Australian Government

Department of Human Services

2013–14
Annual Report

What we do

We are the Department of Human Services, delivering services for the Australian Government. Our vision is excellence in the provision of government services to every Australian.

Our mission is the service you need when you need it.

We make a promise to our customers. **We** commit to being respectful, having easy access to services, providing quality information, being fair and transparent, genuinely consulting and being efficient.

And as one of the largest departments in the Australian Public Service (APS), **we** uphold the APS Values:

Impartial • Committed to service • Accountable • Respectful • Ethical

How we do it

Our strategic themes

To reach our goals, **we** are focussed on four key areas:
- Government outcomes, customer outcomes
- Capable and engaged people
- A strong collaborative approach
- Service transformation

We strive for a culture where:
- we value and support each other to deliver quality government outcomes and services
- our relationships and spirit of unity underpin our success
- we encourage and enable personal contribution
- we are proud to work for the department.

We use initiative—we have bright ideas

We collaborate—we pitch in and get things done

We are honest—we tell it how it is

We listen—we're all ears

We contribute—we make a difference

Margate shows the future is digital

A new digital service centre opened in November 2013 at Margate in Queensland.

At the Margate apps bar—a first for the department—staff guide customers in how to use the Express Plus mobile apps.

The apps bar is the focal point of the front office and allows several customers at one time to view videos on mounted tablets explaining how the department's apps can make life easier for them. In addition to the apps bar there are 10 self-service computers for use by customers.

The Margate Service Centre now provides a local service on the Redcliffe Peninsula since the previous service centre at Kippa Ring was severely damaged by fire earlier in 2013. The centre is much more digitally focused on customer service than before.

As well as the information available through the video displays, there are quick response codes displayed on video and signage so that people with smart devices can access the information they need, replacing the usual range of printed posters and brochures you would normally find in a service centre.

Customers whose enquiries can't be completed using digital self-service, or who need personalised service, are offered face-to-face interviews on site.

This annual report was prepared in accordance with the *Requirements for Annual Reports,* issued by the Department of the Prime Minister and Cabinet on 29 May 2014. The main purpose of the report is to describe the department's activities during 2013–14, reporting on the performance and financial information presented in the *2013–14 Department of Human Services Portfolio Budget Statements,* and the *2013–14 Department of Human Services Portfolio Additional Estimates Statements.* It aims to provide readers with a useful and informative picture of the department's performance during 2013–14.

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CONTACT INFORMATION

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

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

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

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

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Secretary's review

The Department of Human Services (the department) touches the lives of around 99 per cent of Australians through the delivery of health and welfare payments and services. Services are provided through a variety of channels including digital, telephone and a network of over 400 service centres across Australia. The department is focussed on delivering the government's agenda of improving the delivery of payments and services, modernising service delivery, and reducing red tape.

GOVERNMENT OUTCOMES, CUSTOMER OUTCOMES

In 2013–14, the department delivered $159.2 billion in payments to customers and providers. We met 20 of our 24 key performance indicators. We continue to focus on improving the customer experience by improving call and service centre wait times and offering alternative ways to access services. We remain committed to maintaining customer satisfaction in a changing environment.

We use a range of fraud control and compliance measures to ensure that the right people receive the right amount of payment they are entitled to. In 2013–14 we recovered Centrelink debts of almost $1.3 billion, compared with $1.2 billion in 2012–13.

We also identified and took action to recover almost $11 million in incorrectly claimed benefits under the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and other health-related measures.

Since July 2011, the department has delivered savings on an annual basis. These savings have been achieved by transforming the way we operate with the merger of the former Centrelink and Medicare Australia into the department. During the year we continued this transformation. The department recorded an operating surplus of $132.6 million in 2013–14 compared to a deficit of $7.7 million in 2012–13.

SERVICE TRANSFORMATION

The department is continuing to improve and increase our self-service options for customers in accordance with the e-Government and Digital Economy Policy.

The department has successfully established a whole-of-government digital service called myGov. The service had 2.9 million active accounts as at 30 June 2014 and this has now increased to more than 5 million active accounts following the introduction of the Australian Tax Office (ATO) as a myGov member service.

myGov gives people access to government services using one username and password, and the ability for customers to link Centrelink, Medicare, Child Support, eHealth, the ATO, the Department of Veterans' Affairs and the National Disability Insurance Scheme. We expect more government agencies to join myGov in the coming year.

The mobile phone apps continue to be used by customers with over 36 million Centrelink transactions completed in 2013–14. There are now seven Express Plus mobile phone apps, with further app development underway.

To make it easier for customers to access our services we continue to expand our digital service offering. More than 59 million Centrelink online account transactions occurred in 2013–14, and more than 40 million Medicare online account transactions. We are progressively making more Centrelink claims available online and introducing the Digital Wallet. The Digital Wallet allows customers to view their Centrelink concession cards using their smart phones and show their cards to concession providers.

Face-to-face service delivery also continues to transform with more co-located sites where customers can complete their Centrelink and Medicare services in a 'one-stop shop'. The first myGov office was opened on 4 August 2014 in Brisbane. This office has a learning hub, app bar and 18 self-service terminals, making visits quick and easy for customers. Further opportunities for myGov offices will be explored in the coming year.

CAPABLE AND ENGAGED PEOPLE

The department provides services to people through the commitment of our staff. Our staff are hard working and committed to deliver government programmes and services to our customers. In October 2013 the department launched our workplace culture statement—'We'. The statement was developed by our staff and it reflects our values, attitudes and behaviours that we demonstrate every day. I am very proud of this statement and the way we enact it.

Finally I would like to thank our staff for their work in 2013–14. Not only did they continue to deliver 'business-as-usual' services, they embraced transforming our services. Some worked with customers to understand online services while others developed and transformed the services. All of our staff worked to deliver for government and customers.

Kathryn Campbell, CSC
Secretary
Department of Human Services

LETTER OF TRANSMITTAL

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 2014, 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 2013 to 30 June 2014 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 2014

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Internet www.humanservices.gov.au

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The department and our partners

ROLE AND FUNCTIONS

The Department of Human Services is part of the Social Services portfolio.

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

- **Centrelink**—the Centrelink programme covers a range of government payments and services for retirees, the unemployed, families, carers, parents, students, people with disabilities, Indigenous Australians and people from diverse cultural and linguistic backgrounds, and provides services at times of major change.

- **Medicare**—the Medicare programme looks after the health of Australians through efficient services and payments such as Medicare, the Pharmaceutical Benefits Scheme, the Australian Childhood Immunisation Register, and the Australian Organ Donor Register.

- **Child Support**—the Child Support Scheme assists separated parents to ensure their children are supported.

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

STRUCTURE

Figure 1: Human Services portfolio structure

Minister for Social Services The Hon. Kevin Andrews MP
Minister for Human Services Senator the Hon. Marise Payne
Department of Human Services Secretary: Ms Kathryn Campbell CSC

Minister

Senator the Hon. Marise Payne was appointed as the Minister for Human Services on 18 September 2013. Senator the Hon. Jan McLucas was the Minister for Human Services until 18 September 2013.

At 30 June 2014 the Minister was responsible for administering the following legislation:

- *Australian Hearing Services Act 1991,* except to the extent that it is administered by the Minister for Health
- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973.* See Appendix A on page 296 for specific reporting required under the *Human Services (Medicare) Act 1973.*

Organisational structure

Figure 2: Organisational structure at 30 June 2014

Kathryn Campbell, Secretary

| **Service Delivery Transformation** Ben Rimmer Associate Secretary | **Service Delivery Operations** Grant Tidswell Deputy Secretary | | **Social Services** Malisa Golightly Deputy Secretary |

Audit
Allan Gaukroger, GM
Audit
Michael Robinson, NM

Chief Financial Officer
Emily Canning, A/g CFO
External Budgets
Phillippa Mitton, A/g NM
Internal Budgets and Reporting
Glenn Stroud, A/g NM
Statutory Reporting and Governance
Kym Partington, NM
Treasury and Financial Systems
Steven Janek, A/g NM
Portfolio Programme Office
Soraya Weber, NM

Legal Services
Annette Musolino, A/g CC
Corporate and Commercial Legal
Paul Menzies-McVey, EC
Programme Advice Legal and Ombudsman
Maris Stipnieks, GC
Programme Litigation and Review
Tim Ffrench, A/g GC
Privacy and Secrecy
David Smith, A/g GC
FOI and Information Release
Alice Linacre, A/g GC
People and Customer Compensation Legal
Samantha Nichol, GC

Service Delivery Transformation — Ben Rimmer, Associate Secretary

Business Systems Design and Transformation
Robyn Calder, A/g GM
Service Delivery Design
Sabeena Oberoi, NM
Service Strategy and Investment
Chris Jeacle, A/g, NM
Child Support System Redesign
Mark Garrity, NM

Change Management
Kim Terrell, GM
Change and Project Coordination
Jim McMahon, NM
Customer Correspondence
Jennie Roe, NM
Programme Information
Rick Moloney, NM
Operations Projects
Mark Cousins, NM

Digital Transformation
Tam Shepherd, GM
Reliance Framework and Authentication
Helen Peel, NM
Digital Claims
Cathy Sear, NM
Digital Apps
Pam Spurr, NM
Digital Design and Integration
John Kilner, NM

Transformation Projects
Sheryl Lewin, GM
Telephony Service Delivery Projects
John Manthey, NM
Customer First Implementation Project
Michelle Lees, NM
Face to Face Strategy and Engagement
Ewa Griffiths, A/g NM

Service Delivery Operations — Grant Tidswell, Deputy Secretary

Child Support Smart Centres
Elizabeth Zealand, GM
Child Support, New Customers and Mainstream Services
Bruce Young, NM
Child Support Specialised Assessments and Medicare Public
Colin Parker, NM
Child Support Intensive Collection Services
Brenton Halliday, A/g NM
Digital Operations
Paul McNae, NM

Smart Centres
Dianne Fletcher, GM
Youth, Education and Employment
Stan Neely, NM
Older Australians, Disability and Carers
Louise Hamilton, NM
Smart Centres Channel Operations
Deb Rollings, NM
Families and Child Care
Brad Nash, NM

Indigenous, Regional and Intensive Services
Roxanne Ramsey, GM
Northern Australia
Adrian Hudson, SL
Northern Queensland
Chantal Oxenham, A/g 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
Karen Ballintyne, NM

Face to Face Service Delivery
Bill Volkers, A/g GM
Mid NSW
John Dorian, SL
South Queensland
Mark le Dieu, SL
Northern NSW
Brian Small, SL
Southern NSW
Barbara Causon, SL
Sydney
Scott Chant, SL
Central NSW
William Garton, SL
Northern Victoria
Russell Egan, SL
Tasmania
David Mole, SL
Eastern Victoria
Susan Cartwright, A/g SL
West Victoria
Kate Hay, SL
Central Queensland
Ian McInnes, SL
Face to Face Channel Operations and Emergency Management
Susan Morrison, A/g NM
■Co-location
Tracey Sheather, A/g NM

Service, Performance and Coordination
Graham Maloney, GM
Youth, Education and Quality and Customer Complaints
Lorna Andrews, NM
Service Delivery Performance and Analysis
Nathan Williamson, NM
Demand, Supply and Scheduling
Leanne Smith, NM

Social Services — Malisa Golightly, Deputy Secretary

Service Strategy and Policy
Vicki Beath, GM
Government Partnerships and New Work
Alex Dolan, NM
Deduction and Confirmation
Patrick Cremen, NM
Disability and Carers
Laura Gannon, NM
Older Australians and International
Pam Saunders, NM

Participation
Catherine Rule, GM
Working Age Programmes and Compliance
Melissa Ryan, NM
Education and Jobseeker Contact
Melissa Lond, NM
Community Innovation
Joe Burke, NM
Multicultural and Rural Programmes
Tulip Chaudhury, NM

Families
George Thiveos, GM
New Parents, Child Care and Programme Improvement
Katrina Stathis, NM
Families and Child Support Policy
Dennis Mahony, NM
Families Programme Assurance and Coordination
Robin Salvage, NM

Disability, Carers and Older Australians
Michelle Wilson, GM
Aged Care Programmes
Jason Armstrong, NM
Aged Care Reform Project
Mark Richardson, NM

Business Integrity
Mark Withnell, GM
Serious Non-Compliance
Terry Dalkos, A/g NM
Internal Fraud Control and Investigations
Rhonda Morris, NM
Customer Compliance
Scott Britton, NM
Payment Integrity
Jan Bailey, NM

Key:
A/g — Acting—arrangements are only shown when the tenure is for four weeks or more.
CC — Chief Counsel
CFO — Chief Financial Officer
EC — Executive Counsel
FOI — Freedom of Information
GC — General Counsel
GM — General Manager
ICT — Information and Communications Technology
NM — National Manager
SL — Service Leader

Enabling Services
Jonathan Hutson
A/g Deputy Secretary

Health and Information
Barry Sandison
Deputy Secretary

Chief Information Officer Group
Gary Sterrenberg
Chief Information Officer

Whole of Government Coordination
Sue Bird, A/g GM

Portfolio Agency Advice
Paul Hupalo, NM

Governance
John Kalokerinos, NM

Ministerial Coordination and Parliamentary
Peter Thomson, NM

♦Deregulation and Red Tape Reduction
Shane Bennett, NM

Corporate Operations
Barry Jackson, GM

Property
Scott McCarthy, A/g NM

Corporate Support
Liz Bundy, A/g 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

People Capability
Neal Mason, A/g GM

Workforce Planning
Anna Ryan, A/g NM

Recruitment
Alison Fitzgerald, A/g NM

Learning and Development
Andrea Paschalis, NM

People Services
Michael Nelson, A/g GM

Payroll and HR Systems
Jacqui Hughes, NM

Workplace Health and Safety
Carl Princehorn, NM

People Support
Alan Paul, A/g NM

Workplace Relations
Steve Ramsey, NM

CRS Australia
Mandy Ritchie, GM

CRS Strategy and Delivery
Alison McCann, NM

■CRS Change Management
Jake Winter, A/g NM

■Enterprise Agreement Negotiation
Jo Talbot, A/g GM

Health Support and Business Services
Colin Bridge, GM

Government Business
Shareez Farouk, NM

Assistance Programmes
John Gibbs, NM

Health Support Programmes
Mary O'Hanlon, NM

eClaiming
Rory King, NM

Health Programmes
Alice Jones, GM

Healthcare Identifiers
Angela Morella, NM

eHealth and Projects
Aaron Wilkins, A/g NM

Medicare Providers
Steve Farrell, NM

Pharmaceutical Benefits
Donna Griffin, NM

Medicare and Veterans
Jenny Benjamin, NM

Debt, Appeals and Health Compliance
Darren Box, GM

Health Compliance
Lenore Simpson, NM

Debt Management
Debbie Weise, NM

❖Health Professionals Stakeholders and Review
Dr Jo Benson, NM

Appeals
Angela Geerdink, NM

Health Compliance Strategies
Jenny Thomson, NM

Strategic Information
Gary Moorhead, A/g GM

Information Services
Stephen Kelly, NM

Information Gateway and Governance
Katy Balmaks, NM

Forecasting, Benchmarking and Geospatial
Cranston Wilson, A/g NM

Strategy, Architecture and Shared Services
Janice Silby, A/g GM

Enterprise Architecture
Colin McLean, NM

ICT Rationalisation
Anya Piotrowski, NM

Enterprise Testing
Kathy Volkert, A/g NM

Customer Services Systems
Sue Kruse, GM

Business Integrity Systems
Maurice Savelli, A/g NM

Online Services
Devika Weereratne, NM

Service Network Systems
Josh Bosschieter, A/g NM

Telephony Systems
Andrea Jones, A/g NM

Customer Processing Systems
Chantal Raine, A/g NM

Health and Government to Business Systems
Melissa McClusky, A/g GM

Business Information and Data Services
Richard Hayward, NM

Customer and Provider Details
Bruce Robertson, A/g NM

eHealth and Government to Business Systems
Mike Mitchelmore, A/g NM

PBS and Medicare
Graham Archer, NM

Aged Care Redevelopment
Bruce Robertson, NM

■Health Priority Initiatives
Rochelle Thorne, A/g NM

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

Child Support Applications
Rochelle Moore, NM

Social Service and Customer Communication Systems
Dale Naughton, NM

Families and Pensions Systems
Jo-Anne Mason, NM

Corporate and Payment Systems
Edmund Tee, NM

ICT Business Services
Mitch Levy, A/g GM

ICT Corporate Services
Jane Andrews, NM

ICT Portfolio Management Office
Elaine Ninham, NM

Strategic Vendor Management and Sourcing
Matthew Lee, A/g NM

ICT Infrastructure
Grazyna Zejdler, A/g GM

Enterprise Services
Derek Lawrence, A/g NM

Service Operations
Brynten Taylor, A/g NM

Infrastructure Engineering
Rob Doughty, A/g NM

Applications Services Engineering
Garrett McDonald, NM

❖ Incorporates Chief Medical Officer Role.

♦ The National Manager, Deregulation and Red Tape Reduction reports directly to the Secretary regarding policy matters.

■ Temporary role.

Executive responsibilities at 30 June 2014

SECRETARY

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

ASSOCIATE SECRETARY, SERVICE DELIVERY TRANSFORMATION

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, leading development of the department's digital channel, and ensuring that current and future service delivery capacity meets the expectations of government and customers.

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

DEPUTY SECRETARY, SOCIAL SERVICES

Responsible for providing leadership and management of the key welfare-related programmes delivered by the department on behalf of the Department of Social Services, the Department of Education, the Department of Employment, the Department of Veterans' Affairs, and other agencies. The Deputy Secretary is also responsible for the department's social services compliance programmes.

DEPUTY SECRETARY, ENABLING SERVICES

Responsible for leading the human resources, corporate, communication and whole-of-government coordination functions of the department. The Deputy Secretary is also responsible for CRS Australia.

DEPUTY SECRETARY, HEALTH AND INFORMATION

Responsible for providing leadership and management of health-related programmes administered on behalf of the Department of Health, and other agencies. The Deputy Secretary is also responsible for managing the department's health compliance programmes, welfare appeals and debt programmes, and strategic information management activities. The Secretary 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

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

CHIEF FINANCIAL OFFICER (CFO)

Responsible for providing leadership and management of the department's financial functions, in accordance with the *Financial Management and Accountability Act 1997* (FMA Act) (until 30 June 2014) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) (from 1 July 2014). The CFO is also responsible for the department's portfolio, programme and project management frameworks.

GENERAL MANAGER, AUDIT

Provides independent, objective assurance to the Secretary by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of the department's financial and operational controls, risk management, and governance processes.

CHIEF COUNSEL, LEGAL SERVICES

Responsible for providing strategic legal advice and legal assistance to the department.

OUTCOME AND PROGRAMME STRUCTURE

The department's outcome and programme structure and key performance indicators are published in the department's annual Portfolio Budget Statements. They are used to monitor and assess our performance.

Figure 3: Outcome and programme structure 2013–14

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.
PROGRAMME 1.1 Services to the Community—Social Security and Welfare
PROGRAMME 1.2 Services to the Community—Health
PROGRAMME 1.3 Child Support

Figure 4: Outcome and programme structure transition table

2013–14 Budget	2013–14 Additional Estimates
Programme 1.1 Services to the Community	**Programme 1.1** Services to the Community—Social Security and Welfare
	Programme 1.2 Services to the Community—Health
Programme 1.2 Child Support	**Programme 1.3** Child Support

PERFORMANCE AGAINST KEY PERFORMANCE INDICATORS

Table 1: Key performance indicator results[1]

Key performance indicator	Target 2013–14	Result 2012–13	Performance 2013–14	Met 2013–14	Chapter and page
Programme 1.1 Services to the Community—Social Security and Welfare					
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					
National	≥85%	74%	71%[2]	✗	Chapter 8 Page 131
Medicare		87%	85%[2]		
Child Support		84%	84%[2]		
Centrelink		72%	68%[2]		
Achievement of payment quality standards					
Centrelink: delivery of correct customer payments	≥95%	98%	98%	✓	Chapter 9 Page 149
Key initiatives delivered within timeframes and on budget and outcomes are achieved					
Service Delivery Reform	Achieved	Achieved	Achieved	✓	Chapter 7 Page 109
Income Management Budget measures	Achieved	Achieved	Achieved	✓	Chapter 6 Page 88
Fraud Prevention and Compliance Budget measures	Achieved	Achieved	Achieved	✓	Chapter 9 Pages 142–148
Household Assistance Package	Achieved	Achieved	Achieved	✓	Chapter 3 Page 25
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	Effective	Effective	Effective	✓	Chapter 2 Page 19

Key performance indicator	Target 2013–14	Result 2012–13	Performance 2013–14	Met 2013–14	Chapter and page
Government stakeholder assessment of the portfolio's agility, flexibility and responsiveness	3.8	3.3	3.6[3]	✗	
Support economic and social participation of Indigenous Australians through the timely delivery of appropriate departmental payments and services					
Centrelink: Delivery of correct payments for Indigenous Australians	≥95%	99%	99%	✓	
CRS Australia to maximise workforce participation rates for government at or above the market average for jobs seekers that remain in employment for 13 weeks	≥70%	75%	74%	✓	Chapter 6 Page 105
Increase in the proportion of self-managed transactions and electronic interactions	1% increase on 2012–13	Achieved	Achieved	✓	Chapter 7 Page 109
Achievement of face-to-face, call and processing service level standards					
Face-to-face: Average wait time	≤15 minutes	14 minutes 9 seconds	16 minutes 48 seconds[4]	✗	Chapter 7 Page 118
Telephony: Average speed of answer— service users	≤16 minutes	10 minutes 2 seconds	14 minutes 26 seconds	✓	Chapter 7 Page 122
Processing: Percentage of claims processed within standard—service users	≥82%	97%	98%	✓	
Achievement of payment integrity standards					
Centrelink: Debt under recovery	≥60%	61%	62%	✓	Chapter 9 Page 155
Programme 1.2 Service to the Community—Health					
Satisfaction with Medicare provider service delivery	≥70%	>90%	>80%	✓	Chapter 8 Page 132
Achievement of payment quality standards					
Medicare: Delivery of accurate medical and pharmaceutical benefits and services	≥98%	98%	98%	✓	Chapter 4 Pages 39 and 62

Key performance indicator	Target 2013–14	Result 2012–13	Performance 2013–14	Met 2013–14	Chapter and page
Achievement of call service level standards					
Telephony: Average speed of answer—providers	≤30 seconds	33 seconds	46 seconds[5]	✗	Chapter 7 Page 122
Achievement of payment integrity standards					
Medicare: Completed audit and review cases	2 500	2 819	3 544	✓	Chapter 9 Page 161
Programme 1.3 Child Support					
Total amount of child support transferred between parents	$3.2 billion	$3.4 billion	$3.5 billion	✓	Chapter 5 Pages 70–71
Child support collection rate (Child Support collect only)	≥91.7%	93%	93%	✓	Chapter 5 Pages 70–71
Percentage of private collect cases to total active cases (Child Support collect and private collect cases)	≥52%	54%	53%	✓	Chapter 5 Pages 70–71
Percentage of domestic active paying parents without debt	≥73.5%	77%	77%	✓	Chapter 5 Pages 70–72

1. Percentages in this table may have been rounded to the nearest decimal point.

2. In 2013–14, overall customer satisfaction was 71 per cent. This is primarily attributed to results for 'ease of accessing services' and 'length of time to receive services' within the Centrelink programme. The department is implementing a range of strategies in service centres and for telephony services to address this, complemented by an increase in digital service options. The satisfaction with staff result remains high—above 85 per cent.

3. While the target was not achieved, 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. While the target was not achieved, the department implemented a range of strategies in service centres, resulting in the face-to-face wait time standard being met in the April–June quarter.

5. The department transitioned telephony infrastructure and associated workforce management tools resulting in increases to wait times. Last quarter performance recovered to be under the 30 second average.

GOVERNANCE

Effective governance is critical to the department in delivering its outcomes in a controlled, transparent and accountable manner, and serving its customers efficiently and effectively.

The department's governance framework outlines the principles, practices and tools required to ensure a consistent and coordinated approach to the governance of the department. Key elements include:

- coordinated planning which reflects the Strategic Plan
- performance monitoring, including key performance indicator reporting
- an integrated risk management framework.

During 2013–14 we:

- developed a Strategic Planning and Reporting Policy to support the department's approach to strategic planning and performance reporting. It provides guidance on driving strategic priorities and accountability through all levels of business planning and risk management. The policy details strategic reporting objectives and accountabilities, including how performance is monitored through regular reporting
- prepared for the commencement of the PGPA Act on 1 July 2014. A transition working group prepared the department for implementation throughout the year
- enhanced risk management by regular reviews of risk ratings and treatments, management of enterprise risk interdependencies, continued governance of risk through the Risk, Business Continuity and Security Committee, and an assurance programme for legislative compliance.

Governance committee framework

The department's governance committee 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. The committee advises on the department's strategic directions, and on significant management and investment decisions. It also monitors financial performance, risk and compliance standards. The Secretary chairs the committee which meets weekly.

Audit Committee—provides advice and assurance to the Secretary in meeting her obligations under the FMA Act (until 30 June 2014) and the PGPA Act (from 1 July 2014). 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 Mr Mark Ridley as Chair, and meets at least quarterly.

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

Finance and Investment Committee—provides advice and assurance to the Secretary and Executive Committee that there is a clear line of sight on all significant investment decisions. The Secretary chairs this committee which meets quarterly or as required.
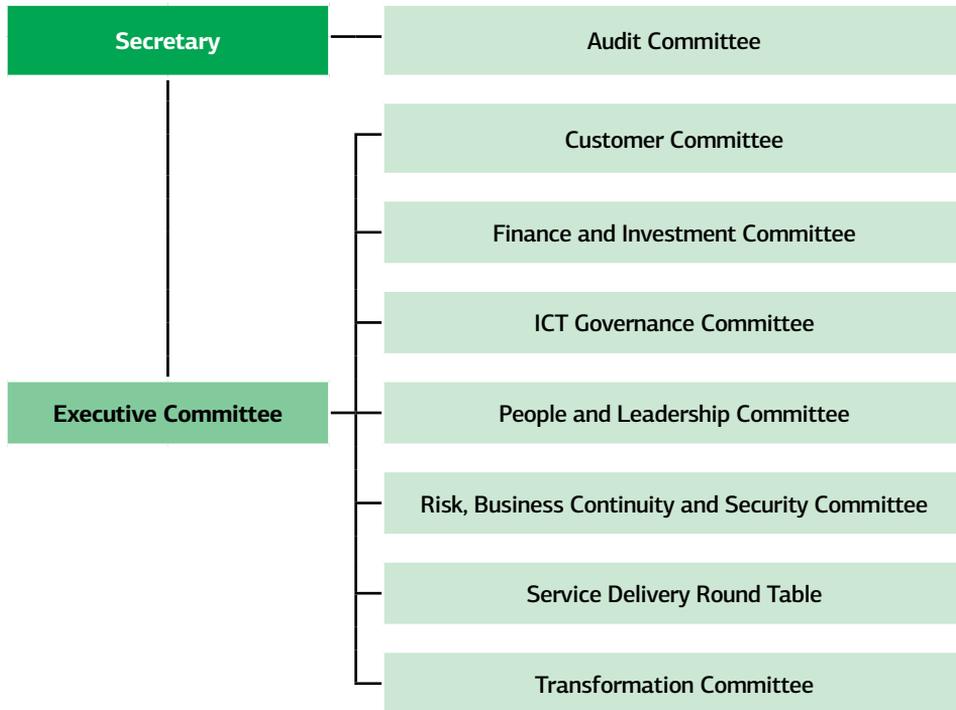
ICT Governance Committee—provides advice and assurance to the Secretary and Executive Committee that ICT management, operations and expenditure deliver the outcomes sought by government within the budget and timelines agreed by government. This committee has two independent members and meets monthly.

People and Leadership Committee—provides advice and assurance to the Secretary and Executive Committee on all departmental people strategies including people leadership management, people development and workforce strategies to maintain and create the capability to deliver government priorities and outcomes. This committee has one independent member and meets every eight weeks.

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

Service Delivery Round Table—provides 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.

Transformation Committee—provides advice and assurance to the Secretary and Executive Committee regarding the department's transformation agenda. The committee ensures initiatives remain consistent with the Strategic Plan, Service Delivery Operating Model and government policy. This committee has two independent members and meets every six weeks.

Figure 5: Governance committee structure at 30 June 2014

Secretary	Audit Committee
	Customer Committee
	Finance and Investment Committee
	ICT Governance Committee
Executive Committee	People and Leadership Committee
	Risk, Business Continuity and Security Committee
	Service Delivery Round Table
	Transformation Committee

Cross-government forums

The department participates in several external forums that bring together policy formulation, programme design and implementation to more effectively deliver outcomes for government, in addition to inter-departmental committees formed from time-to-time for specific purposes. These forums include:

Health and Human Services Secretaries and Chief Executive Medicare Forum—facilitates timely engagement between the Department of Human Services and the Department of Health on service delivery reform, eHealth, policy development, and effective administration and implementation of programmes. In 2013–14 its members were the Secretary, the Deputy Secretary Health and Information (as Chief Executive Medicare) and the Secretary of the Department of Health.

Reliance Framework Board—design and deliver a Reliance Framework to make it easier for people to do business with Australian Government agencies online. Representatives from a range of government departments make up this board.

DEREGULATION AND RED TAPE REDUCTION

The government's deregulation policy aims to reduce unnecessary red and green tape costs on individuals, businesses and community organisations by $1 billion net per year. The department established a deregulation and red tape reduction unit in 2013–14 that included coordinating implementation of initiatives under the government's policy. This unit reports direct to the Secretary on matters of policy. A number of areas across the department were involved with initiatives to improve interactions with the public and reduce red tape. These included:

- releasing the myGov Inbox—see *myGov* on page 111 and page 136
- implementing the Digital Wallet—see *Digital Wallet* on page 111 and page 120
- moving several payment claims online, including Newstart Allowance, Parenting Payment and Youth Allowance (job seeker)—see *Digital and online services* on page 109.

The department is also engaging with external parties through forums such as the Stakeholder Consultative Group (see page 139) to discuss more opportunities to reduce red tape.

PARTNERSHIPS

Partnerships with Australian Government agencies

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

At 30 June 2014 there were 27 Australian Government agencies with which we delivered payments and services, or exchanged information.

See Appendix B on page 297 for a list of payments and services the department delivered for our Australian Government partner agencies.

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. For a list of services the department delivered on behalf of our partners from other levels of government, see Appendix B on page 297.

International partnerships

In 2013–14 the department administered formal social security agreements with 29 countries. These agreements outline the shared responsibility for social security coverage and entitlements when people move between the agreement countries. At 30 June 2014, 68 830 customers were paid an Australian pension under international agreements compared to 65 613 in 2012–13.

During the year the department continued to work internationally to share experiences and information about service delivery and explore ways to improve our services.

In 2013–14 the department's collaborative work included:

• participating in the Australia and New Zealand Chief Executive Officers Bilateral meeting from 19–21 February 2014 with the Department of Social Services, Department of Employment, and the New Zealand Ministry of Social Development

• attending the 8th International Social Security Association Forum for Technical Commissions from 1–2 April 2014 in Geneva as Vice Chair for the Technical Commission on Organisation, Management and Innovation

• attending the World Social Security Forum from 10–15 November 2013 in Doha, Qatar as a panel member for 'Excellence in Social Security Administration'.

In 2013–14 the department engaged with a number of international delegations, the majority of which were from Asian and European countries.
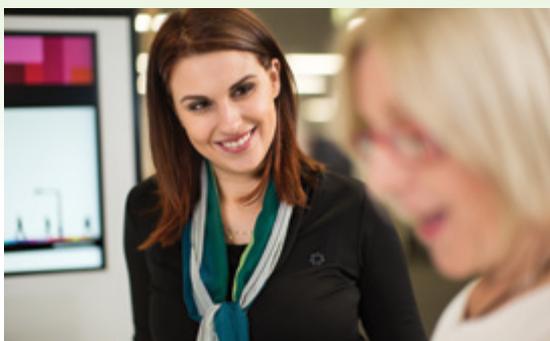
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Social security and welfare

The department delivers a range of payments and services to families, including Family Tax Benefit, child care payments and Paid Parental Leave payments to help with the costs of raising children.

To encourage greater self-sufficiency, we assess 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 appropriate payment or type of employment assistance. To support people in achieving greater economic participation we connect customers to tailored services if they have barriers to employment.

We also assist people unable to work, carers, and older Australians. This includes through direct payments of disability support, carer and age pensions, and subsidies and supplements to aged care providers.

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

PERFORMANCE HIGHLIGHTS

- We delivered Age Pension payments and services to more than 2.3 million Australians.
- The department worked closely with the National Disability Insurance Agency to support the smooth implementation of the National Disability Insurance Scheme.
- The School Enrolment and Attendance Measure was extended to six more Northern Territory communities, bringing the total number of communities where the measure operates, to 16.
- We contacted over 800 000 customers to tell them that the income free area for a number of welfare payments was set to increase from $62 to $100 per fortnight on 20 March 2014.
- The number of job seeker compliance investigations in 2013–14 was 1 536 112 compared to 1 082 599 investigations in 2012–13.

FAMILIES

The department delivers a range of family payments and services on behalf of the Department of Education and the Department of Social Services (DSS) to assist families and their children.

Family Tax Benefit (FTB)—assists families with the day-to-day cost of raising children. It also includes Rent Assistance, generally payable to families who rent privately. FTB is made up of two parts—FTB Part A and FTB Part B. Both payments are income tested and the amount paid is based on the family's individual circumstances.

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

Data on the number of families who received some form of child care payment is available under Outcome 1 in the Department of Education 2013–14 Annual Report.

Paid Parental Leave scheme—comprises two income-tested and work-tested payments for eligible parents to take time off work to care for a new baby or recently adopted child—Parental Leave Pay and Dad and Partner Pay. In 2013–14:

- 144 966 parents commenced receiving Parental Leave Pay compared to 131 307 in 2012–13
- 36 369 employers provided Parental Leave Pay to 133 274 staff, an increase on 33 609 employers and 123 502 staff in 2012–13
- 75 669 fathers or partners received Dad and Partner Pay compared to 27 240 in 2012–13. Dad and Partner Pay commenced on 1 January 2013.

Paid Parental Leave employer support—through the National Business Gateway the department answered more than 72 600 employer calls about the Paid Parental Leave scheme, compared to more than 73 000 in 2012–13.

Parenting Payment—an income support payment for parents or guardians to help with the cost of raising children. Parenting payment customers must be single and care for at least one child aged under eight years, or partnered and care for at least one child aged under six years. Parenting payment customers need to meet income and assets tests (including a partner's income and assets if partnered) and residency requirements, and meet activity test participation requirements if needed.

Newborn Upfront Payment and Newborn Supplement—replaced the Baby Bonus for children born or entrusted to care as part of an adoption process, on or after 1 March 2014. Since then 24 184 customers have received Newborn Upfront Payments and Newborn Supplements.

Stillborn Baby Payment—replaced the Baby Bonus payments for a stillborn child, with 270 customers receiving the payment since its introduction on 1 March 2014.

Schoolkids Bonus—is paid in January and July each year—families receive up to $410 per year for each primary school child and up to $820 per year for each secondary school child. Data on the number of families who received Schoolkids Bonus is available under Outcome 1 in the DSS Annual Report.

Helping Young Parents and Supporting Jobless Families

The Helping Young Parents programme targets parents aged 19 years and younger to create a positive future for themselves and their children. It supports parents to 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.

The Supporting Jobless Families programme focuses on preparing parents to return to work when their youngest child reaches school-age, and helps parents to ensure 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.

School Enrolment and Attendance Measure

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

There are two components to SEAM—requiring parents to provide their child/children's enrolment details to the department; and requiring parents to work with the Northern Territory Government to improve the school attendance of their children. If children are not enrolled or attending school, parents may have their income support payments suspended.

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

In 2013–14 SEAM operated in 16 Northern Territory communities and will be extended to another seven in 2014–15, bringing the total number of communities to 23. This compares to 2012–13 where SEAM operated in 10 communities.

Household Assistance Package

In 2013–14 the department paid $1.6 billion as part of the Household Assistance Package to help income support payment recipients, low income earners and families, with living expenses. This compares to $457.4 million in 2012–13.

PEOPLE UNABLE TO WORK AND CARERS

The department delivers a variety of payments and services on behalf of DSS, for people unable to work and carers.

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 2013–14, 57 840 new claims for DSP were granted compared to 54 418 in 2012–13.

Sickness Allowance—provides a short-term payment for people who are employed or self-employed, or in some cases are full-time students, who temporarily cannot work or study as usual because of a medical condition. In 2013–14, 20 540 people were granted Sickness Allowance compared to 20 717 in 2012–13.

Mobility Allowance—helps people who have disability, illness or injury to participate in approved activities such as transport costs. From 1 July 2013 people receiving a package of support from the National Disability Insurance Scheme (NDIS) may not be eligible for Mobility Allowance depending on the contents of their package.

Carer Payment—is an income support payment for people who are unable to support themselves through substantial paid employment because they provide full-time care to a child or adult with a severe disability, medical condition, or who is frail aged. In 2013–14, 59 998 new claims for Carer Payment were granted compared to 54 955 in 2012–13.

Carer Allowance—is an income supplement for carers who provide additional daily care and attention for a child or adult with disability or medical condition, or who is frail aged. In 2013–14, 117 825 new claims for Carer Allowance were granted compared to 105 681 in 2012–13.

For information about the department's compliance with the *Carer Recognition Act 2010* see Appendix C on page 307.

National Disability Insurance Agency and the National Disability Insurance Scheme

The NDIS was implemented in four locations across the country from 1 July 2013 and three new locations from 1 July 2014. The department worked closely with the National Disability Insurance Agency (NDIA) to support a smooth implementation. The department:

- shared internal policies and procedures including assistance with human resources, freedom of information and property management
- supported emerging information needs and data exchange
- provided staff to assist the NDIA with implementation and assessment activities
- shared office space with the NDIA in four sites.

National Disability Strategy

The *National Disability Strategy 2010–2020* sets out a 10-year national plan for improving life for Australians with disability, their families and carers. The strategy represents a commitment by all levels of government, industry and the community, to a national approach to policy and programme 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 department delivers a range of payments and services to customers with disability. See 'People with disability' on the department's website at **humanservices.gov.au** for more information and *CRS Australia* on page 104.

We also support our staff with disability, for example, by providing assistive technology and offering flexible working arrangements. See also *ICT support for greater accessibility* and *Employment of people with disability* on page 176.

New parents look online

When should I talk to my employer about Parental Leave Pay? How do I register my baby for an eHealth record? When should I immunise my baby?

There are different things that parents should know before and after their baby is born.

The department's webpage 'Having a baby' makes finding the answers to these and other parenting-related questions easy.

The webpage contains three categories: Before your baby is born; When your baby is born; and After your baby is born, with information, checklists and useful links to other pages and sites such as **mychild.gov.au** to learn more about child care.

The department continues to find ways to make it easier for customers—in this case busy new parents—to obtain information that they need.

OLDER AUSTRALIANS

Age Pension

The Age Pension is an essential part of the government's ongoing commitment to provide income support to older Australians. On behalf of DSS, Age Pension payments and services are made to more than 2.3 million Australians.

In 2013–14 approximately 117 000 Age Pension new claims were granted with the majority processed by departmental smart centres. Approximately 17 000 of the total claims actioned were referred to Complex Assessment Officers which highlights the increasing complexity associated with this cohort.

On 1 July 2013 the Age Pension qualifying age for women born between 1 January 1949 and 30 June 1952 increased to 65 years. The qualifying age for women is now the same as it is for men. Women make up 56 per cent and men 44 per cent of the age pension population. The department paid $39.5 billion in age pension payments in 2013–14.

Real estate valuations

To qualify for a pension, benefit or allowance the department takes into account the value of a person's assets. When needed, the department arranges for a professional valuation of assets. Most valuations are for real estate assets owned by people claiming Age Pension.

On 24 January 2014 the government announced that the Australian Valuation Office (AVO) would cease to provide services by 30 June 2014. Prior to its closure, the department had an arrangement with the AVO to undertake valuations of real estate and other assets. To ensure the continuation of professional, transparent and confidential valuation services, the department will make arrangements with a new provider in 2014–15. Privacy of customers' details will continue to be a high priority and there will be no changes to a customer's appeal rights.

During the year the department worked on a more risk-based approach to real estate. Valuations of real estate assets will be based on risk and will respond to individual circumstances and changes in the real estate market.

Deeming of Account Based Income Streams

To qualify for a pension, benefit or allowance the department takes into account the value of a person's income. The income test deeming rules assume a person's financial assets are earning a certain amount of income, regardless of the actual income earned. Deeming encourages people to earn more income from their investments. This mostly applies to people claiming Age Pension.

During the year work commenced on implementing the Deeming of Account Based Income Streams 2013–14 Budget measure, which will begin on 1 January 2015. This initiative extends deeming rules to income streams from superannuation accounts so all financial assets are assessed under the same rules.

Delivering aged care payments

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

Table 2: Aged care overview

	2011–12	2012–13	2013–14	% change since 2012–13
Residential claims processed	32 992	32 647	32 541	−0.3
Home Care Packages claims processed[1]	24 874	25 395	26 835	+5.6
Flexible care (transition care) claims processed	1 143	1 176	939	−20.2
Total claims processed	59 009	59 218	60 315	+1.9
Total amount paid	$10.0 billion[2]	$10.5 billion[2]	$11.3 billion[2]	+7.6
Residential aged care services (aged care homes)	2 739	2 739	2 693	−1.7
Home Care Packages services (facilities providing community based packages)[1]	2 097	2 132	2 181	+2.3
Flexible care services (transition care)	100	92	88	−4.4
Active services transmitting (online claiming)	3 288	3 435	4 614	+34.3

1. Home Care Packages commenced on 1 August 2013. Statistics for previous financial years include Community packages and Flexible care (Extended care at home) data.
2. Including $1.3 billion paid on behalf of DVA.

AGED CARE EDUCATION AND TRAINING INCENTIVE PROGRAM

The department manages the Aged Care Education and Training Incentive Program on behalf of DSS. The programme provides incentive payments of up to $5000 to aged care workers, employed by approved facilities, who undertake specified education and training programmes between 1 July 2010 and 30 June 2015. The training enhances their qualifications as a personal care worker, an enrolled nurse or a registered nurse within the aged care sector.

Table 3: Aged Care Education and Training Incentive Program

	2011–12	2012–13	2013–14
Vocational education and training courses	9 845	11 035	9 922
Enrolled nurse training course	2 911	2 357	2 234
Registered nurse training course	1 218	1 147	1 413
Total incentives processed	15 392	16 409	13 722
Total amount paid	$8.5 million	$9.9 million	$11.3 million

INCOME AND ASSETS ASSESSMENTS FOR AGED CARE RESIDENTS

On behalf of DSS the department continued to perform income and assets testing for entry into residential aged care in 2013–14. The key performance indicators for this work include:

- completing 95 per cent of all assets assessments within relevant timeframes
- automatic data matching to existing social security records—98 per cent of all relevant records matched within three working days
- manual data matching to existing social security records—98 per cent of all relevant records matched within eight working days
- providing information for 98 per cent of aged care recipients, who are not existing social security recipients, within 70 days.

The department met three of the four key performance indicators, with 94.4 per cent (against a target of 95 per cent) of assets assessments completed within relevant timeframes.

Supporting Aged Care Reforms

In 2013–14 the department implemented the following Aged Care Reform measures:

- implementing changes to the Aged Care Funding Instrument—the means used to allocate Australian Government subsidies to residential aged care providers
- helping older Australians to stay at home
- increasing support for veterans receiving Home Care Packages and in residential aged care
- tackling dementia.

The department will continue to implement Aged Care Reform measures in the second half of 2014.

JOB SEEKERS AND STUDENTS

The department delivers a variety of payments and services for job seekers and students on behalf of the Department of Employment, and DSS.

Newstart Allowance—provides financial help to people looking for work. Customers must be aged between 22 and 65 years, and looking for suitable paid work. Newstart Allowance customers need to meet income and assets tests and residency requirements, and be able to meet activity test participation requirements. In 2013–14 the department assessed 506 655 new Newstart Allowance claims. This compares to 477 033 in 2012–13 and 471 225 in 2011–12.

Youth Allowance—job seeker and student—Youth Allowance is an income support payment for students, trainees and Australian apprentices generally aged between 16 and 24 years, or job seekers generally aged between 16 and 21 years. Youth Allowance customers need to meet income and assets tests and residency requirements, and be able to meet activity test participation requirements. In 2013–14 the department assessed 374 090 new Youth Allowance claims. This compares to 353 908 in 2012–13 and 348 279 in 2011–12.

Austudy—provides financial help to full-time students and Australian apprentices aged 25 years or older. In 2013–14 the department assessed 61 458 new claims. This compares to 57 355 in 2012–13 and 51 650 in 2011–12.

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. Education Entry Payment is payable once a year to qualified recipients.

ABSTUDY—provides a means-tested allowance and other supplementary benefits to eligible Indigenous students. In 2013–14 the department assessed 35 329 new claims. This compares to 37 056 in 2012–13 and 40 651 in 2011–12.

Pensioner Education Supplement—is available to provide extra assistance towards ongoing study costs to recipients of some Department of Human Services and Department of Veterans' Affairs income support payments. The supplement is available to full-time students and in certain circumstances to students approved to undertake part-time study of at least 25 per cent of a full study load. In 2013–14 the department assessed 69 325 new claims. This compares to 71 092 in 2012–13 and 81 465 in 2011–12.

Special Benefit—provides help for people in severe financial hardship who are not able to support themselves and their dependents and are not eligible for another payment. In 2013–14 the department assessed 8561 new claims. This compares to 9963 in 2012–13 and 10 470 in 2011–12.

Job Seeker Workshops

During the year Job Seeker Workshops were held in 40 service centres. In 2013–14, 26 543 customers attended a Job Seeker Workshop compared to 28 453 in 2012–13.

Connections Interviews

Connections Interviews were conducted jointly with Job Services Australia providers and the department in selected locations. In 2013–14, 8590 job seekers participated in Connections Interviews compared to 9508 in 2012–13.

Jobs and Skills Expos

Working with the then Department of Education, Employment and Workplace Relations, the department conducted 12 Jobs and Skills Expos. The expos ceased from September 2013.

Increasing the amount of the income free area

Announced as part of the 2013–14 Budget the Increase and Index the Income Free Area budget measure was implemented by the department on 20 March 2014. This initiative increased the income free area for recipients of Newstart Allowance, Widow Allowance, Partner Allowance, Parenting Payment Partnered and Sickness Allowance from $62 per fortnight to $100 per fortnight before their payment rate is reduced. The department contacted over 800 000 customers by direct letter, email or SMS to inform them of the change.

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.

Table 4: Activity tested recipients by payment type

	At 23 June 2012	At 28 June 2013	At 27 June 2014
Newstart Allowance	549 773	660 673[2]	705 814[6]
Youth Allowance	83 802	113 840[2]	113 998[6]
Special Benefit[1]	1 076	682[3]	705[6]
Parenting Payment Partnered	9 388	0[4]	0[4]
Parenting Payment Single	103 952	47 276[5]	49 935
Total	**747 991**	**822 471**	**870 452**

1. The majority of Special Benefit recipients are not activity tested.
2. Source: Department of Education, Employment and Workplace Relations on 5 July 2013.
3. Source: Department of Families, Housing, Community Services and Indigenous Affairs on 5 August 2013.
4. From 1 January 2013 Parenting Payment Partnered customers moved to Newstart Allowance once their youngest child turned six years of age.
5. From 1 January 2013 Parenting Payment Single customers moved to Newstart Allowance once their youngest child turned eight years of age.
6. Source: DSS on 8 July 2014.

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 focus on compliance, participation and job search requirements. From 1 July 2013 the interviews were changed to provide greater support for those job seekers who need it and less contact for job seekers who are meeting their requirements. In 2013–14, 2 073 296 Personal Contact Interviews were completed.

Job Seeker Compliance

The Job Seeker Compliance Model applies to job seekers receiving participation payments who have compulsory activity test or participation requirements.

The model aims to ensure job seekers comply with participation requirements according to their capacity by attending appointments and activities designed to help get them back into work. Job seekers who become disengaged from activities or their employment services provider are re-engaged as quickly as possible.

In 2013–14 the department undertook 1 536 112 job seeker compliance investigations and 188 525 contact requests. This compares to 1 082 599 job seeker compliance investigations and 233 704 contact requests in 2012–13.

Participation for people with disabilities

Disability Support Pension recipients aged under 35 years 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 to develop a participation plan. Activities to help build their capacity are identified and participation in these activities was voluntary in 2013–14.

Employment Services Assessments

Employment Services Assessments (ESAts) identify the most appropriate type of employment services 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. Qualified health and allied health professionals conduct the assessments.

In 2013–14 the department completed 206 835 ESAts. Assessors made approximately 992 000 recommendations for assistance that employment services could deliver that would be of greatest benefit in building the job seekers' capacity for work. This compares to 215 803 ESAts conducted in 2012–13 where 1.4 million recommendations were made. This change reflects improved targeting of recommendations by assessors.

Job Capacity Assessments

Job Capacity Assessments help the department determine if a person is eligible for DSP. Qualified health and allied health professionals undertake these assessments to consider the person's level of functional impairment, their capacity to work and how 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 programme of support or their claim will be rejected. A programme of support is designed to help a person prepare for, find and maintain work. Assessors have actively promoted the department's videos about medical eligibility for DSP to ensure that people attending an assessment supply the necessary medical information.

Table 5: Type of assessments completed

	2011–12	2012–13	2013–14
ESAt non-medical	30 077	34 348	27 464
ESAt medical	225 027	181 455	179 371
Job Capacity Assessment	116 205	118 674	115 517
Total	**371 309**	**334 477**	**322 352**

Table 6: Type of assessments submitted

	2011–12 %	2012–13 %	2013–14 %
ESAt non-medical	8	10.3	8.5
ESAt medical	62	54.2	55.7
Job Capacity Assessment	30	35.5	35.8
Total	**100**	**100**	**100**

Table 7: Employment Services Assessments—key performance measures

	Target %	Actual 2012–13 %	Actual 2013–14 %
Timeliness—referral to appointment	80 in 10 days	90.5 in 10 days	92.2
Timeliness—appointment to submission	80 in 4 days	90.7 in 4 days	93.8
Proportion of assessments by phone	<10	19.2	17.21

Table 7 shows that in 2013–14 the department met or exceeded two of three performance measures. The department did not meet the target for proportion of ESAts by phone. Phone assessments can be used in both remote and non-remote areas to improve the timeliness of the assessment and reduce the need for extensive and costly assessor travel.

