance
  - Pensioner Education Supplement
  - Sickness Allowance
  - Utilities Allowance
  - Widow Allowance
  - Approved Programs of Work Supplement
  - Youth Allowance (Other)
- Employment referrals and other services
  - Assessment, referral, compliance and related services
  - Indigenous Wage Subsidy Card
  - Voluntary work organisation approval
  - Jobs and Skills Expos—Building Australia's Future Workforce package
- Child Care payments
  - Child Care Benefit
  - Child Care Rebate
  - Jobs, Education and Training Child Care Fee Assistance
  - Special Child Care Benefit.

DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

- Families
  - Family Tax Benefit Parts A and B
  - Child Support Program
  - Paid Parental Leave Scheme
  - Baby Bonus
  - Maternity Immunisation Allowance
  - Double Orphan Pension
  - Dad and Partner Pay
  - Single Income Family Supplement
  - Household Assistance Package: Clean Energy Advance and Clean Energy Supplement
- Housing
  - Rent Assistance
  - Household Organisational Management Expenses Advice Program
- Community capability and the vulnerable
  - Special Benefit
  - Crisis Payment
  - Bereavement Allowance
  - Payments under Special Circumstances (ex-gratia)
  - Income Management
  - Utilities Allowance
- Seniors
  - Age Pension
  - Pension Supplement
  - Widow B Pension
  - Wife Pension (Age)
  - Seniors Supplement
  - Pension Bonus Scheme
  - Financial Information Service
  - Household Assistance Package: Clean Energy Advance, Clean Energy Supplement and Low Income Supplement
- Disability and carers
  - Disability Support Pension
  - Job Capacity Assessments

- Carer Allowance and payments (Adult)
- Carer Allowance and payments (Child)
- Child Disability Assistance Payment
- Wife Pension (Disability)
- Carer Supplement
- Ex-gratia payments to unsuccessful applicants of Carer Payment (Child)
- Carer Specialist Assessment Team
- Essential Medical Equipment Payment
- Indigenous
  - Community Development Employment Projects program
- Cross outcome
  - Compensation services
  - International services
  - Multicultural services/Assurance of Support
  - Definition of member of a couple policy
  - Debt and compliance frameworks and strategies
- Carbon Pricing Household Assistance Package.

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

- Australian Passport Information Service
- Smartraveller Advisory Service
- Vulnerable Australians repatriated from overseas.

DEPARTMENT OF HEALTH AND AGEING

- Medicare and related programs
  - Medicare
  - Medicare Teen Dental Plan
  - Adverse Events Assistance Activity
- Aged Care
  - Aged Care Payments Function
  - Income and Assets Testing
  - Aged Care Education and Training Incentive
  - Continence Aids Payment Scheme
- eHealth programs
  - Operation of the Personally Controlled eHealth Record System

- Support services
  - National Emergency Call Centre Surge Capability
  - Communication
  - Internet Gateway—Therapeutic Goods Administration
  - Data Centre Tuggeranong
- Pharmaceutical Benefits Scheme
- Provider programs
  - General Practice Immunisation Incentives Scheme
  - General Practice Rural Incentives Program
  - Mental Health Nurse Incentive Program
  - Practice Nurse Incentive Program
  - Practice Incentives Program
  - Rural Procedural Grants Program and the Rural Locum Education Assistance Program
  - Office of Hearing Services—Claim Payment
  - Office of Hearing Services—Centrelink Confirmation eService
  - Higher Education Contribution Reimbursement Scheme
- Public programs
  - Private Health Insurance Rebate
  - Lifetime Health Cover mail-out
  - External Breast Prostheses Reimbursement Program
  - Compensation Recovery Program
- National registers
  - Australian Childhood Immunisation Register
  - Australian Organ Donor Register
  - National Bowel Screening Register
  - National performance indicators for the Divisions of General Practice Program Immunisation
- Indemnity Insurance Fund
  - Medical Indemnity
  - Midwife Professional Indemnity.

DEPARTMENT OF IMMIGRATION AND CITIZENSHIP

- Assistance with citizenship testing
- Domestic violence/family violence social work assessment
- Electronic data exchange (Datalink)
- Guide to ethnic naming practices
- Joint compliance activities
- Interpreting services.

DEPARTMENT OF INDUSTRY, INNOVATION, CLIMATE CHANGE, SCIENCE, RESEARCH AND TERTIARY EDUCATION

- Liquefied Petroleum Gas Vehicle Scheme
- Language, Literacy and Numeracy Program
- Australian Apprenticeships Access Program
- Assessment Subsidy for Overseas Trained Professionals Program
- Austudy
- Youth Allowance—for full-time students and apprentices.

DEPARTMENT OF INFRASTRUCTURE AND TRANSPORT

- Bass Strait Passenger Vehicle Equalisation Scheme
- Tasmanian Freight Equalisation Scheme
- Tasmanian Wheat Freight Scheme.

DEPARTMENT OF THE TREASURY

- Small Business Superannuation Clearing House
- Early Release of Superannuation Benefits on Specified Compassionate Grounds
- Early Release of Superannuation Confirmation Service—severe financial hardship grounds.

DEPARTMENT OF VETERANS' AFFAIRS

- Carer Supplement
- Community Support Service
- Compliance and fraud services
- Customer Confirmation
- Defence Force Income Support Allowance and clearance process
- Digital TV Switchover services to veterans
- Health services
- Treatment Accounts Processing

- Repatriation Pharmaceutical Benefits Scheme
- Identity matching (including births, deaths and marriages)
- Managed investment and listed securities data services
- Online concession eligibility services
- Services to the veteran community
- United Kingdom data exchange
- Veterans' Children Entitlement Scheme
- Veterans' Information Service
- Veterans' Agent Service
- Welfare Payment Reform for Department of Veterans' Affairs customers.

FAMILY COURT OF AUSTRALIA

- Interpreting and translation services.

FEDERAL CIRCUIT COURT OF AUSTRALIA

- Interpreting services.

TORRES STRAIT REGIONAL AUTHORITY

- Community Development Employment Projects Program.

State and territory governments and other organisations

NATIONAL E-HEALTH TRANSITION AUTHORITY

- Healthcare Identifiers Service
- National Authentication Solution for Health.

COMMONWEALTH BANK OF AUSTRALIA

- Bank account verification
- Electronic data exchange.

NATIONAL AUSTRALIA BANK

- Bank account verification
- Electronic data exchange.

FOREIGN GOVERNMENTS

- Reciprocal service arrangements with a number of countries.

PRIVATE ORGANISATIONS

- The department has contracts and agreements with many private businesses and non-government organisations to ensure the operation of:
  - Centrelink Confirmation eServices
  - Centrepay
  - Income Management.

NATIONAL EMERGENCY CALL CENTRE SURGE CAPABILITY

- Tasmanian Government for bushfires: January 2013
- Queensland Government for Tropical Cyclone Oswald: February 2013.

QUEENSLAND GOVERNMENT

- Advice to Queensland Health relating to health pay day change.

NORTHERN TERRITORY GOVERNMENT

- Support to Territory Housing to implement the Territory Management System in remote Indigenous communities.

STATE AND TERRITORY CORRECTIVE SERVICES AUTHORITIES

- Providing services to offenders
- Providing services to young offenders.

STATE AND TERRITORY HOUSING AUTHORITIES

- Income Confirmation
- Rent Deduction Scheme
- Co-location.

APPENDIX C: COMPLIANCE WITH THE *CARER RECOGNITION ACT 2010*

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 resources include links to the Act and information about support available to help staff with their caring responsibilities on our intranet.

Section 7(2)—Each public service agency's internal human resources policies, so far as they may significantly affect an employee's caring 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. We consult 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 in developing, implementing, providing or evaluating care supports.

