

**PART C: PORTFOLIO AGENCY  
BUDGET STATEMENT**

**DEPARTMENT OF FAMILY AND  
COMMUNITY SERVICES**



## **SECTION 1: DEPARTMENT OVERVIEW**

### **Overview**

The Department's vision 'Towards a fair and cohesive Australian society' is concerned with promoting the economic and social well being of all Australians, particularly those in need.

The Department achieves its vision through its advice to Government on all policy issues within the portfolio and managing the delivery of services through a range of service providers, including Centrelink. The Department also advises the Government on the social policy implications of wider Government policy including taxation, superannuation and savings policy.

The Department aims to create a fair and cohesive Australian society by focussing on policies that strengthen the capacity of individuals, families and communities to participate in social and economic life.

This goal recognises that families and communities have the ability and responsibility to contribute to the economic and social well-being of their members. The Department can achieve its vision by focusing its efforts on families and communities, as well as on individuals.

The Department also focuses on groups with differing needs such as young people and students, people living in rural and remote areas, Aboriginal and Torres Strait Islander peoples and people from diverse cultural and linguistic backgrounds.

## **The Department's Social Policy Outcomes**

Within its vision, there are three social policy outcomes to guide outputs and activities and to judge its success.

### **Outcome 1 – Stronger Families:**

Families, young people and students have access to financial assistance including assistance with child care costs and family support and child care services.

### **Outcome 2 – Stronger Communities:**

The community has access to affordable housing, community support and services, and assistance in emergencies.

### **Outcome 3 – Economic and Social Participation:**

Participation in the labour force and community life is facilitated by income support measures and services that encourage self-reliance and contribution to the community.

The Department's planned outcomes are supported by the following key strategies that underlie its policy advice and service delivery management:

#### *Prevention through capacity building and early intervention*

- Assisting with capacity building and early intervention to reduce the incidence of social and economic marginalisation caused by financial and personal crises.

#### *Promoting independence, choice and self-reliance*

- Fostering appropriate understanding, expectations and behaviours in the community.

#### *Maintaining a strong and sustainable social safety net*

- Encompassing income support, accommodation and support services; and
- emphasising integration of programmes and service.

Against this background the 2000-01 Budget introduces major innovative strategies that will make significant in-roads towards strengthening families and communities. It also introduces initiatives that will trial approaches to reducing welfare dependency. Measures announced in the Budget will also make the income support system fairer, more efficient and simpler.

These measures build on the substantial increases in assistance that will occur as part of the Government's tax reform package from 1 July 2000.

## Appropriations

Total appropriations for the Department in 1999-00 are estimated to be \$48.0 billion which are expected to rise to \$55.1 billion in 2000-01. The main source of the expected rise in appropriations is the substantial increase in family assistance and income support payments that forms part of the Government's tax reform package.

Final estimated appropriations for 1999-00 were lower than anticipated at the 1999-00 Budget \$49.3 billion, mainly reflecting the stronger than anticipated reduction in unemployment, which reduced expenditure on Newstart Allowance. Expenditure on labour market assistance is expected to moderate further in 2000-01.

The Department's estimated expenditure in 2000-01, shown in Table 1.1, comprises the following:

- \$52.9 billion in administered appropriations. The bulk of these, \$50.5 billion, includes income support payments, family assistance, and other special appropriations. The remainder, is made up of annual appropriations which include Special Purpose Payments to the States and Territories for service delivery (Bill 2) and other elements of services (covered in Bill 1); and
- \$2.1 billion in departmental appropriations, referred to as the 'price of outputs'. Of this amount, about \$1.6 billion is paid to service providers including Centrelink. After excluding these payments the departmental appropriations cover the cost of operating the Department of Family and Community Services.

In 2000-01, it is estimated (as shown in Chart 1.1 and 1.2) that:

- almost three quarters of the Department's administered appropriations were grouped under Outcome 3, which reflects the fact that income support payments (which are mostly classed under that Outcome) make up the bulk of the Department's activities. Reflecting the significance of family assistance, 27 per cent of administered appropriations are classed under Outcome 1.

More detailed discussion of developments in the Department's appropriations is provided under each of the Outcome discussions that follow this section, in the budgeted financial statements and in Appendix 2.

To facilitate the change from cash to accrual budgeting in 1999-00, the presentation of administered items in that year corresponded to the former appropriation structure, and therefore to a program structure. The administered item structure has now undergone some rationalisation and changes that are designed to accord with the accrual budgeting output group structure and to reflect current strategic priorities. These changes are detailed under each outcome.

References to "Total Resources" include administered appropriation, departmental appropriation, non-appropriation revenue, revenue from other (non-Government) sources, and resources across outcomes.

Table 1.1: Department of Family and Community Services – Appropriations 2000-01 (\$'000)

(See breakdown Tables against each Outcome for details)

OUTCOMES	Departmental (Price of Outputs)					Administered				TOTAL APPROPRIATIONS
	Revenue from Government (Appropriations)		Revenue from other Sources <sup>4</sup>	Price of Outputs <sup>3</sup>	Annual Appropriations	Special Approps <sup>5</sup>	Total Administered Appropriation			
	Bill No 1	Special Approp <sup>5</sup>	Total (C=A+B)		Price of Outputs (E=C+D)	Bill No 1	Bill No 2 (SPPs & NAOs) <sup>2</sup>		Total Administered Appropriation (I=F+G+H)	
	(A)	(B)	(C1)	(D)	(E1)	(F)	(G)	(H)	(I1)	(J=C+I)
1. Outcome 1 – Stronger Families	1,001,967	-	1,001,967	1,471	1,003,438 99.85% <sup>1</sup> (E1)	271,958	12,824	13,767,095	14,051,877 (I1)	15,053,844
2. Outcome 2 – Stronger Communities	38,169	-	38,169	505	38,674 98.69%	51,351	1,390,008	5,502	1,446,861	1,485,030
3. Outcome 3 – Economic and Social Participation	1,096,290	-	1,096,290	33,440	1,129,730 97.04%	288,616	426,053	36,720,404	37,435,073	38,531,363
<b>TOTALS</b>	(K1) 2,136,426	(K1)	2,136,426	35,416	2,171,842	611,925	1,828,885	50,493,001	52,933,811 (K1)	55,070,237
<b>Amounts in shading are included in annual appropriation bills</b>						Departmental Capital (Equity Injections and Loans) <sup>2</sup>				148(K2)
						Administered Capital				160,192(K2)
						<b>TOTAL APPROPRIATIONS</b>				<b>55,230,577</b>

<sup>1.</sup> Note: Entries in columns C1, E1 and I1 cross link to information in resource Tables 2.1.1., 2.4.2 and 2.7.3. Amounts K1 to Budgeted Statement of Revenues and Expenses, and amounts K2 to Capital Budget.

<sup>2.</sup> Under the appropriation structure, Bill No 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.

<sup>3.</sup> Refer to Budgeted Statement of Revenue and Expense for application of agency revenue.

<sup>4.</sup> Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources (eg sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are detailed in Appendix 1.

<sup>5.</sup> Estimated appropriations for individual Special Appropriations are shown in Appendix 2.

- Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Chart 1.1: Administered Appropriations per FaCS Outcome 2000-01

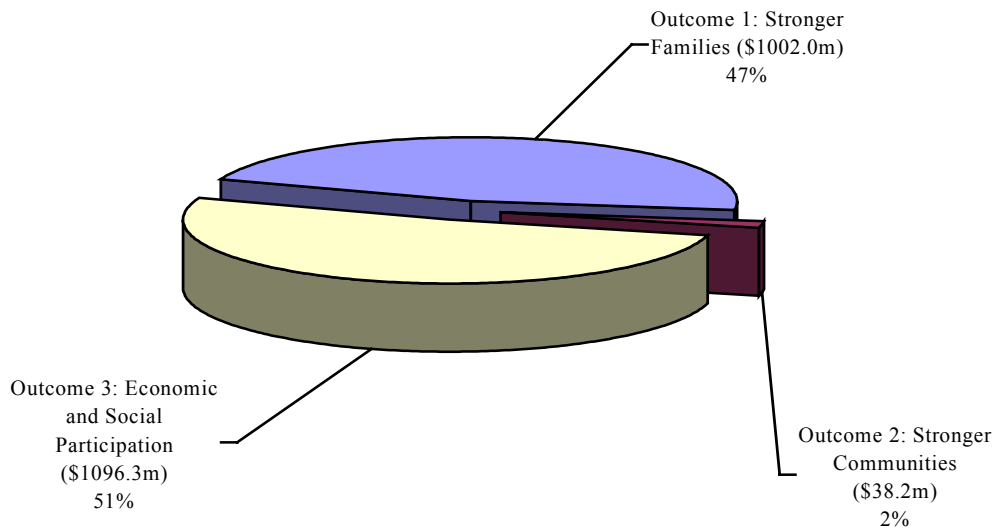
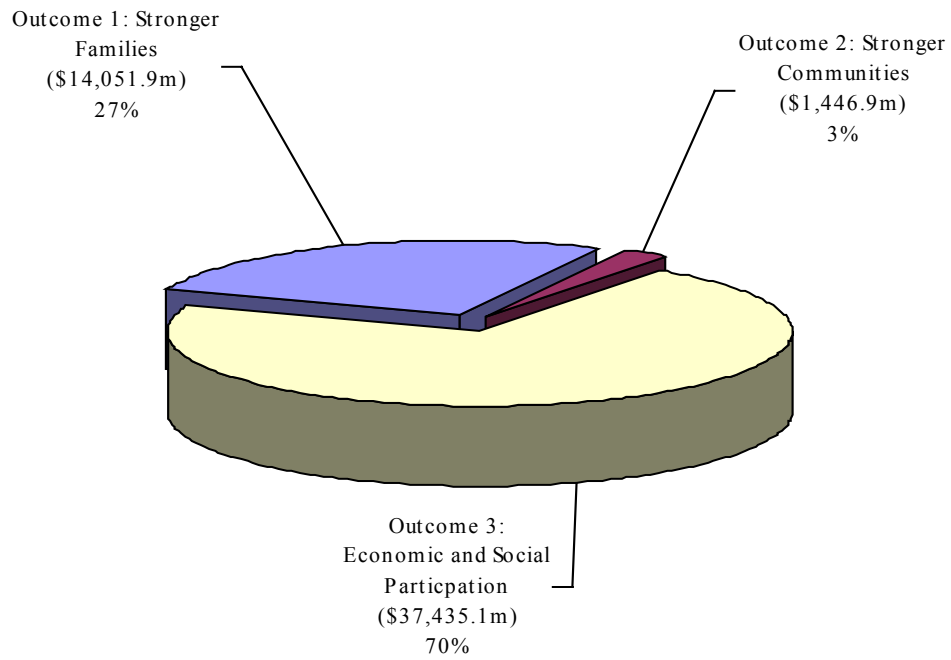


Chart 1.2: Departmental Appropriations per FaCS Outcome 2000-01

## **Budget Measures – Overview**

The 2000-01 Budget introduces major innovative strategies which are:

- the Stronger Families and Communities Strategy, which establishes new partnerships to strengthen families and communities and recognises that the best solutions are developed and delivered locally in partnership with others;
- Welfare Reform Pilots, to trial approaches to increase the economic or social participation of people on income support;
- an increase in the Youth Allowance family assets limit for farmers and businesses;
- the introduction of a Preparing For Work Agreement for New Claimants of Unemployment Payments;
- the Child Support Package, which improves the operation of the child support scheme;
- a revised means test treatment of private companies and trusts;
- measures to improve social security compliance;
- the protection of people affected by the termination of the Social Security Agreement with the United Kingdom;
- a package of measures to simplify the social security system further; and
- measures to remove anomalies associated with the direct deduction rules for partners of compensation recipients and the social security treatment of ABSTUDY payments.

The financial impact of these measures is summarised in Table 1.2. More detailed discussion of these Budget measures is at Section 3 of the Department's Portfolio Agency Budget Statement. In addition, the Department's appropriations have also been affected by variations to measures announced before the 2000-01 Budget and by Budget measures put forward by other Portfolios. Their financial impact is also shown in Table 1.2. The financial impact of Variations to measures announced before the 2000-01 Budget relate to changes recorded since the *Portfolio Additional Estimates Statements 1999-2000*.