Health Professional Advisory Unit

The Health Professional Advisory Unit is a multi-disciplinary unit comprising medical advisers, registered nurses, clinical psychologists, managers and administrative staff in 13 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 2013–14 the unit received 3754 referrals compared to 3558 referrals in 2012–13.

During the year the unit worked closely with department assessors to examine the medical and life impact of overseas terrorist events on 303 claimants for the Australian Victim of Terrorism Overseas Payment. This included liaison with treating health professionals to assist claimants to provide necessary medical evidence about their claim. See also *Australian Victim of Terrorism Overseas Payment* on page 102.

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Health

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 payments and services for medical practitioners and other health providers.

Increasingly, online and self services, such as electronic bulk billing and patient claiming, are making it easier and more convenient for Medicare customers and health professionals to carry out their business with the department.

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

PERFORMANCE HIGHLIGHTS

- Medical practitioners lodged 98 per cent of bulk bill Medicare services electronically.
- Simplified billing initiatives meant that over 99 per cent of in-hospital services were processed electronically.
- Electronic patient claiming grew, with general practitioner claims up by 14 per cent and specialist claims up by 40 per cent.
- The Child Dental Benefits Schedule began on 1 January 2014 and provides financial support for basic dental services for eligible children. From 1 January to 30 June 2014 the department processed 1 884 958 services and paid more than $125.6 million in benefits.
- Under the Medicare Benefits Scheme 358 million services were processed, representing $19.3 billion paid in Medicare benefits.
- Under the Pharmaceutical Benefits Scheme 224.1 million services were processed, representing $9.6 billion in benefits.
- Health professionals downloaded more than 14 000 education products from the department's website, with more than 930 000 visits to our education pages.

MEDICARE

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

The department delivers Medicare on behalf of the Department of Health. In 2013–14, 23.8 million people were enrolled in Medicare and $19.3 billion in benefits were paid. The number of services bulk billed continued to grow, as did 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— 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 register with the Australian Health Practitioner Regulation Agency (AHPRA) and the department before they can provide Medicare services to the public.

Allied health professionals must meet specific eligibility criteria, which may involve registering with AHPRA or another recognised body, before requesting access to Medicare through the department.

Table 8: Medicare enrolments

	2011–12	2012–13	2013–14	% change since 2012–13
People enrolled at 30 June	22.9 million	23.4 million	23.8 million	+1.7
Active cards at 30 June	13.0 million	13.3 million	13.5 million	+1.5
New enrolments	598 403	618 533	603 070	−2.5

MEDICARE LEVY EXEMPTIONS

People who are not eligible for Medicare may apply to be exempt from paying the Medicare levy, administered by the Australian Taxation Office (ATO). If the application is approved, the department issues a Medicare Levy Exemption Certificate, which the person must lodge at the ATO with their tax return.

Table 9: Medicare levy exemptions

	2011–12	2012–13	2013–14	% change since 2012–13
Accepted applications	90 764	95 190	134 813	+41.6
Rejected applications	3 656	4 148	6 044	+45.7
Total applications	**94 420**	**99 338**	**140 857**	**+41.8**

Medicare Safety Net

The Medicare Safety Net helps eligible people with the cost of out-of-hospital medical services. There are two different Medicare safety nets:

- the Original Medicare Safety Net has one threshold of $430.90. This is based on the gap amount—that is, the difference between the Medicare Benefits Schedule (MBS) Fee—the fee the government has set for the service—and the Medicare benefit

- the Extended Medicare Safety Net has two threshold levels; $624.10 for Commonwealth concession cardholders and Family Tax Benefit (FTB) Part A recipients, and a general threshold of $1248.70 for all individuals, registered couples and families. This threshold is based on out-of-pocket costs—that is, the difference between the doctor's charge and the Medicare benefit.

The thresholds apply to a calendar year and are indexed.

Medicare claiming

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

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

- paying the account and then, if the doctor or practice offers electronic claiming, practice staff can lodge the claim electronically with the department
- paying the account and then claiming the benefit from the department either in person, online or using the Express Plus Medicare app
- claiming the unpaid account from the department and receiving 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. This means claims are lodged by hospitals, billing agents, providers and day surgeries with the department and private health insurers—either through the Electronic Claim Lodgement, Information Processing Service Environment (ECLIPSE), Simple Mail Transfer Protocol (SMTP) systems, or manually.

Table 10: Medicare services and benefits by claim type

	2011–12	2012–13	2013–14	% change since 2012–13
Services				
Bulk billing	252.7 million	263.0 million	276.8 million	+5.2
Patient claiming	56.6 million	55.1 million	53.9 million	–2.2
Simplified billing	23.3 million	25.8 million	27.5 million	+6.6
Total services processed	**332.6 million**	**344.0 million**	**358.3 million**	**+4.2**
Benefits				
Bulk billing	$11.7 billion	$12.4 billion	$13.0 billion	+4.8
Patient claiming	$4.2 billion	$4.2 billion	$4.2 billion	0.0
Simplified billing	$1.8 billion	$2.0 billion	$2.1 billion	+5.0
Total benefits paid	**$17.8 billion**	**$18.6 billion**	**$19.3 billion**	**+3.8**
Average benefit per service	$53.21	$54.15	$53.82	–0.6
Average period[1] (date of lodgement to processing)	2.6 days	2.6 days	1.9 days	–26.9

1. Due to the number of electronic claiming channels available, the gap between date of lodgement and the date of processing has reduced.

Table 11: Medicare services by payment type

	2011–12 million	%	2012–13 million	%	2013–14 million	%
Cash to claimant	23.9	7.2	1.7[2]	0.5	0.0[2]	0.0
Cheque to claimant	2.6	0.8	3.4	1.0	3.3	0.9
EFT to claimant	16.0	4.8	34.4	10.0	36.6	10.2
EFTPOS payment to claimant	6.7	2.0	9.3	2.7	8.6	2.4
Cheque to health professional	7.0	2.1	1.6	0.5	0.0	0.0
EFT to health professional	245.7	73.9	261.4	76.0	276.8	77.3
Pay doctor via claimant cheque	7.5	2.3	6.4[3]	1.9	5.4[3]	1.5
Payment to private health fund or billing agent	23.3	7.0	25.8	7.5	27.5	7.7
Total services[1]	**332.6**	**100**	**344.0**	**100**	**358.3**	**100**

1. Figures may differ due to rounding.
2. Cash payments were phased out from 1 July 2012.
3. Payments by cheque to health professionals for bulk billing services ceased on 1 November 2012.

Medicare electronic claiming

The five options for lodging Medicare claims electronically are:

- **Medicare Online**—a secure internet connection for lodging claims from a health practice using practice management software
- **Medicare Easyclaim**—a secure EFTPOS terminal (standalone or integrated with practice management software) for lodging claims from a health practice
- **ECLIPSE**—a secure connection for claiming services provided in hospitals used by providers, public and private hospitals, billing agents and private health insurers
- **Claiming Medicare Benefits Online**—allows patients to lodge online claims for 25 items including five of the most common MBS items
- **SMTP**—uses an electronic format similar to email for claiming bulk billing and simplified billing services.

Most health practitioners lodge bulk bill claims electronically, benefiting from streamlined processing and improved cash flow. At 30 June 2014, 97.5 per cent of bulk bill claims were lodged electronically (see Figure 6 on page 43) compared to 95.8 per cent at 30 June 2013.

Electronic patient claiming continued to grow with 86 per cent of general practitioner (GP) claims—an increase of 14 per cent from 2012–13—and 59 per cent of specialist claims—an increase of 40 per cent from 2012–13—lodged electronically. At 30 June 2014, 99.5 per cent of in-hospital services were processed electronically using simplified billing, of which almost 70 per cent was processed using ECLIPSE—an increase of 7 per cent on the previous 12 months—and the remaining 30 per cent through the SMTP system.

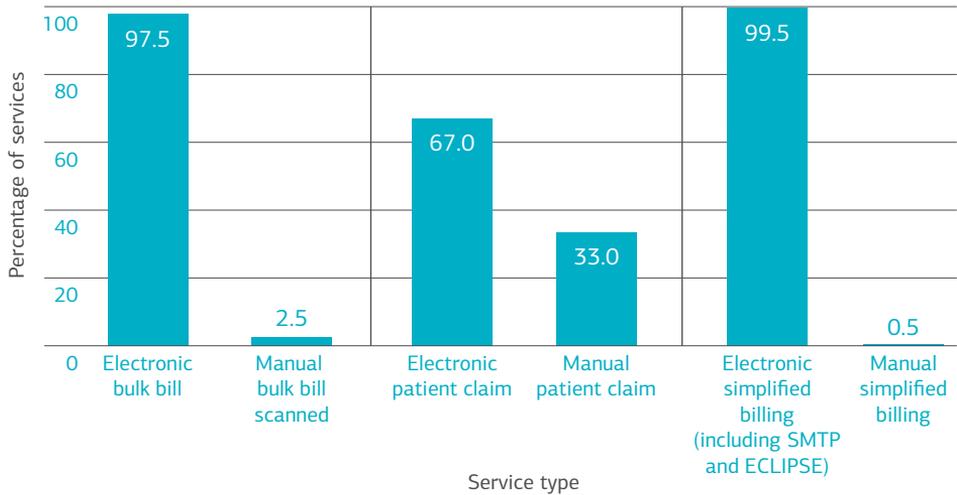**Figure 6**: Medicare services by claim type—electronic and manual—2013–14

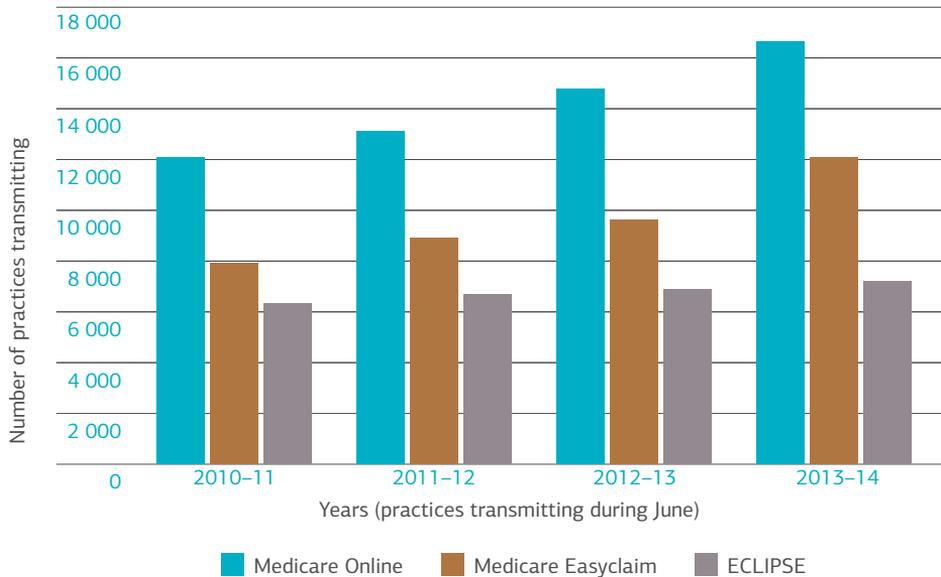**Figure 7**: Practices transmitting electronically 2010–11 to 2013–14

Table 12: Volumes of services transmitted electronically

	2011–12	2012–13	2013–14	% change since 2012–13
Medicare Online				
Bulk billing	220 million	234.5 million	253.5 million	+8.1
Patient claiming	13.4 million	21.7 million	27.5 million	+26.7
Medicare Easyclaim				
Bulk billing	17.4 million	17.3 million	16.3 million	−5.8
Patient claiming	6.6 million	7.7 million	8.3 million	+7.8
ECLIPSE				
Simplified billing	13.7 million	16.9 million	19.2 million	+13.6
SMTP				
Bulk billing	195 400	154 500	141 500	−8.4
Simplified billing	9.4 million	8.8 million	8.2 million	−6.8
Claiming Medicare Benefits Online				
Patient claiming	133 000	211 200	251 500	+19.1
Total services	**280.8 million**	**307.2 million**	**333.5 million**	**+8.6**
Percentage of overall claims lodged electronically	84.4	89.3	93.1	+4.3

Telehealth Medicare services

Telehealth provides Medicare benefits and financial incentive payments to encourage eligible health practitioners to use video consultations to reach their patients in eligible geographic areas. Telehealth On-Board and Service incentive payments ceased on 30 June 2014. Providers are still able to claim Telehealth MBS items.

Veterans' Affairs

In collaboration with the Department of Veterans' Affairs (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).

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, faster reconciliation of claims, and more efficient confirmation of patient details. It also means lower administrative costs for DVA.

DVA online claiming increased to 74.3 per cent in 2013–14 compared to 72.2 per cent in 2012–13.

In June 2014 all DVA cards were re-issued. The cards are now valid for six years instead of four years.

Table 13: Department of Veterans' Affairs processing

	2011–12	2012–13	2013–14	% change since 2012–13
Cards produced[1]	19 427	19 334	248 375[2]	+1 184.7
Services processed	21.2 million	20.6 million	19.9 million	−3.4
Total benefits paid	$2.1 billion	$2.1 billion	$2.2 billion	+4.8

1. Personal Treatment Entitlement cards, Repatriation Pharmaceutical Benefits Scheme cards, Specific Treatment Entitlement cards, and Totally and Permanently Incapacitated Gold cards.
2. The re-issue of new cards to all DVA cardholders was completed in June 2014.

Australian Childhood Immunisation Register

The Australian Childhood Immunisation Register records information about vaccinations given to children aged under seven years.

Authorised immunisation providers and the child's parents or guardians 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 14: Australian Childhood Immunisation Register

	2011–12	2012–13	2013–14	% change since 2012–13
Valid immunisation episodes recorded at 30 June	5.0 million	5.0 million	4.7 million	−6.0
Children aged under seven years registered at 30 June	2.2 million	2.2 million	2.2 million	0.0
Total amount paid to immunisation providers[1]	$9.2 million	$9.2 million	$9.3 million	+1.1
Percentage of children registered with appropriate immunisation coverage at 30 June				
Children aged 12–15 months	91.9	90.4	90.9	+0.6
Children aged 24–27 months	92.3	92.1	92.6	+0.5
Children aged 60–63 months	90.5	91.8	91.9	+0.1

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

Australian Organ Donor Register

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

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

Table 15: Australian Organ Donor Register

	2011–12	2012–13	2013–14	% change since 2012–13
Consent registrations (including registrations of people aged 16–17 years)[1] at 30 June	1 594 724	1 679 340	1 762 648	+4.9
Intent registrations[2] at 30 June	4 253 711	4 264 242	4 258 713	−0.1
Total registrations	**5 848 435**	**5 943 582**	**6 021 361**	**+1.3**
Serviced calls to enquiry line	20 946	22 330	18 652	−16.5

1. A legally valid consent registration occurs when someone provides a signed registration form to the Australian Organ Donor Register.
2. Intent registrations occur when people register their decision to donate through electronic avenues such as the online registration form.

Supporting Leave for Living Organ Donors

The Supporting Leave for Living Organ Donors Scheme began on 1 July 2013 as a two-year pilot to operate until 30 June 2015. The scheme provides a payment equivalent to the minimum wage, for up to six weeks, to employers of people wanting to donate an organ. The intention of the scheme is to reduce the financial stress associated with living organ donation and to raise employer awareness of organ donation.

At 30 June 2014 the department paid 66 claims to 65 employers of people wanting to donate an organ. The claims amounted to $188 478.

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 16: External Breast Prostheses Reimbursement Program

	2011–12	2012–13	2013–14	% change since 2012–13
Number of claims processed	14 474	14 591	16 078	+10.2
Total amount paid	$5.7 million	$5.9 million	$6.4 million	+8.5

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 the Department of Health.

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 programme participants who have received positive test results

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

The department invited eligible Australians who turned 50, 55, 60 and 65 years in 2013 to undertake screening in the programme in 2013–14.

Table 17: National Bowel Cancer Screening Register

	2011–12	2012–13	2013–14	% change since 2012–13
Invitations distributed	938 663	969 749	1 426 814	+47.1
Information line calls received	105 773	105 443	100 591	−4.6

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 the Department of Social Services.

Table 18: Continence Aids Payment Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Number of applications processed	31 658	31 837	31 776	−0.2
Total amount paid	$51.6 million	$62.0 million	$66.8 million	+7.7

Medicare Teen Dental Plan

The Medicare Teen Dental Plan closed on 31 December 2013. Claims can still be paid for eligible dental services provided before 1 January 2014.

In 2013–14 more than 230 751 services were processed with a value of approximately $35.7 million. This compares to 370 034 services with a value of more than $59.5 million processed in 2012–13.

Child Dental Benefits Schedule

The Child Dental Benefits Schedule began on 1 January 2014 and provides financial support for basic dental services for eligible children. Services include examinations, X-rays, cleaning, fissure sealing, fillings, root canals and extractions.

In 2014 benefits for basic dental services are capped at $1000 per child over two consecutive calendar years.

To be eligible a child must be aged between 2 and 17 years, be eligible for Medicare and they, or their family, guardian or carer receives a relevant Australian Government payment, such as FTB Part A, at any point in the calendar year.

From 1 January to 30 June 2014 the department processed 1 884 958 services and paid more than $125.6 million in benefits.

Chronic Disease Dental Scheme

The Chronic Disease Dental Scheme closed on 30 November 2012. Claims can still be paid for eligible dental services provided before 1 December 2012.

In 2013–14 the department processed 5656 services provided to 3191 patients before 1 December 2012 with a value of $543 564. This compares to 7 million services provided to 625 183 patients with a value of about $878.3 million processed in 2011–12 and 4.8 million services provided to 488 261 patients, with a value of about $656.6 million processed in 2012–13.

See also *Health and aged care payment integrity* on page 149.

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 2013–14 the rebate could be claimed in one of two ways:

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

Table 19: Private Health Insurance Rebate

	2011–12	2012–13	2013–14	% change since 2012–13
Memberships registered	6.2 million	6.5 million	6.6 million	+1.5
Total paid to private health funds	$5.5 billion	$5.2 billion	$5.6 billion	+7.7

Hearing Services Program

The Australian Government provides hearing services and products to people who are determined to be eligible by the Office of Hearing Services within the Department of Health.

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

Table 20: Hearing Services Program service and payments

	2011–12	2012–13	2013–14	% change since 2012–13
Services processed[1]	1 218 966	1 236 515	1 265 890	+2.4
Total amount paid[2]	$324.7 million	$312.7 million	$337.0 million	+7.8

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

Compensation Recovery Program

The Compensation Recovery Program ensures that claimants who receive a compensation payment greater than $5000 pay back the Australian Government for any Medicare benefits, nursing home benefits or residual care benefits they may have obtained as a result of their compensable injury.

The department administers the programme on behalf of the Department of Health.

Table 21: Compensation Recovery Program

	2011–12	2012–13	2013–14	% change since 2012–13
Cases finalised	44 865	40 463	52 678	+30.2
Total amount of benefits recovered	$38.7 million	$64.5 million	$51.4 million	−20.3

Practice Incentives Program

The Practice Incentives Program (PIP), which the department administers on behalf of the Department of Health, consists of 10 incentives.

The incentives, listed in Table 22, are paid to medical practices and individual providers to encourage improvements to general practice.

Table 22: Practice Incentives Program payments

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

Table 23: Practice Incentives Program

	2011–12	2012–13	2013–14	% change since 2012–13
Total number of practices participating	4 949	5 189	5 250	+1.2
Practices registered per incentive[1]				
Asthma	2 872	3 136	3 346	+6.7
Cervical screening	2 961	3 220	3 418	+6.1
Diabetes	2 944	3 209	3 410	+6.3
eHealth	4 479	4 012	4 618	+15.1
Indigenous Health	2 987	3 417	3 763	+10.1
Practices receiving outcomes payments[2]				
Procedural GP[3]	357	360	375	−4.1
Cervical screening	910	1 017	516	−49.3[5]
Diabetes	2 236	2 437	1 001	−58.9[5]
Indigenous Health	3 528	4 356	5 086	+16.8
Other information				
Indigenous Health Incentive patient registration payments	43 988	54 944	62 266	+13.3
Teaching session payments	197 042	196 494	230 662	+17.4
Service incentive payments[4] (Asthma, Cervical, Diabetes, Aged Care Access Incentive)	54 553	57 824	62 978	+8.9
Total amount paid at 30 June	**$304.3 million**	**$279.6 million**	**$218.6 million**	**−21.8[6]**

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

2. Outcome payments are made to practices that have reached the target level required to receive the incentive under the programme. For the Cervical screening and Diabetes incentives, this is the number of practices that received an outcomes payment in the May quarter. For the Indigenous Health Incentive, this is the total number of outcomes payments.

3. This is the number of practices that received a Procedural GP Payment. Previous annual reports reported the number of practices registered for the incentive.

4. This is the total number of Service Incentive Payments which includes the Asthma Incentive, Cervical Screening Incentive, Diabetes Incentive and the General Practitioner Aged Care Access Incentive.

5. Increased targets that general practices need to meet to receive these payments applied from the November quarter.

6. Changes to the PIP in 2013–14 included changed target levels for the Cervical Screening and Diabetes incentives and the cessation of the After Hours Incentive.

Practice Nurse Incentive Program

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

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

Table 24: Practice Nurse Incentive Program

	2011–12	2012–13	2013–14	% change since 2012–13
Practices approved	3 571	3 994	4 252	+6.5
Payments made	$141.5 million	$313.2 million	$295.8 million	−5.6

Mental Health Nurse Incentive Program

Under the Mental Health Nurse Incentive Program community-based general practices, private psychiatric practices and other eligible organisations can engage mental health nurses to provide coordinated clinical care for people with severe mental health disorders.

Based on specific 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 25: Mental Health Nurse Incentive Program

	2011–12	2012–13	2013–14	% change since 2012–13
Organisations registered	897[1]	418	381	−8.9
Payments made	$36.2 million	$35.3 million	$31.7 million	−10.2

1. In 2011–12 this number represented all organisations that had been registered for the programme since 2007. To provide a more transparent value for organisations receiving benefits under the programme, numbers from 2012–13 represent the organisations eligible for payment.

Rural health programmes

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

GENERAL PRACTICE RURAL INCENTIVES PROGRAM

The General Practice Rural Incentives Program comprises:

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

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

Table 26: General Practice Rural Incentives Program

	2011–12	2012–13	2013–14	% change since 2012–13
Medical practitioners paid	10 538	11 587	11 529	−0.5
Payments made	11 238	12 771	12 688	−0.6
Total amount paid	$107.4 million	$113.2 million	$137.6 million	+21.6

HECS REIMBURSEMENT SCHEME

The HECS (Higher Education Contribution Scheme) 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.

Table 27: HECS Reimbursement Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Number of medical graduates paid	748	1 011	1 050	+3.9
Number of payments made	1 186	1 738	1 695	−2.5
Total amount paid	$10.6 million	$14.3 million	$14.9 million	+4.2

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, up to a total of $20 000 per GP a year.

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

In 2013–14, 1999 GPs were paid a total of $16.9 million compared to 2012–13 when 1824 GPs were paid a total of $15.8 million.

RURAL LOCUM EDUCATION ASSISTANCE PROGRAM

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

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

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.

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.

Table 28: High Cost Claims Indemnity Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Claims received	124	211	231	+9.5
Total benefits paid	$20.3 million	$33.4 million	$30.1 million	−9.9

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.

Table 29: Premium Support Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Eligible practitioners	2 013	1 993	1 671	−16.2
Amount paid	$11.4 million	$9.3 million	$9.3 million	0.0
Administration fees	$2.5 million	$2.4 million	$1.4 million[1]	−41.7

1. The decrease in administration fees is primarily due to a reduced monthly invoice amount from the insurance provider. The monthly amount is calculated by the Department of Health at the beginning of the financial year.

RUN-OFF COVER SCHEME FOR DOCTORS

Under the Run-off Cover Scheme, the government covers the cost of claims for eligible medical practitioners who have left the private medical workforce. The government uses funds paid into the scheme by medical indemnity insurers to cover incidents that occur in connection with a medical practitioner's practice. Indemnity cover for eligible medical practitioners reflects the last claims arrangement they had with their insurer. See Table 30 on page 58.

An increase in claims is expected as more medical practitioners become eligible for the scheme.

Table 30: Run-off Cover Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Claims received	27	72	60	−16.7
Total benefit paid	$1.7 million	$2.9 million	$2.0 million	−31.0

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 are reimbursed implementation and compliance costs.

Under this scheme, two types of fees are paid—implementation fees and administration fees. In 2013–14, $1.1 million in administration fees was paid compared to $2.4 million in 2012–13. 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.

To be eligible, incidents that lead to claims must have occurred before 30 June 2000. The number of claims in 2013–14 increased.

Table 31: Incurred-But-Not-Reported Indemnity Claims Scheme

	2011–12	2012–13	2013–14	% change since 2012–13
Claims received	75	34	65	+91.2
Total benefit paid	$3.9 million	$3.7 million	$7.8 million	+110.8

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.

MIDWIFE INDEMNITY ADMINISTRATION FEES

Run-off Cover Scheme administration fees are paid to midwife professional indemnity insurers to compensate for the work they undertake to administer the scheme.

In 2013–14, $125 000 in administration fees was paid compared to $173 916 in 2012–13 and $162 468 in 2011–12.

Visiting Medical Practitioners Program

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

Table 32: Visiting Medical Practitioners Program

	2011–12	2012–13	2013–14	% change since 2012–13
Number of services	295 464	283 621	292 216	+3.0
Total value	$69.7 million	$71.3 million	$78.9 million	+10.7

Australian Health Survey

The department processed Australian Health Survey reimbursement payments on behalf of the Australian Bureau of Statistics, which administered 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 offset reasonable costs for having to attend a pathology collection centre.

Between 1 July 2013 and 31 October 2013, a total of $1350 in payments were made. The Australian Health Survey ceased on 31 October 2013.

Medical, dental and pharmaceutical advisers

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

These advisers undertake various activities including:

- regularly meeting with health professional organisations and regulatory authorities
- improving the quality and consistency of information provided by the department to its stakeholders
- reviewing health practitioners under the Practitioner Review Program
- assisting with compliance audits and projects
- interpreting and assessing complex claims
- developing educational products and providing education to health professionals.

National Health Funding Administrator Payments System

The National Health Funding Administrator Payments System facilitates payments from the Commonwealth to the states and territories for public hospital services. Payments are made through the National Health Funding Pool, as required under the National Health Reform Agreement. The agreement underpins the reforms to Commonwealth, state and territory funding arrangements for hospital services.

The department provides programme, corporate and support services to assist the National Health Funding Body and the Administrator of the National Health Funding Pool to carry out their functions. All eight jurisdictions are successfully using the payments system. In 2013–14, $33.4 billion was paid through the system. This compares to $26.7 billion in 2012–13.

Pop-ups show customers the new way

Two pop-up outlets that opened at Indooroopilly in Brisbane and Cheltenham in Melbourne encourage customers to use self-service options, rather than having to visit a service centre.

The pop-ups help customers make the transition from stand-alone Medicare sites to new one-stop shops. The aim of pop-ups is to promote the convenience of digital services—including online accounts and Express Plus mobile apps.

Each pop-up outlet provides self-service terminals which customers can use to access online accounts any time during shopping centre opening hours. During business hours department staff are there to help customers register and use the various digital self-service options.

Many of the Medicare transactions occurring in service centres can be completed by the customers using online services.

The pop-ups have previously been successful in earlier trials in two local communities—Point Cook in Victoria and Springfield in Queensland.

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 programmes that support access to medicines and their quality use, such as pharmacist incentive payments.

In 2013–14, 224.1 million services were processed under the PBS and RPBS, representing $9.6 billion in benefits (see Table 33).

Total PBS and RPBS benefits paid in 2013–14 increased by 1.1 per cent, and total services processed in 2013–14 increased by 6.2 per cent.

Table 33: PBS and RPBS expenditure

	2011–12	2012–13	2013–14	% change since 2012–13
PBS benefits paid	$9.3 billion	$9.1 billion	$9.3 billion	+2.2
RPBS benefits paid[1]	$0.5 billion	$0.4 billion	$0.4 billion	0.0
Total benefits paid	**$9.8 billion**	**$9.5 billion**	**$9.6 billion**	**+1.1**
PBS services processed	195.5 million	198.7 million	211.8 million	+6.6
RPBS services processed[1]	12.9 million	12.4 million	12.3 million	−0.8
Total services processed	**208.4 million**	**211.1 million**	**224.1 million**	**+6.2**

1.   Payments/services processed on behalf of DVA.

PBS eligibility

The price paid for PBS medicines depends on a person's level of eligibility. The two levels of eligibility are the general rate and the concession rate. The patient contribution at the general rate rose to $36.90 from 1 January 2014. Patients and their families with a valid concession card from the department or DVA are eligible for the concession rate of $6.00. These figures were adjusted on 1 January 2014 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.

The PBS Safety Net thresholds were adjusted from 1 January 2014, in line with the consumer price index. The 2014 general threshold is $1421.20 and the concession threshold is $360.00. 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:

• $6.00 for general patients
• free for concession card holders.

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 through 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 2014 there were 173 approved Aboriginal Health Services around the country. This is the same number as 2012–13.

The Closing the Gap PBS Co-Payment helps Aboriginal and Torres Strait Islander people 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 2013–14 the enquiry line received almost 3300 calls and 30 000 website visits compared to 4500 calls and 34 000 website visits in 2012–13.

PBS processing

Table 34 shows data relevant to the administration of the PBS.

Table 34: PBS administration

Deliverables and key performance indicators	2011–12 %	2012–13 %	2013–14 %
Claims processed accurately[1]	98.5	98.6	98.2
PBS claims submitted online	99.4	99.6	99.9
Applicants approved to supply PBS medicines 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 2014, 99.7 per cent of approved suppliers of PBS or RPBS medicines used online claiming for PBS.

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 provides the option of seeking more or repeat prescriptions of PBS or RPBS medicines. In 2013–14 the department approved 6.9 million authority prescriptions compared to 6.6 million in 2012–13.

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 424 in 2012–13 to 401 in 2013–14:

- 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 35: Approved PBS suppliers at 30 June

	2011–12	2012–13	2013–14	% change since 2012–13
Approved pharmacists	5 298	5 351	5 457	+2.0
Approved medical practitioners	42	33	23	–30.3
Approved hospital authorities— private hospitals	96	95	104	+9.5
Approved hospital authorities— public hospitals participating in pharmaceutical reforms	155	159	159	0.0
Approved hospital authorities— Highly Specialised Drugs only	0	77	78	+1.3

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.

At 30 June 2014 the department had approved 159 public hospitals under these arrangements—5 in the Northern Territory, 49 in Queensland, 13 in South Australia, 4 in Tasmania, 68 in Victoria, 19 in Western Australia and 1 in New South Wales.

eHEALTH

The eHealth programme is a national approach to delivering health system standards and infrastructure. It is transforming the way information is accessed and used to plan, manage and deliver health services in Australia. The department is delivering core components of the eHealth programme including:

- the Healthcare Identifiers Service
- components of the eHealth record system
- the National Authentication Service for Health.

Healthcare Identifiers Service

The Healthcare Identifiers (HI) Service is a national system for uniquely identifying health care providers, organisations and individuals and is the foundation element for eHealth.

Using 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 1 July 2010 when the HI Service began, the department has:

- assigned 25 895 386 healthcare identifiers to individuals
- collected or assigned 683 923 healthcare identifiers to individual health care providers
- assigned 8570 healthcare identifiers to health care organisations—such as hospitals or general practices.

The HI Service Annual Report contains full details of the HI Service operations and is tabled in Parliament each year.

National eHealth record system

This system enables people to create and control their eHealth record, which is a secure electronic record of an individual's health information. It also allows individuals to control which health care providers may access their eHealth record. This has been the second year of its operation.

The department delivers eHealth record services on behalf of the Personally Controlled Electronic Health Record System Operator, which is the Department of Health. Services include:

- consumer registration and support services through phone, face-to-face and mail services
- providing, with consent, Medicare information and other data to the eHealth record system, enabling registered consumers to view their claims history for Medicare, the PBS and RPBS, other DVA benefits, Australian Childhood Immunisation Register records and Australian Organ Donor Register information
- online and fax-based registrations for health care provider organisations to participate in the eHealth record system.

In 2013–14 we streamlined the consumer Medicare registration arrangements at our service centres. This includes an integrated eHealth record registration service for parents through a combined family payments application form and the Express Plus Families mobile app.

In 2014–15 the department received a $21.8 million extension in funding. This is a reduction of $7.9 million on the 2013–14 appropriation of $29.6 million. It reflects efficiencies introduced by the department to reduce consumer registration processing time.

National Authentication Service for Health

The National Authentication Service for Health (NASH) delivers authentication services for health care providers and supporting organisations.

NASH Public Key Infrastructure (PKI) certificates are used to access the eHealth record system. The NASH PKI certificates for health care provider organisations and supporting organisations can also be used to send and receive information securely between health care organisations.

In 2013–14 the department issued:

- 2564 NASH PKI certificates to health care provider organisations
- 3740 NASH PKI certificates to health care provider individuals
- 5 NASH PKI certificates to supporting organisations.

HEALTH PROFESSIONAL EDUCATION SERVICES

The department provides high quality, accessible information and education
resources and services to help health professionals access programmes.
In 2013–14 these included:

- developing and delivering 25 MBS presentations and workshops for health
  professional peak bodies, which had 1223 attendees
- engaging internal and external stakeholders to develop information and
  education resources for health professionals
- running 58 intern training workshops with 1669 attendees under the national
  training programme for pharmacy interns
- facilitating four presentations to 68 health professionals through the
  National Broadband Network across 41 sites.

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

- podiatry frequently asked questions guide
- assisted reproductive technology guide
- eLearning programme and reference guide on the Child Dental Benefits Schedule
- eLearning programme on doing business with Medicare electronically
- Indigenous resource pack for our Business Development Officers to use in
  medical practices.

During the year more than 14 000 educational products were downloaded
from the department's website and there were more than 930 000 visits to its
education pages.

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Child support

The department works with separated parents to ensure their children are supported through the Child Support Scheme.

The department's role includes registration and assessment of child support, and the collection and transfer of child support payments. In some cases, early intervention and enforcement measures are needed for parents who fail to pay their child support.

The department also works with government departments and community agencies to make sure that separated parents have access to the range of other support services available.

Since the scheme started in 1988 parents have transferred $45.3 billion or 97.1 per cent of all their liabilities.

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

PERFORMANCE HIGHLIGHTS

- In 2013–14 the department worked with separated parents to transfer $3.5 billion to support approximately 1.2 million children.
- Parents using private arrangements to collect child support transferred $2 billion in child support payments.
- At the request of parents, the department collected another $1.5 billion, an increase of $100 million on the previous year's total.
- Objections to change of assessment decisions fell 17.5 per cent compared to 2012–13.

CHILD SUPPORT

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

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 increased to 75.7 per cent in 2013–14 compared to 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 *Child support customer compliance* on page 157.

Child Support transfers

In 2013–14 the department worked with separated parents to transfer $3.5 billion to support approximately 1.2 million children. This compares to $3.4 billion transferred in 2012–13 to also support approximately 1.2 million children.

Table 36: Amount of child support transferred between parents

Total child support transferred	2011–12 $ billion	2012–13 $ billion	2013–14 $ billion
Child Support Collect	1.3	1.4	1.5
Private Collect[1]	1.9	2.0	2.0
Total	**3.2**	**3.4**	**3.5**

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

Private Collect

The department encourages separated parents to manage their child support responsibilities independently through Private Collect arrangements.

In 2013–14, 53.3 per cent of cases used Private Collect arrangements. This compares to 53.7 per cent in 2012–13 and 54.2 per cent in 2011–12. Percentages may appear different to those reported for 2012–13 due to rounding.

Child Support Collect

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

In 2013–14, $1.5 billion was collected compared to $1.4 billion in 2012–13 (see Table 36).

Table 37 on page 72 outlines the percentage of child support debt under a payment arrangement.

Table 37: Percentage of child support debt under an arrangement

	2011–12 %	2012–13 %	2013–14 %
Child support debt under an arrangement	44.6	41.8	40.5

Active paying parents with debt under arrangement, and without debt

Active paying parents are those with a role in at least one active child support case, not including cases that ended with arrears. Of all active paying parents 75.7 per cent had no debt at the end of June 2014 compared to 75.3 per cent at the end of June 2013.

The remaining active paying parents had an outstanding child support debt. Of these, 51.1 per cent had a payment arrangement in place in 2013–14 compared to 51.7 per cent in 2012–13.

Table 38 shows the percentage of active paying parents who do not have a child support debt, as a proportion of all active paying parents. It also shows the percentage of active paying parents with a child support debt and a payment arrangement in place, expressed as a proportion of all active paying parents with a child support debt. The department focuses on reducing debt through its compliance and enforcement programmes.

Table 38: Active paying parents with debt under arrangement and without debt

	2011–12 %	2012–13 %	2013–14 %
Active paying parents with a child support debt which is under a payment arrangement	53.7	51.7	51.1
Active paying parents without debt	75.3	75.3	75.7

Change of assessment and objections to child support decisions

In 2013–14 the number of parents applying for a change of assessment fell by 8.2 per cent to 18 169. This compares to 19 800 in 2012–13. See *Reviews of child support decisions* on page 159.

The number of objections to change of assessment decisions fell 17.5 per cent from 3358 in 2012–13 to 2770 in 2013–14. 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.

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Services for people needing other support

The department works with governments and other partners to offer a range of services to people who, for various reasons, need additional support.

We respond to the needs of the most vulnerable people in society. This includes providing social work services, supporting homeless people, engaging with multicultural communities, and assisting Australians following natural disasters and acts of terrorism.

We administer programmes to help address the gaps that Indigenous Australians experience, compared to other Australians. We also support farmers and communities affected by drought.

In partnership with other agencies and services, CRS Australia delivers disability employment and injury prevention and management services. The department also confirms income qualifications for early release of superannuation on compassionate grounds.

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

PERFORMANCE HIGHLIGHTS

- The department granted over 1700 claims for Interim Farm Household Allowance payments, totalling $6.9 million.

- In July 2013 the department released a new Family and Domestic Violence Strategy setting out our response to supporting customers and staff affected by family and domestic violence.

- With the number of stores and businesses accepting the BasicsCard increasing from 8959 last year to 13 683 in 2013–14, income-managed customers have access to more outlets to buy items they and their families need.

- Activated in October 2013, the Australian Victim of Terrorism Overseas Payment provided assistance to 446 Australians affected by an overseas terrorist act.

- The number of Emergency Reserve departmental staff willing to assist in emergency recovery at short notice rose from approximately 5600 last year to around 6300 in 2013–14.

- Since 1 July 2013 an additional 2000 young people at risk of homelessness have been supported through Income Management to help them stabilise their circumstances.

- CRS Australia assisted more than 8600 participants into work. For the jobseekers that were placed, 74.1 per cent remained in work for more than 13 weeks.

SUPERANNUATION PROGRAMMES

Small Business Superannuation Clearing House

The Small Business Superannuation Clearing House is a free government service to assist small businesses with 19 or fewer employees 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 employees and sends the contributions to the nominated superannuation funds—avoiding the need for small businesses to deal with multiple funds.

From 1 April 2014 accountability for the Clearing House transferred to the Australian Taxation Office.

Table 39: Small Business Superannuation Clearing House

	2010–11	2011–12	2012–13	2013–14[1]
Employers registered	4 781	21 920	16 303	15 573
Employee payments made	96 600	542 651	1 107 964	1 083 523
Superannuation payments made	$56.0 million	$318.5 million	$661.3 million	$662.8 million

1. The Clearing House was transferred to the Australian Taxation Office on 1 April 2014; accordingly data for 2013–14 is from 1 July 2013 until 31 March 2014.

Early Release of Superannuation Benefits

The Early Release of Superannuation Benefits programme allows eligible people to draw on their superannuation benefits under specified compassionate grounds in a time of need. This release is limited to assistance in meeting costs for an applicant or their dependent for medical treatment, medical transport, modifications to a home or vehicle to accommodate a severe disability, funeral expenses, palliative care, and assistance to the applicant only with meeting costs for a mortgage where there is an imminent threat of sale of the applicant's principal place of residence. The role of the department is to assess applications and approve the early release of superannuation benefits under delegation from the Chief Executive Medicare. The final decision to release the superannuation benefits rests solely with the superannuation fund.

Early release of superannuation benefits under severe financial hardship grounds may also be considered for costs such as living expenses or general debt. The role of the department is to respond to requests for confirmation, either directly to the applicant or to the superannuation fund, that a person has received a qualifying income support payment for the required period. The decision to release the superannuation benefits rests solely with the superannuation fund.

Table 40: Early Release of Superannuation Benefits on Compassionate Grounds

	2011–12	2012–13	2013–14	% change since 2012–13
Applications received	17 391	18 024	19 286	+7.0
Applications approved in full or in part	11 346	11 510	11 728	+1.9
Amount approved for release	$153 674 964	$145 517 285	$150 991 150	+3.8
Average amount released per approval	$13 544	$12 643	$12 874	+1.8

VULNERABLE PEOPLE

Vulnerability and assessment

The department provides a number of safety net services and payments for Australians who are most in need. We undertake research and analysis activities to further develop our core role in the community as well as our role in supporting vulnerable and disadvantaged customers. Specific research projects have included building on our understanding of customer pathways through the department's income support system, trials to test better servicing arrangements as well as complex analysis to support the department's fraud and non-compliance agendas.

Family and domestic violence

The department's Family and Domestic Violence Strategy was released publicly on 31 July 2013. The strategy sets out the department's response to supporting customers and staff affected by family and domestic violence. It is based on four principles and five themes for implementation that cover risk identification, referral, training, information and staff support.

The strategy was developed in parallel with the Australian Law Reform Commission's inquiry into family violence, and Commonwealth laws. It includes the department's commitment to the commission's recommendations and aligns with the *Australian Government's National Plan to Reduce Violence against Women and Children 2010–2022*.

We are working with the Department of Social Services (DSS) to ensure the strategy's implementation is consistent with the national plan, and contributes to the government's overall commitment to reduce violence against women and children.

External referral at times of crisis

Many of the department's interactions with customers occur during times of crisis and distress such as separation, family violence, homelessness and financial difficulty.

During the year the department developed a risk identification and referral model to ensure a quality approach to detecting customers at risk of adverse outcomes, and a process to connect them to the most appropriate services. Referrals can include to departmental services like Social Work Services and external, government-funded phone services such as:

- the Family Relationship Advice Line
- MensLine Australia
- Financial Counselling Australia
- 1800RESPECT—Family and Domestic Violence.

In 2013–14 the department commenced trials to test the risk identification and referral model and expand the list of appropriate referral services that could be offered to customers during times of vulnerability, including:

- Homelessness Australia and state and territory-based affiliates
- Child Abuse Prevention Service.

COMMUNITY ENGAGEMENT OFFICERS

Community Engagement Officers provide targeted assistance to people who are homeless or at risk of homelessness. These officers are located in areas of highest need and their role is to ensure that these customers can access and maintain their eligibility for income support and associated services.

Community Engagement Officers offer information, assistance and outreach to community organisations that support people experiencing homelessness or who are at risk of homelessness. This is to ensure they have an accurate understanding of the department's services and customer entitlements and obligations. Organisations can include rehabilitation centres, psychiatric hospitals, post-prison release accommodation, hostels, boarding houses, refuges, drop-in centres and organised meeting places.

In 2013–14 the department appointed nine additional Community Engagement Officers, bringing the total number of officers to 102.

SOCIAL WORKERS AND HOMELESSNESS

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

The number of dedicated social workers working closely with Community Engagement Officers to support people who are homeless or at risk of homelessness increased from six in 2012–13 to 13 in 2013–14. These social workers assisted 2844 customers in 2013–14 compared to 349 customers in 2012–13.

In 2013–14, 72 651 customers were referred to social workers nationally for homelessness or accommodation issues. This resulted in 177 567 contacts with individuals and families. This compares to 99 899 referrals which resulted in 212 774 contacts in 2012–13.

HOME ADVICE PROGRAM

Departmental social workers continued to support the Household Organisational Management Expenses (HOME) Advice Program to ensure families in the programme accessed appropriate departmental services and payments.

In 2013–14 social workers conducted 3808 interventions with HOME families compared to 4924 interventions in 2012–13.

HOMELESSNESS INDICATOR

The department continues to collect and monitor information about people's housing stability through the Homelessness Indicator. It enables the department to consider offering tailored services to people who are experiencing, or at risk of, homelessness.

In 2013–14, 83 747 customers had a Homelessness Indicator on their customer record compared to 62 641 customers in 2012–13.

YOUTH PROTOCOL

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

INCREASED SUPPORT TO YOUNG PEOPLE WITHOUT ADEQUATE SUPPORT

Social workers provide targeted intervention and support for vulnerable and unsupported young people aged under 25 years. This work assists young people to become more independent and engage in work, training or study by ensuring they are connected with services in their community that will help address basic needs, such as accommodation. In 2013–14 social workers worked with 5385 young people compared to 5085 in 2012–13.

Services for prisoners

A prison pre-release service is provided nationally to prisons and youth justice centres. This service includes Medicare, Child Support and Centrelink services.

Programme protocol agreements with state and territory correctional authorities support strategies that help reintegrate prisoners into the community, including:

- preventing Centrelink and Child Support debts
- assisting Indigenous customers with study expenses
- completing Employment Services Assessments and Job Capacity Assessments
- providing Medicare services
- providing income support on release.

Programme protocol agreements were reviewed during 2013–14 to ensure coverage of key departmental programmes and services.

Research into services for 'disconnected' people

The department is working with RMIT University to investigate ways to improve service delivery for people with complex needs who are disconnected from their community's economic and social life. In partnership with the Bridgewater community in Tasmania, a three-year longitudinal study— June 2012 to June 2015—continued to test new, innovative and practical service delivery approaches.

Refugees

The department offers a range of services to help and support refugees settling in the Australian community. We work closely with settlement service providers and community groups to ensure refugees are supported on arrival in Australia. See *Support for refugees and humanitarian entrants* on page 95.

Case coordination trials

Case coordination trials were undertaken to test service delivery approaches for connecting customers to appropriate support services.

The case coordination trials took place in 38 sites in 2013–14 compared to 34 sites in 2012–13. The trials finished at the end of June 2014. In 2013–14 case coordination assisted over 113 200 people compared to 42 000 people in 2012–13.

Local Connections to Work

The Local Connections to Work (LCTW) trial involved joint interviews for job seekers with departmental staff members and the job seeker's Employment Service provider.

The trial finished at the end of June 2014. In 2013–14 LCTW sites delivered services to over 6300 customers compared to 5400 in 2012–13.

Community Innovation Through Collaboration

The Community Innovation Through Collaboration programme—also known as Better Futures, Local Solutions—started in 2011–12 as a trial using a place-based approach to promote long-term economic and social participation in selected communities. The programme ended at 30 June 2014.

SOCIAL WORK SERVICES

Supporting repatriated customers

In 2013–14 the department received four social work referrals and four case consultations related to repatriated customers from the Department of Foreign Affairs and Trade compared to 11 referrals in 2012–13. Referrals are facilitated to assist Australian citizens who have voluntarily returned to Australia, who do not have family, kin or support networks and require assistance to reintegrate.

Carer specialist assessments

The Carer Specialist Assessment Team is staffed by specialist social workers who undertake assessments and provide advice to inform determinations of eligibility for Carer Payment and Carer Allowance. In 2013–14 there were 919 referrals to these social workers compared to 909 in 2012–13.

Social workers also assessed 352 claims from carers aged under 18 years (284 in 2012–13) and 1416 claims from carers aged over 80 years (876 in 2012–13). These customer groups are recognised as having multiple complex needs and often need professional social work intervention.

Social work service and compliance

Social workers, in consultation with senior Customer Service Officers, undertake Comprehensive Compliance Assessments, which underpin the integrity of the Activity Test Compliance and Employment Services Model. Information gathered in the assessment guides decision making about serious failures and persistent non-compliance.

Social work services during emergency recovery

The Australian Victim of Terrorism Overseas Payment was activated by the Australian Government in October 2013 to provide assistance to a person who had suffered an injury as a direct result of a declared overseas terrorist act. It also provides assistance to a person who is a close family member of a person who died as a direct result of a declared overseas terrorist act. Social workers provide support to individuals and families lodging claims.

Social workers provided immediate support in recovery centres and within communities for people affected by the bushfires in the Blue Mountains, New South Wales in October 2013 and in Perth, Western Australia in January 2014. People adversely affected by the bushfires continue to receive support through the department's phone services.

Social workers supported the Malaysian Flight MH370 Joint Agency Coordination Centre in Perth to ensure the families of passengers and crew received timely information about the search. For more information about responses to emergencies see *Emergency responses* on page 98.

RURAL SERVICES

Drought coordinators

As part of the social and community support component of the government's drought assistance package announced on 26 February 2014, the department sent five drought coordinators to drought-declared regions of Queensland and northern New South Wales.

Drought coordinators are part of the government's $10.7 million investment to enhance social and community support for drought-affected areas. The role complements additional funding provided to social support programmes on behalf of DSS under the Targeted Community Care (Mental Health) Program and the Family Support Program.

Drought coordinators ensure drought-declared communities receive the full benefit of the support services that are available. The coordinators link services and make it easier for farming families and their communities to access a range of support.

Rural payments and grants

The department administered the Transitional Farm Family Payment until 28 February 2014 when it was replaced by the Interim Farm Household Allowance on 1 March 2014.

In 2013–14, 438 Transitional Farm Family Payment claims were granted, totalling $5.1 million compared to 434 claims totalling $6.6 million in 2012–13.

On 1 March 2014, over 450 existing Transitional Farm Family Payment customers were transitioned to the new Interim Farm Household Allowance. Additionally, the department received more than 3000 Interim Farm Household Allowance claims with over 1700 customers receiving the Interim Farm Household Allowance by 30 June 2014.