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 programs and supports. We are represented on the Commonwealth Carers Forum and work collaboratively with partner agencies to ensure carer policy and service delivery is aligned with the statement and priorities identified in the National Carer Strategy. The forum, with representatives from a range of government departments, was established to oversee the implementation of the government's response to the *Report on the Inquiry into Better Support for Carers*, as well as the development of the National Carer Strategy.

The department has now implemented a number of specific measures (Carer Allowance Insulin Dependent Diabetes, Continuation of Carer Adjustment Payment, Carer Allowance (Adult) Bereavement Payment and Carer Supplement for nil rate customers) under the National Carer Strategy, and 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 promote National Carers Week through outreach and community activities, and we promote awareness of carer issues to staff. We also produce *News for Carers*, a 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.

Departmental representatives attended the National Carers Strategy Implementation Reference Group meetings in 2012–13 convened by the Department of Families, Housing, Community Services and Indigenous Affairs. Attendees included carers, organisations that represent carers and Commonwealth Carer Forum members.

Section 8(3)—Each public service care agency must prepare a report on its compliance with section seven 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:

- *Carers specialist assessments* on page 156
- *Communicating with people with disability and their carers* on page 159
- *Carers Week* on page 142
- *Grandparent carers* on page 72.

APPENDIX D: DATA MATCHING

Data-matching Program (Assistance and Tax) Act 1990

The legal authority for data matching is governed by the *Data-matching Program (Assistance and Tax) Act 1990*.

Under section 12(5) of the Act, participating agencies are required to table reports in both houses of the parliament. For each successive three-year period a report must be presented which includes all details relating to the Data-matching Program carried out during that period. This appendix covers the progress of the program for the department from 2010–13.

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 program plays an important role in detecting 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.

Program cycles

The Act specifies that a program 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 the financial year periods 2010–13, 11 cycles were conducted.

Privacy safeguards

The program operates within a framework of comprehensive and strict privacy safeguards that cover the collection, storage, use and disclosure of personal information. Close attention was paid to adherence to these requirements.

The main safeguards associated with the program ensure that:

- the Data Matching Agency (DMA) does not hold source agency data for any longer than is necessary
- source agencies cannot link or merge the information used in the program 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 program 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.

Program monitoring

PROGRAM ASSESSMENTS

The department continued to monitor the operation of the program closely, in consultation with the other participating agencies and the Office of the Australian Information Commissioner (OAIC). Monitoring is undertaken in a variety of ways including monthly reports, OAIC audits and ongoing project analysis.

Statistics

This section contains the statistical details required under guideline 12 of the Schedule to the Act. The information is divided into two parts. The first part, which has been compiled for the DMA, details the input and output from the program 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 on:

- 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 77 shows the DMA input and output for program cycles in 2010–11, 2011–12 and 2012–13. Table 78 shows the number and proportion of matches that resulted in discrepancies and outcomes for the same period.

Table 77: Data Matching Agency input and output for all agencies 2010–13[1]

		Matches undertaken	DMA output	DMA output as a percentage of total departmental matches
Department of Human Services	2010–11	66 461 459	1 504 272	2.3
	2011–12	98 234 540	2 298 262	2.3
	2012–13	101 649 544	2 274 186	2.2
Department of Veterans' Affairs	2010–11	1 312 717	32 234	2.5
	2011–12	1 662 903	30 532	1.8
	2012–13	1 556 478	30 519	1.9
Total	**2010–11**	**67 774 176**	**1 536 506**	**2.3**
	2011–12	**99 897 443**	**2 328 794**	**2.3**
	2012–13	**103 206 022**	**2 304 705**	**2.2**

1   Many people will have more than one component including married, maiden or previous legal names. For DVA, maiden and married names are separated into two records after receipt by the DMA.

Table 78: Results of discrepancies released for action in 2010–13

Discrepancies/cases	Number and percentage (where applicable)		
	2010–11	2011–12	2012–13
Discrepancies which resulted in a notice under section 11 of the Act being sent[1]	22 258 (111.6%)[8]	26 730 (60.7%)	48 722 (78.8%)
Discrepancies which resulted in action being taken[2]	22 596 (113.3%)[8]	14 876 (33.8%)	17 521 (28.3%)
Cases in which action proceeded despite a dispute about the accuracy of the data[3]	101	103	162
Discrepancies which did not proceed to action after the individual was contacted[4]	14 313 (71.8%)	10 792 (24.5%)	13 497 (21.8%)
Cases where an overpayment was identified[5]	26 085	17 760	19 658
Cases where recovery action was initiated[6]	23 357	17 363	17 923
Cases where the debt was fully recovered[7]	22 721	21 695	19 469

1 Section 11 of the Act requires that people must be given written notice of any proposed action as a result of information gained through the program. 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 designed 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 statistics show the number of overpayment cases identified, including the number of debts waived.

6 The statistics show 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.

8 Some percentages may be over 100 per cent because more cases were completed than were started. Cases may be counted as started in one year and completed in the next.

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 program. See Table 79 on page 367 for program cost–benefit information.

DIRECT SAVINGS METHODOLOGY

There are three direct savings components from the program:

- downward variations in rate or the stopping of data-matching payments
- raised debts
- stopping payments to new customers for failure to comply with TFN requirements.

The program 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 2010–13 the data-matching program achieved $459 million in savings.

DIRECT COST METHODOLOGY

Administrative costs

Administrative costs included computer and associated costs—the equipment used to run the program cycles has some ongoing administrative costs associated with computer hardware and software maintenance.

Salary costs

The program's main salary costs were costs associated with:

- managing and supporting the program 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 program are significant. In 2010–13 the net benefit of the program was $397.5 million.

Table 79: Direct cost–benefit summary

	2010–11 actual	2011–12 actual	2012–13 actual
Benefits[1]	$167 730 800	$148 816 800	$138 061 900
Costs	$20 132 100	$16 980 800	$20 021 000
Net benefits[2]	$147 598 700	$131 836 000	$118 040 900
Cost–benefit ratio[3]	1:8.3	1:8.8	1:6.9

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 in Table 80 include data matching cycles and consultation with the OAIC in 2010–13.

Table 80: Data-matching Program events in 2010–13

Date	Event
9 August 2010	Cycle 3/2010 commenced
30 August 2010	Step 5 of Cycle 3/2010 run in accordance with the Act
6 September 2010	Cycle 3/2010 completed
26–27 October 2010	OAIC staff visited teams in Business Integrity Queanbeyan (outposted in Griffith, New South Wales)
8 November 2010	Cycle 4/2010 commenced
30 November 2010	Step 5 of Cycle 4/2010 run in accordance with the Act
6 December 2010	Cycle 4/2010 aborted
9–10 December 2010	OAIC staff visited teams in Business Integrity Newcastle (Wallsend)
31 January 2011	Cycle 1/2011 commenced
24 February 2011	Step 5 of Cycle 1/2011 run in accordance with the Act
3 March 2011	Cycle 1/2011 completed
9 May 2011	Cycle 2/2011 commenced
24–25 May 2011	OAIC staff visited teams in Business Integrity Gold Coast (Toowoomba)
31 May 2011	Step 5 of Cycle 2/2011 run in accordance with the Act
7 June 2011	Cycle 2/2011 completed
26 July 2011	Cycle 3/2011 commenced
15 August 2011	Step 5 of Cycle 3/2011 run in accordance with the Act
22 August 2011	Cycle 3/2011 completed