Table 1.2: Summary Table of Budget and Non-Budget Measures

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
<b>2000-01 Budget Measures – New Policies</b>														
Stronger Families and Communities Strategy: Stronger Families Fund Initiative	138	1	0	2501	2501	0	7499	7499	0	12999	12999	0	17000	17000
Stronger Families and Communities Strategy: Early Intervention, Parenting and Family Relationship Support Initiative	139	1	0	2558	2558	0	12100	12100	0	14194	14194	0	17185	17185
Stronger Families and Communities Strategy: Greater Flexibility and Choice in Child Care Initiative	141	1	1861	2161	4022	7152	4856	12008	15074	5000	20074	24349	4999	29348
Stronger Families and Communities Strategy: Longitudinal Study of Australian Children Initiative	143	1	0	201	201	0	1801	1801	0	500	500	0	3600	3600
Stronger Families and Communities Strategy: Potential Leadership in Local Communities Initiative	144	1 & 2	0	3038	3038	0	11692	11692	0	11192	11192	0	11192	11192
Stronger Families and Communities Strategy: National Skills Development Program for Volunteers Initiative	146	2	0	3800	3800	0	6000	6000	0	3000	3000	0	3000	3000

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Stronger Families and Communities Strategy: Local Solutions to Local Problems Initiative	147	2	0	1462	1462	0	4808	4808	0	4558	4558	0	4558	4558
Stronger Families and Communities Strategy: 'Can Do Community' Initiative	149	2	0	800	800	0	1800	1800	0	1800	1800	0	800	800
Stronger Families and Communities Strategy: National Communication Campaign	151	1	0	3501	3501	0	2502	2502	0	1001	1001	0	1000	1000
Welfare Reform Pilots: Mature Age Participation Pilot	152	3	1160	1827	2987	0	51	51	0	0	0	0	0	0
Welfare Reform Pilots: Workless Families Assistance Pilot	154	3	-703	3062	2359	0	4	4	0	0	0	0	0	0
Welfare Reform Pilots: Tailored Assistance for the Very Long Term Unemployed Pilot	155	1 & 3	163	1227	1390	0	0	0	0	0	0	0	0	0
Increase in Youth Allowance Family Assets Limits for Farms and Businesses	156	1	16753	1722	18475	34563	2187	36750	35461	2202	37663	36414	2217	38631
Introduction of a Preparing for Work Agreement for New Claimants of Unemployment Payments	157	1 & 3	-44808	19008	-25800	-74082	14245	-59837	-76228	14004	-62224	-78319	14153	-64166
Child Support Package: Post-Separation Counselling and Support for Non-Resident Parents	158	1	0	205	205	0	377	377	0	0	0	0	0	0

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Child Support Package: Lower Formula 'Percentages' for Payers Exercising Contact with their Children	159	1	0	1400	1400	10674	5721	16395	11471	3000	14471	12208	3023	15231
Child Support Package: A Lower 'Cap' on Payer Income Subject to Child Support Formula Assessment	160	1	-3	0	-3	-6	0	-6	-7	0	-7	-7	0	-7
Child Support Package: Assessment of Income for Child Support Parents Undertaking Overtime/Second Jobs	161	1	111	229	340	228	462	690	234	466	700	240	469	709
Child Support Package: An Increase in the Family Tax Benefit Income Test Deduction for Payers with a Subsequent Family	162	1	0	73	73	5297	40	5337	5693	18	5711	6059	19	6078
Revised Means Test Treatment of Private Trusts and Private Companies	163	2 & 3	-9050	31233	22183	-78216	40465	-37751	-136539	9894	-126645	-140971	8329	-132642
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud - Research and Development Projects	164	1 & 3	-18615	4695	-13920	-19563	2454	-17109	-7266	588	-6678	-942	-1	-943
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud - Detection	165	1 & 3	-25949	12035	-13914	-42476	11451	-31025	-40330	11137	-29193	-39399	8408	-30991

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud - Deterrence – Publicity Campaign to Encourage Customer Compliance	166	1 & 3	0	659	659	-14533	8158	-6375	-21928	654	-21274	-491	0	-491
Protection of People Affected by the Termination of the Social Security Agreement with the United Kingdom	167	3	-1349	593	-756	-2920	81	-2839	-4096	50	-4046	-5523	25	-5498
Simplification Package	168	1 & 3	0	206	206	-1144	914	-230	-1239	108	-1131	-1780	109	-1671
Removal of Anomaly Between ABSTUDY and the Social Security Income Test	169	3	250	999	1249	267	124	391	284	117	401	302	178	480
Removal of Direct Deduction Rules From Partners of Compensation Recipients	170	1, 2 & 3	0	269	269	2298	1515	3813	3113	980	4093	3272	984	4256
Unauthorised Arrivals in Australia Package: Reducing the Incentives for Unauthorised Arrivals	171	3	-1032	5014	3982	-3126	4068	942	-5996	4096	-1900	-6160	4124	-2036
Continuation of Payment to Voluntary Work Agencies (Voluntary Work Initiative)	172	3	1221	0	1221	1622	0	1622	1648	0	1648	1674	0	1674
Department of Agriculture, Fisheries and Forestry- Australia (AFFA) - Extension of Retirement Assistance for Farmers Scheme	173	3	901	598	1499	1867	60	1927	1933	9	1942	2007	9	2016
FaCS Pricing Review	174	1, 2 & 3	0	-8100	-8100	0	-18100	-18100	0	-28600	-28600	0	-36200	-36200

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Amendments to a New Tax System (Family Assistance and related measures) Bill 2000	175	1&2	30	669	699	34	198	232	40	200	240	41	201	242
Aboriginal and Torres Strait Islander Commission (ATSIC): Expansion of the Community Development Employment Projects (CDEP) Scheme	176	1 & 3	-6691	-181	-6872	-13720	-498	-14218	-14109	-500	-14609	-14521	-503	-15024
Department of Veterans' Affairs (DVA): Change Date of Effect for Grants and Variations to Compensation Payments	177	3	0	9	9	82	9	91	81	6	87	80	6	86
Department of Veterans' Affairs (DVA) – Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-1975	178	3	-12870	0	-12870	-26595	0	-26595	-27178	0	-27178	-27794	0	-27794
Department of Immigration and Multicultural Affairs (DIMA): Introduction of New Entry Requirements for Aged Parent Migrants	179	3	225	315	540	1865	842	2707	2611	465	3076	1335	509	1844
Department of Immigration and Multicultural Affairs (DIMA): Increased Permanent Migrant Intake	180	1, 2 & 3	1938	970	2908	3828	892	4720	4913	616	5529	8206	726	8932
Department of Immigration and Multicultural Affairs (DIMA): Enhanced Integrity of the Family Migration Stream	181	3	-155	130	-25	-155	204	49	-155	208	53	-155	213	58

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Family Assistance Office (FAO) Review Mechanism	182	1	0	10695	10695	0	3200	3200	0	142	142	0	143	143
<b>Sub-Total</b>			<b>-96612</b>	<b>109583</b>	<b>12971</b>	<b>-206760</b>	<b>132182</b>	<b>-74577</b>	<b>-252515</b>	<b>74104</b>	<b>-178411</b>	<b>-219875</b>	<b>70475</b>	<b>-149400</b>

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total
<b>Non Budget Measures, Amendments and Variations to Previous Measures</b>														
Extend Double Orphan Pension Eligibility	183	1	18	0	18	38	0	38	41	0	41	42	0	41
Pay Family Allowance to Carers of Orphaned Children	183	1	313	0	313	249	0	249	328	0	328	411	0	411
1998-99 Budget Measure to Apply the Newly Arrived Resident's Waiting Period to Agreement Countries – deferred implementation	183	1 & 3	0	-99	-99	0	-36	-36	0	-87	-87	0	-89	-89
1998-99 Budget Measure to Abolish Special Maintenance – deferred implementation	184	1	0	68	68	0	22	22	0	22	22	0	21	21
1998-99 Budget Measure to Modify the Treatment of Non-Economic Loss Compensation Payments – deferred implementation	184	1,2 & 3	19842	-323	19519	0	0	0	0	0	0	0	0	0
1998-99 Budget Measure to Introduce a Crisis Payment to Assist People in Extreme Circumstances – deferred implementation	184	3	-2	107	105	-2	117	115	-2	117	115	-2	115	113

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total
1998-99 Budget Measure Community Development Employment Projects (CDEP) - Remove Inequities and Pay a Participant Supplement – variation and deferred implementation	184	1,2 &3	11929	161	12090	16216	120	16336	16799	105	16904	16799	93	16892
1998-99 Budget Measure to Create a New Category of Advance Payment Called a Special Employment Advance – deferred implementation	185	3	62	57	119	60	63	123	-5	63	58	-73	62	-11
1996-97 Budget measure to Abolish the Employment Entry Payment – measure defeated	185	3	16007	0	16007	16638	0	16638	17338	0	17338	17338	0	17338
1996-97 Budget measure to Abolish the Education Entry Payment– measure defeated	185	3	2038	0	2038	2202	0	2202	2257	0	2257	2257	0	2257
1999-00 Budget Measure to Introduce New Income Support Arrangements for Persons Sharing Care of a Child – measure defeated	186	1, 2 &3	1228	-4554	-3326	4186	-2847	1339	5542	-3305	2237	5542	-3305	2237
1999-00 Budget Measure to Tighten Gifting Rules – deferred implementation	186	3	1942	-212	1730	0	0	0	0	0	0	0	0	0
1999-00 Budget Measure to align Invalidation Service Pension Assessments – amended measure	186	3	-2975	0	-2975	-5109	0	-5109	-4618	0	-4618	-4618	0	-4618



Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total	Admin Exp	Dept Out- puts	Total
The GST Assistance Scheme (GAS)	186	2	9000	600	9600	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>			59402	-4195	55207	34478	-2561	31917	37680	-3085	34595	37696	-3103	34592
<b>Total</b>			-37210	105388	68178	-172282	129621	-42660	-214835	71019	-143816	-182179	67372	-114808

## **Performance Indicators –Revised External Reporting Framework**

### **Performance Reporting**

The framework for outcome and output reporting requires all Commonwealth agencies:

- to establish effectiveness, quality and quantity performance indicators;
- to include these indicators in their Portfolio Budget Statements; and
- to report on them in their annual reports.

The Department included outcomes and outputs performance indicators in its 1999-00 Portfolio Budget Statements, and also reported performance against these indicators in its 1998-99 Annual Report.

### **Reporting Structure for 2000-01**

For 2000-01 the Department will employ a three tier reporting structure comprising:

- environmental indicators for the three outcomes: Stronger Families; Stronger Communities; and Economic and Social Participation;
- common effectiveness and quality reporting categories for administered items and outputs; and
- quality, quantity and effectiveness indicators for individual payments and services, and for departmental outputs.

Reporting against these indicators will appear in the 2000-01 Annual Report.

### **Policy Environment**

Environmental indicators are provided for each of the three outcomes. These indicators provide high level information about social conditions and trends relevant to family and community functioning and economic and social participation. They can be used to assess the appropriateness of the Department's strategies for achieving the outcomes, and also to assess the long-term effectiveness of its activities. They are not indicators of the results it achieves through its administered items and outputs but outline the context for those results.

The Department intends to report on these environmental indicators in the 2000-01 Annual Report. There is still work in progress on these indicators and so there may be some changes made to improve them for the annual report.

### **Effectiveness**

Effectiveness is the extent to which planned outcomes are achieved. Effectiveness of each individual administered and departmental item under each of the Department's Groups will be measured against a selection of the most relevant of the following indicators. The indicators reflect the Department's key strategies referred to earlier in this section:

<b>Capacity</b>	For communities: improved community skills, knowledge, leadership, partnerships and networks For families: improved family skills, knowledge and quality of relationships For individuals: improvement in skills and knowledge necessary for self-support and improved networks
<b>Early intervention</b>	Early intervention in financial and personal crises that limits social and economic marginalisation
<b>Independence</b>	Greater independence, choice and self-reliance for families/communities/individuals
<b>Adequacy</b>	Adequate levels of income and assistance provided for those who cannot support themselves
<b>Affordability</b>	Improved affordability of housing/child care/disability support services
<b>Targeting</b>	Assistance targeted to those most in need
<b>Takeup / coverage</b>	Takeup of payments/service among the eligible population and/or coverage of those in need of assistance

Under these relevant headings, indicators for each payment and service are provided. This approach is intended to assist report users understand how services and individual payments achieve the Department outcomes through its strategies.

### **Quality, Quantity and Price of Outputs**

#### ***Quality***

Quality indicators are provided for each departmental output and third party output (outputs delivered by a third party using administered funds). These indicators will be reported under the following headings:

<b>Assurance</b>	Service delivery standards; and Quality accreditation of service providers
<b>Customer rights and obligations</b>	Protection of customers' rights Customer obligations
<b>Access &amp; Choice</b>	Location of services, access to information and access for special needs and target groups Customer choice
<b>Customer satisfaction</b>	Customer satisfaction with the provision of payments and services

These headings reflect quality attributes and are intended to make quality reporting clearer and more understandable for report users.

***Quantity***

Quantity indicators are provided for each departmental output and third party output.

***Price***

Price is provided for all departmental outputs at the item group level.

## **Administered Capital and Departmental Equity Injections and Loans**

The Department of Family and Community Services will receive a departmental capital appropriation in 2000-01 of \$0.148 million. This is an equity injection, which will be used to fund asset purchases. Capital expenditure of \$21.972m is expected in 2000-01 for continuing asset replacement programmes and to support the introduction and implementation of a range of initiatives.

The Department will also receive an administered capital appropriation in 2000-01. This is a Special Appropriation of \$160.192 million relating to the operation of the Student Financial Supplement Scheme. Under the terms of the Student Financial Supplement Scheme, the Commonwealth Bank purchases the loans from the Commonwealth. The appropriation is to facilitate this buy-back.

This Capital appropriation is identified in Table 1.1 - Appropriations 2000-01 and in the Capital Budget statements in Section 4.

## **Competitive Tendering and Contracting Arrangements Across Outcomes**

This section reports on those arrangements that impact on more than one Outcome. Arrangements that impact only one Outcome are reported on under the appropriate Outcome heading.

### **Household, Income and Labour Dynamics in Australia (HILDA) Survey**

A Request for Proposal (RFP) to design, develop and manage the implementation of the Household, Income and Labour Dynamics in Australia (HILDA) Survey was advertised nationally by the Department on 26 February 2000. Closing date for applications was 28 April 2000. Data collection for the Survey is expected to commence in April 2001.

The HILDA Survey primarily covers two of the Department's Outcomes: Outcome 1 – Stronger Families; and Outcome 3 – Economic and Social Participation.

### **Social Policy Research Services**

An RFP for the provision of social policy research, specific to the Department, was advertised nationally on 27 November 1999. The Department sought to purchase, in the social research field, ideas, skills, capability and capacity for its research programme. The Department is soon to begin contract negotiations with 3 preferred social policy research providers. The Research Services sought cover all the Department's Outcomes.