Tasmanian transport programmes

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 operated by paying a rebate against the sea freight costs of eligible bulk wheat shipments. As part of the 2014–15 Budget the government decided to close the scheme from 1 July 2014. Eligible customers can still obtain assistance for transporting bulk wheat under the Tasmanian Freight Equalisation Scheme.

In 2013–14 the number of applications received by the department decreased from 9707 to 9698, with $139.5 million in payments processed through the programmes.

Regional citizenship testing

The department has an agreement with the Department of Immigration and Border Protection (DIBP) to provide better access to citizenship testing for people living in regional Australia.

The department hosts visits by DIBP staff in a number of service centres. In 2013–14 the department also administered citizenship testing on behalf of DIBP in 29 regional service centres.

INDIGENOUS PEOPLE

Indigenous Servicing Strategy

The *Indigenous Servicing Strategy 2012–2015* (ISS) provides a clear strategic direction to all employees who deliver services to Aboriginal and Torres Strait Islander peoples and aligns with the Closing the Gap goals and targets. The aim of the ISS is to maintain and develop Indigenous servicing expertise within a universal servicing environment with four areas of focus:

- reduce Indigenous customer debt
- reduce participation failures among Indigenous customers
- increase the number of customers who identify as being of Aboriginal or Torres Strait Islander descent
- increase the number of Indigenous customers accessing correct child support payments.

The ISS supports the department's Strategic Plan, the *Aboriginal and Torres Strait Islander Employees Plan 2012–15* and the *Reconciliation Action Plan 2012–2014.*

Indigenous Servicing Specialists

Indigenous Service Unit Managers (ISUMs) help the department and Australian Government agencies to work with Aboriginal and Torres Strait Islander peoples and communities to deliver integrated services and programmes. ISUMs provide strategic advice to stakeholders in identifying customer and community servicing needs, as well as subject matter expertise about cultural beliefs and practices that may affect Aboriginal and Torres Strait Islander staff or service delivery. ISUMs are members of departmental strategic and leadership forums that develop Indigenous servicing strategies.

Indigenous Specialist Officers (ISOs) help address strategic and operational issues relating to service delivery to Aboriginal and Torres Strait Islander peoples and communities. By delivering key messages about the department's services, ISOs aim to increase the level of understanding, awareness and access to services. When required, ISOs also provide intensive support to assist vulnerable Aboriginal and Torres Strait Islander peoples and communities to engage with the department.

Indigenous Customer Service Officers (ICSOs) provide culturally appropriate customer service to Aboriginal and Torres Strait Islander customers. They help and support non-Indigenous staff on culturally sensitive issues. ICSOs also refer Aboriginal and Torres Strait Islander customers to appropriate service providers and community support, offer out-servicing to customers and communities, and give customers advice about their rights and obligations.

Remote servicing model

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

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

We focus 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 two to four staff who provide departmental services to remote Indigenous communities through regular visits. The department hires and trains local Indigenous staff to work in remote servicing teams wherever possible. As well as improving community employment levels, staff from remote communities are more likely to speak Indigenous languages and understand local customs, traditions and relationships. Indigenous staff also provide role models for young Indigenous people in remote communities.

Remote Jobs and Communities Programme

The Remote Jobs and Communities Programme (RJCP) commenced in July 2013 and is administered by the Department of the Prime Minister and Cabinet. The programme provides participation and employment services for people living in remote areas through an integrated and flexible model. The new participation and employment service is the 'one-stop shop' for people in remote Australia and replaced Job Services Australia, Disability Employment Services, the Indigenous Employment Program, and the Community Development Employment Projects (CDEP) programme in designated remote areas.

The department's role is to:

• manage referrals to RJCP

• administer payment of an Approved Programme of Work Supplement of $20.80 per fortnight

• undertake compliance action when job seekers fail to meet activity test or participation obligations.

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 services in high-demand sites and also travel to remote Indigenous communities. This year the department expanded its use of AIS interpreters into Port Augusta and Adelaide in South Australia as part of a tri-state trial that AIS is undertaking in conjunction with the Northern Territory, Western Australian and South Australian governments.

The AIS provided 10 036 hours of interpreting services in 2013–14 compared to 10 059 hours in 2012–13 and 8857 hours in 2011–12.

The department also started a regular interpreting service in its Broome Service Centre, with skilled interpreters supplied by the Kimberley Interpreting Service.

National Indigenous Coalition

The National Indigenous Coalition (NIC) is the department's peak strategic advisory forum, providing an Indigenous voice on effective delivery of payments, services and products for Aboriginal and Torres Strait Islander peoples. The NIC is consulted widely by the department to ensure effective development of strategies that support Aboriginal and Torres Strait Islander employees.

Community Development Employment Projects

The CDEP programme operates in seven non-remote locations outside the Remote Jobs and Communities Programme regions. The programme helps Indigenous job seekers gain the skills, training and capabilities needed to find employment. The programme also improves the economic and social wellbeing of communities. The department administers the payment of supplements to eligible CDEP participants. Payments of $20.80 per fortnight can be made to Indigenous job seekers participating in the programme.

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.

Providing spatial services for government and the community

The Australian Government Indigenous Locations dataset (AGIL) was developed as the government's authoritative source of data for Indigenous locations. The need for AGIL arose from reports that the delivery of Australian Government programmes and services, including emergency services, was impaired because of inaccurate location details or confusion caused by multiple community names. Managed by the department, AGIL contains locational data for over 3800 names in approximately 1600 discrete Indigenous locations. The dataset was developed collaboratively by a cross-government agency working group and released on **data.gov.au** in December 2013 as a national spatial resource.

MONEY MANAGEMENT

Financial Information Service

The Financial Information Service (FIS) is an education and information service available to everyone. FIS officers 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 programmes available.

There are 114.9 full-time equivalent FIS officers working in all states and territories. The service is available by phone, appointment and through a programme of seminars, some of which the FIS officers delivered this year through internet broadcasts.

In 2013–14 FIS officers:

- answered more than 79 204 phone calls, compared to 82 500 in 2012–13
- conducted more than 54 967 interviews, compared to 67 900 in 2012–13
- delivered 3168 hours of outreach services, compared to 4400 in 2012–13
- held 2366 seminars for more than 72 812 participants, compared to 2581 seminars for more than 77 800 participants in 2012–13.

FIS officers continue to use 'webinars' to deliver FIS seminars and interviews to remote viewers via the internet. Mini-FIS seminars also appear on the department's website as video-on-demand broadcasts.

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 to organisations by having a regular manageable amount deducted from their income support payments instead of receiving large bills monthly or quarterly. Centrepay is free for customers, while organisations are charged a nominal fee.

At 30 June 2014:

- 632 228 people were using Centrepay, compared to 583 433 in June 2013
- 13 786 businesses participated in Centrepay, compared to 13 731 in June 2013
- 24.4 million deductions were made to the value of $2.1 billion, compared to 22.4 million deductions to the value of $1.9 billion in 2012–13.

An Independent Review of Centrepay commissioned by the department was released on 5 August 2013. The report made a number of recommendations to improve the operation of Centrepay.

The department accepted, in principle, the majority of these recommendations and implemented several financial, policy, operational and administrative enhancements aimed at improving the Centrepay service and strengthening its role in assisting customers to meet their financial commitments.

In response to the review, in 2013–14 the department focused on improving Centrepay customer services and ensuring organisations participating in Centrepay understand their contractual obligations and are compliant. Areas of progress included:

- implementing agreements with the Australian Securities and Investments Commission, the Australian Competition and Consumer Commission and the Australian Energy Regulator for the exchange of information to support programme management and compliance

- improving information provided to customers about their Centrepay deductions by implementing a comprehensive Deduction Statement for customers that shows deductions from their payments administered by the department

- reviewing and updating Centrepay policy and improving relevant business processes, including business application criteria and contract and compliance frameworks

- strengthening communication and training packages to improve understanding and uptake of Centrepay, including implementing new website content for customers and businesses

- better connecting Centrepay customers to the department's complaint and feedback mechanisms.

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.

At 30 June 2014, 324 329 people receiving income support were using the scheme and 712 491 deductions were made. This compares to 313 312 people and 665 258 deductions at 30 June 2013.

Income management

The department is responsible for delivering Income Management at a number of locations across Australia. Income Management helps people receiving income support to manage their money to meet essential household needs and expenses for themselves and their families.

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

ACCESSING MANAGED INCOME

The department works with people on Income Management to plan how their income managed funds can be 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 protected card that can be used via the EFTPOS system at approved stores and businesses that accept the BasicsCard.

At 30 June 2014, 13 683 stores and businesses accepted the BasicsCard compared to 8959 at 30 June 2013.

The department has a compliance process to investigate complaints received by the public, and conducts random sample reviews to ensure stores and businesses are complying with the agreed terms and conditions.

In 2013–14:

• 91 per cent of income managed customers used a BasicsCard

• $203.6 million was spent using the BasicsCard compared to $175.5 million in 2012–13.

INCOME MANAGEMENT IN THE NORTHERN TERRITORY

The government is working in partnership with the Northern Territory Government to support payment recipients, to encourage participation and to increase their financial literacy. In the Northern Territory the six Income Management measures are:

• Disengaged Youth

• Long Term Welfare Payment Recipient

• Vulnerable Welfare Payment Recipient

• Child Protection Income Management

• Supporting People at Risk Income Management

• Voluntary Income Management.

Departmental staff make the decision to refer people to Income Management under these arrangements 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 Mandatory Treatment Tribunal is the approved referring authority for the Supporting People at Risk Income Management measure.

INCOME MANAGEMENT IN WESTERN AUSTRALIA

The Australian Government works with the Western Australian Government to deliver Income Management in metropolitan Perth and the Kimberley regions. Child Protection Income Management or Voluntary Income Management may apply. From 15 April 2013 Income Management was extended to people living in the Ngaanyatjarra Lands and Laverton Shire. The Vulnerable Welfare Payment Recipient measure also applies in these two locations.

The Western Australian Department of Child Protection and Family Services may refer eligible customers for Child Protection Income Management.

INCOME MANAGEMENT IN SOUTH AUSTRALIA

Income Management is available to people living in the Anangu Pitjantjatjara Yankunytjatjara Lands on a voluntary basis or through the Vulnerable Welfare Payment Recipient measure. Referrals from South Australia Housing, where a mandatory social worker assessment is undertaken, are also accepted under the Vulnerable Welfare Payment Recipient arrangement.

The 2014–15 Budget provided for Income Management in South Australia to be extended to Ceduna and surrounding areas.

INCOME MANAGEMENT IN QUEENSLAND (CAPE YORK WELFARE REFORM)

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. Running until December 2015, the trial aims to create incentives for individuals to engage in the economy, reduce passivity and re-establish positive social norms.

Jointly funded by the Australian Government and Queensland Government, the Family Responsibilities Commission may refer individuals to support services and place a person on Income Management in the four communities. People can also apply to the commission to have their payments voluntarily income managed.

PLACE BASED INCOME MANAGEMENT

Place Based Income Management supports families and encourages participation in education, training and work in Bankstown (New South Wales), Logan, Rockhampton and Livingstone (Queensland), Playford (South Australia) and Greater Shepparton (Victoria). The categories applicable are Child Protection Income Management, Vulnerable Welfare Payment Recipient and Voluntary Income Management. 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.

At 30 June 2014 there were 2639 people supported by Income Management in the place-based locations. This compares to 501 people at 30 June 2013.

DATA ON INCOME MANAGEMENT

Table 41 sets out the number of people on each measure of Income Management.

Table 41: Income Management customers

Measure	Customers at 30 June 2013[1]	Customers at 30 June 2014[1]
Cape York Income Management	202	201
Child Protection Income Management	392	435
Disengaged Youth	4 670	4 489
Long Term Welfare Payment Recipient	10 226	11 420
Supporting People at Risk	13	142
Voluntary Income Management	6 041	6 047
Vulnerable Welfare Payment Recipient	196	2 943[2]

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

2. Under legislative changes, other recipients were included in this measure from 1 July 2013. Those who are aged under 16 years were granted Special Benefit; aged 16 years and over were granted the Unreasonable to Live at Home payment; or aged under 25 years who are being released from prison.

The total amount of income support payments income managed in 2013–14 was $266.7 million.

INCOME MANAGEMENT SUPPORT

Additional support for people on Income Management includes:

• Financial Management Program Services and Financial Counselling Services—provides free and confidential referrals to community-based financial management and education services

- Matched Savings Scheme Payments—people on Income Management may be able to receive a Matched Savings Scheme Payment up to a maximum of $500 for each dollar a person saves in their personal bank account. 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 while 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.

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. In 2013–14 the period of portability for most income support and family assistance allowances outside Australia was six weeks.

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

In 2013–14 customers receiving Australian income support payments, family assistance, allowances and concessions travelled outside Australia 1.69 million times compared to 1.57 million overseas trips in 2012–13.

Concession Cards

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

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

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

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

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

Rent Assistance

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

Advance Payments

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

Bereavement payments

Bereavement Payment helps customers adjust to changed financial circumstances following the death of their partner, child or care receiver. The amount of Bereavement Payment depends on individual circumstances. Bereavement Payments are usually paid as a lump sum. However, some payments, such as Family Tax Benefit Bereavement Payment, can be paid fortnightly.

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

In-language mobile app breaks down barriers

The Express Plus Lite mobile app provides customers with the option of reporting their employment income in three languages: Arabic, Chinese and Vietnamese.

While the Express Plus mobile apps are a simple, fast and mobile way for people to do business with us, Express Plus Lite now offers customers from some culturally and linguistically diverse backgrounds greater ease of access.

Express Plus Lite is simple and user-friendly, meaning customers no longer need to visit service centres or wait on the phone to report their employment income.

The in-language Express Plus Lite mobile app is available free to download from the App Store and GooglePlay. To use the app people need to be registered for Centrelink Online Services and have access to a smart phone.

MULTICULTURAL SERVICES

Agency Multicultural Plan

The Agency Multicultural Plan outlines how the department intends to provide services to culturally and linguistically diverse communities. We are tracking well against the actions outlined in the plan.

New achievements include introduction of a multilingual mobile app (Express Plus Lite), and a range of in-language online videos about looking for work, payments, and Medicare and health cards.

The videos are available in Hazaragi, Arabic, Persian (Farsi), Vietnamese, Chin Haka, Chinese, Burmese, Spanish and Turkish.

Support for refugees and humanitarian entrants

The department offers a range of services to support refugees entering the community. The department works closely with DIBP, settlement service providers and community groups to ensure refugees have appropriate services on arrival in Australia.

In 2013–14 we worked with DIBP and DSS to implement the government's election commitment to increase border security and strengthen arrangements for illegal maritime arrivals.

In October 2013 the use of temporary protection visas for refugees was reinstated. The department delivered support through Special Benefit payments to eligible visa-holders.

During the year we launched a new, streamlined service offer to more accurately reflect the support provided to refugees. The new offer involved taking best practices from refugee and asylum seeker teams and establishing a single operating model. Based in capital cities the teams include Customer Service Officers supported by experts in service centres with high settlement populations.

In November 2013 two-day training workshops were held in Sydney, Melbourne, Brisbane, Adelaide and Perth, with over 100 Customer Service Officers attending. Training covered how to work with survivors of torture and trauma and included a question and answer panel with representatives from Humanitarian Settlement Services, the Adult Migrant English Program, the Australian Red Cross, DIBP and DSS.

Language services

The department provides free translation and interpreting services in around 230 languages to help customers conduct their business. More than 3000 contracted interpreters deliver these services. We also supply regular, rostered on site interpreters who work out of 67 service centres where demand for assistance in certain languages is high.

The department 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 2014 more than 725 staff received the Community Language Allowance compared to more than 775 in 2012–13.

Multicultural Service Officers

In 2013–14 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 an important role in supporting service delivery to customers from culturally and linguistically diverse backgrounds.

During the year Multicultural Service Officers worked with educational institutions to bridge the digital divide in culturally and linguistically diverse communities. For example:

- supporting refugees and migrants in Blacktown, New South Wales to access the department's online services using TAFE computers
- promoting digital services such as myGov and mobile apps to newly-arrived students in Cairns and Townsville, Queensland
- conducting outreach sessions at Intensive English Centres in Western Australia to encourage students to stay in class and concentrate on their learning.

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 programme.

Support for people while they resolve their immigration status

From 1 April 2014 the department provided financial assistance through the new Status Resolution Support Services payment for basic living expenses for people who are living in Australia while they resolve their immigration status.

Innovative multicultural services

MULTILINGUAL APP

In July 2013 the department launched the first in-language mobile app available on both iOS and Android devices. The multilingual app is available in three languages—Arabic, Chinese and Vietnamese. In 2013–14 customers were able to use multilingual apps to report their earnings to the department. See also *Express Plus mobile apps* on page 110 and *in-language mobile app breaks down barriers* on page 94.

WORKING WITH PARTNERS

Multicultural Service Officers continued to help deliver innovative services through partnerships including in:

- Mt Druitt, New South Wales—working with local partners to help a group of female participants create short-term and long-term plans and set individual employment goals
- Logan, Queensland—working with local schools to provide information to parents and students from culturally and linguistically diverse backgrounds. Topics covered included reporting to the department, rights and obligations regarding payments, and Rent Assistance
- Launceston, Tasmania—working with the Tasmanian Department of Education to improve school attendance for culturally and linguistically diverse students
- Noble Park, Victoria—working with local stakeholders to support unaccompanied humanitarian minors increase school attendance, achieve higher marks and work towards an employment goal.

EMERGENCY RESPONSES

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), Disaster Recovery Allowance (DRA), and ex-gratia assistance
- delivering the Australian Victim of Terrorism Overseas Payment (AVTOP).

During an emergency immediate support is given to pharmacists to help them maintain supplies of medicines and dispense Pharmaceutical Benefits Scheme 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 the Attorney-General's Department to provide additional Australian Government assistance.

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 6300 staff (or 18 per cent of the department's staff) are registered for the Emergency Reserve compared to approximately 5600 staff or 15 per cent of the department's staff in 2012–13.

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
- back filling staff deployed to provide emergency support.

Emergency Reserve staff supported the department's recovery efforts following the bushfires in October 2013 and January 2014.

Emergency Management Framework

The department's Emergency Management Framework was activated in response to bushfires in New South Wales in October 2013 and Western Australia in January 2014, and Tropical Cyclone Ita in Queensland in April 2014.

Current events

AUSTRALIAN GOVERNMENT DISASTER RECOVERY PAYMENTS

The department's response to the bushfires included payment of AGDRP claims.

The AGDRP was provided to people adversely affected in the following local government areas:

- New South Wales bushfires—Blue Mountains, Lake Macquarie, Lithgow, Muswellbrook, Port Macquarie-Hastings, Port Stephens, Wingecarribee, Wollondilly and Wyong
- Western Australia bushfires—Mundaring.

Table 42: AGDRP payments at 30 June 2014

	New South Wales bushfires[1]	Western Australia bushfires[2]
Calls taken by the Australian Government Emergency Information Line	1 531	150
Claims received	1 147	398
Claims paid to affected people	887	355
Amount paid into people's bank accounts	$999 600	$406 000

1. AGDRP activated for affected areas on 18 October 2013.
2. AGDRP activated for affected areas on 13 January 2014.

DISASTER RECOVERY ALLOWANCE

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

• New South Wales bushfires—Blue Mountains, Lake Macquarie, Lithgow, Muswellbrook, Port Macquarie-Hastings, Port Stephens, Wingecarribee, Wollondilly and Wyong

• Tropical Cyclone Ita, Queensland—Hope Vale.

At 30 June 2014 more than:

• 1300 calls had been answered

• 120 claims had been received

• 50 claims had been paid to affected people

• $120 000 had been paid into people's bank accounts.

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

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

Ex-gratia Income Support Allowance for New Zealand non-protected special category visa holders was activated to assist those who suffered a loss of income as a direct result of the New South Wales bushfires in October 2013 and Tropical Cyclone Ita and its associated severe weather, rainfall and flooding in Queensland in April 2014. This payment is the equivalent of the DRA.

No figures have been reported for 2013–14 as small numbers of distinctive claims may lead to individual claimants being identified.

EMERGENCY CLAIM LODGEMENT CHANNEL

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

Table 43: Percentage of disaster recovery claims by claim channel[1]

Claiming method	2013–14 %
Phone	21
Online	14
Paper and in person	65

1.   These figures do not include AVTOP claims.

WORKING IN EMERGENCY RECOVERY

In 2013–14, following the bushfires in New South Wales and Western Australia, 58 staff were sent to field locations to assist in recovery centres as soon as the government announced activation of these payments.

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

The department tailored business-as-usual activities for the bushfire and cyclone affected areas to streamline access to payments and services for those affected.

AUSTRALIAN VICTIM OF TERRORISM OVERSEAS PAYMENT

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

The payment has been declared for the following terrorist acts:

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

At 30 June 2014 the Australian Victim of Terrorism Overseas Hotline had taken 1825 calls since 9 October 2013. Claims could be lodged from 21 October 2013.

Table 44: AVTOP payments at 30 June 2014

	Payments to primary victims	Payments to secondary victims
Claims received	360	256
Claims paid to affected people	270	176
Amount paid into people's bank accounts	$19 612 979	$7 725 647

NATIONAL EMERGENCY CALL CENTRE SURGE CAPABILITY

The National Emergency Call Centre Surge Capability (NECCSC) allows Australian and state and territory government agencies to divert excess calls to their emergency (non-000) lines to the department.

The NECCSC was activated in 2013–14 for the following events:

- Northern Territory Government, January 2014—to provide information to the public in relation to concerns about banana freckle eradication in the Northern Territory—less than 10 calls answered
- Victorian Government for the Victorian Bushfire Information Line, February 2014—more than 900 calls answered
- Victorian Government for the Victorian Bushfire Information Line, March 2014—more than 30 calls answered.

Events that closed in 2013–14

Claims for the AGDRP can be lodged up to six months from the date the payment is activated. Claims were paid in 2013–14 for events that occurred during the 2012–13 disaster season—that is, the period for claiming some payments did not 'close' in 2012–13. These events included:

- Queensland floods January 2013
- New South Wales floods January 2013
- New South Wales bushfires January 2013
- Tasmania bushfires January 2013.

In 2013–14 the department had paid:

- more than 460 AGDRP payments, worth more than $540 000
- more than 190 Disaster Income Recovery Subsidy Payments worth more than $490 000
- less than 20 ex-gratia payments to New Zealand non-protected special category visa holders worth less than $20 000.

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).

CRS AUSTRALIA

CRS Australia is a division of the department. It delivers a range of services including:

- Disability Employment Services—Disability Management Services under a memorandum of understanding with DSS. Under these arrangements CRS Australia assists people with a disability, injury or health condition to address barriers to work and to find and keep sustainable employment

- injury prevention and injury management services—for a range of public and private sector organisations to assist employers and their employees to maintain a safe working environment

- other disability or employment related services—in 2013–14 this included assisting older Australian Disability Enterprise workers plan for and transition into retirement and providing planning assessments on behalf of the National Disability Insurance Agency.

At 30 June 2014 CRS Australia employed 1014 service delivery staff with allied health, employment and administration expertise. CRS Australia services are provided in 108 offices and another 51 are co-located in the department's service centres across Australia. CRS Australia also provides visiting services in around 65 locations.

On 13 May 2014 the Australian Government announced that the market share currently held by CRS Australia would be put out to open tender for non-government providers. As a result CRS Australia will conclude operations by 2 March 2015.

Forging partnerships

CRS Australia has partnerships at regional and national levels to support access to a range of services for customers and participants.

The three-year contribution CRS Australia has made to the Supporting Parents Developing Children Program in Southern Hume, Victoria concluded in 2014. The project aimed to better engage vulnerable children and families in early childhood services, especially new migrant families. CRS Australia supported this project by providing a speech pathologist and an occupational therapist.

CRS Australia and Vision Australia continued a partnership to expand support to people with blindness and low vision, and assisted more people with visual impairment to develop a vocational pathway and find suitable and sustainable employment.

Providing services to other government agencies

CRS Australia provides injury prevention, early intervention and workplace rehabilitation services to several Australian Government and state and territory government organisations. Services include educational training to minimise manual tasks or ergonomic injuries, bullying and harassment training, early contact with parties following a workplace incident to facilitate a safe return to work, and assistance with managing long-term workers' compensation claims.

Maximising workforce participation

In 2013–14 CRS Australia provided disability employment services to more than 43 750 participants including around 19 950 who commenced after 1 July 2013.

CRS Australia assisted more than 8600 participants into work during 2013–14. Of these, 74.1 per cent remained in work for more than 13 weeks.

Recognising the importance of jobs and training

Through its delivery of Disability Employment Services, CRS Australia works with employers and training organisations to provide Job in Jeopardy assistance to participants with the opportunity to develop work-related skills and improve their prospects for sustainable future employment.

CRS Australia assisted employers and more than 450 participants whose jobs were considered in jeopardy due to their disability, injury or health condition. This included around 220 new clients in 2013–14, with the remaining 230 participants already engaged with CRS Australia in 2012–13. Around 60 per cent of Job in Jeopardy participants achieved 26 weeks of sustained employment in 2013–14.

Closing the employment gap for Indigenous people with disability or health condition

CRS Australia works with employers and Indigenous communities to increase opportunities for sustainable employment for Aboriginal and Torres Strait Islander Australians with disability.

CRS Australia improved Indigenous participation in Disability Employment Services during 2013–14, with 4 per cent of all job seekers identifying as Aboriginal and Torres Strait Islander.

We placed more than 800 Indigenous job seekers in a Disability Employment Service, with at least 250 retaining work for 26 weeks.

Providing services to other agencies and organisations

In addition to delivering Disability Employment Services, CRS Australia provides a range of early intervention, injury prevention and workplace rehabilitation services to private sector organisations across Australia. These services include:

- early intervention and workplace rehabilitation
- workplace health and safety training, such as Workplace Ergonomics for Employees and for Managers, Manual Task training, and Health and Wellbeing training
- ergonomic assessments—workstation, worksite, home-based and vehicle.

Maintaining quality services

CRS Australia's Disability Employment Services quality framework includes internal case reviews and quarterly self-assessments. The framework requires CRS Australia to arrange annual external audits against the Disability Services Standards. We gather customer and client feedback throughout a participant's programme, and have a robust complaints management process.

As a Disability Employment Services provider, we maintain certification against the Disability Services Standards to deliver services under the Disability Employment Service Memorandum of Understanding.

From September to November 2013 CRS Australia was independently audited against the Disability Service Standards. CRS Australia conformed with all the standards, and certification with Disability Services Standards was maintained.

We deliver workplace rehabilitation services in all jurisdictions covered by the Heads of Workers' Compensation Authority framework (as well as in Queensland and the Department of Veterans' Affairs which are not signatories to the Heads of Workers' Compensation Authority). CRS Australia is a cross-jurisdictional provider and on 1 July 2013 was granted the instrument of approval under Comcare. To maintain accreditation as an approved workplace rehabilitation provider under this framework, CRS Australia is required to participate in an annual self-assessment.

7

Transforming service delivery

The department is transforming services and giving customers more choices in how they interact with us. The number of people using our digital and online services continues to rise. For most customers this means access to information and services at a time and place convenient to them.

As part of our culture of continuous improvement, this year we introduced two more Express Plus mobile apps, launched the Digital Wallet, and increased services via the newly-established cross-agency myGov online service. Take up of these services is on the rise, as is customer uptake of letters online, and electronic messaging through SMS and email.

Face-to-face services are still popular with customers, especially for people who need more intensive support. With a growing number of Medicare and Centrelink co-located offices customers have greater access to departmental services and self-service facilities.

Staff throughout the department play a crucial role in supporting and advising customers on the use of these new services, especially digital services.

PERFORMANCE HIGHLIGHTS

- We are transforming the way we deliver services by enhancing our existing digital offers and making more services available online. This work now drives the department's transformation agenda in 2014–15.

- The myGov online service continues to grow with over 2.9 million active accounts linking customers to a range of online government services from one secure location and only needing one username and password.

- Use of Express Plus mobile apps is increasing, with two million app downloads this year and more than 36 million Centrelink transactions conducted through the apps.

- Using Express Plus mobile apps on their smart phones, customers can now access a Digital Wallet to view their Medicare card and show their concession cards to concession providers.

- A new quality framework established a single set of expectations for improving services and ensuring they are high quality and meet the expectations of both customers and government.

- The number of customers registering for Centrelink letters online rose by over 30 per cent, from nearly 1.8 million registrations in 2012–13 to more than 2.3 million this year.

QUALITY MANAGEMENT

The department launched a new Quality Framework on 12 September 2013. It establishes a single set of expectations for improving services and ensuring they are high quality and meet the expectations of both customers and government.

The Quality Framework has six elements—accountability; quality processes; issues management; capability; culture and reporting. Together these form the basis for performance improvement and consistency in managing quality.

The framework will be implemented in full over 2014–15, with annual formal assessments of its effectiveness and potential for improvements.

SERVICE DELIVERY TRANSFORMATION

Digital and online services

In 2013–14 the department continued to develop digital services for customers which offer a convenient and secure pathway to claim payments and to view and update information. The department's website had over 96 million visits, with the Payment Finder application being used more than 2.4 million times.

The department extended its suite of Express Plus mobile apps, by launching its Medicare app in July 2013. In 2013–14 the department also rolled out online claims for Newstart Allowance, Parenting Payment and Youth Allowance (job seeker).

Customer uptake of letters online and electronic messaging through SMS or email increased during the year through ongoing promotion and support for customers to move to digital channels.

Table 45: Transactions and registrations for digital and online services

	2011–12	2012–13	2013–14	% change since 2012–13
Centrelink				
Online account transactions[1]	48.0 million	58.1 million	59.7 million	+2.8
Phone self-service transactions	5.8 million	5.8 million	5.5 million	−5.2
Express Plus mobile app transactions	NA[2]	8.6 million	36.1 million	NA[4]
Total Centrelink self-service transactions	56.1 million	74.5 million	102 million	+29.0
Medicare				
Online account transactions	2.2 million	2.9 million	4.0 million	+37.9
Child Support				
Online account transactions	107 000	162 000	183 000	+13.0
Info Service (phone self-service) transactions	NA[3]	NA[3]	851 000	NA[3]

1. Express Plus mobile apps are not included in these transactions, and are reported separately.

2. The first of six Express Plus Centrelink apps was introduced in August 2012.

3. Due to recent changes in Info Service interactive voice recognition options, data from 2012–13 cannot be compared to 2013–14.

4. The staggered release of Express Plus mobile apps between August 2012 and March 2013 means the data for 2013–14 cannot be compared to 2012–13.

EXPRESS PLUS MOBILE APPS

The department's Express Plus mobile apps are a popular way for people to engage with government services, allowing them to complete common transactions quickly and easily, without having to call us or visit a service centre.

Since August 2012 the department has launched:

• Express Plus mobile apps for Medicare, students, job seekers, families and seniors

• the Express Plus Lite multilingual app delivered in three major community languages: Arabic, Chinese and Vietnamese.

The apps have been downloaded more than two million times. In 2013–14, over 36 million transactions were completed using the Express Plus Centrelink apps.

DIGITAL WALLET

In April 2014 the department launched the Centrelink component of the Digital Wallet. The wallet allows customers to access an electronic version of their concession card through their Express Plus Centrelink app. It is an electronic alternative to the physical concession cards currently used by customers for concessions under the Centrelink programme. It can be used in the same way as physical cards issued by the department. The Express Plus Medicare app already displays the Medicare card. See *Digital Wallet is launched* on page 120.

myGov

The department is delivering a whole-of-government approach to improving online services for Australians through myGov. myGov provides people with a secure online account giving them access to a range of government services using one username and password. We continue to work with other Australian Government agencies to further develop the service.

At 30 June 2014 there were more than 2.9 million active myGov accounts linking digital services from the department (Centrelink, Medicare and Child Support), the Department of Health (the Personally Controlled Electronic Health Record), the Australian Taxation Office, the Department of Veterans' Affairs and the National Disability Insurance Scheme.

Through myGov people can now receive letters from Centrelink, Child Support and Medicare in their Inbox. Over the period from its commencement on 29 March 2014 to 30 June 2014 the myGov Inbox received 10 306 632 new and historical letters for myGov account holders.

In May 2014 the myGov Profile was introduced, making it easier for people to link their online accounts and improving the privacy of the account. It will also enable customers to use the 'tell-us-once' service—planned for introduction in 2014–15.

The ATO became the seventh myGov member service on 3 May 2014. This means that access to all ATO secure online services for individuals will occur only through the myGov authentication service. People using the ATO myTax or e-tax solution from 1 July 2014 require a myGov username and password to complete their myTax or e-tax lodgement. At 30 June 2014 there were 156 300 ATO linked accounts. This is expected to grow rapidly in 2014–15.

The myGov service meets all the Australian Government's security and privacy requirements for the storage of personal information. Access to myGov is audited and monitored by the department and we routinely subject myGov to independent security testing. The department is aware that security threats are constantly evolving and we are responsive in addressing these threats.

See also *myGov turns one* on page 136.

HIGH DEFINITION VIDEO CONFERENCING PILOT

During the year the department continued its innovative pilot that explores and evaluates the opportunities provided by emerging high speed broadband technologies. The pilot offers face-to-face services through high definition video conferencing targeted to customers who may find it difficult to visit a service centre.

In 2013–14 Disability Support Pension customers, customers in search of work and customers seeking advice from the Financial Information Service participated in face-to-face interviews and seminars via high definition active video conferencing. Interactive multipoint webinars were conducted with health and allied health professionals.

The eight departmental pilot sites are in Armidale and Coffs Harbour (New South Wales), Toowoomba and Aitkenvale (Queensland), Victoria Park (Western Australia), Modbury (South Australia), Darwin (Northern Territory) and Launceston (Tasmania).

If the pilot is successful, customers living in rural and remote Australia and customers with mobility impairments will receive improved access to services.

DIGITALLY ENHANCED SERVICE CENTRE

In early 2013 the Kippa Ring Service Centre in Queensland suffered fire damage and, following an assessment, was deemed unsafe. The department established a new office in the nearby suburb of Margate, which opened in November 2013. See *Margate shows the future is digital* on page I.

The Margate Service Centre provides digital services as well as face-to-face servicing. A Customer Liaison Officer and Self-Managed Service assistants help to educate customers in digital and online servicing. The service centre is open plan with 10 self-service terminals and features an apps bar that shows customers how to do their business digitally. Promotional material is displayed electronically replacing paper products such as posters and brochures.

The digital service centre is an important component of the department's strategy in trialling new and improved service delivery.

In 2013–14 the first myGov shopfront opened for business in Brisbane. Customers are offered digital channels first, with staff available on site to help customers complete simple digital transactions and online services. See *myGov turns one* on page 136.

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 letters online and electronic messaging through SMS or email.

The number of people using the messaging service increased from around 4.9 million in 2012–13 to around 6 million in 2013–14.

REDUCED REPORTING CORRESPONDENCE

Customers can now receive their reporting notifications and reminders digitally, either directly when they report online, by an online letter, email or SMS. Most customers no longer need a paper form to report their employment income and changes in circumstances unless they choose to report this way. Customers can use a variety of self-service options to report income.

ELECTRONIC DOCUMENT SCANNING

The department electronically scans and stores large amounts of customer correspondence. This applies to documents that are received by mail and fax. Once a document is scanned onto an individual record the digital image can then be accessed electronically by relevant staff located anywhere in Australia. This allows correspondence to be quickly attached to the relevant individual record and handled by a skilled staff member.

We are exploring how we can better use technology to receive and manage customer documents from shopfronts, mail, fax, email, online and mobile apps. We are also looking at solutions for extracting information from digital documents with minimal or no manual intervention.

DOCUMENT LODGEMENT SERVICE

The Document Lodgement Service allows customers to provide documents online. This includes evidence to support a claim or responding to a request from the department. Customers can access the service through their Centrelink online account or through Centrelink and Medicare Express Plus apps. Since its release onto the Centrelink platforms in April 2013 an average of 1600 documents have been lodged per day, and more than 760 000 documents had been lodged by 30 June 2014.

REPORTING AND NOTIFICATIONS ONLINE

Customers can now receive their reporting notifications and reminders digitally and report income and changes of circumstances online.

Centrelink payment summary letters are no longer issued automatically. Instead, customers can access summary information through self-service or by post at no cost. Customers can also use the Australian Taxation Office e-tax service where their Centrelink payment summary information is automatically populated through the e-tax pre-fill service.

SIMPLIFIED PATHWAYS TO ONLINE SERVICES

To make it easier to interact with the department online we are simplifying the pathways for customers to access and use online services.

In December 2013 we implemented the My Profile and Circumstance Update project which made it easier for customers to update their information online. During the year we also upgraded around 19 000 customers to higher levels of access to their online accounts, giving them a wider range of online services.

ELECTRONIC RENT VERIFICATION

Community housing organisations registered with the department can now provide updated rent information for their residents who are receiving payments from the department. With this service a customer no longer has to provide a rent certificate to receive their Rent Assistance payment.

CENTRELINK CONFIRMATION eSERVICES

The department's Centrelink Confirmation eServices allow customers to share their information online 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 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— Superannuation Confirmation.

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 2013–14, 55.6 million Centrelink Confirmation eServices transactions occurred compared to 56.2 million in 2012–13.

ONLINE SERVICES FOR HEALTH CARE PROFESSIONALS

Health Professional Online Services (HPOS) provides secure access to a range of online services for health professionals and their administrators.

In December 2013 the Therapeutic Goods Administration Recall/Hazard Alert service was introduced to HPOS. This new service enables health professionals to enquire about patient contact details for the recall of high risk implantable medical devices.

From January 2014 dentists have used HPOS to check a patient's eligibility for the new Child Dental Benefits Schedule and to check the patient's outstanding claiming balance.

Table 46: Users accessing HPOS services

	2011–12	2012–13	2013–14	% change since 2012–13
Users	87 717	104 771	124 582	+18.9
Accesses to HPOS	1 246 734	1 489 583	1 946 095	+30.6

LETTERS AND FORMS

During the year the department encouraged people to register for letters online rather than have them sent in hard copy to their mailing address (see Table 47). Centrelink, Medicare and Child Support customers can now receive letters online through their myGov Inbox. They are sent an SMS or email to alert them to a new letter.

From 29 March to 30 June 2014 the myGov Inbox sent 10 306 632 letters online.

In 2013–14 the department worked to improve the content of letters across Centrelink, Medicare and Child Support. At 30 June 2014, 924 letters and forms were revised to make them easier to understand.

During the year 576 customer forms were reviewed and 40 forms were discontinued. The volume of forms printed and distributed fell from 29 139 740 in 2012–13 to 20 961 146 in 2013–14.

Table 47: Registrations for Centrelink service letters online

	2011–12	2012–13	2013–14	% change since 2012–13
Registrations	689 514	901 126	1 005 215	+11.6
Customers registered	1 124 558	1 794 800	2 358 107	+31.4
Percentage of customers registered	10.1	15.6	19.8	+26.9

Table 48: Centrelink, Medicare and Child Support—mail house letters

	2011–12	2012–13	2013–14	% change since 2012–13
Centrelink[1]				
– Letters	100 146 140	84 968 521	60 053 941	–29.3
– Correspondence or letters and about special initiatives	5 851 845	6 524 954	1 625 704	–75.1
– Publications	5 474 283	9 417 100	533 815	–94.3
Medicare[2]	17 472 722	18 009 446	17 270 973	–4.1
Medicare cards	3 657 788	4 329 603	5 856 548	+35.3
Child Support[3]	17 023 070	7 395 171	7 378 951	–0.2
Total mail house letters	**149 625 848**	**130 644 795**	**92 719 932**	**–29.0**

1. Special initiatives include Schoolkids Bonus and Digital TV switchover.
2. People who have an online mail preference can receive four types of Medicare letters and a 'welcome' letter in their myGov Inbox.
3. The 2012–13 and 2013–14 figures represent total mail packs which include multiple individual items distributed through the department's Production Centres. The 2011–12 result represents total individual items, with the data sourced through Child Support Management Information Systems.

Table 49: Centrelink, Medicare and Child Support—letters online

	2011–12	2012–13	2013–14	% change since 2012–13
Centrelink	19 407 508	31 724 995	43 487 116	+37.1
Medicare[1]	NA	NA	620 065	NA
Child Support	1 792 407	1 936 315	2 275 995	+17.5
Total letters online	**21 199 915**	**33 661 310**	**46 383 176**	**+37.8**

1. Medicare letters online commenced with the implementation of myGov Inbox on 29 March 2014.

Table 50: SMS letter alert messages sent to Centrelink, Medicare and Child Support customers

	2011–12[1]	2012–13	2013–14[2]	% change since 2012–13
Total SMS	15 302 234	26 981 490	29 145 841	+8.0

1. The 2011–12 figure includes a pilot activity trialling SMS as a reminder for certain Child Support customers. The pilot finished at the end of 2011.
2. Medicare and Child Support SMS commenced with the implementation of myGov Inbox on 29 March 2014.

Self service

ACCESS POINTS AND AGENTS

Access Points provide free self-help facilities where customers can conduct their business with the department. This includes services such as making phone calls to the department, using fax, photocopying and internet facilities, and certifying proof of identity documents.

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 face-to-face information services and an internet-enabled computer and printer for customers to conduct their business. Agents also accept claim forms for lodgement and provide customers with assistance, guidance and referrals.

In 2013–14 the department improved customer access to self-service facilities at nine Agent sites by assisting with infrastructure upgrades. We also successfully trialled Agents assisting customers across all departmental programmes, including Centrelink, Medicare and Child Support services. This will be extended to all sites in 2014–15.

At 30 June 2014 the department had 232 Access Points and 347 Agents throughout regional, rural and remote Australia.

POP-UP OUTLET SERVICE OFFER

Pop-up outlets in shopping centres offer a contemporary retail-style approach to increasing customers' knowledge and confidence in using the department's digital services. The pop-up outlets are intended to be short-term and are an important component of the department's strategy in trialling new and improved service delivery. See *Pop-ups show customers the new way* on page 61.

The department trialled pop-up outlets in the growth areas of Point Cook (Victoria) and Springfield (Queensland) in 2013. These outlets were closed in January 2014 when the trial finished. Most customers gave positive feedback about their pop-up outlet experience and the digital support, and indicated a willingness to continue to use the department's self-service in future.

In 2014 the department set up pop-up outlets to support communities during their transition to one-stop shops. Pop-up outlets opened in Indooroopilly (Queensland) and Cheltenham (Victoria) in May 2014.

Face-to-face services

CHILD SUPPORT SERVICE OFFER

From 2 January 2014 all departmental service centres offered integrated Child Support services.

Child Support customers attending a service centre are now referred to the most appropriate assistance, for example, phone self-service, online, or if required, more intensive services.

Departmental staff who previously provided face-to-face Child Support services in a limited number of departmental service centres transitioned to new roles by 30 January 2014 with the implementation of the new integrated model.

CO-LOCATION WITH OTHER ORGANISATIONS

The department continues to co-locate with other government agencies and with non-government organisations in service centres to broaden the range of services available in one site. For example, customers can access services from an increasing number of providers such as the Australian Taxation Office, the Department of Immigration and Border Protection, the Department of Veterans' Affairs, the National Disability Insurance Agency, and state and territory housing authorities in various locations around Australia.

SERVICES PROVIDED IN OUR SERVICE CENTRES

The department continues to expand the one-stop shop approach to ensure customers can access a range of services across all 431 service centres. This includes increasing the number of full service one-stop shops to 139, and creating an additional 31 locations where people can access the full range of Medicare and Centrelink face-to-face services. This compared to 108 full service one-stop shops in 2012–13. In other locations the range of services has broadened to provide greater access to self-service options.

At 30 June 2014:

- 402 service centres offered Medicare services compared to 240 in December 2009 when the one-stop shop initiative commenced
- 420 service centres offered Centrelink services compared to 313 in December 2009 when the one-stop shop initiative commenced.

MOBILE SERVICE CENTRES

Australian Government Mobile Service Centres deliver government payments and services to regional and rural areas. Depending on the area visited, staff from other government agencies travel with the mobile service centre. In 2013–14 other agencies included the Australian Taxation Office, the Australian Electoral Commission, the Victorian Justice Department, and the New South Wales Department of Family and Community Services. More than 130 third parties participated in mobile service delivery to regional communities during 2013–14 compared to 230 in 2012–13.

Priority is given to communities that are more than 50 kilometres from a service centre. In 2013–14 mobile service centres visited 383 towns of which 268 were more than 50 kilometres from a service centre and helped over 9800 people. This compares to 371 towns visited and over 13 000 people assisted in 2012–13.

In October 2013 a mobile service centre spent 10 days supporting communities affected by bushfires in the Blue Mountains in New South Wales. Both units also visited 141 drought affected towns in New South Wales and Queensland between March and June 2014 to assist with the government's drought response measures, helping over 3100 people.
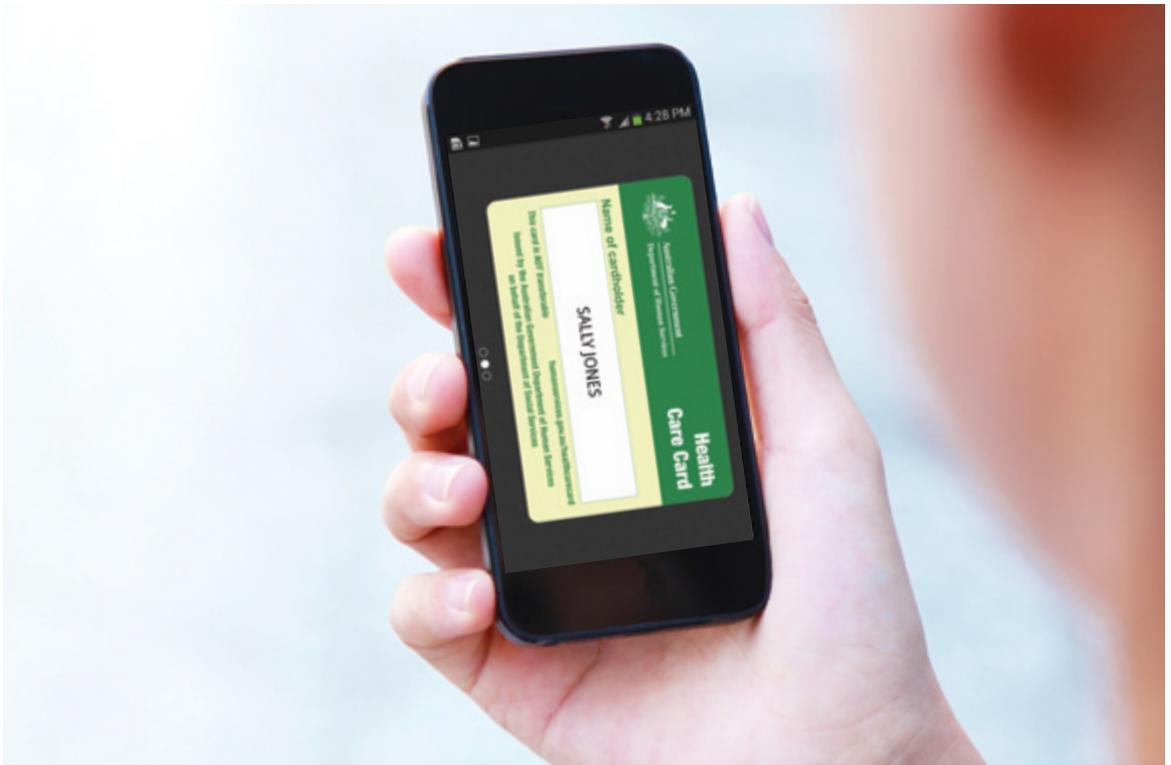
Digital Wallet is launched

Concession cards have gone virtual. The Digital Wallet, launched in April 2014, means customers can now use their smart phones to view and display their concession cards.

The Digital Wallet is available through the department's Express Plus mobile apps, giving customers access to their concession cards at their fingertips. The Digital Wallet provides customers with easy access to their:

- Commonwealth Seniors Health Card
- Pensioner Concession Card
- Low Income Health Care Card
- Health Care Card.

Using the Digital Wallet, customers can show the front and back of their concession card by swiping vertically on their smart phone. If a customer has more than one concession card, they just have to swipe horizontally to access the card they need.

Digital Wallet cards can be used in the same way as the physical cards issued by the department. Having an electronic card available on your smart device means fewer cards to carry. With the support of concession providers, people will be able to present their concession card to receive discounts on public transport, prescriptions, doctors' visits and utilities.

Smart centres

The department is focused on improving access to the services and payments delivered on behalf of the government to a diverse range of customers via multiple channels such as online, phone and face-to-face services. Individuals can choose the channel that best suits them and is most appropriate to address their needs.

Smart centres are a flexible way to deliver services. They manage a range of phone and processing services, allowing for work to move efficiently between teams. The smart centre approach is to resolve enquiries as a priority and promote the use of self-service options, Express Plus mobile apps and online services.

Smart centre activities are managed through a virtual network, providing services to a range of customers, for example, families, job seekers and separated parents. Phone and processing services for Centrelink, Child Support and Medicare are delivered from many locations around Australia that form part of the virtual network.

The department traditionally experiences seasonal peak periods of demand from January–March and June–September each year, when increased workload is generated by:

- families income estimates
- families reconciliation
- updates to child care information
- assessing student eligibility for new, and changed enrolments for the new academic year and second semester
- enquiries about the Medicare Safety Net and Medicare benefit tax statements
- Child Support enquiries about assessments for newly separated parents, and assessments as a result of tax lodgements.

In 2013–14 the department processed more than 3.7 million Centrelink claims for payments and services. The major payments are contained in table 51.

Table 51: Centrelink new claims by major payment type

Payment type	Claims finalised 2011–12	Claims finalised 2012–13	Claims finalised 2013–14
Family Tax Benefit	637 000	643 000	622 000
Parental Leave Pay	204 000	218 000	241 000
Baby Bonus	198 000	197 000	141 000[3]
Child Care Benefit	312 000	300 000	317 000
Dad and Partner Pay	NA[2]	39 400	90 000
Parenting Payment	154 000	146 000	146 000
Newstart Allowance	639 000	637 000	647 000
Carer Payment and Carer Allowance	245 000	232 000	267 000
Disability Support Pension	136 000	126 000	141 000
Age Pension	144 000	149 000	153 000
Youth Allowance[1] (students) and Austudy	246 000	233 000	254 000

1. This figure does not include Youth Allowance (other).
2. Dad and Partner Pay commenced on 1 January 2013.
3. Baby Bonus was replaced by Newborn Upfront Payment, Newborn Supplement and Stillborn Baby Payment on 1 March 2014.