Date	Event
30–31 August 2011	OAIC staff visited teams in Business Integrity Brisbane West (Metro)
13–14 October 2011	OAIC staff visited teams in Business Integrity Melbourne West (Bendigo and Metro)
25 October 2011	Cycle 4/2011 commenced
14 November 2011	Step 5 of Cycle 4/2011 run in accordance with the Act
18 November 2011	Cycle 4/2011 completed
30 January 2012	Cycle 1/2012 commenced
20 February 2012	Step 5 of Cycle 1/2012 run in accordance with the Act
27 February 2012	Cycle 1/2012 completed
15–16 March 2012	OAIC staff visited teams in Business Integrity Melbourne East (Rowville)
7 May 2012	Cycle 2/2012 commenced
6 June 2012	Step 5 of Cycle 2/2012 run in accordance with the Act
12 June 2012	Cycle 2/2012 completed
23 July 2012	Cycle 3/2012 commenced
13 August 2012	Step 5 of Cycle 3/2012 run in accordance with the Act
19 August 2012	Cycle 3/2012 completed
13–14 September 2012	OAIC staff visited teams in Business Integrity Griffith
22 October 2012	Cycle 4/2012 commenced
12 November 2012	Step 5 of Cycle 4/2012 run in accordance with the Act
18 November 2012	Cycle 4/2012 completed
22–23 January 2013	OAIC staff audited teams from Business Integrity Newcastle and visited teams in Business Integrity Queanbeyan
4 February 2013	Cycle 1/2013 commenced
25 February 2013	Step 5 of Cycle 1/2013 run in accordance with the Act
3 March 2013	Cycle 1/2013 completed
6 May 2013	Cycle 2/2013 commenced
8–9 May 2013	OAIC staff visited teams in Business Integrity Redfern
27 May 2013	Step 5 of Cycle 2/2013 run in accordance with the Act
2 June 2013	Cycle 2/2013 completed

APPENDIX E: STAFFING STATISTICS

Staff profile

At 30 June 2013 the department employed 35 838 people under the *Public Service Act 1999*. The total staff number includes 29 medical officers. Of the total number, 33 868 staff (94.5 per cent) were ongoing and 1970 (5.5 per cent) were non-ongoing. Part-time work participation increased by 1093 staff to 30 June 2013. Overall, 30.1 per cent of the workforce was employed on a part-time basis.

Women comprised 71.7 per cent of the workforce. This is a decrease of 0.2 per cent from 30 June 2012.

The following tables provide statistics on staff by classification according to location, employment status, employment type, gender and background. The tables record staff against the positions they normally occupy, noting that some may be working temporarily in other positions. All figures are based on headcount at 30 June 2013 and are exclusive of the Secretary.

Table 81: Staff by substantive classification and location

Classification	ACT	NSW	QLD	SA/NT	TAS	VIC	WA	Total
SES Band 3	7	0	0	0	0	0	0	7
SES Band 2	29	0	0	1	1	1	0	32
SES Band 1	109	8	8	6	1	7	2	141
Executive Level 2	712	91	86	41	22	78	15	1 045
Executive Level 1	1 492	334	353	206	72	275	90	2 822
APS 6	1 308	1 272	1 028	583	239	1 008	323	5 761
APS 5	708	908	712	525	197	517	211	3 778
APS 4	441	5 001	3 097	1 515	1 045	3 581	1 132	15 812
APS 3	208	1 544	1 080	679	304	1 240	479	5 534
APS 2	21	126	81	38	66	88	38	458
APS 1	67	49	47	19	5	30	19	236
Other—trainees, graduates, cadets	63	40	37	46	1	11	14	212
Total	**5 165**	**9 373**	**6 529**	**3 659**	**1 953**	**6 836**	**2 323**	**35 838**

Table 82: Staff by substantive classification and employment status

Classification	Ongoing	Non-ongoing	Total
SES Band 3	7	0	7
SES Band 2	32	0	32
SES Band 1	141	0	141
Executive Level 2	1 042	3	1 045
Executive Level 1	2 816	6	2 822
APS 6	5 707	54	5 761
APS 5	3 728	50	3 778
APS 4	15 738	74	15 812
APS 3	3 897	1 637	5 534
APS 2	384	74	458
APS 1	164	72	236
Other—trainees, graduates, cadets	212	0	212
Total	**33 868**	**1 970**	**35 838**

Table 83: Staff by substantive classification and employment type

Classification	Full-time	Part-time[1]	Total
SES Band 3	7	0	7
SES Band 2	32	0	32
SES Band 1	140	1	141
Executive Level 2	970	75	1 045
Executive Level 1	2 480	342	2 822
APS 6	4 291	1 470	5 761
APS 5	3 150	628	3 778
APS 4	10 127	5 685	15 812
APS 3	3 199	2 335	5 534
APS 2	298	160	458
APS 1	178	58	236
Other—trainees, graduates, cadets	194	18	212
Total	**25 066**	**10 772**	**35 838**

1   Includes casual staff.

Table 84: Staff by substantive classification and gender

Classification	Female	Male	Total
SES Band 3	2	5	7
SES Band 2	18	14	32
SES Band 1	59	82	141
Executive Level 2	491	554	1 045
Executive Level 1	1 555	1 267	2 822
APS 6	3 935	1 826	5 761
APS 5	2 534	1 244	3 778
APS 4	11 992	3 820	15 812
APS 3	4 479	1 055	5 534
APS 2	344	114	458
APS 1	149	87	236
Other—trainees, graduates, cadets	134	78	212
Total	**25 692**	**10 146**	**35 838**

Table 85: Staff by substantive classification and diverse background

Classification	Indigenous		With disability		NESB[1]	
	Ongoing	Non-ongoing	Ongoing	Non-ongoing	Ongoing	Non-ongoing
SES Band 3	0	0	0	0	0	0
SES Band 2	0	0	0	0	1	0
SES Band 1	2	0	5	0	10	0
Executive Level 2	10	0	32	0	150	0
Executive Level 1	37	0	88	0	406	0
APS 6	103	0	210	2	661	2
APS 5	191	0	152	1	476	1
APS 4	540	4	670	1	1 764	2
APS 3	237	10	79	5	691	13
APS 2	7	0	43	3	38	2
APS 1	1	0	11	8	19	4
Other—trainees, graduates, cadets	79	0	8	0	9	0
Total	**1 207**	**14**	**1 298**	**20**	**4 225**	**24**

1   Non-English speaking background—is based on a staff member's 'first language spoken' and includes 'language other than English' and 'English and another language'.

APPENDIX F: STAFF REMUNERATION

Non-Senior Executive Service remuneration

At 30 June 2013, 35 629 non-Senior Executive Service (SES) staff were covered by the *Department of Human Services Agreement 2011–14*.

Table 86: Salary ranges for staff covered by the *Department of Human Services Agreement 2011–14*[1]

Classification	Salary range ($)
Executive Level 2	108 424–128 940
Executive Level 1	93 693–103 820
APS 6	74 906–86 618
APS 5	67 668–73 017
APS 4	60 672–67 222
APS 3	54 435–60 671
APS 2	49 106–52 998
APS 1	43 944–47 119
Deputy General Counsel—Executive Level 2 (Legal Job Stream)	108 424–136 931
Senior Rehabilitation Consultant—APS 6 (Professional Job Stream)	74 906–91 278
Rehabilitation Consultant 2—APS 6 (Professional Job Stream)	74 906–86 904
APS Trainee (School-based pathway)	17 577–21 972
APS Trainee (Apprentice)	49 106
APS Trainee (IT apprentice)	43 944–50 456
Cadet APS	25 048–50 456
Graduate APS	54 435–60 672

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 2013, 29 medical officers were covered by the *Department of Human Services Medical Officers Agreement 2013–2014*.

Table 87: Salary ranges for staff covered by the *Department of Human Services Medical Officers Agreement 2013–2014*[1]

Classification	Salary range ($)
Medical Officer Class 4	157 002–173 838
Medical Officer Class 3	144 472–157 002
Medical Officer Class 2	114 082–135 653

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 2012–13.