A request for tender (RFT) was advertised nationally on 17 October 1999 to develop and conduct a cross-sectional and longitudinal survey of the Department customers to provide ongoing statistics to underpin the broad data requirements of each of the three outcomes. While the survey is expected to be ongoing, the RFT only covered the period to the end of June 2000. A C Nielsen was selected to develop and conduct the survey which commenced in April 2000. A contract for 2000-01 is expected to be in place by early June 2000.

### **Evaluations Across Outcomes**

The Department has gone to tender to have a survey of customers receiving Centrelink payments conducted, to explore factors influencing voluntary compliance. The survey will contribute to the Department's understanding of factors which influence decisions by customers either to comply or not to comply with customer notification obligations. The work will be undertaken in 2000-01.

## **SECTION 2: OUTCOMES AND OUTPUT INFORMATION**

### **Administered Item and Output Groups (Item Groups, or "Groups")**

These are groupings, within outcomes, of related administered items and departmental outputs. They provide information on assistance to particular customer groups, for example the retired community, and also provide information on particular kinds of assistance, for example child support. The groups are as follows:

#### **Outcome 1: Stronger Families**

Group 1.1: Family Assistance

Group 1.2: Youth and Student Support

Group 1.3: Child Support

Group 1.4: Childcare Support

#### **Outcome 2: Stronger Communities**

Group 2.1: Housing Support

Group 2.2: Community Support

#### **Outcome 3: Economic and Social Participation**

Group 3.1: Labour Market Assistance

Group 3.2: Support for People with a Disability

Group 3.3: Support for Carers

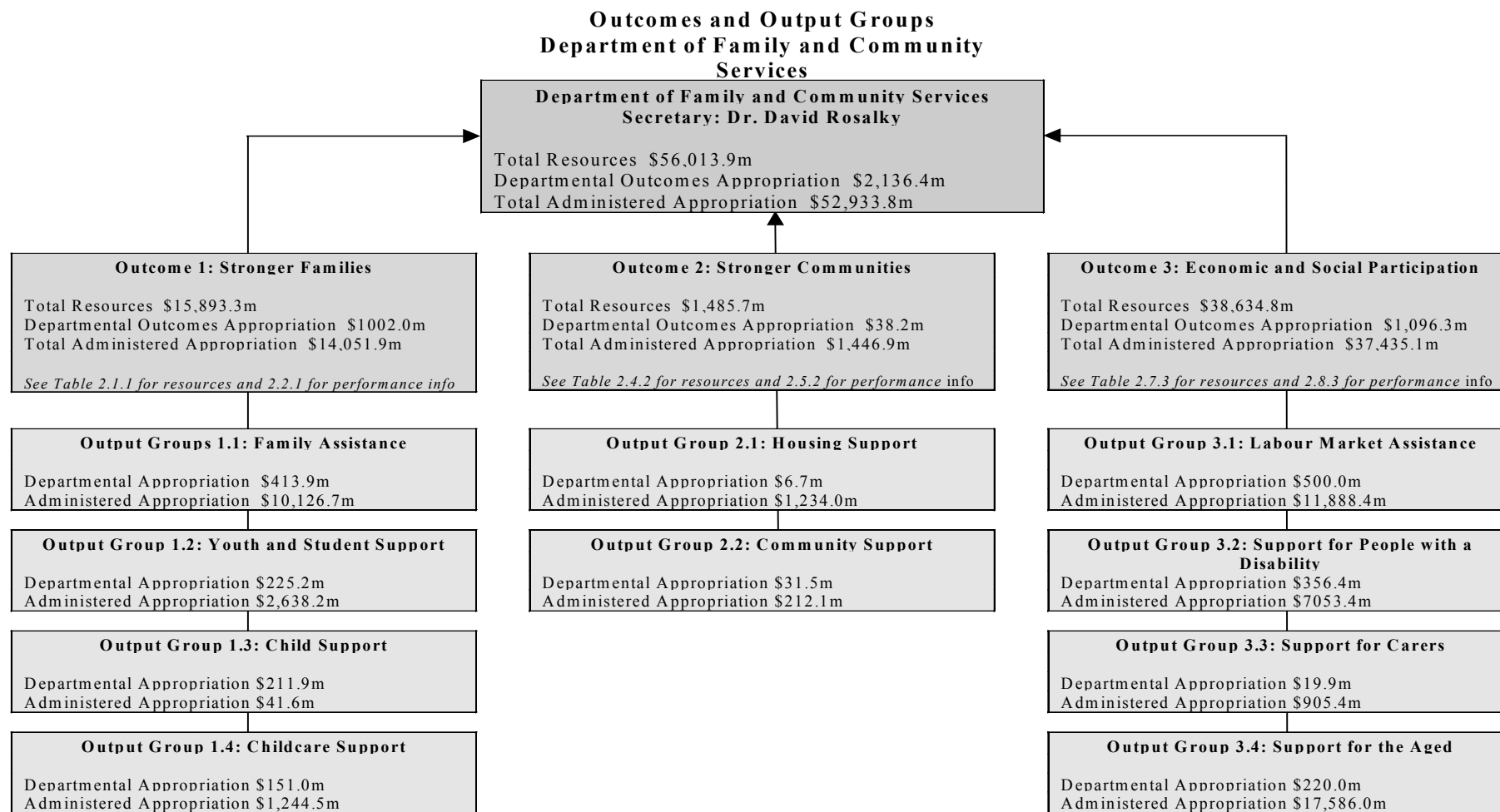
Group 3.4: Support for the Aged

### **Changes to Outcomes and Output Groups**

The Childcare Support Output Group 1.4 (previously included under Outcome 3 - Economic and Social Participation) has been transferred to Outcome 1 - Stronger Families.

This reflects the evolution of the child care programme as a key resource to support the workforce, education and social participation choices of families. The change will become effective on 1 July 2000 and is reflected in the revised outcome and output structure for the Department listed above.

Map 2.1: FaCS Outcomes and Output Groups



Note: 'Total Resources' include appropriations, non-appropriation revenue, and resources across outcomes



## **OUTCOME 1 – STRONGER FAMILIES**

### **Description**

This outcome reflects the Government's commitment to support and strengthen families as the fundamental unit of society. Recognising the contribution of families to the overall health and well being of individuals and society, the Department will:

- assist families to build their capacity and their resilience;
- facilitate families in selecting and receiving the help they need at times of transition or crisis; and
- develop partnerships with key stakeholders to improve the efficiency of services delivered and to identify emerging problems and develop appropriate policy responses.

The contributing outputs for Outcome 1 are shown at Map 2.2. A detailed breakdown of resources for Outcome 1 appears at Table 2.1.1.

### **Resourcing for Outcome 1**

Table 2.1.1 shows final estimates of resourcing for 1999-00 and Budget estimates for resourcing in 2000-01 for each output group within Outcome 1. In particular, Table 2.1.1 shows estimates of administered and departmental appropriations, revenue from sources outside Government (such as fees for services) and total department expenses (the "price of outputs") in order to provide a comprehensive picture of the financial position.

Total resourcing for 2000-01 is estimated to be \$15.9 billion, significantly higher than the final estimate of \$12.6 billion for 1999-00. This movement reflects the estimated rise in administered appropriations for family assistance (Output Group 1.1), childcare support (Output Group 1.4) with some growth in youth and student support (Output Group 1.2). These changes are largely caused by the substantial increases in family assistance, childcare support and youth allowance associated with the Government's tax reform package, which takes effect from 1 July 2000. Initiatives from the 2000-01 Budget also contribute to the estimated growth in resourcing.

#### *2000-01 Budget Initiatives*

There are three key budget initiatives that contribute to the achievement of Outcome 1. These are the Stronger Families and Communities Strategy, a change to Youth Allowance and the Child Support Package.

The Stronger Families and Communities Strategy will establish new partnerships to strengthen families and communities and to develop and to deliver solutions at a local level. It will contribute to both Outcome 1 and Outcome 2. Those elements that contribute to Outcome 1 are:

- the Stronger Families Fund Initiative, which will be established to encourage communities to develop innovative ways to strengthen family functioning with particular emphasis on early childhood and parenting;
- the Early Intervention, Parenting and Family Relationship Support initiative, which will strengthen families by providing services and activities such as parenting support; playgroups; marriage and relationship education; family counselling in regional Australia; and training;
- the Greater Flexibility and Choice in Childcare Initiative, which will improve the flexibility of childcare to meet better the needs of families whose needs are not met from existing services, including shift workers, families working non-standard hours, those who have a sick child or who live in rural and remote areas without access to care;

- the Longitudinal Study of Australian Children, which will support a national comprehensive longitudinal cohort study of children and their families to inform Government policy on early childhood and effective early intervention and prevention strategies in areas of health, education, child care and family support; and
- the National Communication Campaign, which will encourage families to use prevention and early intervention services, promote local partnerships to support families in their community and workplace and address values and attitudes by promoting key messages.

The increase in the Youth Allowance family assets limits for farm and businesses will assist families, particularly those in rural areas.

The Child Support Package will improve the operation of the child support scheme through:

- the Post Separation Counselling and Support for Non-Resident Parents initiative, which is a program to assist non-resident parents to improve their post separation relationships and parenting skills;
- the Lower Formula ‘Percentages’ for Payers Exercising Contact with their Children measure, which recognises the additional costs faced by parents who exercise contact with their children and is intended to encourage parents to maintain contact with their children following separation;
- the Lower ‘Cap’ on Payer Income Subject to Child Support Formula Assessment will align the average weekly earnings (AWE) benchmark that sets the upper limit or ‘cap’ on payer taxable income used in their child support with that used for the payee’s disregarded income amount. The new AWE benchmark will be the average weekly earnings of all employees rather than all full-time employees. Use of this benchmark will result in a lower ‘cap’;
- the Assessment of Income for Child Support Parents Undertaking Overtime/Second Jobs measure. Under this measure, a child support payer who has taken on work outside their normal earning pattern to support their second family will be able to apply to the Child Support Agency to have the additional income excluded from the assessment of child support; and
- the measure to increase the Family Tax Benefit Income Test Deduction for Payers with a Subsequent Family. This will increase the Family Tax Benefit and Childcare Benefits income test deductions for child support payers from 50 per cent to 100 per cent by allowing a full deduction for any child support paid.

The resourcing impact for Outcome 1 of these and other 2000-01 Budget initiatives is shown at Table 2.3.1. A more detailed explanation of the 2000-01 Budget initiatives is provided at Section 3 (“Statement of Budget and Non-Budget Measures”).

#### *Refinements to Administered Item Structure*

In addition to the transfer of Childcare Support from Outcome 3 to Output Group 1.4 there are other refinements to the administered item structure to reflect and to describe better the purposes of those items:

- as foreshadowed in the *Portfolio Additional Estimates Statements 1999-00*, the former Community Sector Support Scheme (a cross outcome item) has been divided into National Secretariats (which is attributed across outcomes) and the Volunteer Management Program, which is consolidated into Outcome 2.
- the Family and community service network (Output Group 1.1) has been retitled Family and Community Network Initiative, to reflect the operating title of the initiative;
- the Youth Homelessness Early Intervention Programme (Output Group 1.2) is now titled Reconnect (Youth homelessness early intervention), to reflect the operating title of the initiative;

- the former Other Services for Families with Children item within the Childcare Support (formerly output group 3.5) has been divided into three items, in order to reflect the accrual budgeting structure rather than the former program structure:
  - Services for Families with Children (Output Group 1.1);
  - Youth Activities Services (Output Group 1.2); and
  - Support for childcare (Output Group 1.4);
- Childcare Capital Loans (Output Group 1.4) has been separated from Childcare Assistance to reflect its purpose; and
- block-funded payments for childcare services in disadvantaged or remote areas and the capital replacement and upgrade programme (Output Group 1.4) have been transferred from Childcare Assistance to Support for Childcare, to reflect their purpose. These payments are expected to total \$15 million in 2000-01.

For purposes of comparison, final 1999-00 estimates in Table 2.1.1 are shown under the revised structure.