PHONE SERVICES

The department operates separate phone lines for each programme through its network of smart centres across Australia.

In 2013–14 the department handled approximately 59.5 million calls about Centrelink, Child Support and Medicare services compared to 59 million in 2012–13.

The average length of time a customer waited for their call to be answered in 2013–14 was:

- 14 minutes and 26 seconds for customer services compared to 10 minutes and two seconds in 2012–13
- 46 seconds for provider services compared to 33 seconds in 2012–13.

The department continues to focus on improving the customer experience by simplifying and automating many of the department's telecommunication systems. This includes improvements to:

- interactive voice response systems, based on the latest technology and customer feedback

- the 'place in queue' call back system, which reduces the time customers spend waiting to talk to a Customer Service Officer

- voice recognition and authentication applications, to simplify self-service registration and identification processes, removing the need for customers to repeat complex personal registration details during each contact.

NATIONAL JOBSEEKER CLAIMS NETWORK

The National Jobseeker Claims Network is part of the smart centre network. It aims to maximise the number of Newstart Allowance and Youth Allowance (job seeker) new claims that can be finalised with the customer both over the phone and online (Newstart Allowance only), eliminating the need for an interview in person. In 2013–14 improvements to streamline the new claim process for job seekers were introduced, including:

- continuing the roll out of the Newstart Allowance online customer claim lodgement

- introducing the Youth Allowance online customer claim which allows customers to choose the time and place to finalise their claim as well as upload all required information—including from third parties

- allowing customers to reschedule appointments online

- providing 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.

MULTILINGUAL SMART CENTRE SERVICES

Smart centres provide multilingual phone services 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 2013–14 Customer Service Officers on the multilingual lines answered more than 829 000 calls compared to more than 847 000 calls in 2012–2013.

RURAL SMART CENTRE SERVICES

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 know about 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 2013–14 more than 246 000 calls were answered in rural phone centres compared to more than 298 000 calls in 2012–13.

INDIGENOUS SMART CENTRE SERVICES

Remote smart centres deliver phone services to rural and remote Indigenous Australians. They provide culturally appropriate access for Indigenous Australians, particularly those living in remote areas, who may not have direct access to other facilities. Smart centres also deliver services to urban Indigenous Australians, including advice about Indigenous-specific payments.

Customer Service Officers can respond to calls from Indigenous customers, as well as from agents acting on their behalf in remote areas. The most common questions are about ABSTUDY, Indigenous services, Income Management and the BasicsCard.

In 2013–14 approximately 2.2 million calls were answered about Indigenous issues, and Income Management compared to 1.9 million calls in 2012–13.

ABSTUDY SMART CENTRE SERVICES

ABSTUDY smart centres process claims for ABSTUDY payments at four specialist sites in Cairns (Queensland), Darwin (Northern Territory), Sydney (New South Wales) and Perth (Western Australia). In 2013–14 around 35 000 new ABSTUDY claims were finalised compared to around 37 000 in 2012–13.

CHILD SUPPORT SMART CENTRE SERVICES

The department delivers most of its Child Support services to customers over the phone, in many cases finalising processing in real time.

In 2013–14 we:

- received approximately 2.6 million calls about Child Support from separating or separated parents compared to 2.8 million in 2012–13
- processed approximately 18 169 requests for a change of assessment compared to 19 800 in 2012–13.

HEALTH, AGED CARE, AND OTHER SMALL BUSINESS PHONE SERVICES

The department provides phone services for health and other programmes to health professionals, aged care organisations, and small businesses. During 2013–14 these services covered Medicare, the Pharmaceutical Benefits Scheme, specialised health and medical services, aged care, and the Small Business Superannuation Clearing House. The clearing house is now administered by the Australian Taxation Office.

In 2013–14 the department handled approximately 13.8 million calls from health professionals, aged care organisations, and small businesses about health and other programmes compared to 14.3 million in 2012–13.

SERVICE DELIVERY IMPROVEMENTS

Service Delivery Operating Model

In 2013–14 the department continued to use the Service Delivery Operating Model to guide the design and development of services to create better outcomes for government and customers. The operating model has four service levels on offer from the department:

- naturally connected, automated services happening 'behind the scenes'— to save effort for customers and staff
- self-managed—for people who can access and use services by themselves without needing support from staff
- assisted—for people who are unable to self-manage because of their circumstances and require support to access the right services
- managed and intensive—for people facing complex challenges who need a high level of coordinated assistance for a period of time.

We are focusing on providing integrated services across a range of channels to increase the availability of self-service options and provide more flexibility and convenience. New approaches to phone and face-to-face services mean that customers have access to a greater range of services in the one place, and in locations chosen to meet the needs of local populations.

Continuing implementation of the Service Delivery Operating Model will lead to more online and self-managed services, allowing staff to focus on customers facing complex challenges.

ICT systems

The department is simplifying and reducing the number of ICT platforms. We are developing a business case to replace or upgrade its current Income Security Integrated System. This system makes assessments and delivers income support and family payments to more than seven million customers; however, the technology on which the system was developed is ageing. Improvements to, or replacement of the system, are being considered to support existing work we are already doing to give customers greater convenience, simplicity and security through better access to online and self-service options.

A NEW CHILD SUPPORT SYSTEM

The department is replacing its Child Support CUBA ICT system. The new system will improve service delivery through a new, integrated Child Support case management system that will be implemented in two phases. The new system will enhance the management of child support cases, and better support staff who provide child support services. It will also lead to more efficient transfer of information between the department and other government agencies.

BUSINESS SYSTEMS

In 2013–14 further work was undertaken to integrate business systems. This included developing and introducing Customer First—the department's new, unified servicing platform for all staff. The new system improves customer experiences and workforce efficiency by better distributing information across the Centrelink, Medicare and Child Support programmes.

Customer First was rolled out to most of the department's service delivery network in 2013–14. Most of the staff in service centres, smart centres and other teams now use the new interface every day.

8

Engaging with others to improve our services

The department has a strong commitment to engaging with customers, staff and the community to gather input for developing and improving our services.

We value and act on the feedback we receive through our survey programme and via customer feedback mechanisms.

The department has productive and collaborative relationships with the different levels of government, other departments, community groups, health professionals, and the not-for-profit and private sectors.

All these relationships help the department play an active role in developing new approaches to social and health-related policy and service delivery.

Engaging with others effectively enables us to deliver against our third strategic theme—a strong collaborative approach.

PERFORMANCE HIGHLIGHTS

- The department performed consistently against our six service commitment themes, showing strong results for customer satisfaction with staff treating customers with respect, staff behaviour, and access to accurate information and simplified services.
- Our engagement framework remains an important element of our core business, and stakeholder engagement and communication plans are a mandatory requirement for all approved projects.

CUSTOMER SATISFACTION

Service Charter—our service commitments

The department's Service Charter, *Our Service Commitments,* is a public expression of the department's commitment to excellence in service delivery, outlining:

- our service delivery approach and commitments
- customers' 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. The results are derived from a single departmental survey that integrates all current programmes—excluding CRS Australia which has its own satisfaction programme—and includes baseline customer satisfaction. The survey focused on the customer's most recent interaction in the previous fortnight and was conducted continuously throughout 2013–14. 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 assessments of staff behaviour.

In 2013–14, 91 per cent of customers surveyed agreed that staff treated them with respect (91 per cent in 2012–13) and 79 per cent of customers surveyed agreed that staff took into account their individual circumstances (81 per cent in 2012–13).

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

In 2013–14, 62 per cent of customers surveyed were satisfied with the ease of accessing services (64 per cent in 2012–13).

Quality information: We are committed to providing consistent and accurate information—measured by customer assessments of the consistency and accuracy of information.

In 2013–14, 82 per cent of customers surveyed agreed that staff had told them everything they had to do to get the service (84 per cent in 2012–13) and 83 per cent of customers surveyed agreed that they were given accurate information (85 per cent in 2012–13).

In 2013–14, 78 per cent of customers surveyed agreed that staff gave them information that was consistent with what they had already heard or read (81 per cent in 2012–13).

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

In 2013–14, 72 per cent of customers surveyed indicated that staff had advised them of their rights and responsibilities (73 per cent in 2012–13).

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

In 2013–14, 79 per cent of customers surveyed agreed that staff took into account their individual circumstances (81 per cent in 2012–13).

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

In 2013–14, 80 per cent of customers surveyed said that staff were prompt and efficient (81 per cent in 2012–13).

Satisfaction survey programme

The **Transactional survey** targets a random selection of customers who have recently contacted the department and measures their satisfaction with the most recent transaction.

There are a number of other research activities that form part of the satisfaction research programme. 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.

The department also surveys **customer experience of complaints handling**.

Table 52: Summary of the department's satisfaction research activities

Survey title	Target audience(s) and sample size	Summary of findings 2012–13	Summary of findings 2013–14
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 • In 2013–14 approximately 25 000 surveys were completed through phone interviews and 14 000 surveys completed through integrated voice response.	Showed an overall satisfaction rating of 74 per cent in 2012–13, 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.	Showed an overall satisfaction rating of 71 per cent in 2013–14, including: • satisfaction with Centrelink services at 68 per cent • satisfaction with Medicare services at 85 per cent • satisfaction with Child Support services at 84 per cent • satisfaction with face-to-face services at 74 per cent • satisfaction with phone services at 70 per cent.
Relationship Survey	• Targets customers who have had any interaction with the department in the previous 12 months • Measures customers' general perceptions of the department • In 2013–14 the survey was conducted across May and June with 1000 surveys completed.	Showed an overall satisfaction rating of 68 per cent in 2012–13, including: • 62 per cent for Centrelink • 80 per cent for Medicare • 44 per cent for Child Support.	Showed an overall satisfaction rating of 69 per cent in 2013–14, including: • 64 per cent for Centrelink • 81 per cent for Medicare • 50 per cent for Child Support.

Survey title	Target audience(s) and sample size	Summary of findings 2012–13	Summary of findings 2013–14
Health provider survey	• Targets a random selection of health care providers who have interacted with the department in the previous 12 months • Runs once a year • In 2013–14 approximately 1050 surveys were completed.	The percentage of health providers indicating they were satisfied or neutral with the services provided by the department in 2012–13: • 96 per cent for pharmacists • 98 per cent for aged care providers • 91 per cent for practitioners • 93 per cent for practice managers.	The percentage of health providers indicating they were satisfied or neutral with the services provided by the department in 2013–14: • 98 per cent for pharmacists • 80 per cent for aged care providers • 93 per cent for practitioners • 93 per cent for practice managers.
Customer Experience of Complaints Handling	• 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 in 2012–13, including: • 50 per cent for Medicare • 39 per cent for Centrelink • 15 per cent for Child Support.	Showed an overall satisfaction rating of 44 per cent in 2013–14, including: • 49 per cent for Medicare • 48 per cent for Centrelink • 33 per cent for Child Support.

CRS Australia customer satisfaction

CRS Australia seeks individual participant satisfaction through formal and informal feedback. Participant feedback is sought three months after commencement with CRS Australia and again when the participant exits a CRS Australia programme.

In 2013–14, 90 per cent of the 2218 participants who responded to the exit survey were satisfied or very satisfied with CRS Australia services. This is an increase of 1 per cent compared to 2012–13.

CUSTOMER FEEDBACK

In 2013–14 the department developed a consistent approach to managing customer feedback. This is being progressively implemented across the department to better identify and resolve common issues for our customers.

Customers who cannot resolve their complaint with the person they are dealing with can provide feedback through several contact points. Customers can:

- call the feedback and complaints line on **1800 132 468**
- write to us:
  - **Centrelink and Medicare**
    - send a secure online message through 'Contact us' at **humanservices.gov.au**
    - send a postage free letter to:
       DHS Complaints and Feedback
       Reply Paid 7788
       Canberra Business Centre ACT 2610
  - **Child Support**
    - send us an email using a 'Child Support online account' or 'Child Support Business Online Services'
    - send a postage free letter to:
      DHS Complaints and Feedback
      Reply Paid 9815
      Melbourne VIC 8060
    - send a fax to **1300 309 949**
- phone the National Relay Service if customers have a hearing or speech impairment on **1800 555 660**
- speak to a Customer Service Officer at any of the department's service centres.

The department welcomes customer feedback from the public and uses it to identify areas of excellence and areas for improvement. Table 53 on page 134 summarises customer feedback received by the department about Centrelink, Medicare, Child Support and CRS Australia.

Table 53: Summary of customer feedback about the department

Customer feedback	Actual 2011–12	Actual 2012–13	Actual 2013–14	% change from 2012–13
Centrelink				
Compliments	10 074	8 893	6 435	−27.6
Suggestions	2 163	1 542	1 327	−13.9
Complaints	51 155	46 243	52 763	+14.1
Medicare				
Compliments	726	587	597	+1.7
Suggestions	302	203	198	−2.5
Complaints	5 394	12 234	11 690	−4.4
Child Support				
Compliments	321	574	441	−23.2
Suggestions	110	644	130	−79.8
Complaints	19 192	23 312	22 829	−2.1
CRS Australia[1]				
Complaints	252	200	180	−10.0

1. CRS Australia does not record compliments or suggestions received from customers.

Centrelink customer feedback

In 2013–14 the department recorded 60 525 customer feedback contacts about Centrelink services. The top three complaints by volume were:

- access to phone services, including complaints about an engaged signal, call disconnection and on hold wait times (23.5 per cent)
- staff knowledge and practice (17.8 per cent)
- decision making (15.8 per cent).

Medicare customer feedback

In 2013–14 the department recorded 12 485 customer feedback contacts about Medicare services. The top three complaints by volume were:

- access to phone services, including complaints about an engaged signal, call disconnection and on hold wait times (46.3 per cent)
- online services (10.3 per cent)
- decision making (9.7 per cent).

Child Support customer feedback

In 2013–14 the department recorded 23 400 customer feedback contacts about Child Support services. The top three complaints by volume were:

- collection (33.8 per cent)
- quality of service (29.6 per cent)
- child support assessment (18.4 per cent).

CRS Australia customer feedback

CRS Australia uses a positive and coordinated approach to improve services to customers and participants. All complaints follow a three-tier resolution model with most complaints managed at the regional level, and only escalated to divisional and national levels if they are not resolved.

Responses to customer complaints about the department's services

Departmental responses to customer complaints address individual circumstances. A joint approach is taken to resolve customer issues that involve more than one programme or service type.

Responses to resolve complaints may include an apology, an explanation of the policy, correcting a customer's record, reviewing a decision, case management, or referral to an external organisation.

We are developing a new customer feedback collection tool that will provide better information management for analysis of feedback trends and systemic issues.

myGov turns one

myGov reached a major milestone in May 2014—its first birthday!

By 30 June 2014 there were over 2.9 million active myGov accounts with around 480 000 Australians using the service every week to do their business online with Medicare, Centrelink, Child Support, the Australian Taxation Office, the eHealth Record, the Department of Veterans' Affairs and the National Disability Insurance Scheme.

With a myGov account customers can sign in with one username and password to access a range of online information and services. This could include lodging Medicare claims, keeping track of superannuation and tax returns, reporting income and looking up their Centrelink payments and account information. Customers now also receive and manage their digital mail from Medicare, Centrelink and Child Support in one convenient myGov digital Inbox.

The first myGov shopfront opened for business in Brisbane in June 2014.

Customers are offered digital channels first, with staff available on site to help customers complete simple digital transactions and online services. They can access the full range of myGov member services through the self-service computers and specialised e-tax computers. They can also access Express Plus mobile apps and the ATO mobile app, all at the app bar, or through their smart phones.

COMMUNITY ENGAGEMENT

Engagement Framework

Our Engagement framework ensures we have productive and collaborative relationships across the Australian Government, and with community, health professionals and the not-for-profit and private sectors including through advisory groups and forums. This approach reflects our aim to improve effectiveness and ensure genuine and constructive stakeholder engagement that is strategically driven and helps improve the delivery of payments and services across the welfare and health sectors.

The department continuously improves how we consult with others by including engagement and communication plans in our framework as a mandatory requirement for all approved projects.

We also continue to promote a culture of strong stakeholder engagement through consultative relationships that have been built with non-government organisations. These include advisory groups and forums, listed below.

National advisory groups and forums

In 2013–14 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 raise operational and programme level issues affecting the customer groups they represent, discuss enhancements to service delivery, and participate in co-design of services.

NATIONAL WELFARE RIGHTS NETWORK

The National Welfare Rights Network (NWRN) includes 16 community legal services specialising in social security and family assistance law and its administration by the department. NWRN member organisations provide assistance to individual clients, conduct training for community workers, and produce publications to assist social security recipients and community organisations to understand the system. At the twice-yearly meetings between the department and NWRN, information and ideas are exchanged on a range of issues.

NATIONAL STUDENT SERVICES PARTNERSHIP GROUP

The National Student Services Partnership Group continued to work with the department on all aspects of service delivery to students. This includes representatives from education and parent peak bodies. The group met twice in 2013–14 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. The department maintains 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 (CSNSEG) is convened jointly by the Department of Social Services (DSS) and the Department of Human Services. It connects a broad cross-section of advocacy groups, the legal community, academics and peak bodies of support service providers. The group discusses current child support policy, child support service delivery and child support administration processes.

In 2013–14 the group discussed child support agreements, research conducted by the Australian Institute of Family Studies on parental separation, and 2013–14 Budget measures affecting families. Group members also helped develop and test new products and services to help support separated parents to better understand their responsibility for providing financial and emotional support necessary for their children's wellbeing, during and after separation.

LESBIAN, GAY, BISEXUAL, TRANSGENDER AND INTERSEX WORKING GROUP

The Lesbian, Gay, Bisexual, Transgender and Intersex Working Group was established in October 2011 for two years specifically to engage with stakeholders on implementing the *Same Sex Relationships (Equal Treatment in Commonwealth Laws—General Reform) Act 2008.* The final meeting of the working group was held in September 2013.

NATIONAL MULTICULTURAL ADVISORY GROUP AND MULTICULTURAL ADVISORY COMMITTEES AND FORUMS

The department has partnerships with an extensive range of stakeholders from community and government organisations across all levels of government that work on issues relating to service delivery for culturally and linguistically diverse (CALD) customers.

The National Multicultural Advisory Group includes members from government agencies and peak bodies representing communities from culturally and linguistically diverse backgrounds. The group provides advice and feedback about the quality and effectiveness of the department's service delivery to multicultural customers. The annual face-to-face meeting was held in July 2013. Issues discussed included cultural awareness training in the department, the department's Agency Multicultural Plan, challenges for refugees in accessing services, and future service delivery design. The Minister for Human Services attended and discussed service delivery issues for CALD customers.

The department also convenes multicultural advisory committees and forums to consult regularly with multicultural communities at local, state and territory levels. These committees and forums operate in areas with high multicultural populations such as Brisbane, Sydney, Melbourne, Adelaide and Perth. They ensure communities know about the department's programmes, services and new initiatives. In 2013–14 issues raised included online and mobile apps for culturally and linguistically diverse customers, employment and training initiatives in local areas and multilingual services.

OLDER AUSTRALIANS WORKING GROUP

The department met with the Older Australians Working Group in November 2013 and June 2014. The group has representatives of 13 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. Issues discussed in 2013–14 included strategies to improve take-up of online services among older Australians and opportunities for red tape reduction.

NATIONAL PLACE-BASED ADVISORY GROUP

The National Place-Based Advisory Group provided advice to the Minister on community initiatives that help build strong social and economic outcomes. The group met once in 2013–14.

STAKEHOLDER CONSULTATIVE GROUP

The Stakeholder Consultative Group is the department's peak stakeholder consultation forum on health issues. It includes representatives and professionals from consumer, medical, allied health, pharmaceutical and aged care fields. The group provides advice on emerging operational matters as well as input into the implementation of government measures. This helps improve the effectiveness of the service delivery aspects of the health programmes the department administers. The group met three times in 2013–14.

RESEARCH

The department has continued to build on the existing strong analytical and evaluation capability in the area of service delivery. During the year our focus was on the design of knowledge management, and governance arrangements to better support internal and external researchers and to align with changing privacy legislation.

The research programme for 2013–14 was expanded to include additional internal service delivery evaluations as well as collaborative research projects across government. These included projects with the Department of Finance, DSS and the Productivity Commission.

Ensuring compliance and business integrity

The department takes a strategic approach to managing areas of risk to social security and welfare, health, aged care and child support payments.

Our focus is on preventing incorrect payments and claims through education, early interventions and support, for example, to customers, health professionals and aged care providers.

The department also works with others such as the Australian Federal Police to promote a high level of programme integrity, which 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

- A digital forensic capability was implemented to better gather evidence held on computers and other electronic devices.
- The department achieved payment correctness of 97.9 per cent against our target of 95 per cent.
- We made immediate contact with more than 187 000 customers, to remind them of their reporting requirements.
- $1.27 billion was recovered in outstanding Centrelink debts.
- 207 health professionals working in large practices whose practice profiles suggested possible over-servicing were interviewed.
- We conducted 3107 investigations into fraudulent activity, the majority relating to fraud against welfare and child support programmes.

NEW COMPLIANCE INITIATIVES

Compliance for customers with earned income

A new measure to increase compliance for customers with earned income began on 1 July 2013 and ceased on 30 June 2014. It involved an additional 19 000 compliance reviews of people receiving Centrelink payments who were at risk of incorrectly declaring income from employment. The review was as a result of a Pay As You Go data match with the Australian Taxation Office (ATO).

Compliance in large practices

The department continued to assess the risks to billing assurance in large practices. By examining Medicare claims data, we identified large practices where four or more general practitioners had practice profiles suggesting possible over-servicing. The department interviewed 207 general practitioners, specialists and allied health professionals at those practices under the Practitioner Review Program.

Other activities that focused on practitioners working at large practices included developing new educational resources, conducting a survey, and writing to a number of general practitioners to warn them about their daily servicing, warranting possible review. The department also commenced a trial of a new toolkit co-designed with our external stakeholders to help large practices improve their Medicare Benefits Schedule (MBS) billing assurance. This measure started on 1 July 2012 and will be completed by 30 June 2015.

Improved billing practices in public hospitals

The department has held discussions and developed education products to help Local Hospital Networks and hospital staff understand their legal responsibilities, and to bill accurately under Medicare for claims for pathology and diagnostic imaging services provided to emergency department patients in public hospitals. Some Local Hospital Networks have repaid benefits that had were paid incorrectly.

SERIOUS NON-COMPLIANCE

Our intelligence capability

Gathering intelligence and analysing the results, guides the department's fraud control activities. The intelligence capability includes extensive data sharing and data matching with Australian, state and territory government agencies and business entities. The department uses modern data mining techniques to detect fraud along with other sources of intelligence such as public tip-offs.

The department continually identifies compliance risks to health, and social and welfare programmes using the best available evidence, including information from data analysis, reviews and audits.

The department consults with a wide range of stakeholders, such as the Australian Federal Police, ATO, Australian Transaction Reports and Analysis Centre (AUSTRAC), Australian Medical Association, Royal Australian College of General Practitioners and the Pharmacy Guild of Australia, to better understand factors that affect compliance.

The department analyses data obtained from government and non-government agencies, such as health providers and business entities, to determine which compliance activities to undertake. We use educational activities, audits, investigations and the Practitioner Review Program to verify, assess and test compliance to ensure that benefits are claimed correctly.

Public tip-offs

People can provide information to us:

- through the reporting fraud page on our website **humanservices.gov.au**
- by phoning the Australian Government Services Fraud Tip-off Line on **13 15 24**
- by writing to us at PO Box 7803, Canberra BC ACT 2610.

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.

We also assess patient complaints and tip-offs about potential fraud and other concerns relating to health care programmes to determine if a compliance investigation is required. Allegations about patient safety are referred to the relevant authorities.

In 2013–14 the department received more than 52 000 tip-offs through the Australian Government Services Fraud Tip-off Line and more than 51 000 tip-offs from other sources.

Table 54: Tip-offs

	2011–12	2012–13	2013–14	% change since 2012–13
Tip-offs through Fraud Tip-off Line	49 742	55 229	52 942	−4.1
Tip-offs from other sources	41 790	50 029	51 134	+2.2

Digital forensics

With millions of online transactions processed by the department each year, a low percentage are at risk of fraud and are targeted for investigation.

Customers increasingly prefer to use online self-service options. In response, the department has expanded its digital forensics capability which enables us to identify and respond to fraud committed online.

Digital forensics supports the department's fraud programme, helping our investigators obtain and examine electronic evidence. Because our computer systems are so complex, electronic evidence of fraud could remain hidden if it weren't for our digital forensic capability.

The forensics service is integral to the department as new forms of electronic transactions are introduced.

FRAUD INVESTIGATIONS

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 focused on the most serious cases of non-compliance, rather than on people making honest mistakes.

In 2013–14 the department conducted 3107 investigations into fraudulent activity compared to 3294 investigations in 2012–13. They included:

- 86 identity fraud investigations
- 120 undeclared family relationships investigations
- 310 investigations relating to organised and systemic fraud
- 305 investigations relating to child support
- 304 investigations relating to potential criminal conduct of health professionals and associated business entities, as well as the general public.

During the year the department:

- implemented a digital forensic capability to improve our ability to obtain evidence held on computers and other electronic devices (see *Digital forensics* on page 145)
- hosted two lawyers from the Commonwealth Director of Public Prosecutions (CDPP) to work with investigators in Brisbane and Melbourne for five weeks
- implemented new policies to reduce the potential impact that investigations may have on employers, financial institutions and victims of crime
- worked with the CDPP to refine evidence requirements and standards for the prosecution of offences perpetrated through internet self-service applications.

Optical surveillance

Optical surveillance involves observation of people, vehicles, places or objects. The department continued to use optical surveillance where other investigative processes were unsuccessful. This intelligence and evidence-gathering tool was used when there was reasonable suspicion of fraudulent activity and serious cases of child support avoidance or income minimisation. In 2013–14 the department completed 79 investigations which used optical surveillance compared to 143 in 2012–13.

Organised and systemic fraud

The department contributes to government approaches dealing with serious and organised crime. In 2013–14 this work included:

- working alongside Australian Government and state and territory law enforcement agencies on government-sponsored taskforces
- contributing to the development of the 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
- continuing to work with the CDPP to deal with cases of unexplained wealth
- continuing to take strong action to deter fraud against the Australian Government Disaster Recovery Payment
- continuing to work with other government compliance and law enforcement bodies to disrupt serious and organised crime
- continuing to integrate forensic accountants
- adopting the newly-developed digital forensic capabilities and applying them to investigations
- referring highly complex and sensitive matters for prosecution to the CDPP
- taking action using dedicated taskforces in response to organised networks deliberately exploiting payment programmes.

Partnerships in combating crime

The department maintains partnerships with many Australian, state and territory government agencies and businesses. These partnerships, including those with law enforcement agencies, 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. We liaise with the Office of the Australian Information Commissioner (OAIC) to ensure we comply with privacy laws and procedures whenever information is shared.

AUSTRAC

The department's intelligence analysts work closely with AUSTRAC. AUSTRAC provides our analysts with access to its records of significant or suspicious financial transactions which may be used to detect undisclosed income or unexplained wealth. In 2013–14 the department contributed to a statutory review of Australia's Anti-Money Laundering and Counter-Terrorism Financing regime.

AUSTRALIAN CRIME COMMISSION

The department supports the efforts of the Australian Crime Commission (ACC) to combat organised crime by seconding officers to the ACC. This included one officer seconded to the ACC's Fusion Centre focusing on financial crime and another officer to the ACC's Australian Gangs Intelligence Coordination Centre. These officers work with investigators and analysts of other law enforcement agencies to disrupt and act against serious and organised crime. In 2013–14 the department also seconded another officer to the ACC's Attero National Task Force. We benefit from these secondments by gaining access to the ACC's operation intelligence reports that may assist the department's fraud control response.

AUSTRALIAN FEDERAL POLICE

The Australian Federal Police supports the department's fraud control efforts. We had nine seconded federal agents working within the department during 2013–14. They assisted the department's investigators to prepare and execute search warrants, provided advice about potential lines of inquiry and helped train investigators. See *Letter of transmittal* on page 4 for Commonwealth Fraud Control Framework certification.

Fraud prosecutions

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

In 2013–14 the department referred 1158 cases to the CDPP including:

- 1071 cases related to customers receiving social security or family assistance payments compared to 1165 in 2012–13
- 29 cases related to customers receiving Child Support services compared to 45 in 2012–13
- 54 cases related to customers receiving Medicare services compared to 22 in 2012–13
- four cases relating to health professionals providing Medicare services compared to six in 2012–13.

PAYMENT INTEGRITY

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

Payment accuracy and correctness

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

Payment accuracy is calculated by the Department of Social Services using data derived from random sample surveys. It reports on payment accuracy in its annual report.

Payment correctness for social security or family assistance payments is also calculated using data derived from random sample surveys. Payment correctness is the percentage of surveys where the customer did not have an incorrect payment due to administrative error. With a target of 95 per cent, in 2013–14 the department achieved payment correctness of 97.9 per cent compared to 98 per cent in 2012–13.

Health and aged care payment integrity

The department uses Payment Accuracy Reviews to provide assurance of the integrity of the MBS and Pharmaceutical Benefits Scheme (PBS) payments.

The department is responsible for protecting the integrity of the health and aged care support programmes it administers by ensuring only eligible services are paid for.

As part of the continued commitment to payment integrity, the department conducts compliance audits with health professionals to verify services where there is a risk that payments are incorrect. When an incorrect payment is confirmed, the department is required to recover the money and provide advice and information to educate, support and encourage future voluntary compliance.

During the year the department continued to work closely with the Department of Health and the Department of Finance to progress the compliance arrangements for the Chronic Disease Dental Scheme (CDDS), which closed on 30 November 2012. The department finalised audits and notified over 500 dental practitioners of the outcomes of the audit and their eligibility for waiver application.

The department applied for debt waivers under section 34 of the *Financial Management and Accountability Act 1997* on behalf of dental practitioners in eligible circumstances.

The department continues to seek recovery for non-compliance that falls outside the waiver criteria. When fraud is suspected, we investigate the matter and refer it to the CDPP to consider criminal prosecution.

Complaints and tip-offs are investigated and action taken as required. If the department suspects a practitioner of inappropriate practice, we refer it to the department's Practitioner Review Program for review and then, if appropriate, to the Director of Professional Services Review.

Table 55: Health compliance activity under the Chronic Disease Dental Scheme[1]

Programmes/groups	2011–12	2012–13	2013–14
Waiver submissions made	0	57	453
Dental practitioners with debts eligible for waiver	0	541	484
Amount of debts eligible for waiver	0	$13.5 million	$49.0 million
Number of referrals to the CDPP	0	1	3
Dental practitioners interviewed under the Practitioner Review Program	3	5	7
Dental practitioners referred to the Director of Professional Services Review	0	4	2

1. The CDDS closed on 30 November 2012.

CUSTOMER COMPLIANCE

The department is responsible for ensuring public money is paid correctly through the various programmes it administers.

In 2013–14 we continued to focus on managing risk to the integrity of payments by using interventions based on the level and nature of the risk. This enabled the department to identify and respond to risks faster.

The department uses early intervention and prevention to help people receive their correct entitlements and meet their obligations and responsibilities. The department also works with people to resolve issues when they have not complied with claiming requirements because of genuine mistakes. If incorrectly claimed benefits are identified, the department will seek to recover the money. When there is deliberate fraud, offenders may be prosecuted.

During the year our targeted education strategies included sending letters and SMS messages to remind our customers of their obligations and to prompt self-correction. We also intervened early to prevent debt. Whenever possible, we made immediate contact, usually by phone, to remind our customers about their reporting obligations and to update their records.

In 2013–14 more than 187 000 customers were contacted using this approach with the average debt amount, per review, reducing from $352 to $75. This compares to 297 000 customers with an average debt reducing from $352 to $51 in 2012–13. This approach allows customers most at risk to receive the support they need to ensure their payments are correct.

Table 56: Centrelink payments compliance activity

	2011–12	2012–13	2013–14	% change since 2012–13
Interventions	1.9 million[1]	866 597[3]	869 082	+0.3
Reductions in payments	280 962	85 318	77 272	−9.4
Fortnightly savings in future outlays	$58.2 million	$20.9 million	$19.2 million	−8.1
Prevented outlays	NA[2]	$89.4 million	$51.8 million	−42.1
Debts raised	169 588	109 619	101 331	−7.6
Total debt value	**$337.3 million**	**$219.9 million**	**$283.6 million**	**+29.0**

1. The figure reported in 2011–12 represents all departmental reviews and interventions, including general circumstance reviews.

2. Agreed measurement of prevented outlays did not begin until 2012–13.

3. The figure reported for 2012–13 and 2013–14 onwards is specific to targeted compliance interventions only, aligned to the department's risk-based approach.

The department's risk-based compliance 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. In 2013–14 external sources included:

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

The details of the department's data-matching initiatives are also reported to the OAIC 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 DVA participated in four complete data-matching cycles. These activities resulted in 27 632 reviews and returned $132.7 million in net benefits to government.

Table 57: Reviews and net benefits to government

	2011–12	2012–13	2013–14	% change since 2012–13
Reviews	28 209	32 316	27 632	−14.5
Net benefits	$131.8 million	$118 million	$132.7 million	+12.5

See Appendix D on page 309 for reporting on the Data-matching Program.

REVIEWS OF CENTRELINK PAYMENT DECISIONS

Merit reviews

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

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 2013–14 the department completed 123 032 internal reviews of customers receiving payments compared to 123 526 internal reviews in 2012–13.

Decisions most commonly challenged are:

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

Reviews of decisions

Table 58: Centrelink payments external review timeliness

Key performance indicators—internal measures	Target %	2011–12 %	2012–13 %	2013–14 %
SSAT applications sent within 7 days	100	93	88	92
SSAT documents sent within 28 days	100	100	100	100
AAT documents lodged within 28 days	100	98	96	97

Table 59: Centrelink payments merit review applications

Applications	2011–12	2012–13	2013–14
Internal reviews	169 726	135 545	115 618
SSAT	11 097	12 147	9 812
AAT—customer applications	1 633	1 919	1 924
AAT—Secretary applications[1]	32	48	45

1. The Secretary refers to the Secretary of any policy department where under the Administrative Arrangements Order the Minister of that department has administrative responsibility for the legislation relevant to the decision under review. The department manages these applications on behalf of the policy department Secretary.

Table 60: Centrelink payments merit review outcomes

	Unchanged decisions[2]			Changed decisions		
	2011–12	2012–13	2013–14	2011–12	2012–13	2013–14
Internal review officer	67.3% 59 390	63.9% 78 960	65.3% 80 370	32.7% 28 811	36.1% 44 566	34.7% 42 662
SSAT	73.1% 7 091	76.9% 9 002	75.1% 7 686	26.9% 2 608	23.1% 2 707	24.9% 2 548
AAT—customer applications	70.2% 1 131	92.5% 1 651	75.2% 1 416	29.8% 479	7.5% 134	24.8% 468
AAT—Secretary applications[1]	74.4% 32	57.1% 28	73.3% 22	25.6% 11	42.9% 21	26.7% 8

1. The Secretary refers to the Secretary of any policy department where under the Administrative Arrangements Order the Minister of that department has administrative responsibility for the legislation relevant to the decision under review. The department manages these applications on behalf of the policy department Secretary.
2. Unchanged decisions include reviews that have been withdrawn.

DEBT MANAGEMENT

Debt raising

In 2013–14 the department continued to raise debts from customers.

Table 61: Debts raised from customers receiving Centrelink payments

	2011–12	2012–13	2013–14
Number of debts raised	1 808 125	2 006 991	2 230 894
Amount raised	$1.8 billion	$1.8 billion	$2.2 billion

Debt recovery

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

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

When a person with a debt 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 the debt. Commission is paid to the contracted collection agent on the recovered amount. The department also has a dedicated team with an investigative and intelligence capability to locate former customers who have large debts and the capacity to pay them. If necessary, legal action may be taken to recover the amounts owed.

Table 62: Centrelink customer debt recovered

	2011–12	2012–13	2013–14
Total debts recovered	$1.15 billion	$1.16 billion	$1.27 billion
—amount recovered by contracted agents	$114.3 million	$114.7 million	$124.8 million
—percentage of total recovered by contracted agents	9.9%	9.9%	9.9%

Compensation payments

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

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

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

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

CHILD SUPPORT CUSTOMER COMPLIANCE

In 2013–14 the department continued to implement its child support compliance programmes.

The department uses various activities to collect ongoing and overdue child support including those listed in Tables 63 and 64.

Table 63: Child support compliance and enforcement actions

	Number of actions			Child support collected/corrected $ million		
	2011–12	2012–13	2013–14	2011–12	2012–13	2013–14
Tax lodgement enforcement	81 500	36 353	40 443	37.4	25.3	33.9
Tax refund intercept payment	109 056	109 764	111 612	110.5	116.4	130.4
Departure prohibition orders	439	467	271	4.2	6.7	6.2
Litigation	290	162	186	7.4	4.1	4.4

Table 64: 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.	Active paying parents with employer withholding payments set up		
		30 June 2012	**30 June 2013**	**30 June 2014**
		65 910	63 924	63 982
Deductions from Centrelink payments and DVA payments	These deductions may be made for both current liability and child support debt.	Amounts collected from Centrelink and DVA payments		
		2011–12	**2012–13**	**2013–14**
		$25.1 million	$26.7 million	$28.9 million
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.	Amounts collected through tax refund intercept activity		
		2011–12	**2012–13**	**2013–14**
		$110.5 million	$116.4 million	$130.4 million

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.	Number of income tax periods finalised Target: 105 000		
		2011–12	**2012–13**	**2013–14**
		153 874	132 047	177 034
		Of these, the following were finalised as a result of tax return lodgement. (The remainder were finalised through ATO Default Assessments or Return Not Necessary determinations.)		
		23 739	67 569	76 563
		Number of customers finalising all their outstanding tax obligations		
		45 411	36 653	40 443
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.	Amounts collected under Departure Prohibition Orders		
		2011–12	**2012–13**	**2013–14**
		$4.2 million	$6.7 million	$6.2 million
Litigation	The department commences litigation targeting parents who repeatedly avoid paying their child support when other enforcement options have been unsuccessful and an assets or income stream is identified.	Amounts recovered through litigation activity		
		2011–12	**2012–13**	**2013–14**
		$7.4 million	$4.1 million	$4.4 million

REVIEWS OF CHILD SUPPORT DECISIONS

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

We contact parents throughout the objection review process and before we make a final decision. Both parents are given the opportunity to provide information to ensure decisions are accurately based on their individual circumstances and financial capacity, and to promote greater procedural fairness.

Feedback is provided to original decision makers on the number and outcomes of objections received to help improve future decision making.

The department is continuing to review and enhance the objections process by making it more accessible to customers, while upholding the integrity of the Child Support Scheme.

Table 65: Objections received and finalised

	2011–12	2012–13	2013–14
Number of objections received	15 380	15 307	15 074
—percentage relating to care	26.3%	29.1%	34.3%
—percentage relating to change of assessment	20.3%	21.9%	18.4%
—percentage relating to estimates	16.8%	21.9%	15.0%
Percentage finalised in 60 days—domestic	85.8%	73.7%	80.4%
Percentage finalised in 120 days—international	86.9%	77.0%	82.8%

Objections to change of assessment

The objection rate to change of assessment has decreased slightly from 16.6 per cent in 2012–13 to 15.3 per cent in 2013–14. This represents a reduction of 588 change of assessment objections from 2012–13, or a 17.5 per cent decrease.

Table 66: Change of assessment—applications finalised and objections received

	2011–12	2012–13	2013–14
Change of assessment applications finalised	20 044	20 262	18 074
Change of assessment objections received	3 121	3 358	2 770

Social Security Appeals Tribunal reviews

The SSAT is responsible for independently reviewing most child support objections. The SSAT's statutory objective is to provide a review mechanism that is 'fair, just, economical, informal and quick'. The SSAT received 1863 applications for review of child support decisions in 2013–14 compared to 1965 applications in 2012–13.

Table 67: Child Support merit review outcomes[1]

	Unchanged decisions[2]			Changed decisions		
	2011–12	2012–13	2013–14	2011–12	2012–13	2013–14
SSAT	514	430	508	902	791	878

1. The total number of applications will not match the number of changed/unchanged decisions due to a number of applications either withdrawn/dismissed or still in progress.

2. Unchanged decisions are those made by the SSAT affirming the original decision made by the Child Support Registrar. Unchanged decisions do not include withdrawn or dismissed applications.

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

AUDITS OF HEALTH AND AGED CARE SERVICES AND BENEFITS

In 2013–14 the department finalised 4507 compliance activities on health-related cases under various programmes.

Table 68: Health compliance audits

Programmes/groups	2011–12	2012–13	2013–14
Medicare Benefits Schedule[1]	2 738	2 819	3 544
Pharmaceutical Benefits Scheme[1]	299	324	356
Health support programmes	352	326	487
Aged care	50	0	118
Other[2]	0	5	2
Total	**3 439**	**3 474**	**4 507**

1. Medicare Benefits Schedule and the Pharmaceutical Benefits Schedule includes audits of health professionals and members of the public.
2. Other includes programmes such as the Australian Childhood Immunisation Register and the Continence Aids Payments Scheme.

Audit and review activity

In 2013–14 the department conducted a number of compliance activities:

PHARMACEUTICAL BENEFITS SCHEME

- **pharmacy practice incentives**—we reviewed claims for pharmacy practice incentives to ensure they were within the guidelines
- **unapproved pharmacies**—we reviewed claims from approved pharmacies when allegations had been made that a pharmacy had supplied PBS medicines when not approved to do so
- **multiple payments**—we reviewed approved pharmacies when prescriptions appeared to be claimed more than once
- **PBS risk assessment system**—we regularly reviewed approved suppliers to identify potentially incorrect claiming using a data mining tool.

MEDICARE BENEFITS SCHEME

- **MBS claims by members of the public**—we reviewed unusual MBS claims by patients to identify potentially fraudulent payments. We also conducted a review of claims made through Claiming Medicare Benefits Online to ensure the accuracy of the payments made
- **GPs and specialists—removal of malignant neoplasms**—we audited health professionals' MBS billing of removal of malignant neoplasms

to determine if they had obtained histopathology or specialist opinions confirming malignancy in accordance with the legislative requirements

- **consultant physician management plans and consultations**— we audited consultant physicians' billing management plan items on the same day as an attendance item for the same patient, contrary to the legislative requirements

- **Better Access Initiative**—we reviewed the services of allied health professionals claiming the Better Access Initiative to ensure they were meeting referral and reporting requirements

- **Cone Beam Computed Tomography**—we reviewed the services of radiologists to ensure that the item requirements were being met

- **quality diagnostic imaging**—we reviewed the services of radiologists, which were randomly selected, to ensure that the person who took the image was a registered medical radiation practitioner

- **interventional radiology audit**—we reviewed the services of radiologists who were asked to substantiate the billing of interventional radiology MBS items.

- **podiatrist audit**—we reviewed the services of podiatrists to investigate the compliance level for reporting requirements of MBS item 10962.

INCENTIVE PROGRAM

- **Practice Incentives Program**—we audited medical practices receiving incentive payments. Practices were required to substantiate general eligibility for the programme and eligibility for Procedural GP Incentive and Indigenous Health Incentive payments

- **Practice Nurse Incentive Program**—we randomly selected practices to check their eligibility to receive these incentive payments

- **Mental Health Nurse Incentive Program**—we randomly selected practices to check their eligibility to receive these incentive payments.

PRACTITIONER REVIEW PROGRAM

- **80/20 rule**—we referred practitioners who breached this rule to the Director of Professional Services Review. The *Health Insurance Act 1973* specifies that general practitioners are deemed to have practised inappropriately if they have rendered 80 or more professional attendances on each of 20 or more days within a 12-month period. General practitioners identified as approaching the 80/20 service level without yet breaching the rule were reminded of their obligations by letter or at a Practitioner Review Program interview.

AGED CARE

- **Residential**—we reviewed claims for aged care payments to ensure their accuracy.

Reviews of audit decisions

INTERNAL REVIEWS

A health professional who is the subject of a general compliance audit can ask the department to review the decision.

Table 69: Health internal reviews

	2011–12	2012–13	2013–14
Allied health providers	12	9	12
Pharmacies[1]	6	1	0
Dentists	6	0	2
General practitioners	2	4	9
Incentive payments	1	3	3
Total	**27**	**17**	**26**

1. Pharmacies includes other health professionals who dispense PBS medication.

INDEPENDENT REVIEWS

A review of decision is where an independent decision maker reviews the result of a health compliance audit, reconsiders the evidence and either confirms, varies or revokes the original decision.

A review of decision can be made under any programme including the MBS, the PBS or the range of health incentive programmes and decisions in relation to members of the public. There are two categories of reviews. One is provided for under the *Health Insurance Amendment (Compliance) Act 2011* where an MBS compliance audit identifies amounts that are recoverable. This right is only applied to services provided on or after 9 April 2011. All other reviews are administrative.

In 2013–14 there were 16 reviews under the *Health Insurance Act 1973* compared to one last year.

Targeted letters

As part of the department's prevention and early intervention strategies, we send targeted feedback letters to health professionals when there are concerns about Medicare billing practices. These letters encourage health professionals to review their Medicare claiming and to make any necessary adjustments. We include basic information about the health professional's billing or claiming statistics and information about their obligations. The letters also encourage health professionals to voluntarily repay incorrectly paid amounts.

During 2013–14, 599 targeted letters were sent to health professionals. Topics included consultant physician management plans and reviews, anaesthetic time units and consultant psychiatry items.

After receiving these letters, many health professionals change their claiming behaviour and voluntarily notify the department of incorrect payments they have received.

Health Compliance Professionalism survey

The Compliance Professionalism Survey invites health professionals to provide feedback about their experience during compliance audits. The survey is issued around three months after the audit's conclusion. Results from this survey contribute to an assessment of quality of compliance casework. Feedback from the survey guides training initiatives and improvements to business processes.

In 2013–14 the survey was evaluated, modified and questions added, resulting in a more efficient rating scale.

The respondents' feedback shows that compliance activities were undertaken in a professional manner.

Feedback from respondents concluded that:

- 97.5 per cent agreed or tended to agree that overall, they were treated in a professional manner during their audit
- 96.8 per cent agreed or tended to agree that they were comfortable with how their privacy and confidentiality were managed
- 90.7 per cent agreed or tended to agree that the reason for their audit was clearly explained
- 95.7 per cent agreed or tended to agree that they were given the opportunity to respond to their/any audit concerns
- 89.1 per cent agreed or tended to agree that the audit improved their understanding of how to meet the MBS/PBS requirements.

Health programmes debt

In 2013–14 the department initiated action to recover more than $10.7 million in incorrect payments. This was through:

- identifying recoverable amounts from audits and investigations
- payment orders resulting from successful prosecutions
- payment orders resulting from determinations by the Director of Professional Services Review.

Table 70: Debts raised for recovery of benefits incorrectly paid

	2011–12		2012–13		2013–14	
	Number	**$ million**	**Number**	**$ million**	**Number**	**$ million**
Medicare Benefits Schedule	428	8.6	639	3.6[1]	970	9.8
Pharmaceutical Benefits Scheme	126	1.1	105	0.7	146	0.7
Health support programmes	12	0.8	28	0.5	35	0.2
Total	**566**	**10.4**	**772**	**4.8**	**1 151**	**10.7**

1. These figures are different to those reported in the 2012–13 annual report, due to revised quality assurance processes.

Director of Professional Services Review

The Professional Services Review (PSR) is an independent statutory body within the Health portfolio. The Director is responsible for reviewing and examining possible inappropriate practice by practitioners when they provide Medicare services or prescribe government-subsidised medicines under the PBS. When health practitioners do not address concerns about possible inappropriate practice under the department's Practitioner Review Program, the department seeks a review by the PSR Director.

In 2013–14 the department requested the PSR Director to review the provision of services by 45 practitioners—including 12 general practitioners who breached the 80/20 rule. This was the same number of practitioners as in 2012–13.

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*. They make determinations about whether a practitioner should retain the right to bill for professional services that attract a payment under the Medicare Benefits Schedule.

The *Health Insurance Amendment (Professional Services Review) Act 2012* introduced reforms to the categories of practitioners who may be referred to MPRCs. Referral to the MPRC can occur where a health professional has:

- been successfully prosecuted for relevant criminal offences
- breached an Approved Pathology Practitioner undertaking
- engaged in prohibited diagnostic imaging practices
- in particular circumstances have been found to have engaged in inappropriate practice under the PSR scheme and has received formal notification of a decision on two (or more) occasions.

Table 71: Cases referred to MPRCs

	2011–12	2012–13	2013–14
Open matters at start of year	7	9	7
Matters referred	5	7	0
Determinations finalised	3	9	6
Open matters at end of year	9	7	1
Hearings conducted	5	6	6

ANAO Medicare Compliance Audit

On 23 April 2014 a report on Medicare Compliance Audits by the Australian National Audit Office (ANAO) was tabled in Parliament. See Appendix E on page 315.

The department has finalised its assessment against a new risk identification framework and has prioritised the top risks to health programmes and payments. Targeted treatment strategies to address these risks will form the basis of an annual work programme, commencing from 2014–15.

The ANAO audit has set clear direction on a number of specific changes; however, it has also provided an opportunity for the department to reconsider its approach to health compliance. Implementing the recommendations has built upon the department's work to strengthen its approach including:

• reviewing procedures/policy to ensure health professionals are clearly notified about the basis of the compliance activity to be undertaken

• providing clearer guidance on the relevant health professional guidelines

• streamlining the voluntary acknowledgment process, making it easier for health professionals

• reviewing and implementing a revised debt calculation methodology for consistency.

10

People, ICT, corporate services and risk

The department's people, information and communications technology (ICT), corporate services and accountability mechanisms support our key role in delivering efficient and effective services.

With more than 34 000 staff in the department, our human resource management and strategic workforce planning are fundamental to ensuring that our people have the skills to achieve positive outcomes for our customers and meet community and government expectations.

The department's accountability framework and processes ensure we both meet our statutory and reporting obligations and demonstrate that we have responsibly used the resources allocated to the department.

These key enablers support us to deliver against all four of our strategic themes—government outcomes, customer outcomes; capable and engaged people; a strong collaborative approach; and service transformation.