Senior Executive Service remuneration

The Secretary determines the salaries for SES staff.

Base salary ranges for each classification are set with reference to relevant market comparisons, taking into account:

- the annual survey of Australian Public Service (APS) SES remuneration
- the APS Bargaining Framework
- general economic conditions
- departmental performance
- value for money.

See Table 88 for SES base salary ranges that applied in 2012–13.

Table 88: Salary range for SES classifications[1]

Classification	Salary range ($)
SES Band 3	240 000–380 000
SES Band 2	195 000–240 000
SES Band 1	145 000–190 000

1   The salary ranges in this table cover base salary rates only and do not include motor vehicle and other reportable fringe benefits, allowances and salary sacrifice arrangements. These salary ranges are indicative, as the Secretary may approve salary rates outside these bands.

The Secretary reviews the salary levels of SES staff annually following completion of the annual performance cycle, or as determined. Salary reviews take into account a number of factors including organisational performance, relevant remuneration data, market factors and individual performance.

The following industrial instruments have been used to provide conditions of service for the department's staff.

Table 89: Employment arrangements

Arrangement	SES	Non-SES
Department of Human Services Agreement 2011–14	0	35 629
Department of Human Services Medical Officers Agreement 2013–2014	0	29
Individual flexibility agreements[1]	0	65
Common law contracts	1	0
Section 24(1) of the *Public Service Act 1999*	179	0

1   Staff with individual flexibility agreements have employment conditions under the *Department of Human Services Agreement 2011–14* which are supplemented in exceptional circumstances.

APPENDIX G: WORK HEALTH AND SAFETY

Work Health and Safety Act 2011 reporting

The department's health and safety management arrangements are to:

1. support the achievement of the department's health and safety culture and outcomes

2. enable effective cooperation between the employer and staff in promoting and developing measures to ensure the health, safety and wellbeing of staff at work

3. provide adequate mechanisms for:
   – informing staff about the arrangements
   – reviewing the effectiveness of the arrangements
   – varying the arrangements in consultation with staff

4. provide for a dispute resolution mechanism to deal with disputes arising in the course of consultations held under the *Work Health and Safety Act 2011* between the employer and staff

5. establish health and safety committees and provide for the manner in which the health and safety committees are to be constituted and operate.

The health and safety management arrangements include a National Health and Safety Committee that has management representatives, elected staff and Community and Public Sector Union members. The committee meets quarterly and is a consultative forum for national health and safety issues. It provides a focus for consultation about health and safety and assists in developing, implementing and reviewing measures to protect the health and safety of staff, contractors and visitors in the workplace.

This committee considers health and safety-related issues that have a significant or broad relevance to the department or that have been referred to the committee through an escalation process. The health and safety management arrangements also provide for workplace and regional health and safety committees.

COMCARE INSPECTIONS

In 2012–13 Comcare completed 11 workplace inspections. Five of these inspections were undertaken as part of Comcare's planned pilot inspection program for smart centres. No contraventions of the Act were reported and no notices were issued under the Act.

Table 90: Incidents notified to Comcare

Type of incident	Number
Serious personal injury or illness	16
Dangerous incidents	20
Total	**36**

APPENDIX H: EXTERNAL SCRUTINY

Audit

AUSTRALIAN NATIONAL AUDIT OFFICE LIAISON

The department has a collaborative and productive relationship with the Australian National Audit Office (ANAO) and welcomes the audit and assurance activities it undertakes. The department continues to work closely with the ANAO on developing and coordinating our contribution to the ANAO's audit activities, and on monitoring the implementation of recommendations from ANAO audit reports.

Tabled ANAO audit reports, including the department's responses to recommendations, are published on the ANAO website at **anao.gov.au**

ANAO AUDITS TABLED IN THE PARLIAMENT IN 2012–13

Report 4 2012–13, tabled 20 September 2012
Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar Year 2011 Compliance)

This cross-agency audit's objective was to assess the appropriateness of the use and reporting of confidentiality provisions in Australian Government contracts for 2011. It found that there was scope for agencies to more accurately use specific confidentiality provisions and report confidential information for Senate Order purposes. The ANAO asked agencies to review their approaches for capturing and recording confidential contract information in conjunction with strengthening quality assurance processes and guidance materials.

The department agreed with the findings outlined in the report, and implemented changes that addressed those findings.

Report 19 2012–13, tabled 31 January 2013
Administration of New Income Management in the Northern Territory

The objective of this audit was to assess the effectiveness of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) and the department's administration of New Income Management in the Northern Territory. The ANAO made two recommendations to improve the internal and external monitoring and reporting of Income Management. The recommendations aim to assist the department and stakeholders to gain a better understanding of service delivery performance and the success, or otherwise, of the scheme in meeting the stated policy objectives.

The department agreed with the findings outlined in the report and worked with FaHCSIA to develop performance indicators to improve internal monitoring and reporting on Income Management.

Report 40 2012–13, tabled 30 May 2013

Recovery of Centrelink Payment Debts by External Collection Agencies

The audit's objective was to assess the effectiveness of the department's arrangements for engaging and managing external collection agencies (ECAs) to recover debts arising from Centrelink payments. The ANAO made one recommendation to improve the department's administration of external debt recovery services for Centrelink payment debts. The recommendation focused on the department's verifying ECA compliance with their contractual obligations to ensure that customer information is managed securely.

The department agreed with the recommendation outlined in the report.

Report 42 2012–13, tabled 6 June 2013

Shopfront Co-location of DHS Services

The audit's objective was to assess the effectiveness of the department's administration of the shopfront co-location of our services. The ANAO made two recommendations aimed at improving the effectiveness of co-location and the services offered to customers. These were to monitor whether staff assisting with self-services in co-located sites could better assist customers to access services, and to include more information on the department's website about services provided in co-located shopfronts.

The department agreed with the recommendations and believes this will further increase the benefits of the shopfront co-location of the department's services.

Report 45 2012–13, tabled 17 June 2013

Cross-agency Coordination—DEEWR–DHS Bilateral Management Arrangement

The audit's objective was to assess the effectiveness of the Department of Education, Employment, and Workplace Relations (DEEWR) and the department's administration of the bilateral management arrangement for the delivery of employment programs. The ANAO made three recommendations to support effective cross-agency collaboration and coordination in delivering government programs.

The department agreed with the recommendations outlined in the report and will continue to work with DEEWR to enhance collaboration on the coordination of the delivery of employment programs.

CONTINUING ANAO AUDITS

Confidentiality in Government Contracts: Senate Order for Departmental and Agency Contracts (Calendar 2012 Compliance)

The audit's objective is to assess the appropriateness of the use and reporting of confidentiality provisions in Australian Government contracts. The audit was tabled in the Parliament on 26 September 2013.

Medicare compliance audits

The audit's objective is to assess the effectiveness of the department's management of Medicare compliance audits. The audit is expected to be tabled in the Parliament in January 2014.

Managing Conflicts of Interest in FMA Act Agencies

The audit's objective is to determine whether agencies under the *Financial Management and Accountability Act 1997* are implementing appropriate policies and processes to identify and manage conflicts of interest. The audit is expected to be tabled in the Parliament in February 2014.

JUDICIAL DECISIONS

There has been one judicial decision that has had a significant impact on the operations of the department. The matter is described below.

High Court matter—Commonwealth Director of Public Prosecutions v Keating

On 8 May 2013 the High Court of Australia handed down its decision in *Commonwealth Director of Public Prosecutions v Keating [2013] HCA 20*. The High Court held that legislative amendments that sought to close a technical loophole which potentially exposed the Commonwealth to social security fraud could not operate retrospectively. The Commonwealth is currently considering the extent to which the High Court's decision might impact on past convictions and current prosecutions for social security fraud.