### *Other Resourcing Variations*

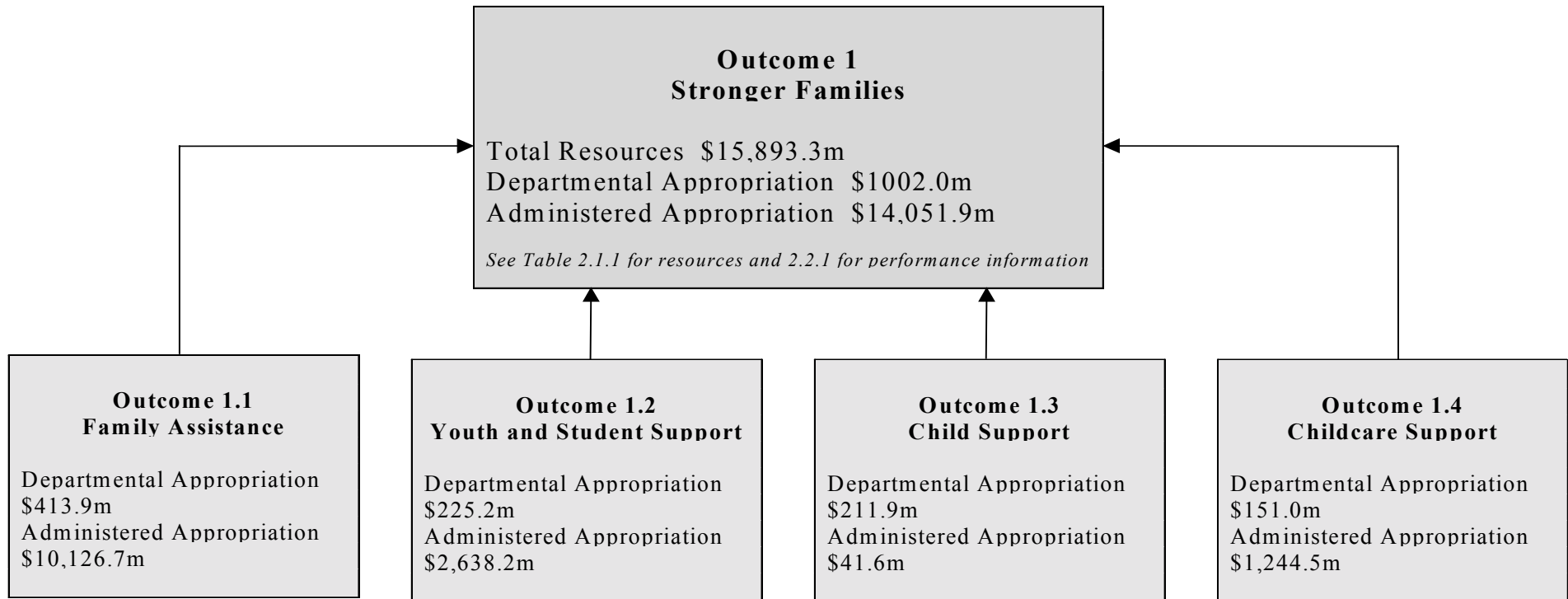
Differences between the estimates for 1999-00 and 2000-01 will reflect the impact of new policy, variations to policy and movements in estimated expenditure. There are some significant movements between estimates for administered and departmental appropriations for 1999-00 and 2000-01. Significant variations in administered appropriations reflect the following:

- Family Tax Benefit will replace Family Allowance, Family Tax Benefit and basic partnered Parenting Payment, and Child Care Benefit will replace Childcare Rebate and Childcare Assistance, from 1 July 2000 under *A New Tax System*. Estimated expenses for 2000-01 in respect of the former payments reflect an allowance for payment of outstanding claims arising from 1999-00 entitlements;
- increased expenses for Grants to family relationship organisations include \$5 million carried over from 1999-00 due to delays in finalising contracts with providers and \$2 million due to the inclusion of the Commonwealth Financial Counselling Program which has been transferred from the Treasury portfolio;
- increased expenses in 2000-01 for the Family and Community Network Initiative are due to carryover necessitated by strategic changes to the focus of this initiative;
- increased funding for Reconnect (Youth Homelessness Early Intervention) is in accordance with the originally agreed funding for this 1999-00 Budget initiative;
- *ex gratia* payments to former Austudy recipients whose payments were unintentionally limited by the Youth Allowance legislation are not expected to be required in 2000-01, since amending legislation included in the Youth Allowance Consolidation Bill 1999 will render these payments unnecessary;
- the increased estimates for administered appropriation requirements for the Child Support Agency reflect revised accrual budgeting treatment for the child support trust fund. Appropriated amounts are to facilitate the operations of the trust and are normally reimbursed. The revised treatment appropriates the gross, rather than nett, expenses for the year; and
- the reduced estimates for Support for Childcare are principally a result of an increase in the 1999-00 amount due to carry over of funds from 1998-99. No carry over to 2000-01 has been sought for this item.

Significant variations for departmental appropriations reflect the following:

- those elements of the Stronger Families and Communities Strategy that impact on Outcome 1 (in particular, the Stronger Families Fund Initiative, the Early Intervention, Parenting and Family Relationship Support Initiative, the Longitudinal Study of Australian Children and the National Communication Campaign) that require a flexible approach to funding are funded by way of departmental appropriation (Output Group 1.1).

Map 2.2: Outcome 1 and Contributing Outputs



Note: 'Total Resources' include appropriations, non-appropriation revenue, and resources across outcomes

Table 2.1.1: Total Resources for Outcome 1

	<b>Final Estimates 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Items applicable across outcome</b>		
<b>Appropriation Bill No 1</b>		
Compensation for detriment caused by defective administration (part component see also Outcome 3)	12	12
National secretariats (part component see also Outcomes 2 and 3)	652	721
Payments to universities and other organisations for special studies and research (part component see also Outcome 3)	76	82
<b>Sub total</b>	<b>740</b>	<b>815</b>
<b>Subtotal items across outcome</b>	<b>740</b>	<b>815</b>
<b>Output Group 1.1 — Family Assistance</b>		
<b>Appropriation Bill No 1</b>		
Child abuse prevention	2,079	2,722
Domestic violence pilot programs	536	1,464
Family and community network initiative	593	4,883
Grants to family relationship support organisations (including payments under the <i>Family Law Act 1975</i> and the <i>Marriage Act 1961</i> )	22,009	32,120
Pre marriage education vouchers	531	402
Services for families with children	8,563	8,649
<b>Sub total</b>	<b>34,311</b>	<b>50,240</b>
<b>Appropriation Bill No 2</b>		
Services for families with children SPP	354	354
<b>Sub total</b>	<b>354</b>	<b>354</b>
<b>Special Appropriations</b>		
Double orphan pension	1,793	2,140
Family allowance	6,673,741	25,684
Family tax benefit	0	9,836,404
Family tax payment	529,101	10,000
Maternity allowances	194,087	201,881
<b>Sub total</b>	<b>7,398,722</b>	<b>10,076,109</b>
<b>Total Output Group 1.1</b>	<b>7,433,387</b>	<b>10,126,703</b>
<b>Output Group 1.2 — Youth and Student Support</b>		
<b>Appropriation Bill No 1</b>		
Ex-gratia payments to former Austudy recipients whose payments were unintentionally limited by the youth allowance legislation	1,027	0
Reconnect (Youth homelessness early intervention)	5,154	13,244
Youth activities services	6,402	6,491
Youth homeless pilot programme	504	0
<b>Sub total</b>	<b>13,087</b>	<b>19,735</b>

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Special Appropriations</b>		
Austudy payment	246,946	263,765
Fares allowance	619	995
Student financial supplement scheme	142,671	142,454
Youth allowance	1,976,783	2,211,276
<b>Sub total</b>	<b>2,367,019</b>	<b>2,618,490</b>
<b>Total Output Group 1.2</b>	<b>2,380,106</b>	<b>2,638,225</b>
<b>Output Group 1.3 — Child Support</b>		
<b>Appropriation Bill No 1</b>		
Child Support Agency — Payments to cover cheque dishonours, incorrect maintenance payments and refunds of overpayments	533	8,490
<b>Sub total</b>	<b>533</b>	<b>8,490</b>
<b>Special Appropriations</b>		
Payment to cover shortfalls in the Child Support Trust Account	42	32,764
Unexplained remittances	2	349
<b>Sub total</b>	<b>44</b>	<b>33,113</b>
<b>Total Output Group 1.3</b>	<b>577</b>	<b>41,603</b>
<b>Output Group 1.4 — Childcare Support</b>		
<b>Appropriation Bill No 1</b>		
Childcare assistance	706,500	17,000
Childcare capital loans	1,496	1,536
Childcare for eligible parents undergoing training	9,997	10,089
Support for childcare	188,871	164,053
<b>Sub total</b>	<b>906,864</b>	<b>192,678</b>
<b>Appropriation Bill No 2</b>		
Childcare assistance SPP	20,137	0
Support for childcare SPP	14,328	12,470
<b>Sub total</b>	<b>34,465</b>	<b>12,470</b>
<b>Special Appropriations</b>		
Child care benefit	0	989,383
Childcare rebate	134,980	50,000
<b>Sub total</b>	<b>134,980</b>	<b>1,039,383</b>
<b>Total Output Group 1.4</b>	<b>1,076,309</b>	<b>1,244,531</b>
<b>Total Administered Appropriations</b>		
Appropriation Bill No. 1	955,535	271,958
Appropriation Bill No. 2	34,819	12,824
Special Appropriations	9,900,765	13,767,095
<b>Total Administered Appropriations</b>	<b>10,891,119</b>	<b>14,051,877</b>
<b>Non Appropriation Expenses</b>		
Child Support Agency	654,546	723,771
Services for other bodies	44,482	44,482
Student financial supplement scheme	46,337	69,772
<b>Sub total</b>	<b>745,365</b>	<b>838,025</b>



	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Total Administered</b>	<b>11,636,484</b>	<b>14,889,902</b>

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
<b>Output Group 1.1 – Family Assistance</b>		
FaCS	29,599	42,810
Centrelink	363,292	371,086
<b>Total Output Group 1.1</b>	<b>392,891</b>	<b>413,896</b>
<b>Output Group 1.2 – Youth and Student Support</b>		
FaCS	12,562	13,625
Centrelink	204,281	211,563
<b>Total Output Group 1.2</b>	<b>216,843</b>	<b>225,188</b>
<b>Output Group 1.3 – Child Support</b>		
FaCS	196,732	210,294
Centrelink	0	1,627
<b>Total Output Group 1.3</b>	<b>196,732</b>	<b>211,921</b>
<b>Output Group 1.4 – Childcare Support</b>		
FaCS	71,417	58,866
Centrelink	92,162	92,097
<b>Total Output Group 1.4</b>	<b>163,579</b>	<b>150,963</b>
<b>Total Revenue from Government (Appropriations) Contributing to Price of Departmental Output</b>	<b>970,045</b> <b>99.85%</b>	<b>1,001,967</b> <b>99.85%</b> <b>(C1)</b>
<b>Revenue from Other Sources</b>		
Section 31 of the Financial Management and Accountability Act	1,471	1,471
<b>Total Revenue from Other Sources</b>	<b>1,471</b>	<b>1,471</b>
<b>Total Price of Departmental Outputs</b> (Total revenue from Government and from other sources)	<b>971,516</b>	<b>1,003,438</b> <b>(E1)</b>
<b>TOTAL ESTIMATED RESOURCING FOR OUTCOME 1</b> (Total Price of Outputs and Administered Items)	<b>12,608,000</b>	<b>15,893,340</b>

<b>STAFF YEARS (NUMBER)</b>		
FaCS	2,903	2,894

## **Payments and Services under Outcome 1**

### **Overview**

The contribution to meeting this Government priority is predominantly through the range of payments and services directed at families, although those identified under other outcomes will further assist many families either directly or indirectly.

Outputs produced and items administered by the Department to support this outcome include transfer payments made directly to families to assist them in meeting the costs of dependent children, financial assistance with the costs of child care, the facilitation and enforcement of child support responsibilities and funding of community organisations to provide family support and child care services.

There is an increasing emphasis on Government, community and family partnership in the design and delivery of family and youth support services. The Stronger Families and Communities Strategy announced in April 2000 is a key example of innovative new partnership arrangements within the Department involving collaboration between Outcome 1 and 2 and new external partnerships with business and communities. Other partnership approaches to policy development and service co-ordination include the Youth Pathways Taskforce and the soon to be established Family Law Pathways Advisory Group.

### **Family Payments**

Through its tax reform package, the Government will maintain and increase its financial assistance to families with children. Family assistance payments (excluding Parenting Payment) account for over \$7 billion in expenditure in 1999-00. The tax reform changes, to be introduced from 1 July 2000, will simplify the structure of assistance, increase rates of payment, and relax the income test. This will result in over \$2 billion in extra expenditure each year from 2000-01. About 2 million families will be eligible for assistance under the new system.

An important aspect of the reform was anticipated in October 1999 when the Government extended Family Allowance to cover dependent young people under 21, and full-time students aged 21 to 24, who cannot qualify for Youth Allowance. Previously, Family Allowance was only available for secondary students until the end of the calendar year in which they turned 18.

From 1 July 2000, the present complex structure of assistance through the tax and welfare systems will be simplified. The new structure will reduce the types of assistance to families from twelve to three. This includes the merging of Childcare Assistance and the Child Care Rebate into the new Child Care Benefit described under Output Group 1.4. Direct assistance to families will now be provided through Family Tax Benefit, Parts A and B.

#### *Family Tax Benefit, Part A*

This will provide families with general assistance towards the costs of children. It will replace the following four forms of assistance previously provided:

- Minimum Family Allowance;
- More than Minimum Family Allowance;
- Family Tax Payment, Part A; and
- Family Tax Assistance, Part A.

#### *Family Tax Benefit, Part B*

This will provide extra assistance to families with only one main income earner (including sole parents). It will replace:

- Basic Parenting Payment;
- Guardian Allowance;

- Family Tax Payment, Part B;
- Family Tax Assistance, Part B;
- Dependent Spouse Rebate (with children); and
- Sole Parent Rebate.

Working families will be able to choose whether they receive their Family Tax Benefit as a fortnightly payment or through the tax system. Customers who choose fortnightly payments will have their entitlements reconciled against their actual income at the end of the tax year. The reconciliation will allow payment of arrears as well as recovery of overpayments. This will be fairer than the present system, which allows only for overpayment recovery. Families on pensions and benefits will receive Family Tax Benefit as a fortnightly payment.

#### *Other Payments*

Maternity Allowance is a lump sum payment, that provides extra assistance with the costs of newborn children, including the indirect costs of time out of the workforce. Maternity Immunisation Allowance provides an additional payment for children fully immunised at age 18 months, or exempt from immunisation. Both allowances will be increased under tax reform, and will be available to more families because of the relaxation of the family assistance income test.

#### **Family Assistance Office**

The new family payment structure will be delivered for the Department by the Family Assistance Office (FAO). The FAO will be a joint venture between Centrelink, the Australian Taxation Office, and the Health Insurance Commission. Establishment of the FAO will enable families to deal with just one office and one set of rules.

#### **Family Support Services**

Support services assist families in crisis or transition and those experiencing relationship difficulties. The importance and value of educative and preventative measures is also a specific focus of a range of measures and activities. Prevention of domestic violence and child abuse are priority areas.

The Family Relationships Services Program funds community and local organisations providing education, counselling, mediation and other support services for relationships between family members.