PERFORMANCE HIGHLIGHTS

- The number of Indigenous staff in the department increased to 4 per cent, which is well above the Australian Public Service (APS) target of 2.7 per cent.
- Over 96 per cent of staff had individual performance agreements negotiated.
- Completion of the Canberra data centre consolidation delivered further systems stability and consolidation of telecommunications through a contract with Telstra which led to greater staff productivity and significantly enhanced service delivery.
- The department's Express Plus mobile apps and online services presence increased this year, with more citizens choosing to interact with the department using self-service channels.
- A new Attendance Strategy 2013–2017 and other initiatives aim to stem the rate of unscheduled absences.
- The number of times the Commonwealth Ombudsman approached the department about investigations relating to our customers decreased by more than 30 per cent, compared to 2012–13.
- We established new Department of Human Services Facebook and Google Plus accounts. We now use 12 social media accounts to engage with the community about our services and payments.

OUR PEOPLE

Supporting and managing our people

At 30 June 2014 the department employed 34 773 people, of whom 32 403 (93.2 per cent) were ongoing and 2370 (6.8 per cent) were non-ongoing. Of the 2370 non-ongoing employees 1833 (77.3 per cent) were intermittent/irregular staff. This compares to 2012–13 when 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. Of the 1970 non-ongoing employees 81 (4.1 per cent) were intermittent/irregular staff.

At 30 June 2014 the number of full-time equivalent (FTE) staff was 30 179.48 compared to 31 991.56 in 2012–13. The FTE is the average number of staff, adjusted for part-time and intermittent/irregular 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 intermittent/irregular staff.

Access to flexible working hours is an important mechanism for staff to balance their work and personal commitments. At 30 June 2014, 11 546 (33.2 per cent) of staff worked part-time—that is, they worked less than 37.5 hours a week. This compares to 10 772 (30.1 per cent) of staff in 2012–13.

Appendix F on page 320 presents statistics on staff by classification, employment status, gender and location and sets out staff salary ranges by classification.

Assisting our people

The department provides human resource services through a four-tiered service delivery model delivered by state and territory-based teams. The tiers are:

- **Tier 1—Self-help**

  Staff and managers access 'basic' services through the intranet or get advice from their manager—including about forms, policies and guidelines.

- **Tier 2—People Advisory Centre**

  Staff and managers phone or email to access advice that is 'routine', including a help desk for pay, attendance management and routine human resources matters.

- **Tier 3—People Support Teams**

  Teams provide advice and support with 'complex' people-related matters including human resources, early intervention and rehabilitation case management.

- **Tier 4—Specialised teams**

  Subject matter experts deliver specialised services which are generally accessed through People Support Teams (Tier 3). Other specialist teams include experts in workplace health, staff relations, workplace relations, conduct standards and legislation relating to employment.

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. In 2013–14, 158 people on the Job Placement Services Scheme were found a permanent placement or retired.

Commitment to consultation

Consultation with staff occurs regularly within the department, both formally and informally, facilitated by the *Consultative Committee Framework 2011–2014*. Features of the framework include the National Consultative Committee (NCC) and Zone Consultative Committees (ZCCs).

Typically, ZCCs focus on issues relevant to a particular geographic zone, with issues brought to the attention of the NCC as appropriate. The NCC's focus is on issues of national strategic and operational importance. The deliberations of all committees are available to staff on the intranet.

Workplace relations

ENTERPRISE BARGAINING AGREEMENTS

The *Department of Human Services Agreement 2011–14* covers all non-Senior Executive Service (SES) staff with the exception of those with a Medical Officer classification.

Non-SES Medical Officer staff are covered by the *Department of Human Services Medical Officers Agreement 2013–2014.*

The department commenced formal bargaining for a new Enterprise Agreement on 11 June 2014. The department aims to have a single agreement in place to cover all staff as soon as possible. We are committed to meeting the requirements of the Australian Government Public Sector Workplace Bargaining Policy and the expectations of the department and the government. The department is seeking an agreement that is streamlined, straightforward and does not impose restrictive work practices, and in which any increases in remuneration are offset by genuine productivity gains.

INDIVIDUAL FLEXIBILITY ARRANGEMENTS

Individual flexibility arrangements are used to supplement the conditions of staff in exceptional circumstances, for example, where they provide specialist skills in a remote location.

Workforce transformation

The department's Workforce Transformation 2013–14 programme led to a range of foundational workforce initiatives developed during earlier phases of transformation. This included implementing new job statements for service delivery staff, learning and development options that support shifts in service delivery and improved access for managers and staff to career planning resources. The programme also promoted a renewed organisational culture where staff identify as 'belonging' to one department.

PEOPLE CHANGE MANAGEMENT

Established in 2011, the Transformer network is an internal network of staff who have volunteered to help build a positive attitude towards change in their workplace. During the year the Transformer network grew to more than 3600 staff, representing over 10 per cent of the workforce.

The network provides information and tips to staff to help shape the identity and culture of 'one' department. The network also monitors and supports progress of change projects in the department. Change Managers in each zone assist leaders, managers and staff to adapt to service delivery reforms and to transition to improved ways of meeting community needs.

Strategic workforce planning

The department's strategic workforce planning process captures the people implications of longer-term business strategies and the impacts of future workforce role, capability and number requirements. Strategic Workforce Planning Account Managers partner with the SES to develop group level sub-plans that also align with business planning processes, and consider broader trends and issues affecting the department and the Australian Public Service (APS). Implementing a workforce planning maturity model means the department can evaluate the success of the consultation, integration, measures and results involved in developing sub-plans.

WORKFORCE AVAILABILITY

The unscheduled absence result for 2013–14 was 16.26 days per FTE staff member. This is an increase on 15.97 days per FTE in 2012–13.

As part of its aim to reduce unscheduled absences, in November 2013 the department released its new attendance strategy to all staff. The *Attendance Strategy 2013–2017: supporting a healthy and engaged workforce* is a foundation document to guide the direction of the department to improve attendance management.

During the year business units across the department worked to implement the strategy in their business plans and attendance plans, including:

- examining staff engagement issues and barriers
- encouraging managers and supervisors to attend Positive Attendance for Managers and Early Intervention training programmes
- identifying local action and performance indicators
- including attendance performance expectations in individual performance agreements for supervisors
- using attendance reports to target activities
- ensuring correct leave reporting by staff
- using injury prevention resources
- working with people teams to address long-term absence cases.

Standards of behaviour

Possible breaches of the APS Code of Conduct are taken seriously and appropriate action is taken when required. Investigations are conducted according to departmental procedures, which ensure staff are treated fairly. If a breach is found, appropriate sanctions are imposed.

In 2013–14, 234 matters involving a breach of the code were finalised. Table 72 on page 173 shows the types of behaviour that led to the breaches.

Table 72: Breaches of APS Code of Conduct[1]

Type of activity	Cases finalised 2013–14
Improper access to personal information	119
Improper use of internet/email at work or using work resources	10
Improper use of resources other than internet/email	10
Harassment and/or bullying	12
Failure to act with respect and courtesy during working hours	29
Private behaviour of staff	11
Unauthorised disclosure of information	4
Fraud	66
Misuse of drugs and alcohol	3
Conflict of interest	181
Improper use of position or status	19
Other[2]	8

1. A breach may involve more than one type of behaviour.
2. 'Other' includes activities such as failure to comply with a direction, providing false or misleading information, plagiarism and wrongful disposal of material.

Public Interest Disclosure Act 2013

The *Public Interest Disclosure Act 2013* commenced on 15 January 2014. The Act established a new legislative scheme for investigating allegations of serious wrongdoing in the APS. Information about the scheme is available to:

• staff on the department's intranet
• the public on the department's website.

Responsibilities and functions under the Act are delegated to a core group of SES and Executive Level (EL) staff to ensure appropriate control and oversight in managing disclosures.

People survey

The department actively participates in the APS-wide employee census conducted annually by the Australian Public Service Commission (APSC). Results from the census are now used as the standard engagement measurement tool across the organisation and allow benchmarking with the APS as a whole. Results for the department from the 2013 APS employee census showed that job engagement, team engagement and agency engagement were consistent with last year's results. The level of supervisor engagement was slightly higher. In 2014, 71 per cent of staff participated in the census.

Performance management

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

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

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

In 2013–14, 96.4 per cent of staff (91.2 per cent in 2012–13) had individual performance agreements negotiated, with 2.9 per cent of staff not requiring one due to long-term leave.

Job family model

Implementation of the APSC Job Family Model was completed in June 2013. The model has helped the department to confidently analyse, identify and report on emerging skill requirements. This supports longer-term strategic workforce planning and other human resources strategies such as career pathways, skills analysis and capability development.

Job design

The department implemented new job statements and job titles for staff delivering services in its service centres and smart centres. This consolidated roles from the department's former agencies, creating service delivery jobs across APS2 to EL2 classifications that are consistent in title, classification and work level standard.

Across the rest of the department, jobs were consolidated and aligned to the department's work-level standards and job statements created using the department's job design methodology.

At 30 June 2014 approximately 95 per cent of staff roles had been reviewed.

Apprentices, cadets and graduates

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

The **Cadetship Programme** is a study-to-work programme made up of approved university study and workplace components, both of which need to be successfully completed to graduate from the programme.

The **National Graduate Programme** offers university graduates a range of professional development opportunities, accredited learning and specialised events and activities. The programme offers two pathways—generalist and professional. The professional pathway attracts people with allied health, communication, finance, human resources, ICT and legal qualifications. The 2014 intake of the National Graduate Programme included 70 generalist pathway and 31 professional pathway participants.

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

As part of the entry level framework, the department:

- participated in the ICT Apprenticeship and ICT Cadetship programmes managed by the Australian Government Information Management Office (12 cadets and 13 apprentices commenced in January 2014)
- conducted a departmental ICT apprenticeship diploma programme
- conducted a departmental ICT cadetship programme
- continued the allied health university student placement programme
- continued the Summer Winter Vacation placement with 25 participants from December 2013 to February 2014
- participated in the APSC's RecruitAbility Scheme pilot
- commenced a pilot Disability On-the-Job Training placement programme.

Capability review

The department continued to participate in the APSC's Capability Review, established as a result of the recommendations of *Ahead of the Game: Blueprint for the Reform of Australian Government Administration.* The programme looks at ways to improve the capability of both individual agencies and the APS as a whole.

The APSC published the report of the department's Capability Review in November 2012. For the following 12 months we reported quarterly to the APSC on our progress with implementing actions arising from the review's recommendations.

The department and the APSC agreed on the format of the follow-up 'health check' review to be conducted in 2014 to examine where capability has been lifted in the department in the two years since the Capability Review.

ACCESSIBLE AND INCLUSIVE WORKPLACES

The department is committed to creating workplaces that are 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

The department provides support and training to around 500 staff who use technology accessible for people who may have a disability. In 2013–14 the department took a lead role in the APS ICT Accessibility Roundtable, which produced a comprehensive report on the benefits of accessible ICT for staff, for consideration by the APS Diversity Council. One of the recommendations in the report was to establish and pilot an inter-agency accessibility support unit, operating through a shared agreement between participating agencies, with the department taking the lead on implementation.

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 developed disability awareness and confidence training which is a tiered eLearning package to build awareness and capability of staff and managers. In recognition of the quality of this product, the APSC has asked the department to work with the package to adapt it for use as an APS-wide training resource.

Other diversity initiatives

In 2012–13 staff were consulted using an online forum seeking input to the development of a Multicultural Employee Plan. The plan will contain practical strategies to ensure active inclusion of staff from culturally and linguistically diverse backgrounds. The department widely promoted and celebrated Harmony Day in March 2014.

To enhance inclusion of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) staff the department arranged for the delivery of LGBTI awareness training, published *A Manager's Guide to LGBTI Workplace Inclusion* on the intranet, promoted changes to the *Sex Discrimination Act 1984,* and published the first edition of the *National LGBTI Recruitment Guide 2013–14.*

The department continues to host five staff diversity networks to provide information and support to Indigenous staff, staff with disability, mature age staff, staff from culturally and linguistically diverse backgrounds, and LGBTI staff.

Reconciliation Action Plan

The *Reconciliation Action Plan 2012–14* sets the vision for the department to work collaboratively to improve social, economic and cultural outcomes for Aboriginal and Torres Strait Islander peoples. Under the plan the department recognises the importance of reconciliation, and implements strategies and ideas that commit us to achieving set targets and outcomes. Regular reports on progress against the targets in the Reconciliation Action Plan are provided to the Executive Committee.

Work has commenced on the *Reconciliation Action Plan 2015–17* under the guidance of the Reconciliation Action Plan Working Group. The plan will highlight existing work against measurable targets and establish revised actions and targets.

Employment of Aboriginal and Torres Strait Islander peoples

The department has set an aspirational target of increasing Aboriginal and Torres Strait Islander peoples' employment to 5 per cent by 2015.

In 2013–14 the number of Indigenous staff in the department increased to 4 per cent which is above the APS target of 2.7 per cent. The department supported its Indigenous staff by continuing to implement actions under the *Aboriginal and Torres Strait Islander Employees Plan 2011–2015.*

During the year the department conducted a national Apprenticeship Programme (Indigenous) with 100 participants. The programme gives Indigenous people on-the-job experience and a qualification. Indigenous apprentices who complete the programme advance to APS3 level.

INDIGENOUS MENTORING PROGRAMME

The Indigenous Mentoring Programme was developed to support new Aboriginal and Torres Strait Islander staff 'navigate' their way around the department and the APS. The programme also helps Indigenous staff deal with what can be a delicate balance between their responsibilities and obligations to their community and their new workplace. A new Indigenous staff member usually has an Indigenous mentor after their first three months with the department. The department has 134 Indigenous staff trained as mentors (including 30 new Indigenous mentors who were trained in May 2014).

INDIGENOUS SCHOLARSHIP PROGRAMME

To retain and develop its Indigenous workforce, the department manages an Indigenous Scholarship Programme. This scholarship is for Indigenous staff who have completed the first year of their first undergraduate degree in a field of study relevant to the department's business, with a particular focus on identified departmental future skills gaps. The successful scholars are paid their salary and their university fees for the rest of their studies. The department has eight Indigenous staff on scholarships.

INDIGENOUS CULTURAL CAPABILITY FRAMEWORK

One of the main strategies to improve workplace culture is the requirement for all staff to participate in the department's Indigenous Cultural Capability Framework. This framework is a three-tiered approach to increase and build staff knowledge and awareness of Aboriginal and Torres Strait Islander culture. In 2013–14 around 10 000 staff accessed online Indigenous Cross Cultural Awareness training, and around 2600 staff including SES officers participated in face-to-face Indigenous Cross Cultural Awareness training. Twenty-nine Indigenous staff were trained to deliver the training. Four staff completed secondments to Indigenous communities as part of the Jawun Indigenous Community Secondment Program.

NATIONAL INDIGENOUS EMPLOYEE NETWORK

This National Indigenous Employee Network provides a national voice for Indigenous staff and a consultation mechanism. The network has 777 Indigenous staff who want to actively participate in how the department supports its Indigenous workforce.

LEARNING AND DEVELOPMENT

Technical training

In 2013–14 technical training focused on supporting the department's growing shift to online services, integration, and development of new processes and tools. Activities that supported this included:

- supporting workforce transformation by organising learning in a way that helps staff to build the foundation capabilities for job roles in the department
- developing learning that underpins the Service Delivery Operating Model
- updating and improving the quality and accessibility of technical training
- linking learning to electronic reference material.

We emphasise learning solutions that include on-the-job development using readily available support tools and a phased learning approach aligned to job functions.

Leadership development and engagement

The department supports SES development through participation in the APSC Leadership and Talent Development programmes as well as the Australia New Zealand School of Government programmes. The department is also represented at the Institute of Public Administration Australia and the Australia and New Zealand School of Government annual conferences. In addition, the department contributes to the APSC Strategic Centre for Learning and Development providing feedback on the APS Leadership and Core Skills Strategy refresh as well as contributing to the evaluation of the Strategic Centre's effectiveness.

The department offers Action Learning Sets for SES staff. These are to develop peer support, collaboration and learning through sharing knowledge and experience.

The department helps new SES staff make a smooth transition to their role. To guide talent development and succession planning, SES staff complete career profiles of their work and development history.

During the year the Secretary convened a series of nine four-hour leadership dialogues in Perth, Townsville, Ballina, Bankstown, Wollongong, Brisbane, Melbourne and Parramatta. The dialogues give senior executives and business and operational leaders opportunities to discuss and exchange perspectives on departmental directions and decisions.

The 'Dep Sec Connect' series was also launched. These one-hour sessions were delivered over seven months to ACT-based staff. The sessions are for staff to connect the department's achievements with broader transformation initiatives and national projects.

The Minister for Human Services attended and presented at a number of these events, including the Leadership Dialogue in Parramatta (12 March 2014) and the SES Forum (26 June 2014).

The engagement of leaders in the department in communicating the department's culture and leadership expectations was embedded in the 2013–14 senior executive performance agreement process. All departmental leaders have an additional responsibility to deliver key messages, engage staff and lead change to support the achievement of organisational priorities. Participants consistently report that the Leadership Dialogues provide an opportunity to engage with the Executive on current issues and departmental decisions. Senior leaders report that they also value the opportunity to exchange perspectives on how departmental changes are impacting on the workforce.

Departmental culture

A statement of the department's culture and core behaviours was developed by staff and endorsed by the Executive Committee on 24 June 2013. The department's culture and core behaviours provide a road map for leadership action and a direction for performance management and staff engagement.

A culture communication framework and action plan based around a simple 'We' message was integrated with the department's actions to embed the foundation APS values of respect and integrity.

Middle management development

Manager development is aimed at APS5 staff through to EL2 managers. *A Manager Development Guide* sets out the internal and external courses on offer. The guide is aligned to the department's Management and Leadership Capability Framework. During the year we worked on redeveloping the guide and framework, which are due for release in 2014–15.

The department's Talent Council advises the Secretary and Executive Committee on talent and succession management within the department. Its main focus this year was continuing the Talent Development Programme for EL2 staff— a 12-month intensive development programme which focuses on building leadership skills and capabilities in high-performing, high-potential EL2 staff. In its second year, the programme is a key component in ensuring succession to SES leadership roles by developing a cohort of 'ready now' EL2 staff.

In 2013–14, 20 EL2 staff participated in the second Talent Development Programme.

Ethics and values

The department remains committed to achieving a culture of high ethical standards, actively promoting the new 'ICARE' APS Values, introduced on 1 July 2013, to all staff. To support this, the department regularly communicated with staff about the department's culture statement and core behaviours, reflecting our commitment to ethical workplace behaviour.

In 2013–14 the department focused on promoting a respectful workplace where bullying behaviour is addressed. This included implementing a Respect Guide, a new policy, guidelines on preventing and resolving workplace bullying, and a range of support tools to help managers and staff deal with these issues.

WORK HEALTH AND SAFETY

The department's Work Health and Safety Policy, guidelines and procedures aim to identify, adopt and develop best practice in health and safety management to reduce the social and financial cost of occupational injury and illness and improve business performance.

During the year, the department launched its *Work Health and Safety Strategy 2013–22—supporting healthy, safe and productive workplaces.* The strategy is closely aligned with Safe Work Australia's national *Australian Work Health and Safety Strategy 2012–22* and includes targets for reducing injuries by 30 per cent and action areas for improvement, including:

- healthy and safe by design
- health and safety capabilities
- leadership and culture
- performance monitoring and evaluation.

The strategy focuses on the department's safety priority areas of:

- body stressing injury prevention, including sedentary work
- customer aggression
- offsite safety, including remote travel
- psychological health, including bullying and harassment.

In addition to launching the *Work Health and Safety Strategy 2013–22,* the department's health and safety outcomes in 2013–14 included:

- implementing a safety assurance programme, which involves reviewing safety management at a sample of workplaces annually

- implementing a body stress injury prevention programme called 'Take a stand for better health', which includes promotional material, training, information and resources for staff to set up their workstations, and promotes movement and standing at work to reduce the health impacts of sedentary work

- developing a work health and safety manual to provide practical information about how the department's work health and safety management system operates, and how to use and keep documents about safety

- improving health and safety guidelines and procedures for offsite safety and remote travel, first aid, plant and equipment safety, high-risk work, working alone, workplace emergency plans, safe design of structures, and noise and phone safety

- monitoring safety trends through Incident and Injury Reports and Customer Aggression Reports in the ESSentials human resources system

- training frontline staff to reduce and manage customer aggression

- ongoing work to incorporate crime prevention through service centre designs and best practice in emergency procedures, including use of code grey (shelter in place) and code black (evacuation) procedures

- developing the new *Preventing and Resolving Workplace Bullying Policy*

- developing a pilot mental fitness project to address psychological injury risks

- continuing to provide Mental Health First Aid and mental health eLearning programmes

- providing early intervention training for supervisors and establishing centralised funding arrangements for fast and efficient allocation of early intervention resources

- continuing the workplace influenza vaccination programme.

See Appendix G on page 327 for information required under the *Work Health and Safety Act 2011.*

Figure 8 on page 183 shows the percentage of all accepted claims by mechanism of injury in 2013–14, with body-stressing injuries making up 51 per cent of the total claims.

Figure 8: Accepted claims by mechanism of injury (per cent of total claim numbers)

- Body-stressing
- Mental stress
- Falls, trips and slips
- Being hit by moving objects
- Other
- Hitting objects with body
- Sound and pressure
- Chemicals and other substances
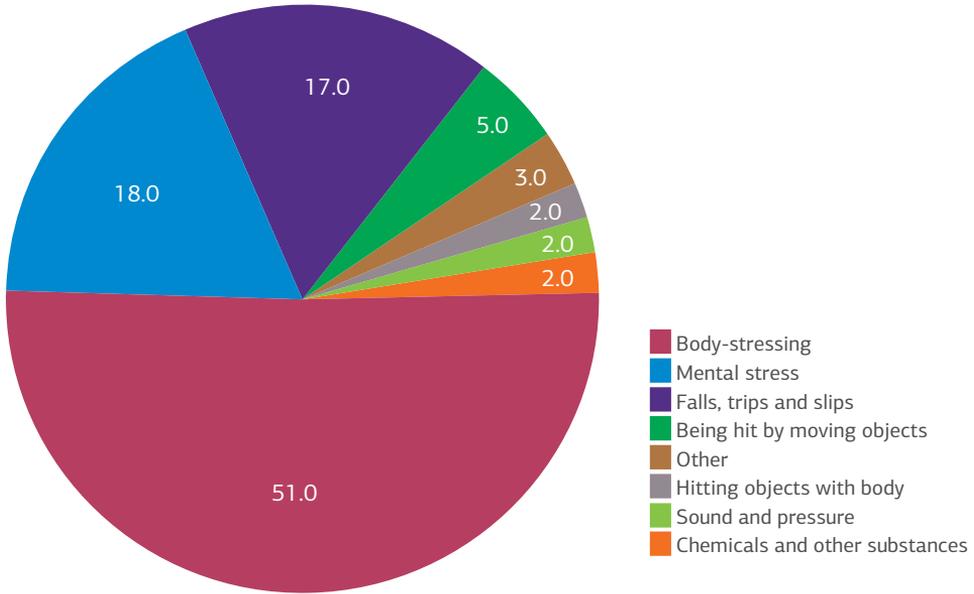
RECOGNISING EXCELLENCE

The department's Awards and Honours Programme recognises and rewards performance excellence. The main national award programme focuses on exceptional customer service, successful innovation, inspirational leadership, and business excellence of both individuals and teams. The department also participates in external awards programmes.

Internal award programmes

The Pinnacle Achievement Awards are the department's primary national annual award programme. They include categories and criteria aligned to the department's strategic direction, culture and leadership priorities.

Significant Achievement Awards are sponsored by the SES and recognise achievements by individuals and teams within their business lines.

The 'In the Moment' programme encourages immediate and informal recognition at a local level.

The department's Australia Day Achievement Awards, as part of the National Australia Day Council programme, recognise staff who have made a significant contribution to helping customers in the local community.

As part of the department's celebration of NAIDOC Week each year the department presents awards for Aboriginal and Torres Strait Islander Employee Achievement, Individual Achievement in Indigenous Servicing, and Team Achievement in Indigenous Servicing.

External award programmes

This year the department participated in a number of public sector endorsed programmes as well as private sector industry association award programmes. Examples of awards received were:

- Australasian Reporting Awards—a silver award for the department's 2012–13 Annual Report
- Australian Government ICT Awards—2013 Overall Excellence in eGovernment Award and the Service Delivery Category Award for our Express Plus mobile apps
- Comcare Work Health and Safety Awards—the Rehabilitation and Return to Work Management Award for its Early Intervention Training programmes for managers. The department was also recognised in the Rehabilitation and Return to Work Award category (awarded to an individual) and in the Solution to an Identified Work Health and Safety Hazard Award category (for the department's efforts to address customer aggression).

Service Recognition Programme

In 2013–14 the Service Recognition Programme acknowledged 1802 staff for their increased level of experience, capability and insight developed through continuous employment in the APS. The programme is an important part of the staff engagement strategy to build a culture that values staff service contributions. Service recognition certificates and service pins are given to staff who reach 10, 20, 30, 40 and 50 years of continuous service in the APS.

WORKPLACE GIVING

Workplace giving allows staff to donate to selected charities under pre-tax arrangements.

In 2013–14, 32 workplace giving charities were available to staff through the payroll system. More than $40 000 was donated by staff, the main beneficiaries being Salvation Army, CARE Australia and Cancer Council Australia.

The department is also involved in charity fundraising at the local level. For the fourth time the Secretary participated in the St Vincent de Paul Society's annual Vinnies CEO Sleepout, raising more than $32 500 for the homeless. The Associate Secretary, Service Delivery Transformation, and the Acting Deputy Secretary, Enabling Services, participated in the Hartley-FAW Ability Cycle Challenge 2013, raising more than $2700 for residential, respite, assistive technology and recreation programmes for those living with physical and complex disabilities in the ACT and its surrounds.

Additionally, this year's annual DHS Games (held in Newcastle) raised more than $42 000 for the Australian Red Cross Blood Service, Hunter Surf Life Saving, John Hunter Children's Hospital and Westpac Rescue Helicopter Service.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

The department continues to lead the public sector in digital service delivery transformation. Through extensive community engagement and user-testing, the department continued to improve service delivery through technology.

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. Under the plan we continue to:

- improve the stability, reliability, and overall quality of our systems
- use new and innovative technology to improve the way we do business to support citizens and government
- be innovative in our use of resources to provide better services to the department and the Australian people.

We are rationalising and reducing the amount of software owned and used within the department by decommissioning legacy and obsolete information technology systems where possible. We also use a common desktop environment.

In line with our service availability objectives, the department adopted a 'zero-defect' policy for systems releases. To optimise resources and expertise, ICT staff are now at hubs located in Adelaide, Brisbane, Canberra and Hobart.

Key ICT achievements

Major achievements in 2013–14 included:

- **Telstra contract**—we continued to consolidate our telecommunication services through a contract with Telstra. This has led to greater efficiencies and productivity improvements for staff and significantly enhanced service delivery. Telstra provides the department with a fully-managed service covering voice, mobile and data services and improved servicing capabilities including voice biometrics.

- **Consolidated data centres**—we completed the consolidation of the Canberra data centre. To deliver further systems stability, the department will only have two data centres by the end of 2014.

- **Digital services growth—**we continued to build upon our self-service capability by making additional transactions available to customers via digital channels. Our commitment to enhancing online capability has resulted in a 43.3 per cent growth in transactions completed across digital channels in 2013–14.

- **Mobile apps**—we released three additional mobile apps in 2013–14—Express Plus Medicare for Android in August 2013, Express Plus Lite for Android in October 2013, and Express Plus Centrelink for Apple iOS in June 2014—meeting customer demand for more convenient and flexible access to the department's services. Customers have downloaded more than 2.4 million copies of the Express Plus mobile apps. See *Service Delivery Transformation* on page 109.

ICT support for other government agencies

The department continued to provide ICT support to other Australian and state and territory government agencies, including:

- internet gateway services to eight departments and agencies

- data warehousing and business information services to several departments, primarily to the Department of Social Services and the Department of Health. The services include collecting data from transaction processing systems and formatting, relating and storing that data in a data warehouse, and developing analytical and reporting products that use that data

- a range of information data exchange programmes in support of Centrelink

- online capability for:

  - users of the Small Business Superannuation Clearing House (see page 75), provided on behalf of the Australian Taxation Office

  - the Practice Incentives Program on behalf of the Department of Health— using a web-based self-service system to simplify administration for general practitioners (see page 52)

  - the general practice and Registrar components of the General Practice Rural Incentives Programme (see page 55)

- the HECS Reimbursement Scheme (see page 55)
- the Rural Procedural Grants Program (see page 56)
- the Rural Locum Education Assistance Program (see page 56)
- the School Enrolment and Attendance Measure (see page 24)
- Income Management (see page 88)
- business services supporting the Paid Parental Leave Scheme (see page 23)
- ICT components and ICT technical operational support for:
  - components of the eHealth record system (see page 66)
  - the National Authentication Service for Health which enables secure electronic communications across the health sector (see page 67)
  - National Health Funding Administrator Payments System on behalf of the National Health Funding Body (see page 60). This system supports all state and territory government health departments to provide payments to all Australian public hospitals.

ACCOUNTABILITY AND SCRUTINY

External audits

In 2013–14 the Australian National Audit Office (ANAO) issued 11 audit reports involving the department. The department agreed with all recommendations and the Audit Committee 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 Parliament. The department was not required to attend any hearings of the committee in 2013–14.

For information about ANAO audit reports see Appendix E on page 315.

Commonwealth Ombudsman

In 2013–14 the Commonwealth Ombudsman approached the department about 828 investigations from our customers. This is a decrease of 32.9 per cent compared to 2012–13.

The Ombudsman published one section 15 report involving the department. For more information see Appendix E on page 319.

Freedom of information

In 2013–14 the department had an Information Publication Scheme page on its website. See Appendix H on page 329.

During the year the department received 4366 Freedom of Information (FOI) requests for documents. This represents a 20.21 per cent increase on the previous year. The department received 16 requests for amendment or annotation of personal records. The number of complex requests seeking non-personal information rose by 17.5 per cent.

Taking into account cases pending from previous years, 4339 requests were finalised. Of these requests:

- applicants withdrew 1096 requests before decisions on access were made
- full access was granted in 1169 cases
- part access was granted in 1548 cases
- access was refused in 510 cases
- 16 cases were transferred to other agencies.

REVIEWS OF FREEDOM OF INFORMATION DECISIONS

In 2013–14 the department received 78 FOI requests for an internal review of access decisions and amendment decisions. Of the reviews of access decisions completed in 2013–14, and taking into account requests pending from previous years, 25 requests resulted in access or part access. The original decision was affirmed in 52 of the reviews completed, compared to 36 in 2012–13.

OFFICE OF THE AUSTRALIAN INFORMATION COMMISSIONER

During the year the Office of the Australian Information Commissioner published four review decisions in relation to applications for review of access decisions made by the department. One of those affirmed the department's decision and three varied, set aside or substituted the department's decisions.

Personal information requests

The department provides various ways for people to access their own information including through:

- Medicare online services
- Centrelink online services
- Child Support online services.

The department also responds to requests for personal information in the public interest and under specific provisions in the legislation it administers.

In 2013–14 the department processed 132 663 personal information requests compared to 121 376 in 2012–13, an increase of 9.3 per cent.

Judicial decisions and tribunal appeals

In 2013–14 there were no judicial decisions that had a significant impact on the operations of the department.

A large number of the department's decisions are subject to merit review by the Social Security Appeals Tribunal and the Administrative Appeals Tribunal. See *Merit reviews* on page153.

Internal audits

The department completed 30 internal audits in 2013–14 (including six audits that were carried over from 2012–13). A further 15 internal audits were in progress at 30 June 2014 for finalisation during the first quarter of 2014–15.

The 2013–14 Audit Work Programme (AWP) was developed in consultation with the Audit Committee and the Executive, and is based on the 'three lines of defence' model to ensure adequate coverage and prioritisation of assurance activities, and alignment with corporate strategic risks. A mid-year review of the department's strategic risks, emerging issues and available resources confirmed the AWP's continued alignment with the department's risks and priorities and resulted in minor changes to the programme.

The AWP 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 programmes. Regular fraud awareness reminders from the Secretary and Executive reinforce the shared and collective responsibility of all staff for preventing, managing and reporting risks associated with internal fraud and staff misconduct.

In compliance with the *Commonwealth Fraud Control Guidelines 2011* and section 45 of the *Financial Management and Accountability Act 1997* fraud risk assessments were undertaken across the department to develop the two-year Fraud Control Plan 2014–15. The plan was endorsed by the Secretary on 5 June 2014 and replaced the Fraud Control Plan 2012–2013.

In managing internal fraud the department uses a range of strategies:

- fraud control planning, monitoring and reporting
- fraud prevention and ethical awareness training for staff
- internal and external reporting mechanisms to enable reporting of internal fraud
- collection and analysis of information and data to detect fraud
- investigation of incidents in accordance with the Australian Government Investigation Standards.

Substantiated incidents of internal fraud are investigated and referred to the Commonwealth Director of Public Prosecutions as appropriate.

The department promotes fraud awareness to staff across the organisation and activities include:

- a central intranet page, linking all relevant fraud awareness information
- articles on fraud in staff messaging
- screen savers on personal computers with fraud awareness images and key messages.

Business continuity

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

In 2013–14 we undertook a Business Impact Analysis to identify and prioritise all critical business functions. The outcomes from the analysis identified where we need specific Business Continuity Plans (BCPs) to support our response and recovery from potential business disruptions. A formal programme was also developed to ensure all BCPs are thoroughly tested and regularly updated.

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

RISK MANAGEMENT

The department's Enterprise Risk Management Framework outlines the vision, direction and guiding principles of the department's risk management approach. The framework is consistent with the international risk management standard AS/NZS ISO 31000:2009 *Risk Management: Principles and Guidelines.*

In 2013–14 the department strengthened its risk management capability by embedding its Enterprise Risk Management approach which added value to its management of risk and improved governance of risks.

The department's *Strategic Plan 2012–16* identifies 10 strategic risks which are reported on quarterly. These address matters such as risks relating to:

- 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.

These strategic risks are actively managed through existing controls and 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.

To assist in managing risks associated with urgent or high-profile incidents and issues, the department has a system for quickly informing relevant stakeholders. This process is crucial for rapid communication across the department about urgent and high profile matters.

Legislative Compliance Framework

In 2013–14 the department refined its processes to provide assurance that we have adequate controls to ensure compliance with legislation.

The requirement for legislative assurance stemmed from paragraph 22C(4)(d) of the Financial Management and Accountability Regulations 1997, which referred to the responsibility of audit committees to review the adequacy of an agency's controls that are designed to ensure compliance.

Comcover Risk management

In February 2014 the department participated in the annual Comcover Risk Management Benchmarking Programme. Participation in the programme provides the department with an opportunity to measure its capability using a flexible risk maturity model. The maturity levels reflect the department's investment in its risk management framework and the integration of its operational capabilities.

The department was awarded a 9.2 per cent discount (out of a possible 10 per cent) on the 2014–15 insurance premium. This resulted in $827 041 in savings, an increase from $596 298 in savings on the 2013–14 insurance premium.

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. Our privacy framework is guided by the Operational Privacy Policy, which includes a number of requirements that staff must comply with. The policy reinforces that:

- all staff must sign an undertaking for privacy and confidentiality responsibilities 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 programmes 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 Australian Privacy Principles and relevant confidentiality/secrecy provisions.

Privacy impact assessments

As new projects and programme 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 the department's managers and staff, customers, the Office of the Australian Information Commissioner, or the Commonwealth Ombudsman.

Escalation and reporting processes minimise the effects of any substantiated privacy incident. The total number of substantiated privacy incidents in 2013–14 was 712—13 per cent more than in 2012–13.

CUSTOMER COMPENSATION

Administrative errors

In 2013–14 the department received 3101 customer compensation claims. Claims are paid where the department would be legally liable to pay compensation or under the Scheme for Compensation for Detriment caused by Defective Administration. This compares to 3323 customer compensation claims received in 2012–13.

The department approved a total of 1809 customer compensation claims in 2013–14. This represents 56 per cent of all determined claims compared to 59 per cent in 2012–13.

The department aims to process customer compensation claims within 90 days. In 2013–14, 64 per cent of claims were completed within 90 days compared to 63 per cent in 2012–13.

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.

PURCHASING AND CONSULTANCIES

Purchasing

The department conducted its procurement activities in accordance with the *Commonwealth Procurement Rules* (CPRs). The then Chief Executive's Instructions about the department's procurement activities and related policy and procedural publications were periodically reviewed to ensure they remained aligned with the CPRs and the Commonwealth procurement framework.

In 2013–14 the department continued to provide specialist procurement advice, training and assistance to staff undertaking procurements to ensure compliance with the CPRs—in particular, that they deliver value for money.

The department continued to contribute to establishing and implementing a number of whole-of-government coordinated procurement initiatives led by the Department of Finance. The department also maintained the ongoing management and the current refresh of the collaborative arrangements that support the sourcing of communication services by 45 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 the Department of Finance's guidance on reporting on consultancies. In addition to the department's procurement guidelines and policies, all proposals for consultancy services are referred to a procurement specialist before the relevant Deputy Secretary approves them.

The department engages consultants to provide specialised professional services, independent research or assessment, and other necessary skills when they are otherwise unavailable in the department.

In 2013–14 the department continued a trend of reduced spending on consultancy services. We spent $921 930 on a total of eight consultancy contracts—$443 357 spent on four ongoing contracts and the balance on four new contracts.

Table 73 on page 195 shows total expenditure (including GST) on consultancy contracts for the current and previous two financial years.

Table 73: Expenditure on consultancy services

	2011–12 $	2012–13 $	2013–14 $
Total consultancy services expenditure	7 356 187	3 035 040	921 930

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 2013–14 the department had no contracts or standing offers that were exempted from publication on AusTender by the Secretary.

Australian National Audit Office

All departmental contract templates include a standard clause providing the Auditor-General with appropriate access to a contractor's premises and records.

Grants

Information on grants awarded by the department in 2013–14 is available on our website at **humanservices.gov.au**

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. In 2013–14 the growth in the department's online and self-service capabilities resulted in a reduction in paper records. When the department receives paper records the focus still remains on digitising them. Because the department relies less on paper records we have consolidated existing warehouse storage facilities. This has improved the efficiency of our records management services.

Families 'like' the social media accounts

The department's Family Update Facebook and Twitter accounts are transforming the way customers get information about Australian Government payments and services for families.

More than 30 000 customers choose to follow the department's social media updates for families.

Each day, staff with social media and service delivery expertise answer customer questions about payments and services through Facebook and Twitter, helping to reduce the need for customers to call or visit an office. The benefit of this work is that a response the department shares with one customer can be seen by many others, helping those with similar questions get an answer more quickly. It also improves staff efficiency.

Over time, customer interactions on the Family Update Facebook page have transformed and evolved in a positive way. Previously, customers visited, posted a question and checked in again only once a response had been posted. Now, they're involved in an active and ongoing community of information sharing on the page. Customers regularly share tips and answer each other's questions, allowing the department's staff to focus on responding to posts that need their more urgent attention.

The department also has Facebook and Twitter accounts sharing information for students, job seekers, carers, people with disability and seniors.

COMMUNICATION ACTIVITIES

In 2013–14 the department continued to promote access to payments and services through a range of channels including our website, other government departments and agency websites, publications and through third party and community organisations. We communicated changes to payments and services and new capabilities to staff so they could continue to assist our customers in understanding these changes and using our digital channels.

The department's communication activities are conducted in line with Department of Finance's *Short-term Interim Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies* updated in June 2014. The department did not undertake any government advertising campaigns in 2013–14. See Appendix I on page 330 for information about advertising agencies and organisations carrying out market research, polling, direct mailing and media advertising.

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 to tell customers about our payments and services, including improved ways to access them, and their rights and responsibilities.

Social media engagement

The department uses social media to listen, engage and consult with the Australian community. Through social media monitoring, we listen to what people are saying about our services and respond to their questions with helpful information about our payments and services. We also use feedback received through social media to further improve our service delivery. See *Families 'like' the social media accounts* on page 196.

Engaging in social media—both on our official social media accounts and in other online spaces—means we can effectively deliver information and support to people where and how they choose to receive it.

Key achievements in 2013–14 included:

- establishing Facebook and Google Plus accounts for the department
- hosting a series of live Q&A events on Facebook for older Australians, carers, students, and families
- using Facebook and Twitter to share important information and engage with customers and the broader community
- monitoring online forums and social networking sites to actively respond to customer questions and complaints
- providing immediate updates and alerts on Australian Government assistance during emergencies
- creating and sharing informative videos and podcasts on our website and on youtube.

humanservices.gov.au

The department's website continues to strengthen and support customers interacting with us online. Unique visits increased to more than 96 million in 2013–14 compared to 90.5 million visits in 2012–13. During the year the Plain English Foundation again awarded the site gold certification. See *New parents look online* on page 27.

PROPERTY AND ASSETS MANAGEMENT

Property management

At 30 June 2014 the department maintained a lease portfolio of 648 commercial properties around Australia occupying 788 942 square metres. The property portfolio includes sites delivering Centrelink, Medicare, Child Support and CRS Australia programmes and services.

As a result of the machinery of government changes announced in the Administrative Arrangements Order on 18 September 2013, the Department of the Prime Minister and Cabinet (PM&C) assumed responsibility for Indigenous affairs policy, programmes and service delivery.

To assist PM&C in the delivery of its services, PM&C and the department entered into a 'shared services arrangement' which means the department provides ongoing management of identified corporate functions to PM&C including property management. Under this arrangement the department assumed responsibility for managing PM&C's property portfolio outside the ACT, including commercial properties, staff housing and remote accommodation.

The department owns 34 residential properties and leases another 22 residences in remote locations. These properties provide accommodation for staff in parts of the country where sourcing residential accommodation has historically been difficult.

In 2013–14 the department's strategy to consolidate national office accommodation in Canberra from 21 sites (at 30 June 2012) into seven core sites was completed. The strategy has resulted in improvements to operational efficiencies with approximately 90 per cent of national office staff located together at Greenway in the Tuggeranong Town Centre precinct.

The department will continue to review its office accommodation in Canberra and as the opportunity arises, further reduce the footprint.

The integration of business and service delivery operations during 2013–14 enabled the department to:

- consolidate staff, where appropriate
- optimise business outcomes
- rationalise and reduce the lease portfolio by around 24 300 square metres in locations outside Canberra.

During the year 13 service centres were relocated to new premises, four of which brought together a full range of Medicare and Centrelink services into a single service centre, with two also incorporating CRS Australia services. A further 27 service centres were refurbished to facilitate consolidation of Medicare and Centrelink services, and five service centres and processing centres were refurbished to bring them up to current standards. For more information about service centre initiatives see *Digitally enhanced service centre* on page 112.

In 2013–14 office lease and associated costs for the department were $427.3 million. Capital improvements to our properties incurred a further expenditure of $18.1 million.

Assets management

The department's assets largely comprise leasehold improvements, office equipment and computer software. During the year our assets register was updated as assets were purchased, disposed of or retired.

Security

Effective governance of the department's protective security programme is vital to providing an appropriate security environment that protects the department's people, information, assets and infrastructure.

The department's compliance with the mandatory requirements of the Australian Government Protective Security Policy Framework is managed through activities such as effective security risk management, monitoring and review of security plans and policies, and training and education. The department's protective security policy aligns with the framework and emphasises the need for security to form part of the department's culture.

Shared services

In addition to property management, the department's agreement with PM&C also includes an arrangement under which the department provides a range of services including travel services, fleet management, credit card management, and a staff assistance programme. The shared services arrangement uses the department's expertise and existing nationwide coverage to deliver these services to PM&C.

The department also provides ICT services and learning and development services to a number of agencies.

ENVIRONMENTAL MANAGEMENT

We are committed to carrying out our business in an environmentally responsible and resource efficient way.

In 2013–14 the department continued to integrate improvements and control measures into our environmental management system (EMS), which is aligned to the international standard ISO 14001:2004. The EMS framework helps us manage and report on greenhouse gas emissions, energy use, resource use and waste arising from building operations, motor vehicle and air travel, ICT and stationery supplies.

The department is dedicated to achieving the environmental targets set by the government for energy use, resource consumption and waste, and supports the mandatory environmental standards for application in procurement processes. Supporting these measures drives resource efficiency and innovation in supply chains and across industry.

See Appendix J on page 332 for more information about the department's contribution to ecologically sustainable development and environmental performance.

11

Financial overview and financial statements

FINANCIAL PERFORMANCE

In 2013–14 the department administered an estimated $159.2 billion in payments or around 38 per cent of government outlays. Financial performance targets were met, for the most part, and the department reported an operating surplus of $132.6 million after adjustment for unfunded depreciation and the revaluation of assets. This compares with a deficit of $7.7 million in 2012–13.

See Appendix K on page 338 for resource statements and expenses for Outcome 1 including two departmental programmes and one administered programme.

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 74 on page 203).

In 2013–14 the department received total income of $4231.0 million, comprising $3958.2 million in government appropriation and $272.9 million from other sources (see Table 75 on page 203).

Table 75 on page 203 shows that in 2013–14 the department's income increased slightly by $39.0 million or 0.9 per cent compared to the previous year. This was due to an increase of $49.8 million in appropriation revenue and reduction of $10.8 million in own source income. Figure 9 on page 204 shows a comparison of income and expenses over the past three years.

Table 74: Own source revenue[1]

Government departments and other entities	$ million
Australian Electoral Commission	5 676
Australian Taxation Office	4 390
Department of Employment	2 588
Department of Social Services	133 610
Department of Finance	2 253
Department of Foreign Affairs and Trade	6 915
Department of Health	20 168
Department of the Prime Minister and Cabinet	4 105
Department of Veterans' Affairs	37 218
Other	51 450
Total	**268 373**

1. Financial and other data in this annual report has been rounded to the nearest decimal point. This may lead to minor differences in the total figures.

EXPENSES

The department's expenses in 2013–14 totalled $4341.0 million compared to $4456.0 million in 2012–13.

In 2013–14 staff expenses were $2813.4 million and supplier expenses were $1251.2 million.

Table 75: Income and expenses 2011–12 to 2013–14[1,2]

	2011–12 $ million	2012–13 $ million	2013–14 $ million	% change since 2012–13
Income	4 274.1	4 192.0	4 231.0	+0.9
Expenses	4 572.8	4 456.0	4 341.0	−2.6

1. Financial and other data in this annual report has been rounded to the nearest decimal point. This may lead to minor differences in the total figures.

2. Where relevant, comparative figures have been restated to align with charges in accounting practices.

Figure 9: Income and expenses 2011–12 to 2013–14
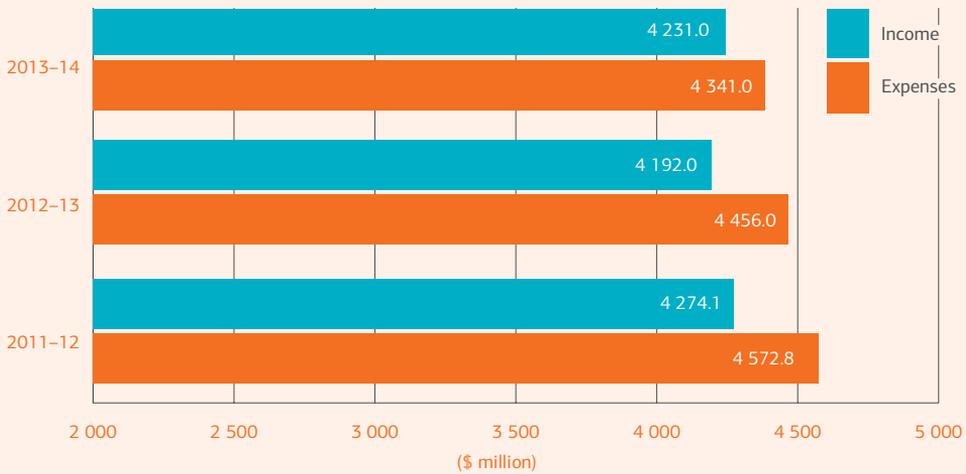
Statement of financial position

EQUITY

The total equity of the department at 30 June 2014 was $630.5 million representing contributed equity of $1238.6 million, reserves of $84.6 million and accumulated deficit of $692.6 million.

ASSETS

The department's total assets increased by 3 per cent to $1909.6 million at 30 June 2014.

LIABILITIES

The department's total liabilities remained relatively consistent decreasing by 1 per cent to $1279.1 million at 30 June 2014.

Table 76: Equity, assets and liabilities 2011–12 to 2013–14.

	2011–12 $ million	2012–13 $ million	2013–14 $ million	% change since 2012–13
Equity	627.5	562.0	630.5	+12.2
Assets	2 027.6	1 854.5	1 909.6	+3.0
Liabilities	1 400.1	1 292.5	1 279.1	−1.0

Figure 10: Equity, assets and liabilities 2011–12 to 2013–14
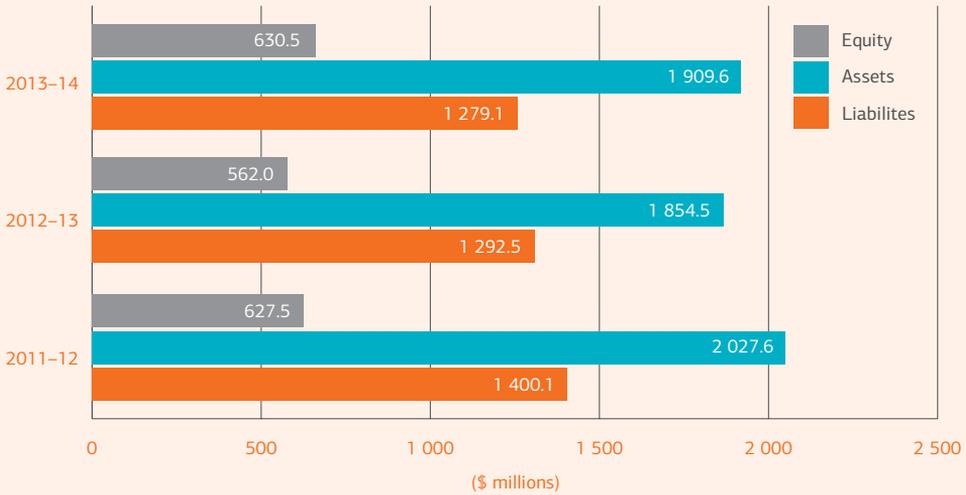
Administered items

In 2013–14 the department collected and transferred child support payments between separated parents for the support of their children. The department also administered the BasicsCard and the Community Innovation through Collaboration Programme and collected dividends and competitive neutrality payments on behalf of the Australian Government from Australian Hearing.