COMMONWEALTH OMBUDSMAN

The Commonwealth Ombudsman published a section 15 Report on 22 February 2013 concerning the department's administration of Youth Allowance. The Ombudsman made six formal recommendations and the department is addressing these.

APPENDIX I: FREEDOM OF INFORMATION

As required under Part II of the *Freedom of Information Act 1982* the department has an Information Publication Scheme (IPS) plan in place, which is located on the IPS page on our website.

Most mandatory information that must be published under the Act is available in various documents on our website and can be easily identified by the IPS logo visible on the Freedom of Information page.

In 2012–13 the website information included:

- the department's IPS plan
- details of:
  - the department's organisational structure
  - 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
  - departmental officers who can be contacted 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 J: ADVERTISING AND MARKET RESEARCH

Section 311A of the *Commonwealth Electoral Act 1918* requires Australian Government agencies to report all payments of $12 100 or more made to advertising agencies (see Table 91) or to organisations carrying out polling, direct mailing or media advertising (see Table 91), or market research (see Table 92 on page 380).

Communication campaigns

The department did not undertake any communication or advertising campaigns in 2012–13.

Advertising costs—media advertising agency

In 2012–13 total departmental expenditure through the Australian Government's master advertising agency, Adcorp, was $2 061 285 compared with $2 771 931 in 2011–12. This includes expenditure on print, radio, online and social media advertising in areas such as recruitment, public notices, tenders and departmental services.

Table 91: Costs associated with advertising

Payee	Purpose	2012–13 ($)
Adcorp	Recruitment, public notices, tenders and departmental services	2 061 285
Sensis	White Pages advertising	4 366 753
Special Broadcasting Service (SBS)	National multicultural radio broadcasting	229 851
Independent and General	Community multicultural radio broadcasting	59 046
Total		**6 716 935**

Market research payments

The department commissioned the projects listed in Table 92 on page 380. This involved gathering, analysing and reporting information from relevant audiences or sources to provide insight on a particular topic or issue.

Table 92: Payments associated with market research organisations

Vendor	Description	2012–13 ($)
Colmar Brunton	CAP (Indigenous Community) Agents Survey	28 750
Colmar Brunton	Evaluation of the Batemans Bay Community Hub—*baylink*[2]	16 500
Colmar Brunton	Medicare customer satisfaction 2011–12[1,2]	14 997
DBM Consultants	2011–12 Post Complaints Survey program[1,2]	22 007
DBM Consultants	Australian Passport Information Service customer satisfaction[3]	1 666 412
DBM Consultants	Integrated Customer Satisfaction Program[2]	24 198
DBM Consultants	Service Delivery Reform Health Check 2012[1,2]	40 425
Hall & Partners-Open Mind	Vulnerable families—customer and community provider research	38 217
Inside Story Knowledge Management	Australian Government online services	44 000
Inside Story Knowledge Management	Express Plus mobile apps	60 000
instinct and reason	Large practices project—trial sub-project	30 800
instinct and reason	Presentations/workshops communication with medical professionals[2]	175 230
Ipsos Social Research Institute	Families Communication Improvement Strategy	71 280
Mark Dignam and Associates	Overseas Drug Diversion Program communication review[2]	25 131
Market Access Consulting and Research	Testing theme products and supporting payment rates factsheets	47 100
ORC International	Evaluation of Local Connections to Work Program (focus on communication)[2]	69 377
ORC International	Evaluation of Rouse Hill Service Outlet Pilot	30 800
ORC International	Physical Presence service offer evaluation	78 695
ORC International	Rural Agents and Access Points 2013	20 790
Tall Poppies Research and Marketing	Recruitment of participants for multiple projects for usability evaluation sessions	35 735
Total		**2 540 444**

1   Relates to a payment for research completed in 2011–12 but paid in 2012–13.

2   This constitutes a reportable payment to a market research organisation. This particular contract was commissioned separately from the Market and Social Research Panel.

3   The department commissioned the project and is paying the research company at the request of the Department of Foreign Affairs and Trade (DFAT). The research costs are being recovered in full from DFAT.

APPENDIX K: ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND 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 programs accord with the principles of ESD—Section 516A(6)(a)

In 2012–13 the department administered various programs that accord with the principles of ESD. These included:

- **Clean Energy Future Household Assistance Package**—we delivered a number of payments and initiatives related to the Clean Energy Future Plan

- **Australian Government Drought Assistance**—we delivered a range of payments to drought-affected communities. This was achieved though the service centre network, Access Points, Agents and Australian Government Mobile Service Centres which travelled extensively throughout regional Australia

- **Liquefied Petroleum Gas (LPG) Vehicle Scheme**—the purpose of the scheme is to increase the use of LPG as a transport fuel. The grant is to provide an incentive for prospective buyers of private use vehicles to purchase new LPG vehicles or to convert petrol or diesel vehicles to LPG

- **Climate Change Adjustment Program**—we provided assistance to primary producers for specialised professional advice and training to manage, adapt and adjust to the impacts of climate change.

How the appropriation outcome contributed to the principles of ESD—Section 516A(6)(b)

During 2012–13 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, pollution emitted and waste generated, included providing:

- online brochures, forms and letters

- mobile device apps and quick response codes for customers to easily access service information

- capability to deposit a customer's Medicare rebate directly into their bank account at a service centre

- Australian Government Mobile Service Centres to regional and remote communities.

Effect of activities on the environment— section 516A(6)(c)

Departmental activities with an impact on the environment were risk-assessed using the international standard for Risk Management ISO 31000:2009 and the Australian Standard handbook for environmental risk assessment HB203:2006. We manage 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. The Environmental Risk Assessment was reviewed and approved in November 2012.

In general these activities consume considerable resources or generate significant waste and pollution. Activities that have a significant effect on the environment include:

- building operations and refurbishments
- operating vehicles
- disposal of information
- use of information communications technology
- use and disposal of stationery (including paper).

Table 93: Resources use

	Units	2010–11	2011–12	2012–13
Stationary energy (electricity and gas)	gigajoules	420 821	427 533	NA[1]
Transport energy (fuels)	gigajoules	56 383	53 120	NA[1]
Total energy use	gigajoules	477 204	480 653	NA[1]
Internal paper use	tonnes	967	939	857
Customer letters	A4 sheets	NA[2]	NA[2]	202 589 154
Property use	metres square	NA[2]	828 541	814 631

1   Stationary and transport energy reporting for 2012–13 is unavailable due to electricity and gas invoice delays, and consumption gaps in transport account information from the whole-of-government transition to a new supplier.

2   This information is not available. The department, Centrelink, Medicare Australia and CRS Australia did not record or capture this data in 2010–11 or 2011–12.

Table 94: Waste, resource recovery and pollution

	Measure	2010–11	2011–12	2012–13
Net greenhouse gas emissions—energy use	tonnes of carbon dioxide equivalents	120 336	119 313	NA[1]
Office copy paper recycling	% coverage (m²)	NA[2]	98.2	98.2
Commingled recycled	% coverage (m²)	NA[2]	8	18
Mobile phone recycling	kgs	NA[2]	NA[2]	139
Fluorescent lamps recycled	units	NA[3]	NA[3]	1 724[3]

1   Net greenhouse gas emissions—energy use data is not available for the 2012–13 reporting period due to electricity and gas invoicing delays and consumption gaps in transport account information resulting from the whole-of government transition to a new supplier.

2   This information is not available. The department, Centrelink, Medicare Australia and CRS Australia did not record or capture this data in 2010–11 or 2011–12.

3   The department joined the FluoroCycle scheme in August 2012. Reporting the quantity of recycled fluorescent lamps commenced in April 2013.