The Commonwealth Financial Counselling Program funds community organisations to provide free financial counselling to specific target groups.

Other family support services fund community organisations to assist families to access information, provide parenting education, and assist families in crisis and aid parent-child relationships.

The Family and Community Network Initiative (FCNI) (formerly known as the Family Service Network) forms a part of the Stronger Families and Communities Strategy. Its purpose is to strengthen the capacity of families and communities to respond effectively to problems. The FCNI has three components: supporting community networking projects; improving access to information for communities (including through a national website); and supporting initiatives that take a “local solutions to local problems approach”.

#### **Youth Payments**

Programs for youth aim to assist the family's primary responsibility to support young people financially and to help them negotiate successfully the complex transitions between education or training and the workforce and from childhood to adulthood.

#### *Youth Allowance*

The Youth Allowance provides income support for 351,622 young people (as at February 2000) in the 16-24 age bracket, including students up to and including the age of 24 and unemployed young people up to and including the age of 21. Recipients are required to engage in education, training, job search

or other activities that contribute to society. The parental means test places an obligation on families to support young people where they can.

#### *Austudy*

Austudy payment provides income support for full-time students aged 25 years and over. As at February 2000, there were 30,435 Austudy recipients participating in secondary and post-secondary education.

#### **Youth Services**

Youth services provide other support for youth needing more intensive assistance.

#### *Reconnect Program*

Twenty-nine services started operation from December 1999 under the new Reconnect program (formerly Youth Homelessness Early Intervention Program). The program provides early intervention assistance for young people at risk of homelessness and for their families.

#### *Family Support Services*

Over four years \$11.3 million will be distributed to State and Territory governments to provide support services to families of illicit drug users to assist them deal with issues related to their children's drug use.

#### *Youth Activities Services*

These services provide activities, generally after school, to adolescents living in disadvantaged areas identified by a range of social and economic indicators. The target group is young people aged 11-16 years who still live at home and attend school. The services aim to keep young people engaged with their community.

There are approximately 93 projects funded nationally.

#### *Youth Activities Services Family Liaison Worker Network*

Family liaison workers provide practical support and guidance to young people 11-16 years and their families, to help them deal with difficulties such as family conflict, lack of communication or other issues affecting their well-being as a family and to refer them to other specialist services as required. The objective of this programme is to strengthen family relationships.

There are 81 family liaison workers operating within the Youth Activity Services programme and funding allocation for the programme for 1999-00 is \$2.0 million.

#### **Child Support Agency (CSA)**

The CSA contributes to the Department's outcome of building stronger families through the provision of services to assist separated parents in the transfer of child support payments. The Child Support Scheme is designed to ensure that both parents contribute to the costs of children, according to their means. The Scheme assists more than one million parents.

#### **Childcare Support – Child Care Benefit**

From 1 July 2000 childcare support for families to assist them with childcare costs will change. From 1 July 2000 the new Child Care Benefit (CCB) will combine Childcare Assistance (CA) and Childcare Rebate (CR). The two existing payments will continue up to, and including, 30 June 2000 to assist families with childcare costs.

Families will have until 31 December 2000 to claim Childcare Rebate for care provided before 1 July 2000. Services should submit their Childcare assistance claims and statements for the April-June 2000 quarter by 30 September 2000.

About \$5.3 billion has been allocated for child care over four years from 1999-00. As a result of the introduction of CCB there will be an additional \$600 million for childcare over the three years commencing 2000-01. Child Care Benefit is a simplified and more generous payment to families which will be administered by the Family Assistance Office (FAO) on behalf of the Department.

The amount of Child Care Benefit to which a family is entitled will depend on family income and the number of children in care. Families using child care provided by an approved service or registered

informal carers will be eligible for Child Care Benefit. Families with incomes less than \$28,000 (or receiving income support) will be eligible to receive the maximum rate of Child Care Benefit. Families who perform voluntary work may also qualify for Child Care Benefit.

Special CCB will be available as per existing Special Childcare Assistance. Jobs, Education, Training (JET) arrangements will continue under the CCB scheme. Rural and remote activities will also be retained as part of the Government's ongoing commitment to families who may be disadvantaged due to their location.

In 1998-99, 264,200 families received Childcare Assistance. Of these, 161,900 received maximum Childcare Assistance and 102,300 received partial Childcare Assistance. Childcare Assistance is a means tested payment made on behalf of families to their child care service, to reduce the family's child care fees.

During 1998-99, 261,660 families received the Childcare Rebate. Childcare Rebate assists families with work related childcare costs. All eligible families using paid child care for work related reasons can claim Childcare Rebate, regardless of their income.

## **Contribution of Outputs to Outcome 1**

The four Output Groups (or “Groups”) under this Outcome contribute to meeting the Government’s commitment to help to support and to strengthen families as a fundamental unit of society. This commitment will be delivered through a combination of family-based approaches to services and income support, with an emphasis on Government, community, and family partnership. The new integrated family assistance system will be delivered by the FAO, a joint venture between Centrelink, the Health Insurance Commission and the Australian Tax Office.

The new Stronger Families and Communities Strategy will be the flagship for a series of innovative partnerships between Government, business, communities and service providers to implement a range of support measures for family capacity building and community revitalisation.

The contribution of the Output groups to achieving Outcome 1 is detailed below.

Family Assistance (Output Group 1.1) will contribute:

- by providing income support to families to assist with the costs of children, including newborns, in a way that recognises the needs and choices of both single and dual income families; and
- by helping support and strengthening families through the provision of services to enhance family relationships and protect against family breakdown, including parent education to prevent child abuse.

Youth and Student Support (Output Group 1.2) will contribute by:

- promoting a family orientation to the development of youth policy;
- helping low to middle income families through the provision of income support for young people seeking work or undertaking education and training; and
- developing new partnership arrangements within and across levels of government to support innovations in youth and family support arrangements around young people’s transitions to independence and adulthood.

Child Support (Output Group 1.3) will contribute by promoting parental responsibility for the costs of children, through the provision of services to assist in the payment of child support.

Childcare Support (Output Group 1.4) will contribute

- by helping families to participate in the economic and social life of the community through the provision of support for child care;
- by helping families to balance their work and parenting roles by the provision of flexible child care services;
- through quality child care, contributing to the development and education of children; and
- by providing a focus for early intervention and prevention initiatives for vulnerable families and children.

## **Performance Indicators for Outcome 1**

### **Environmental Indicators**

- Age of mother at first birth
- Child care demand
- Education attendance and retention rates (of children)
- Fertility rate
- Immunisation coverage of children
- Incidence of "family-friendly" provisions in work places
- Incidence of dispute in family law cases
- Incidence of low-income families
- Labour force participation rates of parents – especially per cent of two-worker families and per cent of no-worker families
- Marriage rate
- Proportion of lone parent families
- Separation rate (including divorce rate)
- Youth dependence/independence
- Youth problems

The estimated costs against the Groups in Table 2.2.1 below are aggregate appropriations for the Group, which are reported under the total resources for Outcome 1 (Table 2.1.1). The price or departmental resources for Budget Measures are included within aggregate resources reported against each outcome (as part of Appropriation Bills 1 and 2), unless otherwise indicated.

### ***Performance Indicators for Budget Measures***

For information on proposed performance indicators for Budget Measures, refer to the Measure Descriptions in Section 3 of this budget statement.

\*Items highlighted with an asterisk are generically referred to within footnotes to Budget Measures descriptions, in Section 3 of the Department's Portfolio Agency Budget Statement where proposed Performance Indicators are included.

Table 2.2.1: Performance Indicators for Outcome 1

Group 1.1: Family Assistance

- Child Abuse Prevention
- Double Orphan Pension
- Family Tax Benefit
- Grants to Family Relationship Support Organisations
- Maternity Allowances
- Services for Families with Children
- Family and Community Network
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

*2000-2001 Estimate*

Administered Appropriation:  
\$10,126.7m

Departmental Appropriation: \$413.9m

Administered Items			
Reference	Indicator Type		Indicator
Child Abuse Prevention	Effectiveness	Capacity	Awareness amongst practitioners and policy developers on child abuse prevention
Double Orphan Pension (DOP)	Quantity		Number of customers receiving Double Orphan Pension
Family Tax Benefit (FTB)*	Effectiveness	Adequacy	Average proportion of household income made up by FTB, Part A in recipient families
		Takeup/coverage	Families entitled to Family Tax Benefit claim it and receive their entitlement within the period allowed for their claim (lodge claims within two year period)
			Number and percentage of 16-24 year olds, not eligible for Youth Allowance, who attract FTB, Part A and average duration of payment
	Targeting	Number reporting employer provided fringe benefits as a percentage of the total population with such benefits. For customers reporting fringe benefits, average ratio of fringe benefits to taxable income reported	
	Quality	Access & Choice	Number of FTB customers referred for other services (eg mediation) by FAO per financial year, as a percentage of the total customer population



Administered Items			
Reference	Indicator Type		Indicator
			Numbers choosing fortnightly payment, end of year lump sum, and reductions in tax paid during the year.
		Assurance	FTB fortnightly payments (including new claims) finalised within 21 days of lodgement.
	Quantity		Number of recipients of Family Tax Benefit <ul style="list-style-type: none"> <li>• FTB-B Maximum rate for sole parents and couples &amp; broken rate for couples</li> <li>• FTB-A Max. rate (with and without income test), broken rate, base rate, below base rate and</li> <li>• FTB-A with Rent Assistance</li> </ul>
Grants to Family Relationship Support organisations	Cost		Average Cost per Session, and, per Customer by service delivery type <ul style="list-style-type: none"> <li>• (estimate \$175 per session and \$350 per customer)</li> </ul>
	Effectiveness	Capacity	Proportion of customers with positive outcomes
		Takeup/coverage	Number of service requests not accepted
		Targeting	Proportion of services delivered to areas of identified high need
	Quality	Assurance	Proportion of service providers meeting Family Quality Information Strategy (FAMQIS) Tier 1 standards
	Quantity		<ul style="list-style-type: none"> <li>• Number of Sessions provided; and</li> <li>• Number of customers</li> </ul>
Maternity Allowances	Effectiveness	Targeting	Number and percentage of customers paid Maternity Immunisation Allowance on the basis of exemptions from the immunisation requirement by medical and non-medical exemptions
	Quantity		Number of customers receiving <ul style="list-style-type: none"> <li>• Maternity Allowance</li> <li>• Maternity Immunisation Allowance</li> </ul>
Services for Families with Children	Effectiveness	Capacity	Confidence, self-esteem and parenting skills in parents which benefit the social, physical and emotional well-being of children
Family and Community Network	Effectiveness	Capacity	Community networking initiatives achieve identified objectives  Improved access to information and services relevant to family and community organisations

<b>Administered Items</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
	Quality	Access & Choice	Number of website hits
	Quantity		Number of organisations involved in community networking initiatives Number of new community networking projects and one-off projects

Departmental Outputs			
Reference	Indicator Type		Indicator
Departmental Outputs	Cost		Ratio of departmental expense to administered expense
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets relevant standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> </ul> Correspondence
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements are in place with all service providers
	Quantity		Number of contracts/service agreements under management
			Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department <ul style="list-style-type: none"> <li>• Family Assistance Office (FAO) control mechanisms are in place to limit residual risk of incorrect payment</li> </ul>
			Customer rights & obligations

Group 1.2: Youth and Student Support

- Austudy Payment
- Reconnect
- Student Financial Supplement Scheme
- Youth Activities Services
- Youth Allowance
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$2,638.2m

Departmental Appropriation: \$225.2m

Administered Items			
Reference	Indicator Type		Indicator
Austudy Payment	Effectiveness	Adequacy	Maximum weekly payments to recipients: <ul style="list-style-type: none"> <li>• as a percentage of Male Total Average Weekly Earnings (MTAWE); and</li> <li>• index of real value</li> </ul>
	Quantity		Number of customers assisted
Reconnect	Effectiveness	Early intervention	Proportion of customers with positive outcomes as defined under the programme <ul style="list-style-type: none"> <li>• % where reconciliation achieved; reattachment to education, training, or employment or community activity;</li> <li>• % where living situation stabilised</li> </ul>
	Quantity		Number of people assisted <ul style="list-style-type: none"> <li>• number of young people only;</li> <li>• young people and their parents/guardians;</li> <li>• parents/guardians only</li> </ul>
Student Financial Supplement Scheme	Quantity		Number of existing customers assisted
Youth Activities Services	Effectiveness	Capacity	Proportion of people with positive outcomes as defined under the programme
	Quantity		Number of people assisted

Administered Items			
Reference	Indicator Type		Indicator
Youth Allowance	Effectiveness	Adequacy	Maximum weekly payments to recipients <ul style="list-style-type: none"> <li>• as a percentage of MTAW</li> <li>• index of real value</li> </ul>
			Ratios of minimum wages to single rates
		Independence	Youth Allowance customer activity: <ul style="list-style-type: none"> <li>• Number and percentage of independent customers due to workforce participation</li> <li>• Number and percentage of Youth Allowance customers undertaking full-time or part-time study/training</li> <li>• Number and percentage undertaking solely job search</li> </ul>
			<ul style="list-style-type: none"> <li>• Percentage of customers with private earnings; and</li> <li>• Average amount of private earnings per fortnight</li> </ul>
		Takeup/coverage	Number and proportion of 16-24 years old receiving Youth Allowance or another income support payment  Percentage of customers compared with the notionally eligible population
		Targeting	Percentage of customers on a part rate of payment due to the parental means test
			Percentage of non full-time students on a part rate of payment due to the personal means test
Quantity		Number of customers assisted	
		Number of customers paid supplementary payments	

<b>Departmental Outputs</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Departmental Outputs	Cost		Ratio of departmental expense to administered expense
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements are in place with all service providers
	Quantity		Number of contracts/service agreements under management Number of service providers under management
National Illicit Drugs Strategy	Effectiveness	Capacity	Proportion of people with positive outcomes as defined under the programme <ul style="list-style-type: none"> <li>• increased parents' knowledge of various illicit drugs and their effects on young people (pre and post assistance);</li> <li>• increased awareness of other Council of Australian Governments (COAG), and National Illicit Drugs Strategy (NIDS) measures and how to access appropriate services;</li> <li>• increased community perceptions that families are better equipped to cope with their young people's illicit drug use.</li> </ul>
	Quantity		Number of families assisted Number of requests for assistance
Research and evaluation	Quality	Assurance	Research and evaluation meets standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered expense arising from compliance activities

Departmental Outputs			
Reference	Indicator Type		Indicator
			No. of reviews and appeals

Group 1.3: Child Support

- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$41.6m

Departmental Appropriation: \$211.9m

<b>Administered Items</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Child Support	Effectiveness	Adequacy	Total amount of child support transferred between parents and average value* of child support payment
		Independence	Child support collection rate (Child Support Agency (CSA) collect and Private collect)
			Percentage of private collect cases to total cases (CSA collect and private collect cases)
Targeting	Net clawback - Reductions in Family Tax Benefit outlays as a result of child support obligations being met (net of administrative expenses).		