FINANCIAL STATEMENTS

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Human Services

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Human Services for the year ended 30 June 2014, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; 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 comprising a Summary of Significant Accounting Policies and other explanatory information.

Secretary's Responsibility for the Financial Statements

The Secretary of the Department of Human Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of 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.

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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 2014 and 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, payments totaling $27,886 were identified in 2013–14 in contravention of section 83 of the Constitution.

Australian National Audit Office

Puspa Dash
Executive Director

Delegate of the Auditor-General

Canberra
8 September 2014

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 2014 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

8 September 2014

Signed................................

Emily Canning
Acting Chief Financial Officer

8 September 2014

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DEPARTMENT OF HUMAN SERVICES
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2014

		2014	2013
NET COST OF SERVICES	**Notes**	**$'000**	$'000
Expenses			
Employee benefits	4A	**2,813,377**	2,885,372
Supplier expenses	4B	**1,251,189**	1,295,709
Depreciation and amortisation	4C	**252,078**	260,334
Finance costs	4D	**1,057**	1,352
Write-down and impairment of assets	4E	**15,787**	7,002
Losses from asset sales	4F	**25**	1,204
Other expenses	4G	**7,481**	5,036
Total expenses		**4,340,994**	4,456,009
Own-Source Income			
Own-source revenue			
Sale of goods and rendering of services	5A	**268,056**	280,344
Rental income	5B	**317**	591
Total own-source revenue		**268,373**	280,935
Gains			
Foreign exchange gains	5C	**4**	2
Reversals of previous asset write-downs and impairments	5D	**1,965**	-
Other gains	5E	**2,505**	2,701
Total gains		**4,474**	2,703
Total own-source income		**272,847**	283,638
Net cost of services		**(4,068,147)**	(4,172,371)
Revenue from government	5F	**3,958,201**	3,908,373
Deficit before income tax on continuing operations		**(109,946)**	(263,998)
Income tax expense	6A	**-**	(315)
Deficit after income tax on continuing operations		**(109,946)**	(264,313)
Deficit attributable to the Australian Government		**(109,946)**	(264,313)
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		**27,480**	22,809
Total other comprehensive income		**27,480**	22,809
Total comprehensive loss attributable to the Australian Government	34A	**(82,466)**	(241,504)

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The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	2014 $'000	2013 $'000
ASSETS			
Financial assets			
Cash and cash equivalents	8A	**19,941**	45,614
Trade and other receivables	8B	**910,021**	772,400
Other financial assets	8C	**70**	82
Total financial assets		**930,032**	818,096
Non-financial assets			
Land and buildings	9A	**319,217**	363,060
Property, plant and equipment	9B	**140,395**	175,284
Intangibles	9D	**422,404**	416,896
Other non-financial assets	9F	**97,566**	81,155
Total non-financial assets		**979,582**	1,036,395
Total assets		**1,909,614**	1,854,491
LIABILITIES			
Payables			
Suppliers	10A	**265,078**	274,228
Competitive neutrality liabilities	10B	**368**	487
Lease incentives	10C	**28,339**	19,397
Other payables	10D	**97,068**	81,329
Total payables		**390,853**	375,441
Provisions			
Employee provisions	11A	**855,096**	885,128
Other provisions	11B	**33,169**	31,918
Total provisions		**888,265**	917,046
Total liabilities		**1,279,118**	1,292,487
Net assets		**630,496**	562,004
EQUITY			
Parent entity interest			
Contributed equity		**1,238,557**	1,087,599
Reserves		**84,578**	57,098
Accumulated deficit		**(692,639)**	(582,693)
Total parent entity interest		**630,496**	562,004

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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 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Opening balance								
Balance carried forward from previous period	**(582,693)**	(318,380)	**57,098**	34,289	**1,087,599**	911,571	**562,004**	627,480
Adjusted opening balance	**(582,693)**	(318,380)	**57,098**	34,289	**1,087,599**	911,571	**562,004**	627,480
Comprehensive income								
Asset revaluation surplus	**-**	-	**27,480**	22,809	**-**	-	**27,480**	22,809
Deficit for the period	**(109,946)**	(264,313)	**-**	-	**-**	-	**(109,946)**	(264,313)
Total comprehensive income	**(109,946)**	(264,313)	**27,480**	22,809	**-**	-	**(82,466)**	(241,504)
Transactions with owners								
Distributions to owners								
Returns of capital								
Reduction of appropriation[1]	**-**	-	**-**	-	**(7,232)**	-	**(7,232)**	-
Contributions by owners								
Departmental capital budget	**-**	-	**-**	-	**115,205**	131,826	**115,205**	131,826
Equity injection - appropriations[2]	**-**	-	**-**	-	**42,985**	44,202	**42,985**	44,202
Total transactions with owners	**-**	-	**-**	-	**150,958**	176,028	**150,958**	176,028
Closing balance attributable to the Australian Government	**(692,639)**	(582,693)	**84,578**	57,098	**1,238,557**	1,087,599	**630,496**	562,004

[1] Reduction of appropriation - during 2013–14 $7.232 million was reduced by the Minister for Finance, *Appropriation Act (No.1) 2011–12*.
[2] Equity injection - appropriations - $0.455 million was legally appropriated in *Appropriation Act No.2 (2013–14)* but recognised in equity in 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 2014

	Notes	2014 $'000	2013 $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations[1]		**4,113,473**	4,284,851
Sale of goods and rendering of services		**324,761**	363,462
Net GST received		**111,830**	130,233
Total cash received		**4,550,064**	4,778,546
Cash used			
Employees		**2,822,610**	2,847,966
Suppliers		**1,440,440**	1,472,963
Competitive neutrality payments		**487**	1,385
Returns to the Official Public Account		**305,225**	347,411
Total cash used		**4,568,762**	4,669,725
Net cash (used by)/from operating activities	12	**(18,698)**	108,821
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**61**	2,929
Total cash received		**61**	2,929
Cash used			
Purchase of property, plant and equipment		**44,796**	160,834
Purchase of intangibles		**120,885**	114,953
Total cash used		**165,681**	275,787
Net cash used by investing activities		**(165,620)**	(272,858)
FINANCING ACTIVITIES			
Cash received			
Contributed equity - departmental capital budget		**115,205**	131,826
Contributed equity - capital injection		**43,440**	53,760
Total cash received		**158,645**	185,586
Net cash from financing activities		**158,645**	185,586
Net (decrease)/increase in cash held		**(25,673)**	21,549
Cash and cash equivalents at the beginning of the reporting period		**45,614**	24,065
Cash and cash equivalents at the end of the reporting period	8A	**19,941**	45,614

[1] Transfers from the Official Public Account 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 2014

	2014	2013
BY TYPE	**$'000**	$'000
Commitments receivable		
Operating lease receivable	**442**	580
Net GST recoverable on commitments[1]	**239,730**	254,989
Other commitments	**6,449**	3,880
Total commitments receivable	**246,621**	259,449
Commitments payable		
Capital commitments		
Land and buildings[2]	**(2,581)**	(1,288)
Property, plant and equipment[3]	**(1,300)**	(2,860)
Intangibles	**(196)**	(2,028)
Total capital commitments	**(4,077)**	(6,176)
Other commitments		
Operating leases[4]	**(1,925,678)**	(1,999,607)
Other commitments[5]	**(965,622)**	(836,250)
Total other commitments	**(2,891,300)**	(2,835,857)
Total commitments payable	**(2,895,377)**	(2,842,033)
Net commitments by type	**(2,648,756)**	(2,582,584)
BY MATURITY		
Commitments receivable		
Operating lease income		
Within 1 year	**323**	286
Between 1 to 5 years	**119**	294
Total operating lease income	**442**	580
Net GST recoverable		
Within 1 year	**54,607**	57,916
Between 1 to 5 years	**110,879**	125,285
More than 5 years	**74,244**	71,788
Total net GST recoverable	**239,730**	254,989
Other commitments receivable		
Within 1 year	**3,693**	1,940
Between 1 to 5 years	**2,756**	1,940
Total other commitments receivable	**6,449**	3,880
Total commitments receivable	**246,621**	259,449
Commitments payable		
Capital commitments		
Within 1 year	**(3,870)**	(5,845)
Between 1 to 5 years	**(207)**	(331)
Total capital commitments	**(4,077)**	(6,176)
Other commitments payable		
Operating leases		
Within 1 year	**(320,899)**	(430,328)
Between 1 to 5 years	**(852,824)**	(997,713)
More than 5 years	**(751,955)**	(571,566)
Total operating leases	**(1,925,678)**	(1,999,607)

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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 2014

SCHEDULE OF COMMITMENTS (continued)	2014	2013
	$'000	$'000
Other commitments		
Within 1 year	**(342,826)**	(214,539)
Between 1 to 5 years	**(524,265)**	(403,605)
More than 5 years	**(98,531)**	(218,106)
Total other commitments	**(965,622)**	(836,250)
Total other commitments payable	**(2,891,300)**	(2,835,857)
Total commitments payable	**(2,895,377)**	(2,842,033)
Net commitments by maturity	**(2,648,756)**	(2,582,584)

[1] Commitments are GST inclusive where relevant.

[2] Land and buildings comprise outstanding contractual payments for fitout of leased properties where goods and services have yet to be performed or payment criteria satisfied.

[3] Property, plant and equipment commitments are primarily contracts for purchases of communications equipment and ICT hardware where goods and services have yet to be performed or payment criteria satisfied.

[4] Most operating leases included are effectively non-cancellable.

[5] Other commitments mainly comprise 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 rates 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 and Louisa Lawson Building, both with a lease 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 21 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 14.

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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 2014

	2014	2013
	$'000	$'000
Contingent assets		
Claims for damages or costs	430	3,179
Total contingent assets	430	3,179
Contingent liabilities		
Claims for damages or costs	1,163	1,552
Total contingent liabilities	1,163	1,552
Net contingent (liabilities)/assets	(733)	1,627

Details of each class of contingent assets and contingent liabilities listed above are disclosed in Note 13 along with information on any 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 2014

NET COST OF SERVICES	Notes	2014 $'000	2013 $'000
Expenses			
Child support expense	18A	1,387,532	1,330,159
Write-down and impairment of assets	18B	111,448	99,342
Grants	18C	5,770	7,579
Other expenses	18D	2,659	3,463
Depreciation	18E	35	35
Total expenses		1,507,444	1,440,578
Income			
Revenue			
Non-taxation revenue			
Child support revenue	19A	1,498,687	1,429,146
Fees and fines	19B	8,692	9,705
Competitive neutrality revenue	19C	7,568	6,224
Dividends	19D	5,003	1,736
Other revenue	19E	34	1
Total non-taxation revenue		1,519,984	1,446,812
Total revenue		1,519,984	1,446,812
Total income		1,519,984	1,446,812
Net contribution by services		12,540	6,234
Surplus		12,540	6,234
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		11	-
Items subject to subsequent reclassification to net cost of services			
Changes in investments		3,822	1,180
Total other comprehensive income		3,833	1,180
Total comprehensive income		16,373	7,414

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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 2014

	Notes	2014 $'000	2013 $'000
ASSETS			
Financial assets			
Cash and cash equivalents	21A	833	37,811
Child support receivables	21B	729,973	716,844
Trade and other receivables	21C	8,321	3,382
Investments	21D	42,344	38,522
Total financial assets		781,471	796,559
Non-financial assets			
Property, plant and equipment	22A	48	72
Total non-financial assets		48	72
Total assets administered on behalf of the Australian Government		781,519	796,631
LIABILITIES			
Payables			
Child support and other payables	23A	31,004	70,926
Payments received in advance	23B	16,929	16,754
Total payables		47,933	87,680
Provisions			
Child support provisions	24A	725,823	712,132
Total provisions		725,823	712,132
Total liabilities administered on behalf of the Australian Government		773,756	799,812
Net assets/(liabilities)		7,763	(3,181)

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The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF HUMAN SERVICES
ADMINISTERED RECONCILIATION SCHEDULE

	2014 $'000	2013 $'000
Opening assets less liabilities as at 1 July	**(3,181)**	(1,074)
Net contribution by services		
Income	**1,519,984**	1,446,812
Expenses		
Payments to non-CAC Act bodies	**(1,507,444)**	(1,440,578)
Other comprehensive income		
Increase in investments	**3,822**	1,180
Revaluations transferred to reserves	**11**	-
Transfers to/from Australian Government		
Appropriation transfers from the Official Public Account		
Special accounts	**1,327,061**	1,247,503
Special appropriations (unlimited)		
Payments to non-CAC Act bodies	**55,990**	69,184
Annual appropriation		
Payments to non-CAC Act bodies	**10,132**	11,394
Other		
Payments to non-CAC Act bodies	**864**	1,013
Transfers to the Official Public Account	**(1,399,476)**	(1,338,615)
Closing assets less liabilities as at 30 June	**7,763**	(3,181)

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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 2014

	Notes	2014 $'000	2013 $'000
OPERATING ACTIVITIES			
Cash received			
Child support receipts		1,374,003	1,309,338
Fees and fines		8,874	9,210
Competitive neutrality receipts		5,694	7,377
Dividends		1,872	2,518
Other		1,983	39,355
Total cash received		1,392,426	1,367,798
Cash used			
Child support payments		1,376,399	1,308,998
Grants		6,347	8,337
Other		41,229	3,146
Total cash used		1,423,975	1,320,481
Net cash (used by)/from operating activities	25	(31,549)	47,317
Net (decrease)/increase in cash held		(31,549)	47,317
Cash and cash equivalents at the beginning of the reporting period		37,811	15
Cash from the Official Public Account			
Special accounts		1,327,061	1,247,503
Appropriations		66,122	80,578
Other		864	1,013
Total cash from the Official Public Account		1,394,047	1,329,094
Cash to the Official Public Account			
Special accounts		(1,324,870)	(1,247,196)
Appropriations		(57,644)	(71,096)
Other		(16,962)	(20,323)
Total cash to the Official Public Account		(1,399,476)	(1,338,615)
Cash and cash equivalents at the end of the reporting period	21A	833	37,811

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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 2014

	2014 $'000	2013 $'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	**531**	1,315
Total commitments receivable	**531**	1,315
Commitments payable		
Other commitments		
Grants[1]	**(3,002)**	(11,361)
Other[2]	**(2,838)**	(3,109)
Total other commitments	**(5,840)**	(14,470)
Total commitments payable	**(5,840)**	(14,470)
Net commitments by type	**(5,309)**	(13,155)
BY MATURITY		
Commitments receivable		
GST recoverable		
Within 1 year	**531**	858
Between 1 to 5 years	**-**	457
Total GST recoverable	**531**	1,315
Total commitments receivable	**531**	1,315
Commitments payable		
Other commitments		
Within 1 year	**(5,840)**	(9,446)
Between 1 to 5 years	**-**	(5,024)
Total other commitments	**(5,840)**	(14,470)
Total commitments payable	**(5,840)**	(14,470)
Net commitments by maturity	**(5,309)**	(13,155)

Note: Commitments are GST inclusive where relevant.

[1] Represents grant agreements where payment criteria are yet to be satisfied.
[2] Represents contractual agreements where services have yet to be performed or payment criteria satisfied.

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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 2014

There were no administered contingencies in the 2013–14 or 2012–13 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 2014

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2014

Note 1: Summary of Significant Accounting Policies

1.1   Objectives of the Department of Human Services

The department is an Australian Government controlled 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 programme 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 Australian Government, of items controlled or incurred by the Australian Government.

As a part of 2014–15 Budget decisions, the disability management service market share held by CRS Australia, a division of the department, will be reallocated to non-government providers in an open tender process. This decision did not have a material effect on the department's financial statements.

The continued existence of the department is dependent on government policy and on continuing funding by Parliament for the department's administration and programmes.

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 the:
- 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 statement of financial position 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 13).

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.

Where material, comparative amounts have been reclassified for consistency within the financial statements.

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.

Where material, comparative amounts have been reclassified for consistency within the 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 2014

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 programme acts as the intermediary in the transfer of child support payments, which are collected from the non-custodial parent and then paid to the custodial parent. The majority of the receivable balance relates to maintenance debt for which the Commonwealth does not have any financial exposure given that the child support programme acts as the intermediary only.

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. This review is undertaken annually.

During the 2014 review, it was identified that changes in collection rates meant that the provision rate for child support maintenance debt increased from 40.55% reported in 2012–13 to 41.74% for 2013–14. This resulted in an increase to the provision of $15.44 million.

In undertaking the 2014 review, the AGA used the five year Commonwealth bond rate. This is consistent with the 2013 review. 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, similar to prior years, child support receivables have a discounted mean term of approximately five years and therefore the use of the five year bond rate is appropriate. The five year bond rate is 3.0% and the ten year bond rate is 3.54%. If the ten year bond rate was applied the result would be a further increase in the impairment of approximately $13.10 million.

Onerous leases
The department 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 department actively reviews the provision in line with new and changing lease arrangements and activities in future periods.

Fair value measurements
The significant observable inputs used in the fair value measurement of the department's level 3 leasehold improvement and property, plant and equipment assets are recent improvements and professional appraisals of assets of a similar nature. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

1.4   New Australian Accounting Standards

No 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 119 *Employee Benefits* and adopted AASB 13 *Fair Value Measurement* as per the accounting standards. These did not have a material effect, and are not expected to have a future material effect, on the entity's financial statements.

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 material financial impact and are not expected to have future financial impact on the department's financial statements.

Future accounting standard requirements
The adoption of AASB 1055 *Budgetary Reporting* – March 2013 (Principal) will have a disclosure impact only in future reporting periods.

There are no other 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.

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1.5   Commonwealth expenditure

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programmes. In accordance with its general practice, the 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.

1.6   Revenue

Revenue from government
Amounts appropriated for departmental outputs for the year (adjusted to reflect the department's funding model agreement, 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 depreciation and amortisation expense ceased to be funded through revenue appropriations and has been replaced by a departmental capital budget (DCB) which is accounted for as contributions by owners (i.e. equity).

Other revenue
Revenue from rendering of services 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 sale of goods and rendering of services, which have 30 day terms, are recognised at their 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.*

1.7   Gains

Resources received free of charge
Resources received free of charge are recognised as income 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.

Sale of assets
Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.8   Transactions with the Government as owner

Equity injections
Amounts appropriated which are designated as 'equity injections' (less any formal reductions) and the DCB are recognised directly in contributed equity in that year.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2014

Other distributions to owners
The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.9   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 personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the department is estimated to be less than the annual entitlement for personal leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, including the department's employer superannuation contribution rates, to the extent that the leave is expected to be taken during service rather than paid out on termination.

The liability for annual leave and long service leave has been determined by reference to the work of the Australian Government Actuary and internal analysis for the department in the 2013–14 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 and other non-government super funds are defined contribution schemes.

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'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.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the year.

Separation and redundancy
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.

1.10   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.

The department holds no finance leases.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

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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.

1.11   Finance costs

All finance costs are expensed as incurred.

1.12   Fair value measurements

Transfers between the fair value hierarchy are determined by the department at the end of each reporting period. Where there are changes in observable markets, assets may transfer between categories of the fair value hierarchy.

During 2013–14, the entity deemed that there were no transfers between levels of the fair value hierarchy, due to this being the first year of adoption.

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 three 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' or 'available-for-sale'. 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 'transaction date'.

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.

Impairment
Financial assets are assessed for impairment at the end of each reporting period. All external receivables overdue by more than 90 days are 100% impaired.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in the category or not classified as loans and receivables.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in equity with the exception of impairment losses.

1.15   Financial liabilities

The department classes its financial liabilities as 'other financial liabilities'. Financial liabilities are recognised and derecognised upon 'transaction date'.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2014

Financial liabilities
Financial liabilities 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 in finance costs.

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 statement of financial position 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 fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at 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
Land, buildings and information technology desktop equipment is recognised in the statement of financial position regardless of cost. Property, plant and equipment is recognised in the statement of financial position when the cost is greater than $3,000 and leasehold improvements are recognised when the cost is greater than $20,000 per site, otherwise they are expensed in the year of acquisition.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make-good' provisions in property leases 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 through a corresponding provision recognised for the 'make-good'.

Revaluation
Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and 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. A revaluation in the 2013–14 year has been completed in relation to leasehold improvements and certain classes of property, plant and equipment (2012–13: land, buildings, leasehold improvements and property, plant and equipment).

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserves except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus/deficit. Revaluation decrements for a class of assets are recognised directly through surplus/deficit except to the extent that they reverse a previous revaluation increment for that class. Any 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.

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Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and amortisation
Land, being an asset with an unlimited useful life, is not depreciated.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their useful lives to the department using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Departmental assets	*2013–14*	*2012–13*
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 are assessed for impairment as at 30 June. 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

Intangible assets comprise of purchased software and internally developed software.

Purchased software assets are recognised at cost in the statement of financial position when the cost is greater than $100,000 (2012–13: $25,000) and internally developed software assets costing greater than $1 million, otherwise they are expensed in the year of acquisition.

These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over the anticipated useful life. The useful life of the department's software is generally 5 to 10 years (2012–13: 5 to 10 years).

All software assets are assessed for indications of impairment as at 30 June.

1.20   Taxation/competitive neutrality

Taxation
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.

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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.

1.22   Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes and except where otherwise stated, relate to child support; income management basics card; better futures; local solutions grants programme; fees and fines; dividends; and competitive neutrality items.

The personal benefit related 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 for use by the government rather than the department is administered revenue. Collections are transferred to the Official Public Account maintained by the Department of Finance. Conversely, cash is drawn from the Official Public Account to make payments under parliamentary appropriations on behalf of government. These transfers to and from the Official Public Account 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.

Administered revenue includes dividend and competitive neutrality revenue from Australian Hearing. Administered revenue for competitive neutrality is recognised monthly and biannually for dividends, where revenue recognition criteria of the accounting standards is met. All administered receipts are transferred directly to the Official Public Account.

Administered child support special account
The child support special account is utilised for the receipt of child support payments and the making of regular and timely payments to the custodial parents. The nature of the special account requires that child support monies received into the account are paid from the account to the relevant recipient. As such net child support receivables reported on the schedule of administered items are offset by equivalent child support payables and provisions.

Administered child support revenue and receivables
Revenues from the assessment and collection of child support are recognised in the administered schedule 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*. In accordance with the Act, the revenue is adjusted when a private settlement is agreed by both parents for a particular period of payments.

The child support programme actively manages the collection of child support debts on a continual basis and makes an allowance for the impairment of those debts considered not collectable based on an annual actuarial assessment.

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 non-custodial parent fails to make their child support payment to the custodial parent by the due date and where the outstanding maintenance debt exceeds $1,000.

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Revenue from late payment penalties is recognised in the administered schedule in accordance with the accounting standards when it is probable that penalties will be received which is usually at the time of receipt.

For 2013–14 the department's records indicate that a total of $123.53 million (2012–13: $125.06 million) in penalties had been raised.

As at 30 June 2014, total penalties receivable raised was $787.23 million (2012–13: $757.55 million).

For 2013–14 total penalties remitted, written off, waived or discharged was $85.87 million (2012–13: $87.74 million).

These items are not reported in the administered schedule as they do not meet the recognition criteria for revenue and receivables as required by the relevant accounting standards.

In accordance with the accounting standards the comparative amounts relating to administered child support penalty revenue and receivable balances which do not meet the recognition criteria have been removed from the administered schedules and disclosed in this note.

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 transferred to the custodial parent are measured at their nominal amounts.

The liability for child support includes provision for child support obligations to the custodial parent that have been assessed but not yet received. The liability is calculated on the basis of the present value of the estimated future cash flows to be made to custodial parents at the reporting date. Estimated future cash flows are calculated with reference to the past experience of the recoverability of gross child support receivables from non-custodial parents.

The estimate does not include future cash outflows that may result from child support re-assessments, relating prior to the reporting date, that are requested by non-custodial or custodial parents after the reporting date.

Child support expenses are recognised and measured in line with the child support liabilities.

Child support fees and fines
Fees and fines are recognised when the department receives a favourable judgement in relation to the reimbursement of court costs as a result of court action between the department and child support customers. An accounts receivable is raised on the customer's account and the revenue recognised in the administered schedule. Prior to 2014 any cash received associated with this item was recognised in the departmental accounts. From 2014, these cash receipts are recognised in the administered schedule and the 2013 comparatives have been amended to reflect this change. For 2013–14 the associated amount is $0.36 million and for 2012–13 is $0.39 million.

Recovery of compensation for health care and other services
The recovery of compensation for health care and other services special account (refer to Note 30) is reported by the department for the recovery of Medicare benefits and subsidies paid, where the recipient receives compensation from a third party as a result of the injury or illness for which they have received benefits.

In 2012–13 the department recognised revenue for amounts receivable from claimants totalling $11.96 million and corresponding expense to the Department of Health. From 2013–14 the Department of Health and the Department of Social Services have responsibility for reporting the revenue and receivables to government. Cash received by the department for the Commonwealth is recognised as an asset with a corresponding liability to make payment to the Department of Health and the Department of Social Services. For 2012–13 this amount was $37.68 million and for 2013–14 it is $0.66 million (refer to Notes 21A and 23A). Comparative figures have been adjusted accordingly.

Administered grants
The department administers grants on behalf of the government through the Better Futures, Local Solutions Grants Programme. This programme is designed to engage with ten communities to implement community-developed solutions that effect positive social and economic change.

A commitment is recorded when the government enters into an agreement to make these grants but services have not been performed or payment criteria satisfied.

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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. 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 (refer Note 21D).

Administered property, plant and equipment
The department's sole administered property, plant and equipment are income management kiosks.

Revaluations
A revaluation in the 2013–14 year has been completed in relation to administered property, plant and equipment. Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserves.

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
Depreciable property, plant and equipment assets are written-off to their estimated residual values over their useful lived to the department using, in all cases, the straight line method of depreciation.

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.

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.

Note 2: Events After the Reporting Period - Departmental

Departmental

Following the commencement of the PGPA Act on 1 July 2014, appropriation under Appropriation Acts prior to 1 July 2012 are no longer available to agencies. As at 30 June 2014 the department had $25.30 million of unspent, quarantined funds appropriated under *Appropriation Act (No.1) 2011–12* (refer to Note 29C).

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

	2014	2013
	$'000	$'000
Note 4A: Employee Benefits		
Wages and salaries	1,972,401	1,983,119
Superannuation		
Defined contribution plans	129,959	126,948
Defined benefit plans	276,534	270,527
Leave and other entitlements	410,000	456,821
Separation and redundancies	19,359	43,718
Other employee expenses	5,124	4,239
Total employee benefits	2,813,377	2,885,372
Note 4B: Supplier Expenses		
Goods and services supplied or rendered		
Communications	222,478	276,302
Consultants and contractors	124,674	127,155
Property operating	113,208	117,904
IT maintenance	191,831	189,516
Customer related	57,814	66,705
Fees and charges	34,081	33,472
Travel and motor vehicles	26,971	31,840
Staff related	26,051	29,838
Legal services and compensation	11,403	12,043
Other	15,640	17,550
Total goods and services supplied or rendered	824,151	902,325
Goods supplied in connection with		
External parties	32,417	42,389
Total goods supplied	32,417	42,389
Services rendered in connection with		
Related parties	184,917	180,535
External parties	606,817	679,401
Total services rendered	791,734	859,936
Total goods and services supplied or rendered	824,151	902,325
Other suppliers		
Operating lease rentals - external parties		
Minimum lease payments	354,899	324,158
Contingent rentals	660	2,256
Competitive neutrality - state tax equivalent	368	321
Workers compensation	71,111	66,649
Total other suppliers	427,038	393,384
Total supplier expenses	1,251,189	1,295,709

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	2014 $'000	2013 $'000
Note 4C: Depreciation and Amortisation		
Depreciation		
Buildings	362	358
Leasehold improvements	96,359	97,949
Property, plant and equipment	50,402	59,752
Total depreciation	147,123	158,059
Amortisation		
Internally developed software	75,350	63,528
Purchased computer software	29,605	38,747
Total amortisation	104,955	102,275
Total depreciation and amortisation	252,078	260,334
Note 4D: Finance Costs		
Unwinding of discount	905	1,177
Other interest payments	152	175
Total finance costs	1,057	1,352
Note 4E: Write-Down and Impairment of Assets		
Impairment on financial instruments	-	5
Impairment of leasehold improvements	62	1,259
Impairment of property, plant and equipment	5,301	2,631
Impairment on internally developed software	9,747	1,521
Impairment on purchased software	677	22
Revaluation decrement - property, plant and equipment	-	1,564
Total write-down and impairment of assets	15,787	7,002
Note 4F: Losses from Asset Sales		
Land and buildings		
Proceeds from sale	-	(2,941)
Carrying value of assets sold	-	4,000
Selling expense	-	26
Property, plant and equipment		
Proceeds from sale	(210)	(14)
Carrying value of assets sold	86	133
Selling expense	149	-
Total losses from asset sales	25	1,204
Note 4G: Other Expenses		
Act of grace payments	-	186
Settlement of litigation	7,481	4,850
Total other expenses	7,481	5,036

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Note 5: Own-Source Income

	2014	2013
Own-Source Revenue	**$'000**	$'000
Note 5A: Sale of Goods and Rendering of Services		
Rendering of services in connection with		
Related parties	**218,227**	232,151
External parties	**49,829**	48,193
Total rendering of services	**268,056**	280,344
Total sale of goods and rendering of services	**268,056**	280,344
Note 5B: Rental Income		
Other operating lease	**317**	591
Total rental income	**317**	591
Gains		
Note 5C: Foreign Exchange Gains		
Non-speculative	**4**	2
Total foreign exchange gains	**4**	2
Note 5D: Reversals of Previous Asset Write-Downs and Impairments		
Revaluation increments	**1,564**	-
Reversal of impairment losses	**401**	-
Total reversals of previous asset write-downs and impairments	**1,965**	-
Note 5E: Other Gains		
Resources received free of charge		
Services	**2,505**	2,152
Found assets	**-**	318
Other	**-**	231
Total other gains	**2,505**	2,701
Note 5F: Revenue from Government		
Departmental appropriations	**3,958,201**	3,908,373
Total revenue from government	**3,958,201**	3,908,373

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Note 6:   Income Tax Expense (Competitive Neutrality)

	2014	2013
	$'000	$'000
Note 6A: Income Tax Expense		
Competitive neutrality (Commonwealth tax equivalent expense)	-	315
Total income tax expense	-	315

The department provides some services on a for-profit basis and is subject to the Australian Government's competitive neutrality policy. The above amounts have been calculated as being payable to the Australian Government in the form of company tax under the Income Tax Assessment Acts had they applied. These amounts have been paid or are payable by the department to the Official Public Account.

For 2013–14, the department did not have any company tax equivalent under the competitive neutrality policy.

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DEPARTMENT OF HUMAN SERVICES
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Note 7: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.
The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 7A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

		Fair value measurements at the end of the reporting period using		
	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
	$'000	$'000	$'000	$'000
Non-financial assets				
Land	5,225	-	5,225	-
Buildings on freehold land	10,044	-	10,044	-
Leasehold improvements	303,948	-	-	303,948
Property, plant and equipment	140,395	-	42,580	97,815
Total non-financial assets	**459,612**	**-**	**57,849**	**401,763**
Total fair value measurements of assets in the statement of financial position	**459,612**	**-**	**57,849**	**401,763**

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Note 7B: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2014

	Category (Level 2 or Level 3)	Fair value $'000	Valuation techniques[1]	Inputs used	Range (weighted average)[2]
Non-financial assets					
Land	Level 2	5,225	Market comparables	Sale prices of comparable land, land size and long-term land appreciation rate.	N/A
Buildings on freehold land	Level 2	10,044	Market comparables	Sale prices of similar type buildings, replacement cost ($/m^2), net lettable area, total useful life and remaining useful life.	N/A
Leasehold improvements	Level 3	303,948	Depreciated replacement cost	Replacement cost ($/m^2), net lettable area, total useful life and remaining useful life.	$275.12m - $334.50m (12.35%)
Property, plant and equipment	Level 2	42,580	Market comparables	Direct comparison to the sale of similar assets.	N/A
Property, plant and equipment	Level 3	97,815	Depreciated replacement cost	Replacement cost, total useful life and remaining useful life.	$2.21m - $2.70m^3 (10.00%)

[1] No change in valuation technique occurred during the period.
[2] Significant unobservable inputs only. Not applicable (N/A) for assets or liabilities in the Level 2 category.
[3] The range (weighted average) only relates to assets revalued during 2013–14.

Level 3 fair value measurements - valuation processes
The department procured valuation services from Colliers International Valuation & Advisory Services and Preston Rowe Paterson NSW Pty Limited and relied on their valuation models. The department tests the procedures of the valuation model as a part of the department's asset revaluation strategy. Both valuers provided written assurance to the department that the model developed is in compliance with AASB 13 – *Fair Value Measurement*.

Level 3 fair value measurements - sensitivity of inputs
The significant observable inputs used in the fair value measurement of the department's leasehold improvement and a portion of property, plant and equipment assets are recent improvements and professional appraisals of assets of a similar nature. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

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Note 7C: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets		
	Leasehold improvements	Property, plant and equipment	Total
	2014 $'000	2014 $'000	2014 $'000
As at 1 July 2013	**347,657**	**132,170**	**479,827**
Total losses recognised in net cost of services[1]	(96,421)	(40,252)	(136,673)
Total gains recognised in other comprehensive income[2]	26,767	936	27,703
Purchases	26,396	4,961	31,357
Assets reclassified[3]	(451)	-	(451)
Total as at 30 June 2014	**303,948**	**97,815**	**401,763**

[1] Represents depreciation, amortisation and impairment expenses.
[2] Represents changes in asset revaluation surplus.
[3] Represents reclassification of assets to land and buildings ($0.23 million) and property, plant and equipment ($0.22 million).

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Note 8:   Financial Assets

	2014	2013
	$'000	$'000
Note 8A: Cash and Cash Equivalents		
Cash on hand or on deposit	19,941	45,614
Total cash and cash equivalents	19,941	45,614
Note 8B: Trade and Other Receivables		
Good and services receivable in connection with		
Related parties	14,587	11,423
External parties	5,175	13,172
Total goods and services receivables	19,762	24,595
Appropriations receivables		
Existing programmes	863,624	707,386
Departmental supplementation[1]	18,204	13,372
Funding agreement adjustment	(18,804)	-
Total appropriations receivables	863,024	720,758
Other receivables		
GST receivable from the Australian Taxation Office	27,765	28,370
Total other receivables	27,765	28,370
Total trade and other receivables (gross)	910,551	773,723
Less impairment allowance		
Goods and services	(530)	(1,323)
Total impairment allowance	(530)	(1,323)
Total trade and other receivables (net)	910,021	772,400
Trade and other receivables (net) expected to be recovered		
No more than 12 months	910,021	772,400
Total trade and other receivables (net)	910,021	772,400
Trade and other receivables (gross) aged as follows		
Not overdue	906,252	768,046
Overdue by		
0 to 30 days	1,427	1,336
31 to 60 days	953	882
61 to 90 days	502	1,285
More than 90 days	1,417	2,174
Total trade and other receivables (gross)	910,551	773,723
Impairment allowance aged as follows		
Overdue by		
More than 90 days	(530)	(1,323)
Total impairment allowance	(530)	(1,323)

Credit terms for goods and services were within 30 days (2012–13: 30 days).

[1] Supplementation is for work the department was directed by government to undertake in a financial year but after the last date for inclusion in the appropriation Bills.

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Reconciliation of the Impairment Allowance

Movements in relation to 2014

	Goods and services $'000	Total $'000
As at 1 July 2013	**(1,323)**	**(1,323)**
Additional provisions raised	**(258)**	**(258)**
Amounts written off	**354**	**354**
Amounts recovered and reversed	**697**	**697**
Total as at 30 June 2014	**(530)**	**(530)**

Movements in relation to 2013

	Goods and services $'000	Total $'000
As at 1 July 2012	(1,506)	(1,506)
Amounts written off	25	25
Amounts recovered and reversed	1,078	1,078
Increase recognised in net cost of services	(920)	(920)
Total as at 30 June 2013	(1,323)	(1,323)

	2014 $'000	2013 $'000
Note 8C: Other Financial Assets		
Accrued revenue	**70**	82
Total other financial assets	**70**	82
Other financial assets expected to be recovered		
No more than 12 months	**70**	82
Total other financial assets	**70**	82

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Note 9: Non-Financial Assets

	2014	2013
	$'000	$'000
Note 9A: Land and Buildings		
Land		
Fair value	**5,225**	5,225
Total land	**5,225**	5,225
Buildings on freehold land		
Fair value	**10,445**	10,217
Accumulated depreciation	**(401)**	(39)
Total buildings on freehold land	**10,044**	10,178
Leasehold improvements		
Fair value	**308,753**	344,755
Accumulated depreciation	**(14,997)**	(31,912)
Accumulated impairment losses	**(742)**	(680)
Under construction	**10,934**	35,494
Total leasehold improvements	**303,948**	347,657
Total land and buildings	**319,217**	363,060

All valuations are independent and are conducted in accordance with the policy stated at Note 1 and Note 7. In 2013–14 Colliers International Valuation & Advisory Services conducted the revaluation of leasehold improvements and Preston Rowe Paterson NSW Pty Limited conducted the revaluation of make-good relating to leasehold improvements.

A revaluation increment for land of nil (2012–13: $0.29 million), buildings of nil (2012–13: $0.09 million) and leasehold improvements of $26.77 million (2012–13: $25.32 million) was credited to the asset revaluation surplus by asset class and has been included in the equity section of the statement of financial position.

No amounts (2012–13: 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 $0.06 million (2012–13: $1.26 million) for the leasehold improvements class of assets.

The department is expecting leasehold improvements associated with CRS Australia may be disposed of within the next 12 months.

Note 9B: Property Plant and Equipment		
Property, plant and equipment		
Fair value	**257,329**	250,899
Accumulated depreciation	**(116,934)**	(75,615)
Total property, plant and equipment	**140,395**	175,284

All valuations are independent and are conducted in accordance with the policy stated at Note 1 and Note 7. In 2013–14 Colliers International Valuation & Advisory Services conducted the revaluation of property, plant and equipment.

A revaluation increment for property, plant and equipment of $2.28 million (2012–13: $4.45 million decrement) was recorded. The asset revaluation surplus was credited $0.71 million (2012–13: $2.88 million was debited). The remainder of $1.56 million was credited to the statement of comprehensive income (2012–13: $1.56 million was debited) to recognise the recoupment of prior period revaluation decrements.

There was a write down and impairment of $5.30 million (2012–13: $2.63 million) for the property, plant and equipment class of assets.

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The department is expecting most of the property, plant and equipment associated with CRS Australia may be sold or disposed of within the next 12 months.

Note 9C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Land $'000	Buildings $'000	Leasehold improvements $'000	Total land and buildings $'000	Property, plant and equipment $'000	Total $'000
As at 1 July 2013						
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)
Total as at 1 July 2013	5,225	10,178	347,657	363,060	175,284	538,344
Additions						
Purchase	-	-	26,396	26,396	18,400	44,796
Revaluations recognised in other comprehensive income	-	-	26,767	26,767	713	27,480
Revaluations recognised in net cost of services	-	-	-	-	1,564	1,564
Impairment recognised in net cost of services	-	-	(62)	(62)	(5,301)	(5,363)
Depreciation	-	(362)	(96,359)	(96,721)	(50,402)	(147,123)
Other movements	-	228	(451)	(223)	223	-
Disposals	-	-	-	-	(86)	(86)
Total as at 30 June 2014	5,225	10,044	303,948	319,217	140,395	459,612
Total as as 30 June 2014 represented by						
Gross book value	5,225	10,445	319,687	335,357	257,329	592,686
Accumulated depreciation and impairment	-	(401)	(15,739)	(16,140)	(116,934)	(133,074)
Total as at 30 June 2014	5,225	10,044	303,948	319,217	140,395	459,612

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Note 9C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (continued)

Reconciliation of the opening and closing balances of property, plant and equipment for 2013

	Land $'000	Buildings $'000	Leasehold improvements $'000	Total land and buildings $'000	Property, plant and 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)
Total as at 1 July 2012	6,438	11,417	369,374	387,229	190,633	577,862
Additions						
Purchase	-	-	56,076	56,076	49,555	105,631
Found assets	-	-	-	-	318	318
Revaluations recognised in other comprehensive income	287	86	25,318	25,691	(2,882)	22,809
Revaluations recognised in net cost of services	-	-	-	-	(1,564)	(1,564)
Impairment recognised in net cost of services	-	-	(1,259)	(1,259)	(2,631)	(3,890)
Depreciation	-	(358)	(97,949)	(98,307)	(59,752)	(158,059)
Other movements	-	-	(2,370)	(2,370)	1,740	(630)
Disposals	(1,500)	(967)	(1,533)	(4,000)	(133)	(4,133)
Total as at 30 June 2013	5,225	10,178	347,657	363,060	175,284	538,344
Total as at 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)
Total as at 30 June 2013	5,225	10,178	347,657	363,060	175,284	538,344

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DEPARTMENT OF HUMAN SERVICES
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	2014	2013
	$'000	$'000
Note 9D: Intangibles		
Computer software		
Internally developed - in progress	**107,315**	126,704
Internally developed - in use	**445,351**	348,887
Accumulated amortisation	**(217,701)**	(156,822)
Total computer software	**334,965**	318,769
Purchased software		
Purchased	**230,851**	218,987
Accumulated amortisation	**(143,412)**	(120,860)
Total purchased software	**87,439**	98,127
Other intangibles		
Purchased	**-**	105
Accumulated amortisation	**-**	(105)
Total other intangibles	**-**	-
Total intangibles	**422,404**	416,896

There was a write down and impairment of $9.75 million (2012–13: $1.52 million) for internally developed software and $0.68 million (2012–13: $0.02 million) for purchased software.

No intangibles are expected to be sold or disposed of within the next 12 months.

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DEPARTMENT OF HUMAN SERVICES
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Note 9E: Reconciliation of the Opening and Closing Balances of Intangibles

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software internally developed $'000	Purchased software $'000	Other intangibles purchased $'000	Total $'000
As at 1 July 2013				
Gross book value	475,591	218,987	105	694,683
Accumulated amortisation and impairment	(156,822)	(120,860)	(105)	(277,787)
Total as at 1 July 2013	318,769	98,127	-	416,896
Additions				
Purchase	-	19,595	-	19,595
Internally developed	101,290	-	-	101,290
Impairment recognised in net cost of services	(9,747)	(677)	-	(10,424)
Amortisation	(75,350)	(29,605)	-	(104,955)
Other movements	3	(1)	-	2
Total as at 30 June 2014	334,965	87,439	-	422,404
Total as at 30 June 2014 represented by				
Gross book value	552,666	230,851	-	783,517
Accumulated amortisation and impairment	(217,701)	(143,412)	-	(361,113)
Total as at 30 June 2014	334,965	87,439	-	422,404

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Note 9E: Reconciliation of the Opening and Closing Balances of Intangibles (continued)

Reconciliation of the opening and closing balances of intangibles for 2013

	Computer software internally developed $'000	Purchased software $'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)
Total as at 1 July 2012	284,366	128,336	-	412,702
Additions				
Purchase	-	8,559	-	8,559
Internally developed	99,453	-	-	99,453
Impairment recognised in net cost of services	(1,521)	(22)	-	(1,543)
Amortisation	(63,528)	(38,747)	-	(102,275)
Other movements	(1)	1	-	-
Total as at 30 June 2013	318,769	98,127	-	416,896
Total as at 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)
Total as at 30 June 2013	318,769	98,127	-	416,896

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DEPARTMENT OF HUMAN SERVICES
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	2014 $'000	2013 $'000
Note 9F: Other Non-Financial Assets		
Prepayments[1]	97,566	81,155
Total other non-financial assets	97,566	81,155
Other non-financial assets expected to be recovered		
No more than 12 months	68,760	61,934
More than 12 months	28,806	19,221
Total other non-financial assets	97,566	81,155

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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Note 10: Payables

	2014	2013
	$'000	$'000
Note 10A: Suppliers		
Trade creditors and accruals	**215,633**	231,078
Operating lease rentals	**49,445**	43,150
Total suppliers	**265,078**	274,228
Suppliers expected to be settled		
No more than 12 months	**217,626**	235,737
More than 12 months	**47,452**	38,491
Total suppliers	**265,078**	274,228
Suppliers in connection with		
Related parties	**20,958**	3,008
External parties	**244,120**	271,220
Total suppliers	**265,078**	274,228

Settlement was usually made within 30 days.

Note 10B: Competitive Neutrality Liabilities		
Tax equivalent liabilities	**368**	487
Total competitive neutrality liabilities	**368**	487
Competitive neutrality liabilities expected to be settled		
No more than 12 months	**368**	487
Total competitive neutrality liabilities	**368**	487

Note 10C: Lease Incentives		
Lease incentives	**28,339**	19,397
Total lease incentives	**28,339**	19,397
Lease incentives expected to be settled		
No more than 12 months	**4,836**	3,580
More than 12 months	**23,503**	15,817
Total lease incentives	**28,339**	19,397

Note 10D: Other Payables		
Wages and salaries	**80,864**	65,683
Superannuation	**12,604**	10,535
Unearned income	**2,116**	4,019
FBT payable to Australian Taxation Office	**1,090**	698
Other	**394**	394
Total other payables	**97,068**	81,329
Other payables expected to be settled		
No more than 12 months	**97,068**	81,329
Total other payables	**97,068**	81,329

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DEPARTMENT OF HUMAN SERVICES
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Note 11: Provisions

	2014	2013
	$'000	$'000
Note 11A: Employee Provisions		
Leave	855,037	875,245
Separations and redundancies	59	9,883
Total employee provisions	855,096	885,128
Employee provisions expected to be settled		
No more than 12 months	245,972	268,588
More than 12 months	609,124	616,540
Total employee provisions	855,096	885,128
Note 11B: Other Provisions		
Property make-good provision	24,534	25,596
Surplus lease space provision	5,711	2,801
Other	2,924	3,521
Total other provisions	33,169	31,918
Other provisions expected to be settled		
No more than 12 months	13,633	11,724
More than 12 months	19,536	20,194
Total other provisions	33,169	31,918

	Property make-good provision	Surplus lease space provision	Other	Total
	$'000	$'000	$'000	$'000
As at 1 July 2013	25,596	2,801	3,521	31,918
Additional provisions made	2,035	5,395	2,872	10,302
Amounts used	(1,902)	(1,488)	(266)	(3,656)
Amounts reversed	(2,092)	(1,005)	(3,203)	(6,300)
Unwinding of discount or change in discount rate	897	8	-	905
Total as at 30 June 2014	24,534	5,711	2,924	33,169

The department currently has 600 (2012–13: 739) agreements for the leasing of premises which have provisions requiring the department to restore the premises to their original condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

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Note 12: Cash Flow Reconciliation

	2014 $'000	2013 $'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	**19,941**	45,614
Statement of financial position	**19,941**	45,614
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash (used by)/from operating activities		
Net cost of services	**(4,068,147)**	(4,172,371)
Revenue from government	**3,958,201**	3,908,373
Income tax expense	**-**	(315)
Adjustments for non-cash items		
Depreciation and amortisation	**252,078**	260,334
Net write down of non-financial assets	**15,787**	7,002
Loss on disposal of assets	**25**	1,204
Reversals of previous asset write-downs and impairments	**(1,965)**	-
Unwinding of discount	**905**	1,177
Movements in assets and liabilities		
Assets		
(Increase)/decrease in net receivables	**(113,393)**	446,762
(Increase)/decrease in prepayments	**(16,411)**	67,325
Decrease in accrued revenue	**12**	31
Liabilities		
(Decrease)/increase in employee provisions	**(30,032)**	36,858
Increase in employee payables	**19,325**	548
Decrease in supplier payables	**(42,349)**	(421,771)
Increase/(decrease) in lease incentive	**8,942**	(4,578)
Decrease in competitive neutrality payable	**(119)**	(749)
Decrease in leases	**-**	(238)
(Decrease)/increase in unearned income	**(1,903)**	1,645
Increase in other payables	**-**	394
Increase /(decrease) in other provisions	**346**	(22,810)
Net cash (used by)/from operating activities	**(18,698)**	108,821

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DEPARTMENT OF HUMAN SERVICES
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Note 13: Contingent Assets and Liabilities

	Claims for damages or costs		Total	
	2014 **$'000**	2013 $'000	**2014** **$'000**	2013 $'000
Contingent assets				
Balance from previous period	**3,179**	802	**3,179**	802
New contingent assets recognised	**311**	2,503	**311**	2,503
Re-measurement	**21**	80	**21**	80
Assets realised	**(2,179)**	(206)	**(2,179)**	(206)
Rights expired	**(902)**	-	**(902)**	-
Total contingent assets	**430**	3,179	**430**	3,179
Contingent liabilities				
Balance from previous period	**1,552**	243	**1,552**	243
New contingent liabilities recognised	**1,138**	1,532	**1,138**	1,532
Re-measurement	**207**	5	**207**	5
Liabilities realised	**(1,548)**	(125)	**(1,548)**	(125)
Obligations expired	**(186)**	(103)	**(186)**	(103)
Total contingent liabilities	**1,163**	1,552	**1,163**	1,552
Net contingent (liabilities)/assets	**(733)**	1,627	**(733)**	1,627

Quantifiable contingencies

The schedule of contingencies reports $0.43 million of contingent assets in respect of insurance and legal claims (2012–13: $3.18 million).

The schedule of contingencies reports $1.16 million of contingent liabilities in respect of compensation claims (2012–13: $1.55 million). This estimate is based upon precedent for such cases.

Unquantifiable contingencies

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. These are not included in the schedule of contingencies.

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. These are not included in the schedule of contingencies.