Measures taken to minimise the effect of activities on the environment—section 516(6)(d)

In 2012–13 the department introduced various technologies, infrastructure, management processes and practices, to position us to meet government targets as outlined in the Energy Efficiency in Government Operations Policy, the *Australian Packaging Covenant Action Plan 2010–2015*, and the *Australian Government ICT Sustainability Plan 2010–2015*.

These policies are integrated into the department's Environmental Sustainability Policy (available on our website), which drives internal performance and assigns accountability. The policy includes actions to manage and improve:

• energy use (stationary and transport), greenhouse gas emissions and ozone depleting substances
• suppliers, products and materials use
• office waste, building waste and resource recovery
• potable water use and waste water.

Table 95 outlines the initiatives and control measures, along with our performance in 2012–13.

Table 95: Control measures and initiatives 2012–13—resource use and supplier and product selection

Activities	Measures taken to minimise the effect on the environment
Air travel	• We promoted and supported the use of video and phone conferencing instead of staff using air travel.
Building operations	• Landlord and tenant obligations under Green Lease Schedules have been improved by site-based Energy Management Plans, organising quarterly Building Management Committee meetings and implementing initiatives at large offices across the department. At 30 June 2013 there were 33 Green Leases for large offices. • National Australian Built Environment Rating System (NABERS) assessments were undertaken at large offices. At 30 June 2013 the department had 13 large offices performing at or above a 4.5 Stars NABERS energy rating. • We retained or improved performance through ongoing controls and initiatives such as lighting upgrades, installation of master switches and timers in meeting rooms, reviewing program 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. For example we use Green Star to rate whole-of-building performance and ENERGY STAR® to rate appliances. • We purchased 10 per cent Greenpower from electricity services in the Australian Capital Territory, procured through the whole-of-government electricity contract. • Electricity contracts with electricity services in New South Wales, Victoria, Queensland, South Australia and Tasmania including provisions to take-up Greenpower at any stage during the agreed term. • Momentum Energy, under the large market electricity contract, assisted analysing load profiles to reduce tariffs costs across Victoria. • The department joined the FluoroCycle Scheme in August 2012 to ensure that hazardous fluorescent lamps are recycled on disposal. The scheme promotes better environmental practice in our supply chain. • A new waste management program was implemented at a number of sites in the Australian Capital Territory to increase recycling and reduce waste to landfill. • The department participated in Earth Hour by promoting greenhouse emission awareness among staff and reviewing lighting systems across the department. • The department continues to host and participate in the Government Agencies Environmental Network.

Activities	Measures taken to minimise the effect on the environment
Information and communications technology	• The ICT server virtualisation initiative continued to deliver considerable energy and cost savings. The department has virtualised 98 per cent of x86 architecture-based Wintel workload and 99 per cent of Unix workload, avoiding the purchase of additional servers. • The Data Centre Consolidation and Relocation Strategy delivered significant improvements to Data Centre energy efficiency and carbon emission performance. This activity will position us to meet the Australian Government Average Power Usage Effectiveness target by July 2015. • The number of personal computers (PCs) that are manually shut down overnight continues to increase. An automated solution is expected to be rolled out by December 2013. • Replacement PCs and monitors complied with 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 will operate all PCs to this level by December 2013. • PCs and monitors were upgraded for higher energy efficiency with a 37 per cent saving compared with the replaced PCs. The automated shut down solution will increase the savings to about 58 per cent. • We rationalised printer and multifunction devices in refurbished or new buildings, reducing the number of machines, contributing to reduced energy and cost. The follow-me print (or print-on-demand) functionality is being trialled at one large office with an expectation to reduce paper and ink use, and to improve secure printing. • We are progressively adding environmental clauses into ICT contracts to appropriately manage e-waste, with supplier take back and responsible disposal of equipment.
Management	• The Environmental Sustainability Policy continued to strengthen the department's environmental management. The policy ensures that environmental initiatives provide the most environmental benefit and value, and align to government policy. • An in-house environmental reporting system has been implemented to strengthen our capability to report against the Australian Government environmental policy targets. • Procurement templates have been updated to include environmental considerations. This is expected to improve the environmental performance of products and suppliers by covering issues associated with a reduction and elimination of environmentally sensitive materials, design and management for end-of-life, product longevity, energy conservation, and corporate performance and packaging. • Specialist advice was provided on environmental performance for high profile tenders such as new workstations, Medicare cards, pest control, and the nation-wide cleaning contracts.

Activities	Measures taken to minimise the effect on the environment
Motor vehicle travel	• In line with government policy, we promoted leasing of environmentally-friendly vehicles for fleet use, particularly vehicles with a high Green Vehicle Guide rating. We also promoted the use of energy efficient fuels such as LPG and diesel and the use of ethanol blended fuels (E10).
Stationery (including paper)	• Around half of the department's copy paper for use in printers, photocopiers and multifunction devices has recycled content. 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. • We included recycled content paper and reputably sourced virgin fibre paper in the contracts for customer letters and envelopes. • The department assisted the Department of Sustainability, Environment, Water, Population and Communities in developing the Sustainable Procurement Guide. • The government's Digital Transition Policy is moving Australian Government agencies to digital record-keeping. We have continued to increase our digital record-keeping capability. Since July 2012 we have significantly reduced the number of paper files created as a result of digitisation.

Mechanisms to review and increase the effectiveness of those measures—section 516(6)(e)

In 2012–13 we continued to enhance governance processes to review and report environmental performance. The internal performance measures are consistent with Australian Government policy objectives and targets including the Energy Efficiency in Government Operations (EEGO) Policy, the *Australian Packaging Covenant Action Plan 2010–2015,* the *Australian Government ICT Sustainability Plan 2010–2015* and *National Environment Protection Measures*. Table 96 outlines the department's performance against the 2011–12 EEGO policy targets.

The department produces six-monthly Environmental Sustainability Performance Reports for senior executive review. The reports include initiatives introduced, opportunities for improvement, emerging issues and performance against Australian Government policy targets. We also use the reports to develop our annual Environmental Sustainability Plan.

Table 96: Office energy performance

Measures and targets	Target 2010–11 and 2011–12	Actual 2010–11	Actual 2011–12
Office—tenant light and power (megajoules per person)	7 500	6 292	7 279
Office—central services (megajoules per metre^2)	400	263	309

APPENDIX L: RESOURCE STATEMENTS AND EXPENSES FOR OUTCOME 1

Table 97: Resource statements 2012–13

		Actual available appropriation for 2012–13 $'000	Payments made $'000	Balance remaining $'000
		(a)	(b)	(a)–(b)
Ordinary annual services				
Departmental appropriation		4 039 132	3 419 347	619 785
Prior year departmental appropriation		692 336	659 804	32 532
s.31 Relevant agency receipts		428 170	327 487	100 683
Total		**5 159 638**	**4 406 638**	**753 000**
Administered expenses				
Outcome 1		19 274	10 744	
Total		**19 274**	**10 744**	
Total ordinary annual services	A	**5 178 912**	**4 417 382**	
Other services				
Departmental non-operating				
Prior year appropriation		7 515	7 515	0
Equity injections		46 245	46 245	0
Total		**53 760**	**53 760**	**0**
Total other services	B	**53 760**	**53 760**	**0**
Total available annual appropriations and payments		**5 232 672**	**4 471 142**	
Special appropriations				
Special appropriations limited by criteria/entitlement				
Child Support (Registration and Collection) Act 1988				
section 77—unremitted deductions			69 184	
section 78—unexplained remittances				
Total special appropriations	C		**69 184**	