<b>Departmental Outputs</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers Briefs & Submissions etc. Correspondence
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Child Support Services	Cost		Cost per dollar transferred Cost per case
	Quality	Assurance	Stakeholder confidence in Child Support Services
		Customer satisfaction	Client satisfaction and professionalism
	Quantity		Number of CSA clients

Group 1.4: Childcare Support

- Child Care Benefit
- Child Care for Eligible Parents Undergoing Training
- Child Care Assistance
- Support for Child Care
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$1,244.5m

Departmental Appropriation: \$151.0m

<b>Administered Items</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Child Care Benefit (CCB)*	Effectiveness	Affordability	Proportion of families claiming <ul style="list-style-type: none"> <li>• minimum Child Care Benefit, and</li> <li>• more than minimum Child Care Benefit</li> </ul>
	Quantity		Number of families claiming Child Care Benefit
			Number of Child Care Benefit claims processed by the Family Assistance Office (FAO)
Child care for eligible parents undergoing training	Effectiveness	Takeup/coverage	Percentage of Jobs, Education and Training (JET) places requested that were found
	Quantity		Number of customers assisted through JET
Childcare Assistance	Effectiveness	Affordability	Childcare out of pocket costs as a proportion of weekly disposable income before and after child care subsidies
		Independence	Percentage of childcare that is used for <ul style="list-style-type: none"> <li>• work related purposes</li> <li>• non-work related purposes</li> </ul>
		Takeup/coverage	Percentage of demand for child care places that is met <ul style="list-style-type: none"> <li>• nationally</li> <li>• in rural areas and remote areas, and</li> <li>• in metropolitan areas</li> </ul>
	Quality	Access & Choice	Number of services provided to indigenous children

Administered Items			
Reference	Indicator Type		Indicator
			Number of services specifically targeted to rural and remote areas
			Percentage of centres accredited under the Quality Improvement and Accreditation System
	Quantity		Number of calls to the Child Care Access Hotline
			Number of childcare places available
			Number of eligible services funded
			Number of families and children using Commonwealth funded child care services
	Support for childcare	Effectiveness	Targeting
Quantity			Number of children with a disability assisted into mainstream services

<b>Departmental Outputs</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Departmental Outputs	Cost		Ratio of departmental expense to administered expense
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements are in place with all service providers
	Quantity		Number of contracts/service agreements under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals

## Evaluations for Outcome 1

***The Contact Orders Pilot Project:*** This project runs from April 1999 to July 2001 and is designed to assist separated parents and their children to resolve or to manage conflict that arises over contact issues with their children.

Specific evaluation of the pilot, which will commence in July 2000, will be designed:

- to assess whether the programme is reducing the number of parents taking legal action to settle contact arrangements with their children;
- to lessen the amount of conflict between parents which impinges on the well being of the children; and
- to describe the content of the pilot (education sessions, counselling, mediation, etc) and the characteristics of clients participating in the programme.

***Family Relationships Services Program:*** A number of elements will be subject to evaluation, including the Pre-Marriage Education Pilot and the Men and Family Relationships Initiative.

***Youth Allowance:*** The Department is conducting a three-year evaluation of Youth Allowance (YA) with assistance from the Department of Education, Training and Youth Affairs. The evaluation seeks:

- to examine and to report on the transitional effects of YA such as whether changes in entitlement were appropriately prepared for, and adjusted to, by young people and their families; and
- to examine and to report on how well the programme objectives have been met in the medium and longer term, particularly in respect of education, employment and training outcomes for customers and the impact on young people in rural and remote areas for whom education and training opportunities are limited.

In March 2000, the Minister for Family and Community Services released the YA Evaluation Interim Report, which is available on the Department's website. A final report on the evaluation will be made available in late 2001.

***The Reconnect Program:*** The Department is planning a four-year evaluation (2000-2003) of the Reconnect programme. The programme, which began operating in 1999-00, aims to reconnect young people who are homeless or at risk of homelessness with their families, education, training, employment and the community. An interim evaluation report will be available in late 2001 and a final report in late 2003.

## **Competitive Tendering and Contracting – Outcome 1**

During the last two years the Department has contracted out, on a competitive basis:

- research into such topics as the impact of Maternity Allowances, Family Service Centres and the attitudes of Family Allowance customers to direct deductions from their payments to assist in payment of household expenses; and
- a survey of the levels of customers' and non-customers' awareness and understanding of Youth Allowance and Austudy payments (which will be repeated in 2001).

The following research projects have been contracted out on a competitive basis as part of the Youth Allowance (YA) Evaluation:

- a three-phase longitudinal survey of YA customers (begun in 1999) to assess the extent to which YA encourages young people to participate in education and training;
- cross-sectional surveys of young people and parents to gauge attitudes on financial responsibility for young people; and
- a qualitative study of the impact of YA on young people and families in rural and remote Australia, including indigenous young people and families.

Other Competitive Tendering and Contracting processes for the Department include:

- where appropriate, the Family Relationships Services Program tenders out on a competitive basis for family support activities and research, evaluation, and pilot service activities;
- two competitive selection processes to award funding agreements to community-based organisations to provide Youth Homelessness early intervention services under Reconnect; and
- the development of various innovative models of flexible child care service delivery and the implementation of pilot initiatives. Funds allocated for in-service training were tendered out to community and resource and advisory agencies to provide training to child care services.

Table 2.3.1: Summary Table of Budget Measures for Outcome 1

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
<b>2000-01 Budget Measures – New Policies</b>														
Stronger Families and Communities Strategy: Stronger Families Fund Initiative	138	1	0	2501	2501	0	7499	7499	0	12999	12999	0	17000	17000
Stronger Families and Communities Strategy: Early Intervention, Parenting and Family Relationship Support Initiative	139	1	0	2558	2558	0	12100	12100	0	14194	14194	0	17185	17185
Stronger Families and Communities Strategy: Greater Flexibility and Choice in Child Care Initiative	141	1	1861	2161	4022	7152	4856	12008	15074	5000	20074	24349	4999	29348
Stronger Families and Communities Strategy: Longitudinal Study of Australian Children Initiative	143	1	0	201	201	0	1801	1801	0	500	500	0	3600	3600
Stronger Families and Communities Strategy – Potential Leadership in Local Communities Initiative	144	1	0	911	911	0	3508	3508	0	3358	3358	0	3358	3358
Stronger Families and Communities Strategy: National Communication Campaign	151	1	0	3501	3501	0	2502	2502	0	1001	1001	0	1000	1000

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Welfare Reform Pilots: Tailored Assistance for the Very Long Term Unemployed Pilot	155	1	0	25	25	0	0	0	0	0	0	0	0	0
Increase in Youth Allowance Family Assets Limits for Farms and Businesses	156	1	16753	1722	18475	34563	2187	36750	35461	2202	37663	36414	2217	38631
Introduction of a Preparing for Work Agreement for New Claimants of Unemployment Payments	157	1	-5153	3764	-1389	-8519	2822	-5697	-8766	2774	-5992	-9007	2804	-6203
Child Support Package: Post- Separation Counselling and Support for Non-Resident Parents	158	1	0	205	205	0	377	377	0	0	0	0	0	0
Child Support Package: Lower Formula 'Percentages' for Payers Exercising Contact with their Children	159	1	0	1400	1400	10674	5721	16395	11471	3000	14471	12208	3023	15231
Child Support Package: A Lower 'Cap' on Payer Income Subject to Child Support Formula Assessment	160	1	-3	0	-3	-6	0	-6	-7	0	-7	-7	0	-7
Child Support Package: Assessment of Income for Child Support Parents Undertaking Overtime/Second Jobs	161	1	111	229	340	228	462	690	234	466	700	240	469	709
Child Support Package: An Increase in the Family Tax Benefit Income Test Deduction for Payers with a Subsequent Family	162	1	0	73	73	5297	40	5337	5693	18	5711	6059	19	6078



Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud - Research and Development Projects	164	1	-1954	1306	-648	-867	231	-636	-137	21	-116	-34	0	-34
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Detection	165	1	-4995	2531	-2464	-9222	3100	-6122	-7819	2815	-5004	-6354	1851	-4503
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Deterrence - Publicity Campaign to Encourage Customer Compliance	166	1	0	86	86	-1318	853	-465	-1994	49	-1945	-44	0	-44
Simplification Package	168	1	0	0	0	-4	3	-1	-1	1	0	-1	1	0
Removal of Direct Deduction Rules from Partners of Compensation Recipients	170	1	0	5	5	23	30	53	31	20	51	32	20	52
Amendments to a New Tax System (ANTS) (Family Assistance and Related Measures) Bill 2000	175	1	30	596	626	34	187	221	40	189	229	41	190	231
FaCS Pricing Review	174	1	0	-7184	-7184	0	-15409	-15409	0	-24076	-24076	0	-31676	-31676
Aboriginal and Torres Strait Islander Commission (ATSIC): Expansion of the Community Development Employment Projects (CDEP) Scheme	176	1	-1158	-36	-1194	-2371	-100	-2471	-2436	-100	-2536	-2504	-100	-2604
Department of Immigration and Multicultural Affairs (DIMA): Increased Permanent Migrant Intake	180	1	827	328	1155	1571	280	1851	2485	263	2748	3430	273	3703

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Family Assistance Office (FAO) Review Mechanism	182	1	0	10695	10695	0	3200	3200	0	142	142	0	143	143
<b>Sub-Total for Outcome 1</b>			<b>6319</b>	<b>27578</b>	<b>33897</b>	<b>37235</b>	<b>36250</b>	<b>73485</b>	<b>49329</b>	<b>24836</b>	<b>74165</b>	<b>64822</b>	<b>26376</b>	<b>91198</b>

## **OUTCOME 2: STRONGER COMMUNITIES**

### **Description**

This outcome reflects the Government's commitment to support and to strengthen communities. Building on the capabilities of communities, the Department will:

- encourage the development of community capacity for self help;
- help to ameliorate the effects of pressures on and within communities; and
- facilitate partnerships between business, community groups and governments to achieve well targeted and tailored solutions.

The contributing outputs for Outcome 2 are shown at Map 2.3. A detailed breakdown of resources for Outcome 2 appears at Table 2.4.2.

### **Resourcing for Outcome 2**

Table 2.4.2 shows final estimates of resourcing for 1999-00 and Budget estimates for resourcing in 2000-01 for each output group within Outcome 2. In particular, Table 2.4.2 shows estimates of administered and departmental appropriations, revenue from sources outside Government (such as fees for services) and total department expenses (the "price of outputs") in order to provide a comprehensive picture of the financial position.

Total resourcing for 2000-01 is estimated to be \$1.4 billion, which is somewhat higher than the final estimate of \$1.3 billion for 1999-00. This movement reflects an estimated rise in administered appropriations for housing support (Output Group 2.1) with some growth in administered and departmental appropriations for community support (Output Group 2.2). Some of these changes are due to increases in assistance associated with the Government's tax reform package as well as initiatives from the 2000-01 Budget.

#### *2000-01 Budget Initiatives*

The major budget initiative that will contribute to the achievement of Outcome 2 is the Stronger Families and Communities Strategy. This Strategy will establish new partnerships to strengthen families and communities and to develop and deliver solutions at a local level. It will contribute both to Outcome 1 and Outcome 2. Those elements that contribute to Outcome 2 are:

- the Local Solutions to Local Problems Initiative, which will support communities to build their own capacity through small cost effective approaches such as providing establishment costs for self-help services, and providing training on community engagement;
- the Potential Leadership in Local Communities initiative, which will offer skills training and support to potential community leaders in socially disadvantaged areas and those active in the community outside industry and government structures;
- the National Skills Development Program for volunteers and the International Year of the Volunteer initiative, which will support the celebrations of the International Year of the Volunteer as well as enable people to gain skills needed to support programs which rely heavily on volunteers; and
- the Can Do Community Initiative, which will showcase Australian best practice and "how to" examples of community revitalisation.

The resourcing impact for Outcome 2 of this and other 2000-01 Budget initiatives is shown at Table 2.6.2. A more detailed explanation of the 2000-01 Budget initiatives is provided at Section 3 ("Statement of Budget and Non-Budget Measures").