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DEPARTMENT OF HUMAN SERVICES
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Note 14: Senior Executive Remuneration

Note 14A: Senior Executive Remuneration Expense for the Reporting Period

	2014	2013
Short-term employee benefits	**$**	$
Salary	**30,615,089**	31,403,267
Motor vehicle and other allowances	**4,315,823**	4,572,986
Total short-term employee benefits	**34,930,912**	35,976,253
Post-employment benefits		
Superannuation	**5,248,328**	5,474,654
Total post-employment benefits	**5,248,328**	5,474,654
Other long-term employee benefits		
Annual leave accrued	**81,142**	175,429
Long-service leave	**355,787**	1,335,239
Total other long-term employee benefits	**436,929**	1,510,668
Termination benefits	**528,805**	427,922
Total senior executive remuneration expenses	**41,144,974**	43,389,497

1. Note 14A is prepared on an accrual basis and excludes acting arrangements and part-year service where total remuneration expense was less than $195,000.

2. Salary figures include the cost of annual and long service leave taken during the year. Annual and long service leave benefits reflect the movement in leave provisions.

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Note 14B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration paid to substantive senior executives in 2014

Average annual reportable remuneration[1]	Substantive senior executives No.	Reportable salary[2] $	Contributed superannuation[3] $	Reportable allowances[4] $	Total reportable remuneration $
Total reportable remuneration (including part-time arrangements)					
less than $195,000	47	102,381	15,876	231	118,488
$195,000 to $224,999	51	184,402	28,119	-	212,521
$225,000 to $254,999	52	206,563	32,025	9	238,597
$255,000 to $284,999	19	232,219	36,108	-	268,327
$285,000 to $314,999	9	254,477	41,085	-	295,562
$315,000 to $344,999	3	267,705	62,513	55	330,273
$345,000 to $374,999	2	302,026	50,382	-	352,408
$375,000 to $404,999	1	332,038	53,870	-	385,908
$405,000 to $434,999	1	374,607	53,084	-	427,691
$435,000 to $464,999	1	431,450	25,000	-	456,450
$615,000 to $644,999	1	565,490	78,452	-	643,942
Total number of substantive senior executives	**187**				

[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' for tax purposes); and
c) reportable employer superannuation contributions.

[3] The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits (including lump sum payments) to substantive senior executives in that reportable remuneration band during the reporting period.

[4] 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

The department does not make individual bonus payments to executives.

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DEPARTMENT OF HUMAN SERVICES
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Note 14B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period (continued)

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 reportable remuneration (including part-time arrangements)					
less than $195,000	70	122,267	19,127	69	141,463
$195,000 to $224,999	55	185,019	27,968	15	213,002
$225,000 to $254,999	49	208,314	30,748	-	239,062
$255,000 to $284,999	15	228,027	42,790	-	270,817
$285,000 to $314,999	7	257,788	37,736	-	295,524
$315,000 to $344,999	3	290,291	47,758	-	338,049
$345,000 to $374,999	3	265,130	90,358	-	355,488
$375,000 to $404,999	1	351,598	30,002	-	381,600
$405,000 to $434,999	1	363,865	51,430	-	415,295
$435,000 to $464,999	1	419,668	25,000	-	444,668
$585,000 to $614,999	1	520,962	73,962	-	594,924
Total number of substantive senior executives	206				

[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' for tax purposes); and
c) reportable employer superannuation contributions.

[3] The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits (including lump sum payments) to substantive senior executives in that reportable remuneration band during the reporting period.

[4] 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

The department does not make individual bonus payments to executives.

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DEPARTMENT OF HUMAN SERVICES
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Note 14C: 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 2014

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)					
$195,000 to $224,999	15	177,774	29,150	10	206,934
$225,000 to $254,999	1	207,348	30,216	-	237,564
Total number of other highly paid staff	**16**				

[1] This table reports staff:
 a) who were employed by the entity during the reporting period;
 b) whose reportable remuneration was $195,000 or more for the reporting period; and
 c) were not required to be disclosed in Note 14B.
Each row is 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' for tax purposes); and
 c) reportable employer superannuation contributions.

[3] The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits (including lump sum payments) to other highly paid staff in that reportable remuneration band during the reporting period.

[4] 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

The department does not make individual bonus payments to staff.

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<u>**Note 14C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period (continued)**</u>

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)					
$195,000 to $224,999	7	180,271	37,380	-	217,651
Total number of other highly paid staff	7				

[1] This table reports staff:
a) who were employed by the entity during the reporting period;
b) whose reportable remuneration was $195,000 or more for the reporting period; and
c) were not required to be disclosed in Note 14B.
Each row is 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' for tax purposes); and
c) reportable employer superannuation contributions.

[3] The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits (including lump sum payments) to other highly paid staff in that reportable remuneration band during the reporting period.

[4] 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.

The department does not make individual bonus payments to staff.

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Note 15: Remuneration of Auditors

	2014	2013
	$'000	$'000

Financial statement audit services were provided free of charge to the department by the Australian National Audit Office.

	2014 $'000	2013 $'000
Fair value of the services received		
Financial statement audit services	**1,600**	1,600
Total fair value of services received	**1,600**	1,600

No other services were provided by the auditors of the financial statements.

Note 16: Financial Instruments

Note 16A: Categories of Financial Instruments

	2014 $'000	2013 $'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	**19,941**	45,614
Trade and other receivables	**19,232**	23,272
Other financial assets	**70**	82
Total loans and receivables	**39,243**	68,968
Total financial assets	**39,243**	68,968
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers	**265,078**	274,228
Total financial liabilities measured at amortised cost	**265,078**	274,228
Total financial liabilities	**265,078**	274,228

Note 16B: Net Gains or Losses on Financial Assets

	2014 $'000	2013 $'000
Loans and receivables		
Impairment	**-**	5
Net losses on loans and receivables	**-**	5
Net losses on financial assets	**-**	5

Note 16C: Net Gains or Losses on Financial Liabilities
There were no gains or losses on financial liabilities in 2013–14 or 2012–13 financial years.

Note 16D: Fair Value of Financial Instruments
The department considers that the carrying amounts of financial instruments reported in the statement of financial position are a reasonable approximation of fair value.

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Note 16E: 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 $19.76 million in 2013–14 (2012–13: $24.60 million). The department has assessed the risk of the default on payment and has allocated $0.53 million in 2013–14 (2012–13: $1.32 million) to an impairment allowance account. The department has policies and procedures that guide 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 2014 $'000	Not past due nor impaired 2013 $'000	Past due or impaired 2014 $'000	Past due or impaired 2013 $'000
Loans and receivables				
Cash and cash equivalents	**19,941**	45,614	**-**	-
Trade and other receivables	**15,463**	18,918	**4,299**	5,677
Other financial assets	**70**	82	**-**	-
Total	**35,474**	64,614	**4,299**	5,677

Ageing of financial assets that were past due but not impaired for 2014

	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	**1,427**	**953**	**502**	**887**	**3,769**
Total	**1,427**	**953**	**502**	**887**	**3,769**

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

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Note 16F: 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 in place to ensure there are appropriate resources to meet financial obligations and has no past history of defaults.

Maturities for non-derivative financial liabilities 2014

	On demand $'000	within 1 year $'000	between 1 to 2 years $'000	between 2 to 5 years $'000	more than 5 years $'000	Total $'000
Financial liabilities measured at amortised cost						
Suppliers	-	265,078	-	-	-	265,078
Total	-	265,078	-	-	-	265,078

Maturities for non-derivative financial liabilities 2013

	On demand $'000	within 1 year $'000	between 1 to 2 years $'000	between 2 to 5 years $'000	more than 5 years $'000	Total $'000
Financial liabilities measured at amortised cost						
Suppliers	-	274,228	-	-	-	274,228
Total	-	274,228	-	-	-	274,228

The department had no derivative liabilities in 2013–14 or 2012–13 financial years.

Note 16G: 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, other price risk or interest rate risk.

Note 17: Financial Assets Reconciliation

	Notes	2014 $'000	2013 $'000
Total financial assets as per statement of financial position		930,032	818,096
Less: non-financial instrument components			
Appropriation receivable	8B	863,024	720,758
GST receivable from the Australian Taxation Office	8B	27,765	28,370
Total non-financial instrument components		890,789	749,128
Total financial assets as per financial instruments note	16A	39,243	68,968

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Note 18: Administered - Expenses

	2014	2013
	$'000	$'000
Note 18A: Child Support Expense		
Child support expense	**1,387,532**	1,330,159
Total child support expense	**1,387,532**	1,330,159
Note 18B: Write-Down and Impairment of Assets		
Child support maintenance discharge	**49,492**	44,473
Child support doubtful debt expense	**55,638**	36,569
Child support write off expense	**5,890**	18,212
Child support cost recovery discharged	**2**	9
Child support waiver expense	**269**	18
Other - fines and costs	**157**	61
Total write-down and impairment of assets	**111,448**	99,342
Note 18C: Grants		
Private sector		
Non-profit organisations	**5,770**	7,579
Total grants	**5,770**	7,579
Note 18D: Other Expenses		
Income management card arrangements	**2,659**	2,617
Competitive neutrality	**-**	846
Total other expenses	**2,659**	3,463
Note 18E: Depreciation		
Depreciation		
Property, plant and equipment	**35**	35
Total depreciation	**35**	35

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Note 19: Administered - Income

	2014	2013
Non-Taxation Revenue	**$'000**	$'000
Note 19A: Child Support Revenue		
Child support revenue	**1,498,687**	1,429,146
Total child support revenue	**1,498,687**	1,429,146
Note 19B: Fees and Fines		
Child support - fees and fines	**8,189**	9,398
Other - fines and costs	**503**	307
Total fees and fines	**8,692**	9,705
Note 19C: Competitive Neutrality Revenue		
Competitive neutrality revenue	**7,568**	6,224
Total competitive neutrality revenue	**7,568**	6,224
Note 19D: Dividends		
Dividends	**5,003**	1,736
Total dividends	**5,003**	1,736
Note 19E: Other Revenue		
Other	**34**	1
Total other revenue	**34**	1

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Note 20: Administered - Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.
The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Note 20A: Fair Value Measurements

Fair value measurements at the end of the reporting period by hierarchy for assets and liabilities in 2014

	Fair value $'000	Fair value measurements at the end of the reporting period using		
		Level 1 inputs $'000	Level 2 inputs $'000	Level 3 inputs $'000
Financial assets				
Share capital - Australian Hearing	42,344	-	-	42,344
Total financial assets	42,344	-	-	42,344
Non-financial assets				
Property, plant and equipment	48	-	-	48
Total non-financial assets	48	-	-	48
Total fair value measurements of assets in the administered schedule of assets and liabilities	42,392	-	-	42,392

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<u>Note 20B: Valuation Technique and Inputs for Level 2 and Level 3 Fair Value Measurements</u>

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2014

	Category (Level 2 or Level 3)	Fair value $'000	Valuation techniques[1]	Inputs used	Range (weighted average)[2]
Financial assets					
Share capital - Australian Hearing	Level 3	42,344	Net assets	Net assets of the entity	Net assets
Non-financial assets					
Property, plant and equipment	Level 3	48	Depreciated replacement cost	Replacement cost, total useful life and remaining useful life.	$0.05m - $0.06m (10.00%)

[1] No change in valuation technique occurred during the period.
[2] Significant unobservable inputs only.

Recurring and non-recurring level 3 fair value measurements - valuation processes
The department's administered investments are classified as available-for-sale financial assets and are measured at their fair value as at 30 June 2014.

The department procured valuation services from Colliers International Valuation & Advisory Services and relied on the valuation model provided. The department tests the procedures of the valuation model as a part of the department's revaluation strategy. The valuer provided written assurance to the department that the model developed is in compliance with AASB 13 – *Fair Value Measurement*.

Recurring level 3 fair value measurements - sensitivity of inputs
At the measurement date there was a lack of observable inputs and market activities of a similar nature to Australian Hearing. The majority of Australian Hearing's cash flows are from related entities and the net assets valuation technique has been adopted.

The significant unobservable inputs used in the fair value measurement of property, plant and equipment are recent improvements and professional appraisals of assets of a similar nature. Significant increases (decreases) in any of those inputs in isolation would result in a significantly higher (lower) fair value measurement.

Recurring level 3 fair value measurements - sensitivity analysis for financial assets
Fair value measurement of Australian Hearing is dependent on its total comprehensive income and dividend payments to the Australian Government.

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Note 20C: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Financial assets		Non-financial assets	
	Share capital - Australian Hearing 2014 $'000	Total 2014 $'000	Property, plant and equipment 2014 $'000	Total 2014 $'000
As at 1 July 2013	38,522	38,522	72	72
Total losses recognised in net cost of services[1]	-	-	(35)	(35)
Total gains recognised in other comprehensive income[2]	3,822	3,822	11	11
Total as at 30 June 2014	42,344	42,344	48	48

1 Represents depreciation expense.
2 Represents changes in asset revaluation surplus.

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Note 21: Administered - Financial Assets

	2014	2013
	$'000	$'000
Note 21A: Cash and Cash Equivalents		
Cash on hand or on deposit	**168**	133
Compensation recovery	**665**	37,678
Total cash and cash equivalents	**833**	37,811
Note 21B: Child Support Receivables		
Maintenance receivables	**1,267,314**	1,197,886
Less: impairment allowance	**(541,491)**	(485,753)
Net maintenance receivables	**725,823**	712,133
Customer miscellaneous receivables	**5,782**	5,790
Less: impairment allowance	**(4,838)**	(4,845)
Net customer miscellaneous receivables	**944**	945
Client top up receivables	**1,684**	2,054
Net client top up receivables	**1,684**	2,054
Cost recovery receivables	**2,078**	2,361
Less: impairment allowance	**(556)**	(649)
Net cost recovery receivables	**1,522**	1,712
Total child support receivables (net)	**729,973**	716,844
Child support receivables (net) expected to be recovered		
No more than 12 months	**295,625**	303,723
More than 12 months	**434,348**	413,121
Total child support receivables (net)	**729,973**	716,844
Child support receivables (gross) in connection with		
External parties	**1,276,858**	1,208,091
Total child support receivables (gross)	**1,276,858**	1,208,091
Child support receivables (gross) aged as follows		
Not overdue	**85,903**	81,911
Overdue by		
0 to 30 days	**59,993**	61,687
31 to 60 days	**58,055**	48,393
61 to 90 days	**45,863**	45,230
More than 90 days	**1,027,044**	970,870
Total child support receivables (gross)	**1,276,858**	1,208,091

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	2014 $'000	2013 $'000
Impairment allowance aged as follows		
Not overdue	**(48,356)**	(33,066)
Overdue by		
0 to 30 days	**(24,875)**	(24,778)
31 to 60 days	**(24,236)**	(19,590)
61 to 90 days	**(19,145)**	(18,331)
More than 90 days	**(430,273)**	(395,482)
Total impairment allowance	**(546,885)**	(491,247)

Reconciliation of the Impairment Allowance

Movements in relation to 2014

	Child support receivables $'000	Total $'000
As at 1 July 2013	**(491,247)**	**(491,247)**
Impairment recognised in net contribution by services	**(55,638)**	**(55,638)**
Total as at 30 June 2014	**(546,885)**	**(546,885)**

Movements in relation to 2013

	Child support receivables $'000	Total $'000
As at 1 July 2012	(454,678)	(454,678)
Impairment recognised in net contribution by services	(36,569)	(36,569)
Total as at 30 June 2013	(491,247)	(491,247)

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	2014	2013
	$'000	$'000
Note 21C: Trade and Other Receivables		
Dividends receivable	**4,546**	1,415
Competitive neutrality receivable	**3,561**	1,687
GST receivable from the Australian Taxation Office	**32**	23
Other - fines and costs	**2,370**	2,288
Total trade and other receivables (gross)	**10,509**	5,413
Less: impairment allowance - fines and costs	**(2,188)**	(2,031)
Total impairment allowance	**(2,188)**	(2,031)
Total trade and other receivables (net)	**8,321**	3,382
Trade and other receivables (net) expected to be recovered		
No more than 12 months	**8,235**	3,238
More than 12 months	**86**	144
Total trade and other receivables (net)	**8,321**	3,382
Trade and other receivables (gross) in connection with		
External parties	**2,370**	2,288
Related parties	**8,139**	3,125
Total trade and other receivables (gross)	**10,509**	5,413
Trade and other receivables (gross) aged as follows		
Not overdue	**8,167**	3,166
Overdue by		
0 to 30 days	**9**	86
31 to 60 days	**-**	-
61 to 90 days	**7**	1
More than 90 days	**2,326**	2,160
Total trade and other receivables (gross)	**10,509**	5,413
Impairment allowance aged as follows		
Overdue by		
0 to 30 days	**(3)**	(33)
31 to 60 days	**-**	-
61 to 90 days	**(4)**	(1)
More than 90 days	**(2,181)**	(1,997)
Total impairment allowance	**(2,188)**	(2,031)

Reconciliation of the Impairment Allowance

Movements in relation to 2014

	Trade and other receivables $'000	Total $'000
As at 1 July 2013	**(2,031)**	**(2,031)**
Impairment recognised in net contribution by services	(157)	(157)
Total as at 30 June 2014	**(2,188)**	**(2,188)**

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Movements in relation to 2013		
	Trade and other receivables $'000	Total $'000
As at 1 July 2012	(1,970)	(1,970)
Impairment recognised in net contribution by services	(61)	(61)
Total as at 30 June 2013	(2,031)	(2,031)

	2014 $'000	2013 $'000
Note 21D: Other Investments		
Share capital		
Australian Hearing[1]	**42,344**	38,522
Total other investments	**42,344**	38,522
Other investments expected to be recovered		
More than 12 months	**42,344**	38,522
Total other investments	**42,344**	38,522

[1] Refer to Note 26.

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Note 22: Administered - Non-Financial Assets

	2014	2013
	$'000	$'000
Note 22A: Property, Plant and Equipment		
Property, plant and equipment		
Fair value	**53**	161
Accumulated depreciation	**(5)**	(89)
Total property, plant and equipment	**48**	72

All valuations are independent and are conducted in accordance with the revaluation policy stated at Note 1 and Note 20. In 2013–14 Colliers International Valuation & Advisory Services conducted the revaluation of property, plant and equipment.

A revaluation increment for property, plant and equipment of $0.01 million (2012–13: nil) was credited to the asset revaluation reserve and has been included in the equity section of the administered reconciliation schedule.

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 next 12 months.

Note 22B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Property, plant and equipment $'000	Total $'000
As at 1 July 2013		
Gross book value	**161**	**161**
Accumulated depreciation and impairment	**(89)**	**(89)**
Total as at 1 July 2013	**72**	**72**
Revaluations recognised in other comprehensive income	**11**	**11**
Depreciation	**(35)**	**(35)**
Total as at 30 June 2014	**48**	**48**
Total as at 30 June 2014 represented by		
Gross book value	**53**	**53**
Accumulated depreciation and impairment	**(5)**	**(5)**
Total as at 30 June 2014	**48**	**48**

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Note 22B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Reconciliation of the opening and closing balances of property, plant and equipment for 2013

	Property, plant and equipment $'000	Total $'000
As at 1 July 2012		
Gross book value	161	161
Accumulated depreciation and impairment	(54)	(54)
Total as at 1 July 2012	107	107
Depreciation	(35)	(35)
Total as at 30 June 2013	72	72
Total as at 30 June 2013 represented by		
Gross book value	161	161
Accumulated depreciation and impairment	(89)	(89)
Total as at 30 June 2013	72	72

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Note 23: Administered - Payables

	2014	2013
	$'000	$'000
Note 23A: Child Support and Other Payables		
Child support payables	**29,663**	32,394
Compensation recovery payables	**665**	37,678
Other payables	**676**	854
Total child support and other payables	**31,004**	70,926
Child support and other payables expected to be settled		
No more than 12 months	**31,004**	70,926
Total child support and other payables	**31,004**	70,926
Child support and other payables in connection with		
External parties	**30,339**	33,248
Related parties	**665**	37,678
Total child support and other payables	**31,004**	70,926
Note 23B: Payments Received in Advance		
Child support payments received in advance	**16,929**	16,754
Total payments received in advance	**16,929**	16,754

Note 24: Administered - Provisions

	2014	2013
Note 24A: Child Support Provisions		
Child support maintenance provisions	**725,823**	712,132
Total child support provisions	**725,823**	712,132
Child support provisions expected to be settled		
No more than 12 months	**294,566**	301,811
More than 12 months	**431,257**	410,321
Total child support provisions	**725,823**	712,132

	Child support provisions $'000	Total $'000
As at 1 July 2013	**712,132**	**712,132**
Additional provisions made	**1,498,687**	**1,498,687**
Amounts used	**(1,387,532)**	**(1,387,532)**
Amounts reversed	**(97,464)**	**(97,464)**
Total as at 30 June 2014	**725,823**	**725,823**

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Note 25: Administered - Cash Flow Reconciliation

	2014 $'000	2013 $'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		
Administered cash flow statement	833	37,811
Administered schedule of assets and liabilities	833	37,811
Discrepancy	-	-
Reconciliation of net cost of services to net cash (used by)/from operating activities		
Net contribution by services	12,540	6,234
Adjustments for non-cash items		
Depreciation	35	35
Movement in assets and liabilities		
Assets		
(Increase) in net child support related receivables	(13,129)	(20,292)
(Increase)/decrease in net trade and other receivables	(4,939)	2,997
Liabilities		
Increase/(decrease) in revenue received in advance	175	(635)
(Decrease)/increase in supplier payables	(39,922)	38,192
Increase in child support provisions	13,691	20,786
Net cash (used by)/from operating activities	(31,549)	47,317

Note 26: Administered - Investments

The principal activity of the administered investment, Australian Hearing, was to help people manage their hearing impairment in order 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 as at 30 June.

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Note 27: Administered - Financial Instruments

	2014	2013
	$'000	$'000
Note 27A: Categories of Financial Instruments		
Financial assets		
Loans and receivables		
Cash and cash equivalents	**833**	37,811
Trade and other receivables	**4,546**	1,415
Total loans and receivables	**5,379**	39,226
Available-for-sale financial assets		
Shares in Australian Hearing	**42,344**	38,522
Total available-for-sale financial assets	**42,344**	38,522
Total financial assets	**47,723**	77,748
Financial liabilities		
Other payables	**1,341**	38,532
Total financial liabilities	**1,341**	38,532
Note 27B: Net Gains or Losses on Financial Assets		
Available-for-sale financial assets		
Dividend revenue	**5,003**	1,736
Net gains on available-for-sale financial assets	**5,003**	1,736
Net gains on financial assets	**5,003**	1,736

Note 27C: Fair Value of 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 are made up of cash and cash equivalents, as well as, 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	Not past due nor impaired	Past due or impaired	Past due or impaired
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Loans and receivables				
Cash and cash equivalents	**833**	37,811	**-**	-
Trade and other receivables	**4,546**	1,415	**-**	-
Available-for-sale financial assets				
Shares in Australian Hearing	**42,344**	38,522	**-**	-
Total	**47,723**	77,748	**-**	-

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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 and internal policies and procedures in place to ensure there are appropriate resources to meet financial obligations and there is no past history of defaults.

Maturities for non-derivative financial liabilities 2014

	On demand $'000	within 1 year $'000	between 1 to 2 years $'000	between 2 to 5 years $'000	more than 5 years $'000	Total $'000
Financial liabilities at fair value through profit or loss (designated)						
Other payables	-	1,341	-	-	-	1,341
Total	**-**	**1,341**	**-**	**-**	**-**	**1,341**

Maturities for non-derivative financial liabilities 2013

	On demand $'000	within 1 year $'000	between 1 to 2 years $'000	between 2 to 5 years $'000	more than 5 years $'000	Total $'000
Financial liabilities at fair value through profit or loss (designated)						
Other payables	-	38,532	-	-	-	38,532
Total	-	38,532	-	-	-	38,532

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, other price risk or interest rate risk.

Note 28: Administered Financial Assets Reconciliation

	Note	2014 $'000	2013 $'000
Total financial assets as per administered schedule of assets and liabilities		781,471	796,559
Less: non-financial instrument components			
Child support receivables	21B	729,973	716,844
Trade and other receivables	21C	3,775	1,967
Total non-financial instrument components		**733,748**	718,811
Total financial assets as per administered financial instruments note	27A	47,723	77,748

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Note 29: Appropriations

Note 29A: Annual Appropriations ('Recoverable GST exclusive')

Annual appropriations for 2014

	Appropriation Act			FMA Act			Total appropriation	Appropriation applied in 2014 (current and prior years)	Variance
	Annual appropriation[1] $'000	Appropriations reduced[2] $'000	AFM $'000	Section 30 $'000	Section 31 $'000	Section 32 $'000	$'000	$'000	$'000
Departmental									
Ordinary annual services	4,086,923	-	-	-	305,225	-	4,392,148	4,252,788	139,360
Other services									
Equity	43,440	-	-	-	-	-	43,440	43,440	-
Total departmental	4,130,363	(8,537)	-	-	305,225	-	4,435,588	4,296,228	139,360
Administered									
Ordinary annual services									
Administered items	17,005	(8,537)	-	1,453	-	-	9,921	10,132	(211)
Total administered	17,005	(8,537)	-	1,453	-	-	9,921	10,132	(211)

[1] 2013–14 departmental annual appropriation includes additional funding of $13.372 million (operating $12.917 million and equity $0.455 million) which was recognised in the 2012–13 financial year but appropriated in 2013–14.

The 2013–14 appropriation revenue reported in the statement of comprehensive income includes a net reduction in appropriation of $0.600 million. This represents: additional funding of $18.204 million for 2013-14 provided in the 2014–15 Budget and appropriated in *Appropriation Act No.1 2014–15* offset by a return of $18.804 million reflecting the department's funding model agreements.

[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) 2013–14* and section 12 of *Appropriation Acts (Nos. 2, & 4) 2013–14*, 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.

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Note 29A: Annual Appropriations ('Recoverable GST exclusive') (continued)

Annual appropriations for 2013

| | Appropriation Act | | | FMA Act | | | | Appropriation applied in 2013 | |
	Annual appropriation[1] $'000	Appropriations reduced[2] $'000	AFM $'000	Section 30 $'000	Section 31 $'000	Section 32 $'000	Total appropriation $'000	(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 additional funding 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 2012–13 primary statements include additional appropriation revenue of $12.917 million and a capital injection of $0.455 million. This represents additional funding provided in the 2012–13 Budget and appropriated in *Appropriation Act No.1 2013–14* and *Appropriation Act No.2 2013–14*.

[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 2014

Note 29B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

| | 2014 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2014 (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	115,205	-	-	115,205	115,205	-	115,205	-

[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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Note 29B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive') (continued)

| | 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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Note 29C: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	2014 $'000	2013 $'000
DEPARTMENTAL		
Appropriation Act (No. 1) 2011–12[1]	**25,300**	32,532
Appropriation Act (No. 1) 2012–13	**-**	694,181
Appropriation Act (No. 3) 2012–13	**26,287**	26,287
Appropriation Act (No. 1) 2013–14	**753,992**	-
Appropriation Act (No. 3) 2013–14	**77,987**	-
Total departmental	**883,566**	753,000
ADMINISTERED		
Appropriation Act (No. 1) 2012–13	**-**	8,530
Appropriation Act (No. 1) 2013–14	**8,998**	-
Appropriation Act (No. 3) 2013–14	**47**	-
Total administered	**9,045**	8,530

[1] *Appropriation Act (No.1) 2011–12* includes quarantined amount of $25.30 million (2012–13: $32.53 million). Following the commencement of the PGPA Act on 1 July 2014, appropriation under Appropriation Acts prior to 1 July 2012 are no longer available.

The total amount for unspent departmental annual appropriations includes the Official Public Account receivable of $863.02 million (2012–13: $707.39 million), cash on hand of $19.94 million (2012–13: $45.61 million), additional funding of $18.20 million for 2013–14 provided in the 2014–15 Budget offset by a return of $18.80 million reflecting the department's funding model agreements.

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Note 29D: Special Appropriations Applied ('Recoverable GST exclusive')

			Appropriation applied	
			2014	2013
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.	**55,990**	69,184
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.	**394**	87
Financial Management and Accountability Act 1997 s.28(2), Administered	Refund	To enable payments to be made for the repayment of amounts earlier received under the Centrelink master programme.	**1,096**	910
Total special appropriations applied			**57,480**	70,181

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Note 29E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

2014	DEEWR[1] $'000	DoE[2] $'000	DoA[3] $'000	DSS[4] $'000	Ind[5] $'000	AGD[6] $'000	DIRD[7] $'000	DIBP[8] $'000	DoH[9] $'000	DVA[10] $'000	ABS[11] $'000
Total receipts	3,861,496	1,212,433	12,077	109,943,268	888,209	29,588	139,553	4,176	38,113,742	3,638,813	10
Total payments	3,861,496	1,212,433	12,077	109,909,171	888,209	29,588	139,553	4,176	38,113,742	3,628,900	10

[1] Department of Education, Employment and Workplace Relations (DEEWR) – Up until 18 September 2013, the department made third party payments on behalf of the entity for personal benefits including Newstart Allowance, Single Parenting Payment, Child Care Rebate and Child Care Benefit. Following the machinery of government changes on 18 September 2013, the Department of Education and the Department of Employment were created out of the former Department of Education, Employment and Workplace Relations. From 18 September 2013 the Newstart Allowance and Single Parenting Payment were transferred to the Department of Social Services and the Child Care Rebate and the Child Care Benefit to the Department of Education.

[2] Department of Education (DoE) – Following the machinery of government changes on 18 September 2013, the department now makes third party payments on behalf of the entity for personal benefits including the Child Care Rebate and the Child Care Benefit.

[3] Department of Agriculture (DoA) – Following the machinery of government changes on 18 September 2013, the former Department of Agriculture, Fisheries and Forestry was renamed the Department of Agriculture. 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.

[4] Department of Social Services (DSS) – Following the machinery of government changes on 18 September 2013, the former Department of Families, Housing, Community Services and Indigenous Affairs was renamed the Department of Social Services and assumed responsibility for: families; children; housing; community services; seniors; disability and carers; women; ageing and aged care; disability employment services; working age and student payments; settlement and multicultural services; and civil society and volunteering. This resulted in DSS taking responsibility for Austudy and Youth Allowance from DIICCSRTE, Newstart Allowance and Single Parenting Payment from DEEWR and Aged Care from DoH. The department also makes third party payments on behalf of the entity for personal benefits including the Age Pension, Aged Care, Disability Support Pension and Family Tax Benefit.

[5] Department of Industry (Ind) – Following the machinery of government changes on 18 September 2013, the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE) was renamed the Department of Industry. This resulted in the Austudy and Youth Allowance personal benefit payments transferring to DSS. The department continues to make third party payments on behalf of the entity for the LPG Vehicle Scheme.

[6] Attorney-General's Department (AGD) – The department makes payments on behalf of the entity for Disaster Recovery Relief and Victim of Terrorism.

[7] Department of Infrastructure and Regional Development (DIRD) – Following the machinery of government changes on 18 September 2013, the Department of Infrastructure and Transport was renamed the Department of Infrastructure and Regional Development. The department makes third party payments on behalf of the entity for the Bass Strait Passenger Vehicle Equalisation Scheme and Tasmanian Freight Equalisation Scheme.

[8] Department of Immigration and Border Protection (DIBP) – Following the machinery of government changes on 18 September 2013, the Department of Immigration and Citizenship was renamed the Department of Immigration and Border Protection. The department makes third party payments on behalf of the entity for Offshore Asylum Seeker Management.

[9] Department of Health (DoH) – Following the machinery of government changes on 18 September 2013, the Department of Health and Ageing was renamed the Department of Health resulting in the transfer of Aged Care responsibilities to DSS. The department continues to make third party payments on behalf of the entity for medical and pharmaceutical benefits.

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[10] Department of Veterans' Affairs (DVA) – The department makes third party payments on behalf of the entity for Medical and Aged Care benefits.

[11] Australian Bureau of Statistics (ABS) – Third party payments made on behalf of the entity for the Australian Health Survey.

Any difference between total payments and total receipts represents appropriation drawn down but not spent as at 30 June 2014.

Note 29E: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive') (continued)

2013	DEEWR[1] $'000	DAFF[2] $'000	FaHCSIA[3] $'000	DIICCSRTE[4] $'000	AGD[5] $'000	DoI[6] $'000	DoHA[7] $'000	DVA[8] $'000	ABS[9] $'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	16,508,734	7,622	79,704,962	3,215,419	174,054	145,493	44,075,546	3,890,217	200

[1] Department of Education, Employment and Workplace Relations (DEEWR) – 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 (DAFF) – 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 (FaHCSIA) – 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 (DIICCSRTE) – The department makes third party payments on behalf of the entity for personal benefits including Austudy and Youth Allowance.

[5] Attorney-General's Department (AGD) – 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 (DoI) – 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 (DoHA) – The department makes third party payments on behalf of the entity for Medical and Aged Care benefits.

[8] Department of Veterans' Affairs (DVA) – The department makes third party payments on behalf of the entity for Medical and Aged Care benefits.

[9] Australian Bureau of Statistics (ABS) – The department makes third party payments on behalf of the entity for the Australian Health Survey.

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Note 29F: Reduction in Administered Items ('Recoverable GST exclusive')

Reduction in administered items for 2014	Amount required[1] - by Appropriation Act	Total amount required[1]	Total amount appropriated[2]	Total reduction[3]
Ordinary Annual Services	Act (No.1)			
Outcome 1	$8,468,035.40	$8,468,035.40	$17,005,000.00	$8,536,964.60

Numbers in this section are disclosed to the cent.

Administered item for 2014 is reduced to these amounts when these financial statements are tabled in Parliament as part of the department's 2014 annual report. This reduction is effective in 2014–15, but the amount is reflected in Note 29A in the 2014 financial statements in the column 'Appropriations reduced' as it is an adjustment to 2014 appropriations.

[1]Amount required as per section 11 of Appropriation Act (Act 1 s11; Act 2 s12).
[2]Total amount appropriated in 2014.
[3]Total reduction effective in 2015.

Reduction in administered items for 2013	Amount required[1] - by Appropriation Act	Total amount required[1]	Total amount appropriated[2]	Total reduction[3]
Ordinary Annual Services	Act (No.1)			
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 s11; Act 2 s12).
[2]Total amount appropriated in 2013.
[3]Total reduction effective in 2014.

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Note 30: Special Accounts and FMA Act Section 39 Investments

Note 30A: 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 Account[3]	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Balance brought forward from previous period	57,072	58,838	93,296	75,029	13,617	8,948
Increases						
Child Support (Registration & Collection) Act 1988 Section 77	55,990	69,184	-	-	-	-
Ordinary annual services	1,493	1,267	-	-	-	-
Other receipts (including receipts from non-custodial parents)	1,335,740	1,250,031	299,248	296,523	-	-
Receipts from employers	-	-	-	-	654,026	665,926
Total increases	1,393,223	1,320,482	299,248	296,523	654,026	665,926
Available for payments	1,450,295	1,379,320	392,544	371,552	667,643	674,874
Decreases						
Administered						
Payments to custodial parents	(1,391,955)	(1,321,058)	-	-	-	-
Repayments debited from the special account	(1,453)	(1,190)	-	-	-	-
Payments made to the Department of Health	-	-	(86,542)	(26,848)	-	-
Payments made to the Department of Social Services	-	-	(1,868)	-	-	-
Refunds to customers	-	-	(268,669)	(251,408)	-	-
Total administered decreases	(1,393,408)	(1,322,248)	(357,079)	(278,256)	-	-
Special public money						
Payments made	-	-	-	-	-	-
Payments made to superannuation funds	-	-	-	-	(662,842)	(661,257)
Closing balance transferred to Australian Taxation Office	-	-	-	-	(4,801)	-
Total special public money decreases	-	-	-	-	(667,643)	(661,257)

DEPARTMENT OF HUMAN SERVICES
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Note 30A: 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 Account[3]	
	2014	2013	**2014**	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
Total decreases	**(1,393,408)**	(1,322,248)	**(357,079)**	(278,256)	**(667,643)**	(661,257)
Total balance carried to the next period	**56,887**	57,072	**35,465**	93,296	**-**	13,617

[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.

Responsibility for the Superannuation Clearing House Special Account transferred to the Australian Taxation Office (ATO) effective 1 April 2014.

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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:

(e) to disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth;

(a) to disburse amounts in connection with services performed on behalf of other governments and bodies that are not FMA Act agencies;

(b) to repay amounts where an Act or other law requires or permits the repayment of an amount received; and

(c) 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 2014 and 30 June 2013 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	**2014** **$**	2013 $
11 payments were made under *Legal Services Directions 2005* during the reporting period (2012–13: 5 payments made).	**35,529**	9,909
1 'Act of Grace' payment was made during the reporting period (2012–13: 1 payment).	**170,000**	6,091
None of the above payments were made on a periodic basis (2012–13: no payments).		
8 waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012–13: 1 waiver).	**27,983**	4,146
No waivers of amounts owing to the Australian Government were made pursuant to other legislation (2012–13: no waiver).	**-**	-
1,730 payments were made under the 'Compensation for Detriment caused by Defective Administration' (CDDA) Scheme during the reporting period (2012–13: 1,719 payments).	**5,356,686**	4,853,186
No ex-gratia payments were made for during the reporting period (2012–13: no payments).	**-**	-
4 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 (2012–13: no payments).	**5,834**	-

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	2014	2013
	$	$
Compensation and Debt Relief - Administered		
No 'Act of Grace' payments were made during the reporting period (2012–13: No payments).	**-**	-
43 waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2012–13: 45 waivers).	**211,563**	87,605
No waivers of amounts owing to the Australian Government were made pursuant to section 23 of the Disability Services Act 1986 (2012–13: No waivers).	**-**	-
No payments were made under the 'Compensation for Detriment caused by Defective Administration' (CDDA) Scheme during the reporting period (2012–13: No payments).	**-**	-
No ex-gratia payments were made for during the reporting period (2012–13: 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 (2012–13: No payments).	**-**	-

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Note 32: Reporting of Outcomes

Note 32A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Departmental				
Expenses	**4,340,994**	4,456,324	**4,340,994**	4,456,324
Own-source income	**272,847**	283,638	**272,847**	283,638
Administered				
Expenses	**1,507,444**	1,440,578	**1,507,444**	1,440,578
Income	**1,519,984**	1,446,812	**1,519,984**	1,446,812
Net cost of outcome delivery	**4,055,607**	4,166,452	**4,055,607**	4,166,452

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

	2014	2013
	$'000	$'000
Note 33A: Competitive Neutrality - Expenses		
State tax equivalent expense	**368**	321
Commonwealth tax equivalent expense	**-**	315
Total expenses	**368**	636
Note 33B: Cost Recovery Summary		
Amounts applied		
Departmental		
Annual appropriations[1]	**4,400**	4,200
Total amounts applied	**4,400**	4,200
Expenses		
Departmental[2]	**4,860**	4,591
Total expenses	**4,860**	4,591

The department is responsible for the administration of early release of superannuation benefits on specific compassionate grounds. The department's costs for delivering the service are funded on a cost recovery basis through direct appropriation matched by levies raised by the Australian Prudential Regulation Authority (APRA) under the *Financial Institutions Supervisory Levy Collection Act 1998*. The Treasury liaises with APRA each year to confirm the agreed amount to be collected on behalf of the department. The programme will undertake a review of the current cost recovery model taking into account its exposure to significant fluctuations in work volume and recovery of indirect costs.

The other entities involved in this cost recovery activity are the Australian Taxation Office and the Australian Securities and Investments Commission.

The annual consultation paper *Financial Industry Levies for 2013–14* is available at
http://www.apra.gov.au/AboutAPRA/Documents/Financial-Industry-Levies-2013-14.pdf.

[1] The annual appropriation is taken to be representative of the amount applied.

[2] Departmental expenses consist of direct and indirect costs. Indirect costs are apportioned internally to activities and may include administrative, corporate and technical support costs.

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DEPARTMENT OF HUMAN SERVICES
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Note 34: Net Cash Appropriation Arrangements

	2014	2013
	$'000	$'000
Note 34A: Net Cash Appropriation Arrangements		
Total comprehensive income less depreciation and amortisation expenses previously funded through revenue appropriations[1]	**160,122**	15,069
Less: depreciation and amortisation expenses previously funded through revenue appropriation	**(242,588)**	(256,573)
Total comprehensive loss as per the statement of comprehensive income	**(82,466)**	(241,504)

[1] From 2010–11, the government introduced net cash appropriation arrangements, where revenue appropriations for depreciation and amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.

Depreciation and amortisation expense for assets associated with CRS Australia are funded from own-source receipts. Depreciation and amortisation expense for CRS Australia for 2014 was $9.49 million (2012–13: $3.76 million) and is excluded for the purpose of Note 34A.

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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 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 2013–14 the department undertook, where appropriate, further work 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; and

• obtaining legal advice to resolve questions of potential non-compliance.

The department has three special accounts involving statutory conditions for payment, and 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.*

Responsibility for the Superannuation Clearing House Special Account transferred to the Australian Taxation Office effective 1 April 2014.

The department identified four payments in 2013–14, totalling $27,886, 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 2013–14:
    * amounts totalling $27,886 were incorrectly paid; and
    * amounts totalling $6,712 have been recovered to 30 June 2014.

Details of payments made in contravention of s83 in 2013–14 are set out in Note 35A.

Generic payments

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 its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The department has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department. There are no known breaches of s83 in respect of these items.

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DEPARTMENT OF HUMAN SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2014

Note 35A: Compliance with Section 83 of the Constitution

Appropriations identified as subject to conditions	Expenditure in 2013–14		Confirmed Breaches		
		Number	Total	Incorrect	Recovered/offset as at 30 June 2014
SPECIAL ACCOUNTS	$		$	$	$
Superannuation Clearing House	662,841,920	2	6,712	6,712	6,712
Recovery of Compensation for Health Care and Other Services	357,078,233	2	21,174	21,174	-

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Appendices

APPENDIX A: HUMAN SERVICES (MEDICARE) ACT 1973 REPORT

The *Human Service (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 77: *Human Services (Medicare) Act 1973*—section 42 reporting requirements

Section 42(1) paragraphs (a) to (h)	2011–12	2012–13	2013–14
(a) The number of signed instruments made under section 8M	6	3	5
(b) The number of notices in writing given under section 8P	65	103	161
(c) The number of notices in writing given to individual patients under section 8P. Note: this is a subset of (b) above	4	27	6
(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	13	16	14
(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]	1 147	0	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: PAYMENTS AND SERVICES DELIVERED FOR OUR PARTNERS

Table 78 summarises the payments the department made on behalf of other government departments in 2013–14.

Table 78: Payments on behalf of other departments

Department	2013–14
Attorney-General's Department	$29.6 million
Department of Agriculture	$12.1 million
Department of Education	$1.2 billion
Department of Employment	$3.9 billion
Department of Health	$38.1 billion
Department of Industry	$888.2 million
Department of Immigration and Border Protection	$4.2 million
Department of Infrastructure and Regional Development	$139.6 million
Department of Social Services	$109.9 billion
Department of Veterans' Affairs	$3.6 billion

AUSTRALIAN GOVERNMENT AGENCIES

The department provided the following payments and services for Australian Government agencies.

ATTORNEY-GENERAL'S DEPARTMENT

- Document verification service
- Australian Government Disaster Recovery Payments
- Financial Intelligence Assessment Team
- Australian Victim of Terrorism Overseas Payment
- Emergency call centre services

AUSTRALIAN BUREAU OF STATISTICS

- Australian Health Survey

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION and AUSTRALIAN ENERGY REGULATOR

- Joint agreement with the Australian Competition and Consumer Commission and the Australian Energy Regulator for information exchange

AUSTRALIAN ELECTORAL COMMISSION

- Access to enrolment forms, reply paid envelopes, promotional material and the commission's website in the department's service centres
- Data for management of the electoral roll
- Services related to federal elections
- Data centre services

AUSTRALIAN FEDERAL POLICE

- Secondment of Australian Federal Police Officers
- Financial Intelligence Assessment Team

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

- Joint compliance and intelligence activities

AUSTRALIAN HEARING

- Accommodation for Australian Hearing at selected departmental service centres
- Australian Government Mobile Service Centres

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

- Financial Intelligence Assessment Team
- Information exchange about entities and issues of mutual interest

AUSTRALIAN TAXATION OFFICE

- Small Business Superannuation Clearing House
- 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
- Joint Agency Strategic Working Group
- Co-location
- Education Tax Refund—data exchange
- myGov

AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE
- Financial Transaction Reports

COMMONWEALTH DIRECTOR OF PUBLIC PROSECUTIONS
- Protocols for the prosecution of alleged criminal offences in relation to social security and health-related programmes, staff, facilities and operations

CRIMTRAC
- Provision of criminal history information

DEPARTMENT OF AGRICULTURE
- Interim Farm Household Allowance

DEPARTMENT OF COMMUNICATIONS
- Digital TV Switchover—Household Assistance Scheme

DEPARTMENT OF EDUCATION
- Referrals to Youth Connections programmes
- Assessment Subsidy for Overseas Trained Professionals Programme
- Child care payments
  - Child Care Benefit
  - Child Care Rebate
  - Jobs, Education and Training Child Care Fee Assistance
  - Special Child Care Benefit

DEPARTMENT OF EMPLOYMENT
- Employment referrals and other services
- Assessment and referrals
- Compliance and participation and activity test requirements
- Voluntary work organisation approval

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

- Australian Passport Information Service
- Vulnerable Australians repatriated from overseas

DEPARTMENT OF HEALTH

- Medicare and related programmes
  - Medicare
  - Medicare Teen Dental Plan
  - Adverse events assistance activity
- eHealth programmes
  - 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 programmes
  - General Practice Rural Incentives Program
  - General Practice Immunisation Incentives Scheme
  - 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 programmes
  - Private Health Insurance Rebate
  - Lifetime Health Cover mail-out
  - National External Breast Prostheses Reimbursement Program
  - Compensation Recovery Program
  - Support Leave for Living Organ Donors

- National registers
  - Australian Childhood Immunisation Register
  - Australian Organ Donor Register
  - National Bowel Cancer Screening Register
  - High Risk Implantable Medical Devices
- Indemnity Insurance Fund
  - Medical Indemnity
  - Midwife Professional Indemnity
- myGov

DEPARTMENT OF IMMIGRATION AND BORDER PROTECTION

- Assistance with citizenship testing
- Electronic data exchange
- Joint compliance activities
- Interpreting services
- Status Resolution Support Service payment

DEPARTMENT OF INDUSTRY

- Liquefied Petroleum Gas Vehicle Reimbursement Scheme
- Skills for Education and Employment
- Australian Apprenticeships Access Program

DEPARTMENT OF INFRASTRUCTURE AND REGIONAL DEVELOPMENT

- Bass Strait Passenger Vehicle Equalisation Scheme
- Tasmanian Freight Equalisation Scheme
- Tasmanian Wheat Freight Scheme

DEPARTMENT OF THE PRIME MINISTER AND CABINET

- School Nutrition Programme
- School Enrolment and Attendance Measure
- Remote Jobs and Communities Programme
- Community Development Employment Projects
- Indigenous Wage Subsidy Card

DEPARTMENT OF SOCIAL SERVICES

- Aged Care Payments function
  - Income and assets testing
  - Hardship assistance
  - Aged Care Education and Training Incentive
- Labour Market and Students
  - Newstart Allowance
  - Youth Allowance (other)
  - Youth Allowance (student)
  - AUSTUDY
  - ABSTUDY
  - Assistance for Isolated Children Scheme
  - Fares Allowance
  - Student Start-Up Scholarship
  - Relocation Scholarship
  - Partner Allowance
  - Widow Allowance
  - Parenting Payment
  - Member of a couple
  - New Zealand Residents Measure
  - Bali Assistance Package
  - Reimbursement to Great Southern Rail for Concessional Fares
  - Transition to Independent Living Allowance
  - International payments
  - Multicultural programmes
  - Assurance of Support
- Families
  - Family Tax Benefit Parts A and B
  - Child Support Scheme
  - 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
- – Parental Leave Pay
- 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
  - – Continence Aid Payment Scheme
  - – Wife Pension (Disability)
  - – Carer Supplement
  - – Ex-gratia payments to unsuccessful applicants of Carer Payment (Child)
  - – Carer Specialist Assessment Team
  - – Essential Medical Equipment Payment

- – Mobility Allowance
- – Carer Adjustment Payment
- – Sickness Allowance
- – Mobility Allowance
- – Continence Aids Payment Scheme
- 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 THE TREASURY

- 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
- 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
- Special Disability Trusts Information Exchange
- myGov
- Child Dental Benefits Scheme

FAMILY COURT OF AUSTRALIA

- Interpreting and translation services

NATIONAL DISABILITY INSURANCE AGENCY

- Sharing premises
- Exchanging information
- Providing specialist assessments
- Staff secondments
- myGov

STATE AND TERRITORY GOVERNMENTS AND OTHER ORGANISATIONS

The department provided the following services and support for state and territory governments and other organisations.

NATIONAL E-HEALTH TRANSITION AUTHORITY

- Healthcare Identifiers Service
- National Authentication Service 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

The National Emergency Call Centre Surge Capability is a call centre overflow service the department provides to all states and territories, as well as some Australian Government agencies. See *National Emergency Call Centre Surge Capability* on page 102.

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: CARER RECOGNITION ACT 2010 REPORT

OBLIGATIONS OF ALL PUBLIC SERVICE AGENCIES

Section 7(1)—Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia's Carers.

The department raises staff awareness and understanding of the Statement for Australia's Carers through online tools and resources. The statement, set out in Schedule 1 of the *Carer Recognition Act 2010,* enshrines the rights, opportunities and choices of carers. Our intranet resources also include links to the Act and information about support available to help staff with their caring responsibilities.

Section 7(2)—Each public service agency's internal human 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.

The department consults with staff and representatives, providing the opportunity for comments and feedback while having due regard to the Statement for Australia's Carers. We support staff with caring responsibilities through:

- flexible working arrangements
- part-time work
- home-based work
- an elder care advisory service
- the Employee Assistance Program.

Section 8(1)—Each public service care agency is to take all practicable measures to ensure that it, and its employees and agents, take action to reflect the principles of the Statement for Australia's Carers 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 programmes 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 government's 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 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.

The department continues to promote service models that involve carers as partners in the provision of care. Carers and carer peak bodies are consulted on the development of new measures as required.

Section 8(3)—Each public service care agency must prepare a report on its compliance with section 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 *People unable to work and carers* on page 25.

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 of the Act, participating agencies are required to table reports in both houses of the parliament.