	Actual available appropriation for 2012–13 $'000	Payments made $'000	Balance remaining $'000
	(a)	(b)	(a)–(b)
Special accounts			
Opening balance	58 838		
Appropriation receipts	70 451		
Non-appropriation receipts to special accounts	1 261 995		
Payments made		1 334 212	
Total special accounts D	**1 391 284**	**1 334 212**	**57 072**
Total resourcing and payments			
A+B+C+D	6 623 956	5 874 538	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or *Commonwealth Authorities and Companies Act 1997* bodies through annual appropriations	70 451	70 451	
Total net resourcing and payments for the Department of Human Services	**6 553 505**	**5 804 087**	

Table 98: Expenses for Outcome 1

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

	Budget[1] $'000	Actual expenses $'000	Variation $'000
	(a)	(b)	(a)–(b)
Program 1.1: Services to the Community			
Administered expenses			
Ordinary annual services (Appropriation Bills No's. 1 and 3)	12 584	10 196	2 388
Special Accounts		11 964	–11 964
Expenses not requiring appropriation in the Budget year[2]	2 006	942	1 064[2]
Departmental expenses			
Departmental appropriation[3]	4 192 693	4 196 733	–4 040
Expenses not requiring appropriation in the Budget year[2]	322 570	259 276	63 294
Total for Program 1.1	**4 529 853**	**4 479 111**	**50 742**
Program 1.1 Expenses by sub function			
Health—general administration	669 405	664 984	4 421
Assistance to people with disabilities	176 000	155 415	20 585
Social security and welfare—general administration	3 684 448	3 658 712	25 736
Total	**4 529 853**	**4 479 111**	**50 742**
Program 1.2: Child Support			
Administered expenses			
Ordinary annual services (Appropriation Bills No's. 1 and 3)	2 130	0	2 130
Special appropriations	82 782	69 184	13 598
Special accounts	1 273 858	1 260 362	13 496
Expenses not requiring appropriation in the Budget year[2]	68 939	170 613	–101 674
Total for Program 1.2	**1 427 709**	**1 500 159**	**–72 450**

	Budget[1] $'000	Actual expenses $'000	Variation $'000
	(a)	(b)	(a)–(b)
Program 1.2: Expenses by sub function			
Assistance to families with children	1 427 709	1 500 159	–72 450
Total	**1 427 709**	**1 500 159**	**–72 450**
Outcome 1 Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Bills No's. 1 and 3)	14 714	10 196	4 518
Special appropriations	82 782	69 184	13 598
Special accounts	1 273 858	1 272 326	1 532
Expenses not requiring appropriation in the Budget year[2]	70 945	171 555	–100 610
Departmental expenses			
Departmental appropriation[3]	4 192 693	4 196 733	–4 040
Expenses not requiring appropriation in the Budget year[2]	322 570	259 276	63 294
Total expenses for Outcome 1	**5 957 562**	**5 979 270**	**–21 708**

	2011–12	2012–13	
Average staffing level (number)	32 592	31 795	

1 Full year budget, including any subsequent adjustments made to the 2012–13 Budget, as at 2013–14 Budget.

2 Departmental expenses not requiring appropriation comprise unfunded depreciation expense, amortisation expense, resources received free of charge and operating results. Administered expenses not requiring appropriation comprise depreciation expense and net write down of assets.

3 Departmental Appropriation combines expenses funded by 'Ordinary annual services' ('Appropriation Act No. 1', 'Appropriation Act No. 3' and 'Revenue from independent sources' (s31)).

APPENDIX M: CORRECTION OF ERRORS IN DEPARTMENT OF HUMAN SERVICES 2011–12 ANNUAL REPORT

Page 3

The reference 'The department handled approximately 56 million calls from customers, compared with 55 million calls in 2010–11. The increase in calls handled resulted from an increase in demand for Centrelink services, from 37 million calls in 2010–11 to 38 million calls in 2011–12' is incorrect.

The department handled approximately 62 million calls from customers, compared with 61 million calls in 2010–11. The increase in calls handled resulted from an increase in demand for Centrelink services, from 43 million calls in 2010–11 to 44 million calls in 2011–12.

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The reference 'In 2011–12 the department handled more than 38 million calls from customers about Centrelink services, compared with 37 million calls in 2010–11' is incorrect.

In 2011–12, the department handled more than 44 million calls from customers about Centrelink services, compared with 43 million calls in 2010–11.

Pages 117

The reference to 47 additional one-stop-shops is incorrect. This should read 47 additional fully consolidated service centres.

Page 151

There is an incorrect statement that the Child Support Scheme started in 1998. The Child Support Scheme started in 1988.

Page 170

Table 22: Medicare services by claim type

The table incorrectly listed the total benefits paid for 2011–12 as $17.7 billion. The actual total benefits paid for 2011–12 was $17.8 billion. The table also incorrectly listed the patient claimed and Medicare bulk billed information. See page 97 of this report for the correct information for 2011–12 and 2010–11.

Page 217

Table 64: Small Business Superannuation Clearing House

The table incorrectly listed superannuation payments made as $53 million in 2010–11. This table should read superannuation payments made as $56 million in 2010–11.

APPENDIX N: COMPLIANCE INDEX

Table 99: Compliance Index

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
8(3) & A.4		Letter of transmittal	Mandatory	VI
A.5		Table of contents	Mandatory	IV–V
A.5		Index	Mandatory	412–422
A.5		Glossary	Mandatory	405–407
A.5		Contact officer(s)	Mandatory	Inside back cover
A.5		Internet home page address and Internet address for report	Mandatory	Inside back cover
9	Review by Secretary			
9(1)		Review by departmental secretary	Mandatory	2–4
9(2)		Summary of significant issues and developments	Suggested	2–4
9(2)		Overview of department's performance and financial results	Suggested	2–4
9(2)		Outlook for following year	Suggested	2–4
9(3)		Significant issues and developments—portfolio	Portfolio departments—suggested	2–4
10	Departmental overview			
10(1)		Role and functions	Mandatory	Inside front cover, II, 7–9
10(1)		Organisational structure	Mandatory	10–11
10(1)		Outcome and program structure	Mandatory	12
10(2)		Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	Nil to report

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
10(3)		Portfolio structure	Portfolio departments—mandatory	6
11	Report on performance			
11(1)		Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	28–212
11(2)		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	12–15
11(2)		Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	Nil to report
11(2)		Narrative discussion and analysis of performance	Mandatory	28–212
11(2)		Trend information	Mandatory	28–212
11(3)		Significant changes in nature of principal functions/services	Suggested	28–50
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested	16–26
11(3)		Factors, events or trends influencing departmental performance	Suggested	28–212
11(3)		Contribution of risk management in achieving objectives	Suggested	218–219
11(4)		Social inclusion outcomes	If applicable, mandatory	144–151
11(5)		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	50–57

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
11(6)		Discussion and analysis of the department's financial performance	Mandatory	252–255
11(7)		Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	Nil to report
11(8)		Agency resource statement and summary resource tables by outcomes	Mandatory	387–390
12	**Management and accountability**			
	Corporate governance			
12(1)		Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory	VI
12(2)		Statement of the main corporate governance practices in place	Mandatory	215
12(3)		Names of the senior executive and their responsibilities	Suggested	7–9 (responsibilities) 10–11 (names)
12(3)		Senior management committees and their roles	Suggested	215–218
12(3)		Corporate and operational planning and associated performance reporting and review	Suggested	222–223, 231
12(3)		Approach adopted to identifying areas of significant financial or operational risk	Suggested	218–219
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	223, 231
12(3)		How nature and amount of remuneration for SES officers is determined	Suggested	373

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
	External scrutiny			
12(4)		Significant developments in external scrutiny	Mandatory	241–242
12(4)		Judicial decisions and decisions of administrative tribunals	Mandatory	198–199, 206, 243, 377
12(4)		Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	375–377
	Management of human resources			
12(5)		Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	220–237
12(6)		Workforce planning, staff turnover and retention	Suggested	222, 224–225
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	221–222
12(6)		Training and development undertaken and its impact	Suggested	230–231
12(6)		Work health and safety performance	Suggested	232–234
12(6)		Productivity gains	Suggested	214–250
12(7)		Statistics on staffing	Mandatory	369–371
12(8)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	373
12(9) & B		Performance pay	Mandatory	373
12(10)-(11)	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	249–50