### *Refinements to Administered Item Structure*

There have been some refinements to the administered item structure to better reflect and describe the purposes of those items:

- as foreshadowed in the *Portfolio Additional Estimates Statements 1999-2000*, the former Community Sector Support Scheme (a cross outcome item) has been divided into National Secretariats (which is attributed across outcomes) and into the Volunteer Management Program, which is consolidated into Community Support (output group 2.2);
- the former Housing Organisation Support Programme (Output Group 2.1) has been retitled to National Housing Priorities. As foreshadowed in the *Portfolio Budget Statements 1999-2000*, the existing National Housing Priorities item, which is also referred to as the Housing Reform Fund, is to be funded from existing resources from 2000-01, apart from \$0.6 million in rolled-over funding from 1999-00 to allow finalisation of a number of community housing research and development projects;
- the following three items under 2.1 Housing Support, all of which are used for similar purposes, have been merged to create a new item National Housing Research: National Housing and Urban Research Institute Programme (\$0.22 million p.a.); Other (including payments to the National Housing Research Fund and Aboriginal Hostels) (\$0.1 million p.a.); and Research and Consultancy (for expenditure under the *Housing Assistance Act 1996*) (\$0.1 million p.a.); and
- the item Supported Accommodation Assistance Programme (SAAP) — National Case Management and Data Strategies — research, development and implementation (under 2.1 Housing Support) has been retitled to Supported Accommodation Assistance Programme — National priorities, to reflect the strategic priorities of the new SAAP agreement.

For purposes of comparison, final 1999-00 estimates in Table 2.4.2 are shown under the revised structure.

### *Other Resourcing Variations*

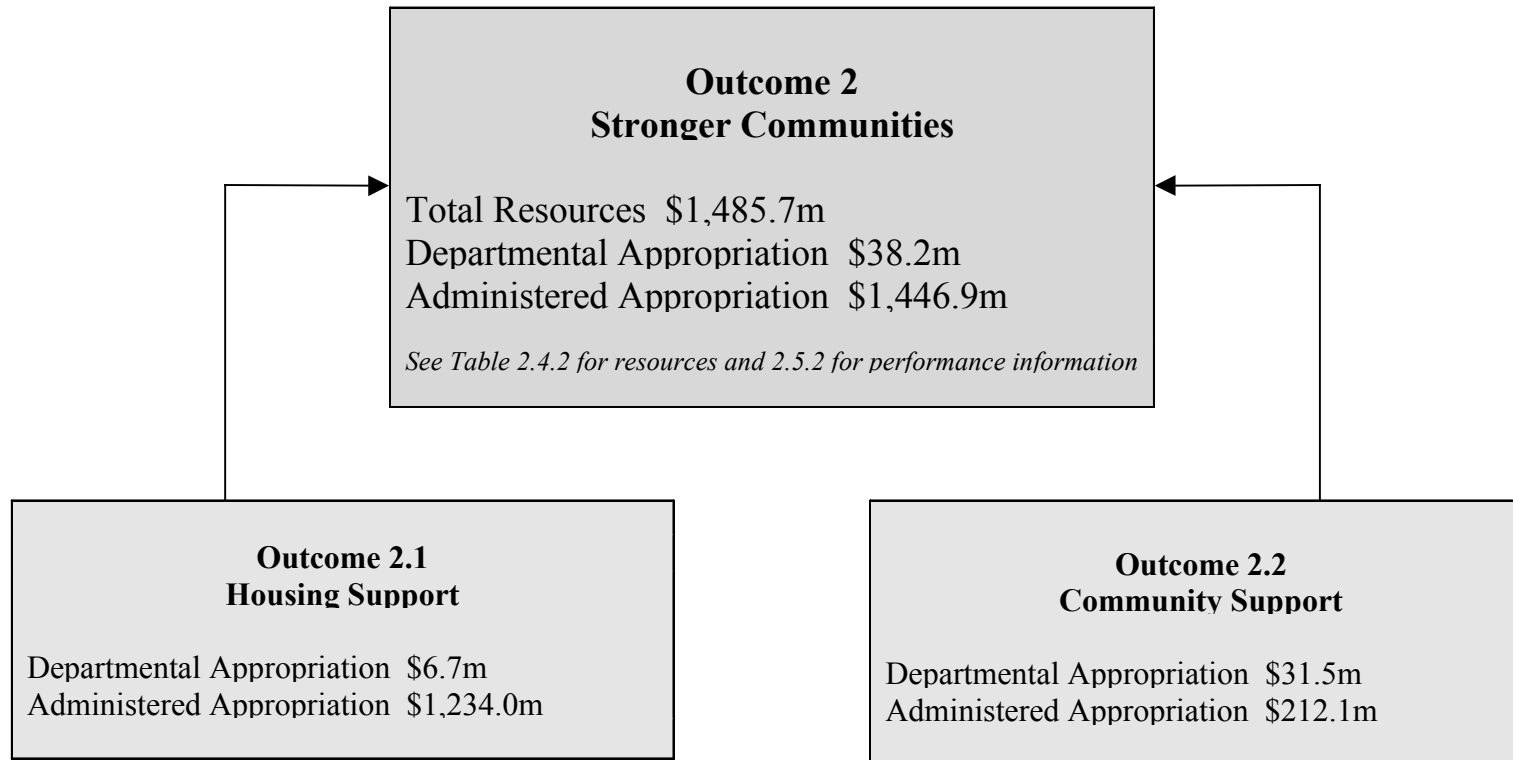
Differences between the estimates for 1999-00 and 2000-01 will reflect the impact of new policy, variations to policy and movements in estimated expenditure. There are some significant movements between estimates for administered and departmental appropriations for 1999-00 and 2000-01. Significant variations in administered appropriations reflect the following:

- the expenses for Supported Accommodation Assistance Programme — National priorities are higher in 1999-00 than in 2000-01 due to a transfer of funds in the former year to meet a requirement under the new SAAP agreement for national funds for reform of infrastructure and new direction purposes;
- the increases in Commonwealth-State Housing Agreement expenses reflect a \$90 million increase in funding for the net increase in public housing costs as a result of taxation reform, as announced in the 1999-00 Budget. In addition, some \$30 million of Commonwealth-State Housing Agreement funds have been carried over to 2000-01, in the event that bilateral agreements are not finalised by 30 June;
- increased expenses for payments to States and Territories under the Supported Accommodation Assistance Programme are principally due to \$15 million in additional funding per annum (a total of \$75m to 2004-05) under A New Tax System, as detailed in the *Portfolio Budget Additional Estimates Statements 1999-2000* (p54); and
- the increase in expenses for Business and Community Sector Partnerships reflects the carry over of funds from 1999-00. The Prime Minister's Community Business Partnership is developing proposals in specified priority areas.

Significant variations for departmental appropriations reflect the following:

- those elements of the Stronger Families and Communities Strategy that impact on Outcome 2 (in particular, the Local Solutions to Local Problems Initiative, the Potential Leadership in Local Communities Initiative, the National Volunteer and Skills Development Initiative and the Can Do Community Initiative) require a flexible approach to funding and so are funded by way of a departmental appropriation (Output Group 2.2).

Map 2.3: Outcome 2 and Contributing Outputs



Note: 'Total Resources' include appropriations, non-appropriation revenue, and resources across outcomes



Table 2.4.2: Total Resources for Outcome 2

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Items applicable across outcome</b>		
<b>Appropriation Bill No 1</b>		
National secretariats (part component see also Outcomes 1 and 3)	653	670
<b>Sub total</b>	<b>653</b>	<b>670</b>
<b>Total items across outcome</b>		
	<b>653</b>	<b>670</b>
<b>Output Group 2.1 — Housing Support</b>		
<b>Appropriation Bill No 1</b>		
National housing priorities	1,797	978
National housing research	420	420
Supported Accommodation Assistance Programme – National priorities	2,426	808
<b>Sub total</b>	<b>4,643</b>	<b>2,206</b>
<b>Appropriation Bill No 2</b>		
Commonwealth State Housing Agreement (for expenditure under the <i>Housing Assistance Act 1996</i> )	928,089	1,067,220
Social housing subsidy programme	2,130	2,130
Supported Accommodation Assistance Programme (for expenditure under the <i>Supported Accommodation Assistance Act 1994</i> )	135,053	156,987
<b>Sub total</b>	<b>1,065,272</b>	<b>1,226,337</b>
<b>Special Appropriations</b>		
<i>State Grants (Housing) Act 1971</i>	5,502	5,502
<b>Sub total</b>	<b>5,502</b>	<b>5,502</b>
<b>Total Output Group 2.1</b>		
	<b>1,075,417</b>	<b>1,234,045</b>
<b>Output Group 2.2 — Community Support</b>		
<b>Appropriation Bill No 1</b>		
Business and community sector partnerships	2,716	3,754
Emergency relief	24,538	26,017
GST assistance scheme	0	9,000
Payments of compensation under the <i>Defence (Transitional Provisions) Act 1946</i> and other payments under special circumstances	5	5
Payments under s.33 of the FMA Act 1997	70	70
Postal concessions to the blind	5,462	5,500
Reimbursement to Great Southern Rail for concessional fares	2,833	2,565
Volunteer management program	1,559	1,564
<b>Sub total</b>	<b>37,183</b>	<b>48,475</b>
<b>Appropriation Bill No 2</b>		
Compensation for extension of fringe benefits to pensioners and older long term allowees and beneficiaries	155,264	163,671
<b>Sub total</b>	<b>155,264</b>	<b>163,671</b>



<b>Special Appropriations</b>		
Disaster relief payment	0	0
<b>Sub total</b>	<b>0</b>	<b>0</b>
<b>Total Output Group 2.2</b>	<b>192,447</b>	<b>212,146</b>
<b>Total Administered Appropriations</b>		
Appropriation Bill No. 1	42,479	51,351
Appropriation Bill No. 2	1,220,536	1,390,008
Special Appropriations	5,502	5,502
<b>Total Administered Appropriations</b>	<b>1,268,517</b>	<b>1,446,861</b>
<b>Non Appropriation Expenses</b>		
National Housing Research Fund Trust	200	200
<b>Sub total</b>	<b>200</b>	<b>200</b>
<b>Total Administered</b>	<b>1,268,717</b>	<b>1,447,061</b>

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
<b>Output Group 2.1 – Housing support</b>		
FaCS	6,658	6,603
Centrelink	0	95
<b>Total Output Group 2.1</b>	<b>6,658</b>	<b>6,698</b>
<b>Output Group 2.2 – Community support</b>		
FaCS	17,341	25,463
Centrelink	6,754	6,008
<b>Total Output Group 2.2</b>	<b>24,095</b>	<b>31,471</b>
<b>Total Revenue from Government (Appropriations) Contributing to Price of Departmental Output</b>	<b>30,753 98.38%</b>	<b>38,169 98.69% (C1)</b>
<b>Revenue from Other Sources</b>		
Section 31 of the Financial Management and Accountability Act	505	505
<b>Total Revenue from Other Sources</b>	<b>505</b>	<b>505</b>
<b>Total Price of Departmental Outputs</b> (Total revenue from Government and from other sources)	<b>31,258</b>	<b>38,674 (E1)</b>
<b>TOTAL ESTIMATED RESOURCING FOR OUTCOME 2</b> (Total Price of Outputs and Administered Items)	<b>1,299,975</b>	<b>1,485,735</b>
<b>STAFF YEARS (NUMBER)</b>		
<b>FaCS</b>	<b>221</b>	<b>234</b>

## **Payments and Services under Outcome 2**

### **Overview**

Outcome 2 reflects the Government's commitment to help to support and to strengthen communities so that they are better able to respond positively to changing circumstances and emerging problems. This outcome focuses strongly on strengthening community capacity for self-help; building partnerships with communities and business to develop tailored responses to local circumstances; and ameliorating the pressures on communities in need or crisis.

The following activities will contribute to the Department's effectiveness in delivering this outcome:

- the new Stronger Families and Communities Strategy - a framework for building family and community capacity through a "local solutions to local problems" and an early intervention approach;
- housing programmes, including Rent Assistance and assistance provided through the Commonwealth-State Housing Agreement (CSHA);
- the National Homelessness Strategy;
- supported accommodation assistance;
- the provision of concessions and allowances to assist with living costs;
- rural and regionally focused initiatives;
- initiatives to improve the living standards and self-help capacity of indigenous and other culturally and linguistically diverse communities;
- the development of business and community partnerships;
- support for community participation including volunteering, leadership and information networks;
- disaster and emergency relief; and
- coordination of the Commonwealth response to problem gambling.

### **Housing Assistance**

The Commonwealth provides housing assistance through two main vehicles – the Rent Assistance programme, and grant funding for public and community housing through the CSHA. There is a growing emphasis on improving the way these mechanisms interact, and on building partnerships with other sectors to improve the contribution of housing policy to broader social outcomes.

The National Homelessness Strategy will provide a strategic framework for the Commonwealth's policies to reduce homelessness.

Rent Assistance is a supplementary benefit providing financial assistance to approximately one million low-income individuals and families paying rent and similar fees in the private rental market who are also in receipt of an income support payment or family assistance. Total outlays of Rent Assistance are currently around \$1.5 billion. The aim of Rent Assistance is to complement broader income support objectives by providing supplementary income; it is designed to improve overall affordability outcomes for people receiving income support.

The CSHA provides Commonwealth grants of approximately \$1 billion to States and Territories to assist those whose housing needs cannot be met in the private sector, with access to appropriate and affordable housing. Approximately 400,000 households are assisted through the CSHA.

CSHA assistance is provided through public housing and identified programmes for community housing, indigenous housing and crisis accommodation. Some assistance is also provided to home owners and private renters in the form of mortgage and rent relief, deposit, bond and relocation assistance. Some States also provide home purchase insurance schemes.

Bilateral agreements under the 1999 CSHA aim to increase the flexibility of housing assistance arrangements; to reflect the diversity of situations which exist in the States and Territories; and to promote efficient and cost effective management, longer-term planning, and alternative methods of housing provision.