This appendix covers the progress of the programme for the department in 2013–14.

DATA-MATCHING PROGRAM OBJECTIVES

The Data-matching Program aims to:

- detect people who may be receiving incorrect payments from an income support agency
- verify the accuracy of customers' income declared to agencies that make income support payments
- encourage voluntary compliance including:
  - deterring people from attempting to claim payments to which they are not entitled
  - the voluntary surrender of payments to which people may not be entitled
  - the voluntary disclosure of changes in circumstances which affect rates of payment
- identify debtors who have resumed receiving an income support payment
- detect fictitious or assumed identities.

The programme plays an important role in 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.

PROGRAMME CYCLES

The *Data-matching Program (Assistance and Tax) Act 1990* specifies that a programme cycle must be completed within two months of its commencement and that a new cycle cannot begin until the previous one has finished.
No more than nine cycles may be conducted each year. In 2013–14 four cycles were conducted.

PRIVACY SAFEGUARDS

The programme operates within a framework of comprehensive and strict privacy safeguards that cover the collection, storage, use and disclosure of personal information. Close attention is paid to adherence to these requirements.

The main safeguards associated with the programme ensure that:

- the Data Matching Agency (DMA) does not hold source agency data for any longer than necessary
- source agencies cannot link or merge the information used in the programme to create a new, separate, permanent database of information
- the source agency data used is as up-to-date as possible
- data received and generated by the DMA is protected by strict physical and system security arrangements
- source agencies establish reasonable procedures for confirming the validity of results
- people are advised of the existence of the programme and the use of their information when they begin receiving a payment or service from an assistance agency
- people are contacted only when the department cannot explain a discrepancy by examining their records
- information no longer required is destroyed.

PROGRAMME MONITORING

PROGRAMME ASSESSMENTS

The department continued to monitor the operation of the programme 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 regular reports, OAIC audits and ongoing project analysis.

STATISTICS

This section contains the statistical details required under guideline 12 of the Schedule to the *Data-matching Program (Assistance and Tax) Act 1990*. The information is divided into two parts. The first part, which has been compiled for the DMA, details the input and output from the programme cycles. The second part outlines the action taken by the department on discrepancies.

DATA MATCHING AGENCY

The legislation requires that the following information processed by the DMA be provided:

- the total number of matches undertaken
- the number and proportion of matches that resulted in discrepancies.

Discrepancies can result from invalid Tax File Numbers (TFNs), identity matching or payment and income matching.

Table 79 shows the DMA input and output for programme cycles in 2013–14. Table 80 on page 312 shows the number and proportion of matches that resulted in discrepancies, and outcomes for the same period.

Table 79: Data Matching Agency input and output for all agencies 2013–14

Department	Matches undertaken	DMA output	DMA output as a percentage of total departmental matches %
Department of Human Services	104 751 429	2 016 353	1.9
Department of Veterans' Affairs	1 487 161	17 826	1.2
Total	**106 238 590**	**2 034 361**	**1.9**

Many people will have more than one component including married, maiden or previous legal names. For the Department of Veterans' Affairs, maiden and married names are separated into two records after receipt by the DMA.

Table 80: Results of discrepancies released for action in 2013–14

Discrepancies/cases	Number	Proportion[8] %
Discrepancies which resulted in a notice under section 11 of the *Data-matching Program (Assistance and Tax) Act 1990* being sent[1]	27 404	75.6
Discrepancies which resulted in action being taken[2]	18 005	49.7
Cases in which action proceeded despite a dispute about the accuracy of the data[3]	213	0.01
Discrepancies which did not proceed to action after the individual was contacted[4]	8 556	23.6
Cases where an overpayment was identified[5]	21 392	59.0
Cases where recovery action was initiated[6]	20 362	NA[9]
Cases where the debt was fully recovered[7]	17 571	NA[9]

1. Section 11 of the *Data-matching Program (Assistance and Tax) Act 1990* requires that people must be given written notice of any proposed action as a result of information gained through the programme. People have 28 days to respond.
2. Following the completion of a cycle, departments undertake further refinements before releasing the discrepancies for follow-up action. These refinements are 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.
9. The initiation and completion of recovery action for debts can occur in different financial years to when a debt is first identified.

COST BENEFITS

This section sets out the savings and other benefits of the Data-matching Program.

It includes details of direct savings in outlays and the actual direct costs of the programme. See Table 81 on page 314 for programme cost–benefit information.

DIRECT SAVINGS METHODOLOGY

There are three direct savings components from the programme:

- downward variations in rate or stopping of payments
- raised debts
- stopping payments to new customers for failure to comply with TFN requirements.

The programme is also used to match details of former customers of each income support 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 2013–14 the Data-matching Program achieved $154.7 million in savings.

DIRECT COST METHODOLOGY

Administrative costs

Administrative costs included computer and associated costs—the equipment used to run the programme cycles has some ongoing administrative costs associated with computer hardware and software maintenance.

Salary costs

The programme's main salary costs were costs associated with:

- managing and supporting the programme within the department
- the department's network review activity, including its management and coordination.

DIRECT COST–BENEFIT SUMMARY

When the costs and benefits (direct savings) are compared, the net benefits of the programme are significant. In 2013–14 the net benefit of the programme was $132.7 million.

Table 81: Direct cost–benefit summary

	2013–14 actual
Benefits[1]	$152 238 100
Costs	$19 530 400
Net benefit[2]	$132 707 700
Cost–benefit ratio[3]	1:7.8

1. Net savings, including the effect of upward variations.
2. Calculated by subtracting costs from benefits.
3. Calculated by dividing benefits by costs.

CHRONOLOGY

The events listed below include data-matching cycles and consultation with the OAIC in 2013–14:

- **1 August 2013**—Cycle 3/2013 commenced
- **14–15 August 2013**—OAIC staff audited teams from Business Integrity
- **19 August 2013**—Step 5 of Cycle 3/2013 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- **23 August 2013**—Cycle 3/2013 completed
- **21 October 2013**—Cycle 4/2013 commenced
- **12 November 2013**—Step 5 of Cycle 4/2013 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- **15 November 2013**—Cycle 4/2013 completed
- **25–26 November 2013**—OAIC staff audited teams from Business Integrity
- **3 February 2014**—Cycle 1/2014 commenced
- **24 February 2014**—Step 5 of Cycle 1/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- **28 February 2014**—Cycle 1/2014 completed
- **15–16 April 2014**—OAIC staff audited teams from Business Integrity
- **5 May 2014**—Cycle 2/2014 commenced
- **26 May 2014**—Step 5 of Cycle 2/2014 run in accordance with the *Data-matching Program (Assistance and Tax) Act 1990*
- **2 June 2014**—Cycle 2/2014 completed

APPENDIX E: EXTERNAL SCRUTINY

AUSTRALIAN NATIONAL AUDIT OFFICE

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 2013–14

Report No. 54 2013–14, tabled 26 June 2014

Establishment and Use of Multi-Use Lists

The audit's objective was to assess the extent to which agencies have arrangements to establish and use multi-use lists (MULs) to support value for money, efficiency and effectiveness in procurement. The ANAO concluded that arrangements applying to MULs were not well understood and, in most cases, consideration needed to be given to whether a MUL is most suited to an agency's particular procurement objectives.

The ANAO made two recommendations aimed at improving agencies' procurement practices in relation to MULs. The department agreed with the recommendation that was relevant to the department, and supported the other recommendation.

Report No. 51 2013–14, tabled 25 June 2014

The Improving School Enrolment and Attendance through Welfare Reform Measure

The audit's objective was to assess the effectiveness of the administration of the Improving School Enrolment and Attendance through Welfare Reform Measure (SEAM). The ANAO concluded that, while the first two phases of SEAM were implemented as scheduled, there was scope to strengthen key aspects of service delivery and performance reporting arrangements.

The ANAO made one recommendation directed towards the Department of the Prime Minister and Cabinet (PM&C) to strengthen SEAM's implementation. PM&C and the department agreed with the recommendation.

Report No. 50 2013–14, tabled 24 June 2014

Cyber Attacks Securing Agencies IT Systems

The audit's objective was to assess selected agencies' compliance with the four mandatory ICT security strategies and related controls in the *Australian Government Information Security Manual.* The ANAO concluded that the selected agencies' overall ICT security posture provided a reasonable level of protection from breaches and disclosures of information from internal sources, with vulnerabilities remaining against attacks from external sources to agency ICT systems.

The ANAO made three recommendations aimed at improving the protection and security of information managed by the selected agencies. The department agreed with all recommendations.

Report No. 47 2013–14, tabled 23 June 2014

Managing Conflicts of Interest in FMA agencies

The audit's objective was to determine whether Australian Government agencies were implementing appropriate policies and processes to identify and manage conflicts of interest. The department was included in phase 1 of the audit which assessed the conflict of interest policies and processes in place across 25 agencies, but was not included in phase 2 which reviewed eight agencies in more detail. The ANAO concluded that there was considerable variability in the quality, scope and usefulness of high level policy documents across the 25 audited agencies, particularly in relation to approaches for promoting, implementing and monitoring key aspects of conflict of interest provisions.

The ANAO made one general recommendation, to encourage APS agencies to focus on the risks of conflicts of interest as part of agencies' regular review of risks.

Report No. 45 2013–14, tabled 19 June 2014

Initiatives to Support the Delivery of Services to Indigenous Australians

The audit's objective was to assess the effectiveness of the department's implementation of initiatives to support the delivery of services to Indigenous Australians. The ANAO concluded that, overall, the department had developed a reasonable approach to improving its focus on supporting the delivery of services to Indigenous Australians.

The ANAO made one recommendation aimed at improving the use of existing data within the department to inform service delivery, service design and to enhance the department's ability to contribute to policy development. The department agreed with the recommendation.

Report No. 40, 2013–14, tabled 16 June 2014

Trials of Intensive Service Delivery in the Department of Human Services

The audit's objective was to assess the effectiveness of the department's management of the trials of intensive service delivery for customers with complex needs. The ANAO concluded that the department's administration of the actual Case Coordination and Local Connections to Work trials of intensive service delivery had been generally effective.

The ANAO made one recommendation aimed at the benefits of evaluating and documenting the outcomes achieved from the trials, to realise an appropriate return from their conduct and to inform any future initiatives relating to intensive service delivery. The department agreed with the recommendation.

Report No. 34 2013–14, tabled 29 May 2014

Implementation of ANAO Performance Audit Recommendations

The audit's objective was to assess the effectiveness of agencies' arrangements for monitoring and implementing agreed ANAO performance audit recommendations. The ANAO concluded that the department's monitoring and reporting processes were well developed and made one recommendation relevant to the Department of Agriculture.

Report No. 33 2013–14, tabled 29 May 2014

Indigenous Employment in Australian Government Entities

The audit's objective was to determine whether Australian Government entities are implementing effective strategies to support increased Indigenous employment. The ANAO concluded that the development and implementation of Indigenous employment strategies for the agencies selected in its audit reflects a commitment to increase Indigenous employment and retention. However, the ANAO noted that achieving the Australian Government's overall target of 2.7 per cent Indigenous representation in the Australian Government public sector by 2015 is unlikely, based on current data and trends. The ANAO reported a result of 3.5 per cent Indigenous representation for the department at June 2013.

The ANAO made two recommendations relevant to the Australian Public Service Commission, aimed at reviewing the broad based approach to recruiting and retaining Indigenous employees in the public sector.

Report No. 32 2013–14, tabled 28 May 2014

Delivery of the Hearing Community Service Obligation

The audit's objective was to assess the effectiveness of Australian Hearing's and the Department of Health's administration of the Community Service Obligations (CSO) programme. The department also has responsibility for aspects of hearing service delivery.

The ANAO concluded that the CSO was being effectively administered and made one recommendation aimed at improving the Department of Health's monitoring and reporting of programme targets and outcomes.

Report No. 28 2013–14, tabled 30 April 2014

Review of Child Support Objections

The audit's objective was to assess the effectiveness of the department's administration of the child support objection review process. The ANAO concluded that the department's administration of the child support objection review process had been reasonably effective.

The ANAO made four recommendations aimed at improving the department's administration of the child support objection review process. The department agreed with all recommendations.

Report No. 27, 2013–14, tabled 24 April 2014

Integrity of Medicare Customer Data

The audit's objective was to assess the effectiveness of the department's management of Medicare customer data, to examine the integrity of this data, and to consider the extent to which the department had implemented the recommendations of the ANAO's *Integrity of Medicare Enrolment Data* audit. While the ANAO identified a number of positive elements of the department's approach to managing Medicare customer data, it concluded that this approach had not been fully effective in maintaining the integrity of that data.

The ANAO made two recommendations to improve the department's framework for managing Medicare customer data. The department agreed with both recommendations.

Report No. 26, 2013–14, tabled 23 April 2014

Medicare Compliance Audits

The audit's objective was to assess the effectiveness of the department's management of Medicare compliance audits. The ANAO concluded that, overall, the effectiveness of the department's management of Medicare compliance audits had been mixed.

The ANAO made two recommendations aimed at strengthening the department's assessments of Medicare compliance risks and its capacity to better capture and report on Medicare compliance audit benefits. The department agreed with both recommendations.

OTHER ANAO AUDITS

The ANAO wrote to the department to seek information to support a number of audits that were relevant to other Commonwealth agencies. These audits included:

- Report No. 36 2013–14, tabled 5 June 2014—*Administration of the Parliamentary Budget Office*
- Report No. 46 2013–14, tabled 19 June 2014—*Administration of Residential Care Payments*
- Report No. 48 2013–14, tabled 23 June 2014—*Administration of the Australian Business Register.*

While the reports for the above audits included references to the department's activities, these audits did not include an assessment of the department's administrative arrangements.

CONTINUING ANAO AUDITS

Administration of the Fifth Community Pharmacy Agreement

The audit's objective is to assess the effectiveness of the development and administration of the Fifth Community Pharmacy Agreement, and the extent to which the agreement has met its objectives.

The ANAO is due to table the audit report in Spring 2014.

COMMONWEALTH OMBUDSMAN

On 29 April 2014 the Commonwealth Ombudsman published a section 15 report on *Department of Human Services: Investigation into Service Delivery Complaints about Centrelink* about access and service delivery of Centrelink services. The Ombudsman made 12 formal recommendations to the department. The department supports or partially supports each of these recommendations.

APPENDIX F: STAFFING STATISTICS AND REMUNERATION

STAFF PROFILE

Table 82: Staff by substantive classification and location

Classification	ACT	NSW	QLD	SA/NT	TAS	VIC	WA	Total
SES Band 3	5	0	0	0	0	0	0	5
SES Band 2	28	0	0	1	0	1	0	30
SES Band 1	102	9	4	3	1	7	1	127
Executive Level 2	635	82	80	35	20	68	13	933
Executive Level 1	1 363	313	343	186	65	253	82	2 605
APS 6	1 291	1 234	994	558	224	954	291	5 546
APS 5	663	860	690	467	176	495	197	3 548
APS 4	423	4 867	3 019	1 415	1 047	3 494	1 071	15 336
APS 3	292	1 626	1 092	620	258	1 331	538	5 757
APS 2	9	111	58	30	68	86	34	396
APS 1	61	43	43	19	4	29	18	217
Other— trainees, graduates, cadets	114	38	61	49	0	8	3	273
Total	**4 986**	**9 183**	**6 384**	**3 383**	**1 863**	**6 726**	**2 248**	**34 773**

Table 83: Staff by substantive classification and employment status

Classification	Ongoing	Non-ongoing	Total
SES Band 3	5	0	5
SES Band 2	30	0	30
SES Band 1	127	0	127
Executive Level 2	933	0	933
Executive Level 1	2 601	4	2 605
APS 6	5 531	15	5 546
APS 5	3 532	16	3 548
APS 4	15 295	41	15 336
APS 3	3 533	2 224	5 757
APS 2	345	51	396
APS 1	198	19	217
Other—trainees, graduates, cadets	273	0	273
Total	**32 403**	**2 370**	**34 773**

Table 84: Staff by substantive classification and employment type

Classification	Full-time	Part-time[1]	Total
SES Band 3	5	0	5
SES Band 2	30	0	30
SES Band 1	125	2	127
Executive Level 2	858	75	933
Executive Level 1	2 270	335	2 605
APS 6	4 076	1 470	5 546
APS 5	2 903	645	3 548
APS 4	9 631	5 705	15 336
APS 3	2 677	3 080	5 757
APS 2	236	160	396
APS 1	161	56	217
Other—trainees, graduates, cadets	255	18	273
Total	**23 227**	**11 546**	**34 773**

1. Includes intermittent/irregular staff.

Table 85: Staff by substantive classification and gender

Classification	Female	Male	Total
SES Band 3	1	4	5
SES Band 2	15	15	30
SES Band 1	58	69	127
Executive Level 2	446	487	933
Executive Level 1	1 431	1 174	2 605
APS 6	3 760	1 786	5 546
APS 5	2 379	1 169	3 548
APS 4	11 670	3 666	15 336
APS 3	4 579	1 178	5 757
APS 2	298	98	396
APS 1	141	76	217
Other—trainees, graduates, cadets	160	113	273
Total	**24 938**	**9 835**	**34 773**

Table 86: 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	4	0
SES Band 1	3	0	5	0	11	0
Executive Level 2	10	0	42	0	159	0
Executive Level 1	38	0	103	0	470	0
APS 6	117	0	260	1	887	1
APS 5	188	0	200	0	603	1
APS 4	607	0	856	3	2 163	1
APS 3	274	64	116	33	718	231
APS 2	10	3	48	1	60	8
APS 1	2	0	22	2	32	4
Other—trainees, graduates, cadets	86	0	11	0	27	0
Total	**1 335**	**67**	**1 663**	**40**	**5 134**	**246**

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'.

NON-SENIOR EXECUTIVE SERVICE REMUNERATION

At 30 June 2014, 34 580 non-Senior Executive Service (SES) staff were covered by the *Department of Human Services Agreement 2011–14.*

Table 87: Salary ranges for staff covered by the *Department of Human Services Agreement 2011–14*

Classification	Salary range[1] $
Executive Level 2	111 677–132 809
Executive Level 1	96 504–106 935
APS 6	77 154–89 217
APS 5	69 699–75 208
APS 4	62 493–69 239
APS 3	56 069–62 492
APS 2	50 580–54 588
APS 1	45 263–48 533
Deputy General Counsel—Executive Level 2 (Legal Job Stream)	141 039
Senior Rehabilitation Consultant—APS 6 (Professional Job Stream)	94 017
Rehabilitation Consultant 2—APS 6 (Professional Job Stream)	89 512
APS Trainee (School-based pathway) Year 11	18 105
APS Trainee (School-based pathway) Year 12	22 632
APS Trainee (Apprentice)	50 580
APS Trainee (IT apprentice)	45 263–51 970
Cadet APS	25 800–51 970
Graduate APS	56 069–62 493

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

At 30 June 2014, 31 medical officers were covered by the *Department of Human Services Medical Officers Agreement 2013–2014.*

Table 88: Salary ranges for staff covered by the *Department of Human Services Medical Officers Agreement 2013–2014*

Classification	Salary range[1] $
Medical Officer Class 4	163 518–181 053
Medical Officer Class 3	150 468–163 518
Medical Officer Class 2	118 817–141 283

1. The salary ranges in this table cover base salary rates only and do not include reportable fringe benefits, allowances and salary sacrifice arrangements.

PERFORMANCE PAY

There were no performance payments made in 2013–14.

SENIOR EXECUTIVE SERVICE REMUNERATION

The Secretary establishes salary ranges for the SES having regard to:

- the Australian Government Public Sector Workplace Bargaining Policy
- the annual APS SES remuneration survey
- the performance of the department
- value for money.

Table 89: Salary range for SES classifications[1]

Classification	Salary range $
SES Band 3	286 500–388 500
SES Band 2	201 000–248 000
SES Band 1	150 000–196 000

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.

Salaries for individual SES officers are reviewed annually by the Secretary, following the completion of the annual performance cycle. As well as individual performance, other factors taken into account include organisational performance, relevant remuneration data, and size and complexity of the role.

Table 90: Employment arrangements

Arrangement	SES	Non-SES
Section 24(1) of the *Public Service Act 1999*	161	0
Individual flexibility agreements	0	66
Common law contract	1	0

APPENDIX G: WORK HEALTH AND SAFETY

WORK HEALTH AND SAFETY ACT 2011 REPORTING

The department's health and safety management arrangements (HSMA) are to:

- enable effective cooperation between the employer and staff in promoting and developing measures to ensure staff health, safety and wellbeing at work
- provide adequate mechanisms for:
  - informing staff about the arrangements
  - reviewing the effectiveness of the arrangements
  - varying the arrangements in consultation with staff
- 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 department and staff
- establish health and safety committees and provide for the manner in which the health and safety committees are to be constituted and operate.

The HSMA were reviewed this year and a new document developed for consultation with staff and their representatives.

The HSMA 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.

The committee considers any issues related to health and safety that are relevant to the department and its employees. The HSMA also provide for workplace and regional health and safety committees.

COMCARE INSPECTIONS

In 2013–14 Comcare completed 12 workplace inspections. No contraventions of the *Work Health and Safety Act 2011* were reported.

No notices were issued under the *Work Health and Safety Act 2011.*

Table 91: Incidents notified to Comcare

Type of incident	Number		
	2011–12	2012–13	2013–14
Serious injury or illness	12	16	21
Dangerous incidents	7	20	18
Total	**19**	**36**	**39**

APPENDIX H: FREEDOM OF INFORMATION

As required under Part II of the *Freedom of Information Act 1982* the department has an Information Publication Scheme (IPS) plan, which is available on our website.

Most mandatory information that must be published under the Act is available in various documents on the department's website and can be easily identified by the IPS logo visible on the Freedom of Information page.

In 2013–14 the website information included:

- the department's IPS plan
- details of the department's organisational structure
- details of the department's functions, including its decision-making powers and other powers affecting members of the public (or any particular person or entity, or class of persons or entities)
- appointments of officers that are made under legislation (other than Australian Public Service staff), such as the appointment of statutory office-holders
- the department's annual reports
- arrangements for members of the public to comment on specific policy proposals for which the department is responsible, including how (and to whom) those comments may be made
- 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 I: ADVERTISING AND MARKET RESEARCH

COMMUNICATION CAMPAIGNS

The department did not undertake any communication or advertising campaigns in 2013–14.

ADVERTISING COSTS—MEDIA ADVERTISING AGENCY

In 2013–14 total departmental expenditure through the Australian Government's master non-campaign advertising agency, Adcorp, was $997 937. This includes expenditure on print, radio, online and social media advertising in areas such as recruitment, public notices, tenders and departmental services.

Table 92: Costs associated with advertising and information

Payee	Purpose	2013–14 $
Adcorp	Non-campaign advertising	997 937
Sensis	White Pages	4 449 489
SBS Broadcasting Service	National multicultural radio broadcasting	71 770
Independent and General	Community multicultural broadcasting	23 356
Total		**5 542 552**

MARKET RESEARCH PAYMENTS

The department commissioned the projects listed in Table 93 below.
They involved gathering, analysing and reporting information from external
audiences or sources to provide insight on a particular topic or issue.

Table 93: Payments associated with market research organisations

Vendor	Description	2013–14 $
Blue Planet Research and Consulting	Digital Wallet—concession provider research	16 500
Colmar Brunton	CAP (Indigenous Community) Agents Survey 2013[1]	86 250
DBM Consultants	Australian Passport Information Service customer satisfaction (2014)[2]	23 153
DBM Consultants	Integrated Customer Satisfaction Programme	1 329 703
Grosvenor Management Consulting	Evaluation of the Community Innovation through Collaboration measure[1]	65 008
Hall & Partners—Open Mind	Vulnerable families—customer and community provider research[1]	49 107
instinct and reason	Large practices project—trial sub-project[1]	46 200
instinct and reason	High Definition Video Conference Pilot Evaluation	79 200
Ipsos Social Research Institute	Families Communication Improvement Strategy[1]	115 720
Lonergan Research	Families Customer Behaviour research	93 253
Newspoll	White Pages Advertising—omnibus research[1]	27 222
ORC International	Rural Agents and Access Points 2013[1]	48 790
Total		**1 980 106**

1. Relates to a payment for research completed in 2012–13 but paid in 2013–14.
2. The department commissioned this 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 J: ENVIRONMENTAL PERFORMANCE

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Commonwealth agencies to report annually on their contribution to the principles of ecologically sustainable development (ESD) and the measures taken to minimise their impact on the environment. The ESD principles are defined in section 3A of the Act.

HOW ADMINISTERED PROGRAMMES ACCORD WITH THE PRINCIPLES OF ESD—SECTION 516A(6)(a)

In 2013–14 the department administered various programmes that accord with the principles of ESD. These included:

- Clean Energy Future Household Assistance Package—the department delivered a number of payments and initiatives related to the Clean Energy Future Plan.

- 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.

- Australian Government Drought Assistance—the department delivered a suite of payments to drought affected communities, including the Interim Farm Household Allowance, from 1 March 2014.

HOW THE APPROPRIATION OUTCOME CONTRIBUTED TO THE PRINCIPLES OF ESD—SECTION 516A(6)(b)

In 2013–14 the department continued to contribute to the principles of ESD through the delivery of efficient and convenient services to individuals, families and the community. For instance, departmental activities that had a direct impact on reducing resources consumed, release of emissions and waste generated, included:

- online brochures, forms and letters

- mobile apps and quick response codes for customers to easily access service information

- Australian Government Mobile Service Centres that visit regional and remote communities.

EFFECT OF ACTIVITIES ON THE ENVIRONMENT— SECTION 516A(6)(c)

Departmental activities with an impact on the environment 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.

In general these activities consume considerable resources and generate significant waste. Activities that have a significant effect on the environment include:

- building operations and refurbishments
- use of information communications technology
- use and disposal of stationery (including paper)
- operating vehicles.

Table 94: Resources use

	Units	2011–12	2012–13	2013–14
Stationary energy (electricity and gas)	gigajoules	427 533	415 449	NA[2]
Transport energy (fuels)	gigajoules	53 120	45 780	NA[2]
Total energy use	gigajoules	480 653	461 229	NA[2]
Internal paper use	tonnes	939	857	851
Customer letters	A4 sheets	NA[1]	202 589 154	120 421 513
Property use	metres square	828 541	814 631	788 942

1. This information is not available. The department did not record or capture this data in 2011–12.
2. Stationary energy reporting for 2013–14 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

Table 95: Waste, resource recovery and pollution

	Measure	2011–12	2012–13	2013–14
Net greenhouse gas emissions —energy use	tonnes of carbon dioxide equivalents	119 313	116 123	NA[3]
Office copy paper recycling	% coverage (m^2)	98.2	98.2	98.1
Commingled recycled	% coverage (m^2)	8	18	18
Mobile phone recycling	kilograms	NA[1]	139	238
Fluorescent and other lamps recycled	units	NA[2]	1 724[2]	2 748

1.   This information is not available. The department did not record or capture this data in 2011–12.

2.   The department joined the FluoroCycle programme in 2012–13. The number of fluorescent lamps was not captured and reported before joining the FluoroCycle programme.

3.   Net greenhouse gas emissions—stationary energy reporting for 2013–14 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy and greenhouse gas emission reporting.

MEASURES TAKEN TO MINIMISE THE EFFECT OF ACTIVITIES ON THE ENVIRONMENT—SECTION 516(6)(d)

The department's Environmental Sustainability Policy (available on our website) is used to minimise the effect of our activities on the environment, and to drive better practices, performance and accountability.

Any environmental initiative or measure introduced is evaluated for financial effectiveness, with an objective of least cost/high return. This approach is consistent with the government's proposed Emissions Reduction Fund objective of lowest cost emissions reduction.

Table 96: Control measures and initiatives 2013–14—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 2014 there were 36 Green Leases for large offices. • National Australian Built Environment Rating System (NABERS) assessments were undertaken at large offices. At 30 June 2014 the department had 16 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 office energy audits, server room audits, lighting upgrades, installation of master switches and timers in meeting rooms, reviewing programme settings on hot water units, and syncing air conditioning to security timers. • Reputable eco-labels and other environmental standards are used to improve environmental performance. For example, the department uses 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. • The department supports the FluoroCycle Scheme to ensure that hazardous fluorescent lamps are recycled on disposal. The scheme promotes better environmental practice in our supply chain. • The waste management programme implemented at a number of sites in the Australian Capital Territory in 2013 continues to increase recycling and reduce waste to landfill. • The department participated in Earth Hour to promote greenhouse emission awareness and to review lighting system operation.

Activities	Measures taken to minimise the effect on the environment
Information and communications technology	• The ICT (information and communications technology) server virtualisation programme continued to deliver considerable energy and cost savings. The department has virtualised 98 per cent of 86 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. • We have automated PC (personal computer) shutdown using the hibernation mode after three hours of inactivity. • Server room audits were conducted to establish guidelines and to identify initiatives for improvement. • Replacement PCs and monitors are compliant to the Silver or Gold standard of the eco-label—Electronic Product Environmental Assessment Tool—covering environmental concerns such as energy efficiency, greenhouse performance, minimising hazardous materials and waste management. These PCs are 37 per cent more energy efficient than the replaced PCs. • We continued to rationalise printer and multifunction devices in refurbished and new buildings, reducing the number of machines and contributing to reduced energy and cost. • We are progressively adding environmental clauses into ICT contracts to appropriately manage e-waste, with supplier take back and responsible disposal of equipment.
Management and communication	• The Environmental Sustainability Policy continued to strengthen the department's environmental management. The policy ensures that new environmental initiatives provide the most environmental benefit at the least cost. • An in-house environmental reporting system has been further developed to strengthen the department's reporting capability. • There was increased use of in-house social media to promote and communicate staff messaging, such as about Earth Hour. • Environmental standards are continuing to be introduced into procurements. This is expected to improve the environmental performance of products and suppliers by covering issues associated with reduction or elimination of environmentally-sensitive materials, design and management for end-of-life product longevity, energy conservation, packaging and corporate performance. • The department continues to support and participate in the Government Agencies Environmental Network.
Motor vehicle travel	• The department promoted leasing of environmentally-friendly vehicles for fleet use, particularly vehicles with a high Green Vehicle Guide rating.

Activities	Measures taken to minimise the effect on the environment
Stationery (including paper)	• The department uses 50 per cent recycled content copy paper for internal printers, photocopiers and multifunction devices. The remainder of the copy paper consists of virgin fibre sourced from forests that meet Programme for the Endorsement of Forestry Certification or Forest Stewardship Council standards, and complies with the independently certified ISO 14024 standard. • The envelopes the department uses for bulk external customer mail are made from paper with 60 per cent recycled content, and the letters themselves use virgin fibre paper that is reputably sourced. • The government's Digital Transition Policy is moving Australian Government agencies to digital record-keeping. Since its introduction, the department has increased its digital record-keeping capability and has significantly reduced the number of paper files.

MECHANISMS TO REVIEW AND INCREASE THE EFFECTIVENESS OF THOSE MEASURES—SECTION 516(6)(e)

In 2013–14 the department continued to enhance governance processes to review and report environmental performance. Table 97 below outlines the department's performance against the Energy Efficiency in Government Operations policy targets.

The department regularly consults its senior executive on environmental sustainability performance and uses this information to inform our annual Environmental Sustainability Plan.

Table 97: Office energy performance[1]

Measures and targets	Target	Actual 2010–11	Actual 2011–12	Actual 2012–13
Office—tenant light and power (megajoules per person)	7 500	6 292	7 279	6 986
Office—central services (megajoules per metre^2)	400	263	309	330

1. Stationary energy reporting for 2013–14 is unavailable at the time of annual report preparation. This is due to delayed meter readings at small offices (and invoice receipt), which will have a material effect on overall energy reporting.

APPENDIX K: RESOURCE STATEMENTS AND EXPENSES FOR OUTCOME 1

Table 98: Resource statements 2013–14

	Actual available appropriation $'000	Payments made $'000	Balance remaining $'000
	(a)	(b)	(a)–(b)
Ordinary annual services			
Departmental appropriation	5 136 354	4 252 788	883 566
Total	**5 136 354**	**4 252 788**	**883 566**
Administered expenses			
Outcome 1	17 724	10 132	
Total	**17 724**	**10 132**	
Total ordinary annual services A	**5 154 078**	**4 262 920**	
Other services			
Departmental non-operating			
Equity injections	43 440	43 440	0
Total	**43 440**	**43 440**	**0**
Total other services B	**43 440**	**43 440**	**0**
Total available annual appropriations	**5 197 518**	**4 306 360**	
Special appropriations			
Special appropriations limited by criteria/entitlement			
Child Support (Registration and Collection) Act 1988			
section 77—unremitted deductions		55 990	
section 78—unexplained remittances			
Total special appropriations C		**55 990**	

	Actual available appropriation $'000	Payments made $'000	Balance remaining $'000
Special accounts			
Opening balance	57 072		
Appropriation receipts	57 483		
Non-appropriation receipts to special accounts	1 335 740		
Payments made		1 393 408	
Total special accounts D	**1 450 295**	**1 393 408**	**56 887**
Total resourcing and payments			
A+B+C+D	6 647 813	5 755 758	
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	57 483	57 483	
Total net resourcing and payments for the Department of Human Services	**6 590 330**	**5 698 275**	

Table 99: Expenses for Outcome 1 for 2013–14

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)
Programme 1.1: Services to the Community—Social Security and Welfare			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	10 678	8 429	2 249
Other Services (Appropriation Bill No. 2)			
Special Accounts	11 964	–	11 964
Expenses not requiring appropriation in the Budget year	360	192	168
Departmental expenses			
Departmental appropriation[2]	3 601 006	3 456 869	144 137
Expenses not requiring appropriation in the Budget year	214 987	206 971	8 016
Total for Programme 1.1	**3 838 995**	**3 672 461**	**166 534**
Programme 1.2: Services to the Community—Health			
Departmental expenses			
Departmental appropriation[2]	628 880	639 032	–10 152
Expenses not requiring appropriation in the Budget year	33 725	38 122	–4 397
Total for Programme 1.2	**662 605**	**677 154**	**–14 549**

	Budget[1] $'000	Actual expenses $'000	Variation $'000
	(a)	(b)	(a)–(b)
Programme 1.3: Child Support			
Administered expenses			
Ordinary annual services (Appropriation Bill No. 1)	2 178	40	2 138
Special appropriations	72 157	55 990	16 167
Special accounts	1 339 820	1 331 502	8 318
Expenses not requiring appropriation in the Budget year	78 330	111 291	–32 961
Total for Programme 1.3	**1 492 485**	**1 498 823**	**–6 338**
Outcome 1: Totals by appropriation type			
Administered expenses			
Ordinary annual services (Appropriation Bills Nos. 1 and 3)	12 856	8 469	4 387
Special appropriations	72 157	55 990	16 167
Special accounts	1 351 784	1 331 502	20 282
Expenses not requiring appropriation in the Budget year	78 690	111 483	–32 793
Departmental expenses			
Departmental appropriation[2]	4 229 886	4 095 901	133 985
Expenses not requiring appropriation in the Budget year[3]	248 712	245 093	3 619
Total expenses for Outcome 1	**5 994 085**	**5 848 438**	**145 647**

	2012–13	2013–14	
Average staffing level (number)	31 795	30 089	–1 706

1 Full year budget, including any subsequent adjustment made to the 2013–14 Budget.

2 Departmental appropriation combines ordinary annual services (Appropriation Bills No. 1 & 3) and revenue from independent sources (section 31).

3. Comprises unfunded depreciation expenses and resources received free of charge.

APPENDIX L: CORRECTION OF ERRORS IN THE DEPARTMENT'S 2012–13 REPORT

PAGE ii

The reference '344 million Medicare claims processed, 81.5 per cent lodged electronically' is incorrect.

This should read '344 million Medicare services processed, 89.3 per cent lodged electronically'.

PAGES 3 AND 252

The references under Managing the department and Financial performance: 'Financial Performance targets were mostly met, and the department reported an operating deficit of $7.3 million before unfunded depreciation and revaluation' are amended amended.

This should read 'Financial Performance targets were mostly met, and the department reported an operating deficit of $7.7 million before unfunded depreciation and revaluation'. The revised number is due to a change in the recognition of the revenue item in the departmental accounts during 2013–14.

PAGE 15

Table 1: Key performance indicators results

The table incorrectly listed 'Child support collection rate (Child Support Private Collect only)' This should read 'Child Support collection rate (Child Support Collect only)'.

PAGE 33

Table 6: Registration for Centrelink service online letter

The table incorrectly listed the percentage of customers registered in 2011–12 as 16 and 2012–13 as 24.4. This should list the percentage of customers registered in 2011–12 as 10.1 and 2012–13 as 15.6. Therefore the percentage change is +54.5, rather than +52.5.

PAGE 105

The reference under Chronic Disease Dental Scheme: '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' is incorrect.

This should read 'From 1 July 2012 to 30 June 2013, more than 4.8 million services were processed for 488 261 patients with a value of approximately $656.6 million'.

Table 31: Compensation recovery cases and benefits

This table incorrectly listed the total amount of benefits recovered in 2011–12 as $38.6 million and 2012–13 as $43.9 million. This should read the total amount of benefits recovered in 2011–12 as $38.7 million and 2012–13 as $64.5 million.

Table 54: Small Business Superannuation Clearing House

This table incorrectly listed the number of employers registered in 2012–13 as 16 303. This should read 16 030 employers registered in 2012–13.

The reference under Carers specialist assessments: '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)' is incorrect.

This should read 'During the year social workers assessed 284 claims from carers aged under 18 years (133 in 2011–12) and 876 claims from carers aged over 80 years (249 in 2011–12)'. The data provided in 2012–13 and 2011–12 reported the number of total referrals to social workers, not claims assessed.

Table 64: Child support compliance and enforcement actions

The table incorrectly listed the number of tax lodgement enforcement actions for 2012–13 as 63 353, the number of tax refund intercept payment actions for 2012–13 as 109 164 and departure prohibition orders for 2011–12 as 471.

This should list the number of tax lodgement enforcement actions for 2012–13 as 36 353, the number of tax refund intercept payments for 2012–13 as 109 764 and departure prohibition orders for 2011–12 as 439.

Table 69: Debts raised for recovery of benefits incorrectly paid

The table incorrectly listed the debts raised amount for the Medicare Benefits Schedule in 2012–13 as $3.8 million and the total for 2012–13 as $5.0 million.

This should list the debts raised amount for the Medicare Benefits Schedule in 2012–13 as $3.6 million and the total for 2012–13 as $4.8 million.

PAGE 247

The reference '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.' is incorrect.

It should read 'In 2012–13 the department expended $3.0 million on a total of 17 consultancy contracts, involving a total of $362 500 expenditure on four ongoing consultancy contracts and the balance on 13 new consultancy contracts'.

PAGE 247

Table 71: Expenditure on consultancy services 2009–10 to 2012–13

The table incorrectly listed the total expenditure (including GST) on consultancy contracts for 2012–13 as $3 006 440. The actual total expenditure (including GST) on consultancy contracts for 2012–13 was $3 035 040.

PAGE 380

Table 92: Payments associated with market research organisations

This table incorrectly listed the payment for DBM Consultants—Australian Passport Information Service customer satisfaction as $1 666 412 and the payments for DBM Consultants—Integrated Customer Satisfaction Program as $24 198. This should have read payments for DBM Consultants—Australian Passport Information Service customer satisfaction as $24 198 and DBM Consultants—Integrated Customer Satisfaction Programme as $1 666 412.

APPENDIX M: COMPLIANCE INDEX

Ref	Part of Report	Description	Requirement	Page number(s) in this report
8(3) & A.4		Letter of transmittal	Mandatory	4
A.5		Table of contents	Mandatory	III–VI
A.5		Index	Mandatory	359–373
A.5		Glossary	Mandatory	352–354
A.5		Contact officer(s)	Mandatory	II
A.5		Internet home page address and Internet address for report	Mandatory	II
9	Review by Secretary			
9(1)		Review by departmental Secretary	Mandatory	1–3
9(2)		Summary of significant issues and developments	Suggested	1–3
9(2)		Overview of department's performance and financial results	Suggested	1–3
9(2)		Outlook for following year	Suggested	1–3
9(3)		Significant issues and developments—portfolio	Portfolio departments— suggested	1–3
10	Departmental Overview			
10(1)		Role and functions	Mandatory	6
10(1)		Organisational structure	Mandatory	8–9
10(1)		Outcome and programme structure	Mandatory	12
10(2)		Where outcome and programme 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

Ref	Part of Report	Description	Requirement	Page number(s) in this report
10(3)		Portfolio structure	Portfolio departments—mandatory	7
11	Report on Performance			
11(1)		Review of performance during the year in relation to programmes and contribution to outcomes	Mandatory	21–200
11(2)		Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	13–15
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	21–200
11(2)		Trend information	Mandatory	21–200
11(3)		Significant changes in nature of principal functions/services	Suggested	1–3, 107–126
11(3)		Performance of purchaser/provider arrangements	If applicable, suggested	19–106
11(3)		Factors, events or trends influencing departmental performance	Suggested	21–200
11(3)		Contribution of risk management in achieving objectives	Suggested	16, 191
11(4)		Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	128–135
11(5)		Discussion and analysis of the department's financial performance	Mandatory	202–205

Ref	Part of Report	Description	Requirement	Page number(s) in this report
11(6)		Discussion of any significant changes in financial results from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	Nil to report
11(7)		Agency resource statement and summary resource tables by outcomes	Mandatory	338–341
12	Management and Accountability			
	Corporate Governance			
12(1)		Agency heads are required to certify that their agency complies with the 'Commonwealth Fraud Control Guidelines'.	Mandatory	4
12(2)		Statement of the main corporate governance practices in place	Mandatory	16
12(3)		Names of the senior executive and their responsibilities	Suggested	8–9 (names) 10–11 (responsibilities)
12(3)		Senior management committees and their roles	Suggested	16–18
12(3)		Corporate and operational plans and associated performance reporting and review	Suggested	Inside front cover, 171
12(3)		Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	189–190
12(3)		Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	181
12(3)		How nature and amount of remuneration for SES officers is determined	Suggested	325

Ref	Part of Report	Description	Requirement	Page number(s) in this report
		External Scrutiny		
12(4)		Significant developments in external scrutiny	Mandatory	315–319
12(4)		Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	153–154, 159–160, 188–189
12(4)		Reports by the Auditor-General, a Parliamentary Committee. the Commonwealth Ombudsman or an agency capability review	Mandatory	315–319
		Management of Human Resources		
12(5)		Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	168–185
12(6)		Workforce planning, staff retention and turnover	Suggested	171, 174–175
12(6)		Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	170–171
12(6)		Training and development undertaken and its impact	Suggested	179–180
12(6)		Work health and safety performance	Suggested	181–183
12(6)		Productivity gains	Suggested	168–185
12(7)		Statistics on staffing	Mandatory	320–323
12(8)		Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	324–326

Ref	Part of Report	Description	Requirement	Page number(s) in this report
12(9) & B		Performance pay	Mandatory	325
12(10)-(11)	Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	198–199
12(12)	Purchasing	Assessment of purchasing against core policies and principles	Mandatory	194
12(13)-(22)	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	194–195
12(23)	Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	195
12(24)	Exempt contracts	Contracts exempted from publication in AusTender	Mandatory	195
13	Financial Statements	Financial Statements	Mandatory	206–294
	Other Mandatory Information			

Ref	Part of Report	Description	Requirement	Page number(s) in this report
14(1) & C.1		Work health and safety (Schedule 2, Part 4 of the *Work Health and Safety Act 2011*)	Mandatory	327–328
14(1) & C.2		Advertising and Market Research (Section 311A of the *Commonwealth Electoral Act 1918*) and statement on advertising campaigns	Mandatory	330–331
14(1) & C.3		Ecologically sustainable development and environmental performance (Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*)	Mandatory	332–337
14(1)		Compliance with the agency's obligations under the *Carer Recognition Act 2010*	If applicable, mandatory	307–308
14(2) & D.1		Grant programmes	Mandatory	195
14(3) & D.2		Disability reporting—explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory	25–26, 104–106
14(4) & D.3		Information Publication Scheme statement	Mandatory	329
14(5)		Correction of material errors in previous annual report	If applicable, mandatory	342–344
E		Agency Resource Statements and Resources for Outcomes	Mandatory	338–341
F		List of Requirements	Mandatory	345–350

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References

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 government 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.

DATA CENTRES

The department's data centres comprise a large network of computers used for remote storage, processing, matching and distribution of large amounts of data, including for other Australian Government departments.

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, tablets such as iPads, and 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 programmes for the Australian community. The department delivers payments and services on behalf of several Australian Government policy departments and agencies.

PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

Statements that inform senators, members of parliament, government departments and agencies, and the public, of changes to the proposed allocation of resources to government outcomes since the Budget.

PORTFOLIO BUDGET STATEMENTS

Budget-related statements which explain how monies included in the Appropriation Bills (Budget Bills) are to be spent.

PROGRAMMES

Australian Government programmes deliver benefits, services or transfer payments to individuals, industry, business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements. Amounts stated may differ to those reported by other client agencies due to accounting adjustments and treatments adopted by these agencies.

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 better, more flexible and integrated services. Smart centres, which are virtual centres located within the department, carry out phone and processing work across the department's programmes, including Centrelink, Medicare and Child Support. In practical terms smart centres mean customers will have better experiences, more personalised phone calls from staff, and access to department-wide assistance tailored to their individual circumstances.

SHORTENED FORMS

AAT	Administrative Appeals Tribunal
ACC	Australian Crime Commission
ACPA	Australian Community Pharmacy Authority
A/g	Acting
AGDRP	Australian Government Disaster Recovery Payment
AGIL	Australian Government Indigenous Locations
AHPRA	Australian Health Practitioner Regulation Agency
AIS	Aboriginal Interpreting Service
ANAO	Australian National Audit Office
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
AVO	Australian Valuation Office
AVTOP	Australian Victim of Terrorism Overseas Payment
AWP	Audit Work Programme
BCPs	Business Continuity Plans
CALD	culturally and linguistically diverse
CC	Chief Counsel
CDDS	Chronic Disease Dental Scheme
CDEP	Community Development Employment Projects
CDPP	Commonwealth Director of Public Prosecutions
CFO	Chief Financial Officer
CPRs	Commonwealth Procurement Rules
CRS	Commonwealth Rehabilitation Services
CSC	Conspicuous Service Cross

CSOs	community service obligations
DEEWR	Department of Education, Employment and Workplace Relations
DFAT	Department of Foreign Affairs and Trade
DHS	Department of Human Services
DIBP	Department of Immigration and Border Protection
DMA	Data Matching Agency
DRA	Disaster Recovery Allowance
DSP	Disability Support Pension
DSS	Disability Service Standard
DVA	Department of Veterans' Affairs
EC	Executive Counsel
ECLIPSE	Electronic Claim Lodgement and Information Processing Service Environment
EFT	Electronic Funds Transfer
EFTPOS	Electronic Funds Transfer Point of Sale
EL	Executive Level
EMS	environmental management system
ESAt	Employment Services Assessment
ESD	ecologically sustainable development
FIS	Financial Information Service
FMA Act	*Financial Management and Accountability Act 1997*
FOI	Freedom of Information
FTB	Family Tax Benefit
FTE	full-time equivalent
GC	General Counsel
GM	General Manager
GP	general practitioner
HECS	Higher Education Contribution Scheme
HI	Healthcare Identifiers

HOME	Household Organisational Management Expenses
Hon.	Honourable
HPOS	Health Professional Online Services
HSMA	health and safety management arrangements
ICSOs	Indigenous Customer Service Officers
ICT	information and communications technology
IPS	Information Publication Scheme
ISO	International Organisation for Standardisation
ISOs	Indigenous Specialist Officers
ISS	Indigenous Servicing Strategy
ISUMs	Indigenous Service Unit Managers
KPI	key performance indicator
LCTW	Local Connections to Work
LGBTI	lesbian, gay, bisexual, transgender and intersex
LPG	liquified petroleum gas
MBS	Medicare Benefits Schedule
MOU	memorandum of understanding
MP	Member of Parliament
MPRC	Medicare Participation Review Committee
MUL	multi-use list
NA	not applicable
NABERS	National Australian Built Environment Rating System
NAIDOC	National Aboriginal and Islander Day Observance Committee
NASH	National Authentication Solution for Health
NCC	National Consultative Committee
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NECCSC	National Emergency Call Centre Surge Capability
NESB	non-English speaking background

NIC	National Indigenous Coalition
NM	National Manager
NWRN	National Welfare Rights Network
OAIC	Office of the Australian Information Commissioner
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PBS	Pharmaceutical Benefits Scheme
PC	personal computers
PGPA Act	*Public Governance, Performance and Accountability Act 2013*
PIP	Practice Incentives Program
PKI	Public Key Infrastructure
PM&C	Department of the Prime Minister and Cabinet
PSM	Public Service Medal
PSR	Professional Services Review
RJCP	Remote Jobs and Communities Program
RPBS	Repatriation Pharmaceutical Benefits Scheme
SEAM	School Enrolment and Attendance Measure
SES	Senior Executive Service
SIP	Service Incentive Payment
SL	Service Leader
SMS	short message service
SMSN	Single Medicare Safety Net
SMTP	Simple Mail Transfer Protocol
SSAT	Social Security Appeals Tribunal
TFN	Tax File Number
TTY	Teletypewriter
ZCC	Zone Consultative Committee

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CONTACT DETAILS

Service	Contact details
General information	**132 468** **humanservices.gov.au**
Complaints and feedback	**Freecall™ 1800 132 468**
Child Support	**131 272**
Medicare	**132 011**
CRS Australia	**Freecall™ 1800 277 277**
Familes	**136 150**
People with disability	**132 717**
Carers	**132 717**
Job seekers	**132 850**
Older Australians	**132 300**
Students and trainees	**132 490** **Freecall™ 1800 132 317** (ABSTUDY)
Rural and remote	**132 318** (Assistance for Isolated Children) **132 316** (Drought Assistance)
Language (Multilingual)	**131 202**
Translating and Interpreter Service (TIS)	**131 450** (Medicare and Child Support)
Indigenous Australians	**Freecall™ 1800 136 380** **Freecall™ 1800 556 955** (Aboriginal and Torres Strait Islander Access Line)
Exceptional circumstances relief help	**132 850**
myGov	**132 307**

We change lives.

We reach **99 per cent** of Australians over their lifetime.

More than **70 per cent** of us directly deliver services to customers.