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
12(12)	Purchasing	Assessment of purchasing against core policies and principles	Mandatory	246
12(13)-(24)	Consultants	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	246–247
12(25)	Australian National Audit Office access clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	247
12(26)	Exempt contracts	Contracts exempt from AusTender	Mandatory	247
13	Financial statements	Financial statements	Mandatory	256–348

Reference in Annual Report Guidelines[1]	Part of report	Description	Requirement	Page number(s) in this report
		Other mandatory information		
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011*)	Mandatory	374
14(1) & C.2		Advertising and Market Research (Section 311A of the *Commonwealth Electoral Act 1918)* and statement on advertising campaigns	Mandatory	379–380
14(1) & C.3		Ecologically sustainable development and environmental performance (Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999)*	Mandatory	381–386
14(1)		Compliance with the agency's obligations under the *Carer Recognition Act 2010*	If applicable, mandatory	360–361
14(2) & D.1		Grant programs	Mandatory	247
14(3) & D.2		Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	132–135, 143, 151, 158–159,
14(4) & D.3		Information Publication Scheme statement	Mandatory	378
14(5) & D.4		Spatial reporting— expenditure by program between regional and non-regional Australia	If applicable, mandatory	NA
14(6)		Correction of material errors in previous annual report	If applicable, mandatory	391
E		Agency resource statements and resources for outcomes	Mandatory	387–390
F		List of requirements	Mandatory	392–397

1   The reference is to the location of the item in the requirements—for example, 'A.4' refers to the fourth item in Attachment A.

11

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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.

AusTender

The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.

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 all Financial Management and Accountability Act agencies and their officials when performing duties related to procurement.

Community Engagement Strategy

The department's Community Engagement Strategy recognises that sharing inspirational ideas, responding to feedback and engaging with others strengthen our ability to design and deliver the services that people want.

Ecologically sustainable development

The National Strategy for Ecologically Sustainable Development defines ecologically sustainable development as 'using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased'.

Key performance indicators

These are financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.

Mobile apps

A mobile application 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, and to laptops or desktops.

Online services

These provide subscribers 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 programs for the Australian community. The department delivers payments and services on behalf of a number of Australian Government partner policy departments and agencies.

Portfolio Additional Estimates Statements

Statements that inform senators, members 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.

Programs

Australian Government programs deliver benefits, services or transfer payments to individuals, industry, business, or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements. Amounts stated may differ to those reported by other client agencies due to accounting adjustments and treatments adopted by these agencies.

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 techniques in our interactions with customers.

Smart centres

These represent a new approach to phone and processing activities that are leading to bettter, more flexible and integrated services. Smart centres carry out phone and processing work across the department's programs, including Centrelink, Medicare and Child Support. In practical terms smart centres mean customers will have better experiences, have more personalised phone calls from staff, and access to department-wide assistance tailored to their individual circumstances.

Social inclusion

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

SHORTENED FORMS

AAT	Administrative Appeals Tribunal
ACC	Australian Crime Commission
ACPA	Australian Community Pharmacy Authority
AFP	Australian Federal Police
A/g	Acting
AGDRP	Australian Government Disaster Recovery Payment
AHPRA	Australian Health Practitioner Regulation Agency
AIS	Aboriginal Interpreting Service
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
APIS	Australian Passport Information Service
APS	Australian Public Service
APSC	Australian Public Service Commission
AS/NZS	Australian Standard/New Zealand Standard
ATO	Australian Taxation Office
AUSTRAC	Australian Transaction Reports and Analysis Centre
CDDS	Chronic Disease Dental Scheme
CDEP	Community Development Employment Projects
CDPP	Commonwealth Director of Public Prosecutions
CFO	Chief Financial Officer
CIO	Chief Information Officer
CPA	Certified Practising Accountants
CPRs	Commonwealth Procurement Rules
CPSU	Community and Public Sector Union
CRS	Commonwealth Rehabilitation Services
CSO	Community Service Obligations
CSC	Conspicuous Service Cross
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CT	Computer tomography
DAFF	Department of Agriculture, Fisheries and Forestry
DEEWR	Department of Education, Employment and Workplace Relations
DES–DMS	Disability Employment Service–Disability Management Service
DFAT	Department of Foreign Affairs and Trade
DHS	Department of Human Services

DIAC	Department of Immigration and Citizenship
DIICCSRTE	Department of Innovation, Industry, Climate Change, Science, Research and Tertiary Education
DIISRTE	Department of Industry, Innovation, Science, Research and Tertiary Education
DMA	Data Matching Agency
DoFD	Department of Finance and Deregulation
DoHA	Department of Health and Ageing
DSS	Disability Service Standard
DVA	Department of Veterans' Affairs
EC	Executive Counsel
ECA	external collection agencies
ECLIPSE	Electronic Claim Lodgement and Information Processing Service Environment
EEGO	Energy Efficiency in Government Operations Policy
EFT	Electronic Funds Transfer
EFTPOS	Electronic Funds Transfer Point of Sale
EL	Executive Level
EMS	environment management system
ESAt	Employment Services Assessment
ESD	ecologically sustainable development
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FIAT	Financial Intelligence Assessment Team
FIS	Financial Information Service
FMA Act	*Financial Management and Accountability Act 1997*
FOI	Freedom of Information
FCPA	Fellow Certified Practising Accountants
FTB	Family Tax Benefit
FTE	full-time equivalent
GC	General Counsel
GM	General Manager
GP	general practitioner
GST	goods and services tax
HECS	Higher Education Contribution Scheme
HI	Healthcare Identifiers
Hon	Honourable
HPOS	Health Professional Online Services
ICT	information and communications technology

IDC	interdepartmental committee
IPS	Information Publication Scheme
ISIS	Income support integrated system
ISO	International Organisation for Standardization
IT	information technology
IVR	interactive voice recognition
JET	Jobs, Education and Training
KPI	key performance indicator
LCTW	Local Connections to Work
LENF	law enforcement
LGBTI	lesbian, gay, bisexual, transgender and intersex
LIEP	Lismore Integrated Employment Program
LPG	liquefied petroleum gas
LSD	Legal Services Directions
MBS	Medicare Benefits Schedule
MPRC	Medicare Participation Review Committee
NA	not applicable
NABERS	National Australian Built Environment Rating System
NAIDOC	National Aboriginal and Islander Day Observance Committee
NASH	National Authentication Solution for Health
NBN	National Broadband Network
NCC	National Consultative Committee
NECCSC	National Emergency Call Centre Surge Capability
NESB	non-English speaking background
NM	National Manager
NWRN	National Welfare Rights Network
OAIC	Office of the Australian Information Commissioner
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
PBS	Pharmaceutical Benefits Scheme
PC	personal computer
PES	Prescription Exchange Service
PIN	personal identification number
PIP	Practice Incentives Program
PKI	Public Key Infrastructure
PSR	Professional Services Review
RPBS	Repatriation Pharmaceutical Benefits Scheme
SBS	Special Broadcasting Service

SES	Senior Executive Service
SIP	Service Incentive Payment
SL	Service Leader
SMS	Short Message Service
SMPT	Simple Mail Transfer Protocol
SSAT	Social Security Appeals Tribunal
SWPE	Standardised Whole Patient Equivalent
TAFE	technical and further education
TFN	Tax File Number
TTY	Teletypewriter
VOD	Video-on-demand broadcasts
ZCC	Zone Consultative Committee

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ISSN: 1832-8792

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