Community Housing aims to develop a viable community-based sector to provide appropriate, affordable and long-term rental accommodation with a strong focus on partnerships and joint ventures. It also seeks to achieve links between housing and services, which are best managed at the community level.

The Aboriginal Rental Housing Programme aims to provide safe, healthy and sustainable housing for indigenous people, especially those living in remote and isolated communities, using a holistic approach to service provision. This incorporates the provision of health-related infrastructure as well as new stock and maintenance and upgrading of existing stock.

The Supported Accommodation Assistance Programme (SAAP) provides over \$266 million a year (Commonwealth \$157 million, States \$109 million) for infrastructure and support services providing crisis intervention and stabilisation for people who are homeless and/or in crisis and to facilitate their re-entry to community life. Over 90,700 clients plus some 65,800 accompanying children were assisted through this programme in 1998-99. An estimated additional 1.3 million instances of one-off assistance, such as meals and showers, were provided by SAAP during 1998-99. New SAAP IV bilateral five-year agreements with the States are due to commence from 1 July 2000.

### **Community Support**

The new Stronger Families and Communities Strategy aims to ensure that the Department's activities across the portfolio are effective not only in addressing short-term needs, but also in building family and community capacity and self-reliance over the long-term. A range of programmes and initiatives in this outcome support the development of stronger communities by:

- assisting communities to develop local solutions to local problems, with particular focus on communities in regional and rural Australia, Indigenous communities and other culturally and linguistically diverse communities;
- encouraging the development of community leadership, volunteering and partnerships; and
- assisting individuals and families in crisis or need to meet living costs.

The Community Business Partnership Initiative aims to build up a tradition of Australian business, individuals and community service organisations working together in partnerships for their mutual benefit and the benefit of the broader Australian community. The initiative aims to educate the community about opportunities for developing partnerships and the benefits they can bring; to develop and to market a business case; and to assist with the establishment of partnerships.

The concessions and allowances programmes assist people in need to maintain access to telephone services, to meet additional costs associated with residing in remote areas, and to access affordable pharmaceuticals. Specific bereavement provisions facilitate adjustment to a different rate of social security payment following the death of a spouse, child or care recipient.

The Disaster Relief Payment alleviates some of the distress and disruption suffered by victims of disasters. The Emergency Relief Program provides emergency assistance to individuals and families in financial crisis in the form of cash assistance, food vouchers and bill payments. The SAAP programme, outlined above, is also an important form of assisting people in crisis.

The Volunteer Management Program recognises the increasing role of volunteers in society and the value of their contribution to community capacity. Volunteer referral agencies across the country are funded to assist in matching volunteer supply and demand and promote basic principles of volunteering (see also the Voluntary Work Initiative in Outcome 3).

The Department is developing and testing a range of innovative approaches to improve outcomes for Indigenous Australians and people in rural and regional communities. These focus on flexible strategies to assist communities to participate in developing locally based solutions to address their needs, and on improving service delivery, including the provision of housing.

This work on community support is underpinned by a research agenda that seeks to map geographical aspects of social and economic disadvantage, and to explore the dynamics of community well-being. This involves the development of community strength indicators, and research on the preventative and protective role of social networks and the benefits of early intervention at the community level.

The Government aims to reduce the negative social impacts of gambling on the individual, families and communities, through: addressing accessibility issues; consumer protection and education; support to problem gamblers; and regulatory frameworks for gambling. The achievement of outcomes in this area will be based on cooperation with the States and Territories, which have the main responsibility for gambling regulation and support services, and through partnerships with industry and community organisations.

## **Contribution of Outputs to Outcome 2**

The two Output Groups (or “Groups”) under Outcome 2 contribute to meeting the Government’s commitment to help to support and to strengthen communities through a combination of community-based approaches, with an emphasis on the development of community and business sector partnerships with Government.

Housing Support (Output Group 2.1) will contribute by:

- assisting low and moderate income households to access appropriate affordable housing; and
- supporting initiatives to assist homeless people.

Community Support (Output Group 2.2) will contribute by:

- developing community capacity and self-reliance;
- helping people living in rural and regional areas to access services which support their special needs, and to take advantage of opportunities;
- helping to improve the living conditions of indigenous people;
- helping to support individuals, families and communities in crisis; and
- assisting low-income individuals and families with living costs.

## **Performance Indicators for Outcome 2**

### **Environmental Indicators**

- Accommodation
  - Tenure (tenure types for social security clients; home owners, public housing, private renters, other)
  - institutional living
  - crisis care
- Communities with below average or low-income
- Formation of Community Development Employment Project (CDEP) communities
- Geographical analysis of community function, including indigenous issues
- Group membership
- Homelessness
- Housing affordability
- Internal migration rates
- Level of voluntary service in the community
- Rent and mortgage costs as a percentage of gross income for social security recipients

The estimated costs against the Groups in Table 2.5.2 below are aggregate appropriations for the Group, which are reported under the total resources for Outcome 2 (Table 2.4.2). The price or departmental resources for Budget Measures are included within aggregate resources reported against each outcome (as part of Appropriation Bills 1 and 2), unless otherwise indicated.

### ***Performance Indicators for Budget Measures***

For information on proposed Performance Indicators for Budget Measures, refer to the Measure Descriptions in Section 3 of this budget statement.

\*Items highlighted with an asterisk are generically referred to within footnotes to Budget Measures descriptions, in Section 3 of the Department's Portfolio Agency Budget Statement where proposed Performance Indicators are included.

Table 2.5.2: Performance Indicators for Outcome 2

Group 2.1: Housing Support

- Commonwealth State Housing Agreement (for expenditure under the *Housing Assistance Act 1996*)
- Housing Organisation Support Program
- National Housing Research
- Rent Assistance (RA)
- Social Housing Subsidy Program
- Supported Accommodation Assistance Program (for expenditure under the *Supported Accommodation Assistance Act 1994*) (SAAP)
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$1,234.0m

Departmental Appropriation: \$6.7m

Administered Items			
Reference	Indicator Type		Indicator
Commonwealth State Housing Agreement (for expenditure under the <i>Housing Assistance Act 1996</i> )	Effectiveness	Adequacy	Customer satisfaction with amenity and location of their dwelling
			Match of dwellings to household size
		Affordability	Average rent charged as a proportion of the market rent for each dwelling (adjusted for Rent Assistance)
			Targeting
		The special need status of all households receiving assistance	
		Quality	Access & Choice
	Assurance		The average time taken for occupancy of vacant stock
	Customer Satisfaction		Customer satisfaction of service
	Quantity		Number of dwellings
	Housing Organisation Support Program	Quality	Assurance



Administered Items			
Reference	Indicator Type		Indicator
	Quantity		Number of organisations funded
National Housing Research	Quality	Assurance	Commissioned research is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
Rent Assistance	Effectiveness	Affordability	Impact of rent assistance on housing affordability. Compares the proportion of income units who would pay more than 30% of income in rent if Rent Assistance (RA) not payable to the proportion paying more than 30% of income in rent after RA taken into account.
			Impact of rent assistance on housing affordability. Compares the proportion of income units who would pay more than 50% of income in rent if RA not payable to the proportion paying more than 50% of income in rent after RA taken into account.
		Targeting	Proportion of income units paying enough rent to receive maximum assistance
	Quantity		Number of Income Units receiving Rent Assistance
Social Housing Subsidy Program	Quantity		Number of dwellings funded
Supported Accommodation Assistance Program (for expenditure under the <i>Supported Accommodation Assistance Act 1994</i> ) (SAAP)	Cost		Cost per completed support period
	Effectiveness	Early intervention	Percentage of Supported Accommodation Assistance Program (SAAP) clients' identified needs which are met by the programme
		Independence	Percentage of clients achieving independent living after support
			Percentage of clients entering support with no income who exit with income
			Percentage of clients who exit SAAP services to independent accommodation and do not return within six months
	Quality	Access & Choice	Percentage of Aboriginal and Torres Strait Islander (ATSI) population seeking services who receive a service
Percentage of Non English Speaking Background (NESB) population seeking services who receive a service			
		Assurance	Commissioned research is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Administered Items		
Reference	Indicator Type	Indicator
		Service improved through increased % of SAAP clients with a case plan
	Take up/coverage	Percentage of people seeking services who receive a service
	Quantity	Number of clients assisted
		Number of occasions of support

<b>Departmental Outputs</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Departmental Outputs	Cost		Ratio of departmental expense to administered expense
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements are in place with all service providers
	Quantity		Number of contracts/service agreements under management
			Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered expense arising from compliance activities
			No. of reviews and appeals

Group 2.2: Community Support

- Business and Community Partnerships
- Compensation for extension of fringe benefits to pensioners and older long-term allowees and beneficiaries
- Concession cards
- Disaster Relief Payment
- Emergency Relief
- Reimbursement to Great Southern Rail for concessional fares
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$212.1m

Departmental Appropriation: \$31.5m

<b>Administered Items</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Business and Community Partnerships	Effectiveness	Capacity	Increased business and community competition for awards that recognise excellence in partnerships
			Partnerships achieve identified objectives as per contracts
			Number of partnerships
Compensation for extension of fringe benefits to pensioners and older long-term allowees and beneficiaries	Quality	Assurance	Certification from States and Territories that they are complying with the agreement
Concession cards	Effectiveness	Take up/coverage	Percentage of eligible customers with <ul style="list-style-type: none"> <li>• a Commonwealth Seniors Health Card; and</li> <li>• a low-income Health Care Card</li> </ul>
	Quantity		Number of persons covered by concession cards
Disaster Relief Payment	Quality	Assurance	Timely response in providing assistance to people in times of disaster.
	Quantity		Number of people assisted

<b>Administered Items</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Emergency Relief	Quality	Assurance	Coverage of voluntary minimum service standards in Emergency Relief service delivery outlets
			Funding distributed on the basis of need in accordance with formula based funding model
	Quantity		Number of service delivery outlets
Reimbursement to Great Southern Rail for concessional fares	Effectiveness	Takeup/coverage	Percentage of eligible customers using concessional travel on Great Southern Rail
	Quality	Assurance	Evaluation indicates that the Great Southern Rail contract is an effective administrative arrangement
	Quantity		Number of customers utilising concessional travel on Great Southern Rail

Departmental Outputs			
Reference	Indicator Type		Indicator
Departmental outputs	Cost		Ratio of departmental expense to administered expense
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements are in place with all service providers
	Quantity		Number of contracts/service agreements under management
			Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals
		Assurance	Service providers deliver services to the standards agreed with the Department

## **Evaluations for Outcome 2**

While there have been no formal evaluations, the programmes and services provided under this outcome are regularly monitored. There will be an extensive evaluation of the new Stronger Families and Communities Strategy in future years.

## **Competitive Tendering and Contracting for Outcome 2**

There are some ongoing funding arrangements with research bodies including the Australian Housing and Urban Research Institute and the Centre for Aboriginal Economic Policy Research.

The Department also funds a number of one-off projects to support research, policy development and programme delivery. These activities are funded through open or selective tendering. Major tasks of this nature that have recently been contracted, or are soon to be contracted, include:

- customer satisfaction surveys for public and community housing;
- research on the life-cycle costs of indigenous housing, and funding for the development of prototype infrastructure for indigenous housing;
- a consultancy on the Emergency Relief Program that examines guiding principles, voluntary minimum standards and core eligibility criteria;
- the development of training and support materials, and research on data collection, for the Emergency Relief Program;
- the provision of secretariat support to the Community Business Partnership;
- funding of community networking projects under the Family and Community Network Initiative;
- an analysis of the impact of community-based prevention and early intervention action; and
- research on developing community based strength indicators.





Table 2.6.2: Summary Table of Budget Measures for Outcome 2

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
<b>2000-01 Budget Measures – New Policies</b>														
Stronger Families and Communities Strategy – Potential Leadership in Local Communities Initiative	144	2	0	2127	2127	0	8184	8184	0	7834	7834	0	7834	7834
Stronger Families and Communities Strategy: National Skills Development Program for Volunteers Initiative	146	2	0	3800	3800	0	6000	6000	0	3000	3000	0	3000	3000
Stronger Families and Communities Strategy: Local Solutions to Local Problems Initiative	147	2	0	1462	1462	0	4808	4808	0	4558	4558	0	4558	4558
Stronger Families and Communities Strategy: 'Can Do Community' Initiative	149	2	0	800	800	0	1800	1800	0	1800	1800	0	800	800
Revised Means Test Treatment of Private Trusts and Private Companies	163	2	0	0	0	-201	0	-201	-418	0	-418	-431	0	-431
Removal of Direct Deduction Rules From Partners of Compensation Recipients	170	2	0	0	0	1	0	1	0	0	0	-1	0	-1
FaCS Pricing Review	174	2	0	-235	-235	0	-690	-690	0	-1160	-1160	0	-1160	-1160

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Amendments to a New Tax System (ANTS) (Family Assistance and Related Measures) Bill 2000	175	2	0	73	73	0	11	11	0	11	11	0	11	11
Department of Immigration and Multicultural Affairs (DIMA): Increased Permanent Migrant Intake	180	2	0	10	10	0	10	10	0	5	5	0	7	7
<b>Sub-Total for Outcome 2</b>			<b>0</b>	<b>8037</b>	<b>8037</b>	<b>-200</b>	<b>20123</b>	<b>19923</b>	<b>-418</b>	<b>16048</b>	<b>15630</b>	<b>-432</b>	<b>15050</b>	<b>14618</b>

## **OUTCOME 3: ECONOMIC AND SOCIAL PARTICIPATION**

### **Description**

This outcome reflects the Government's commitment to encouraging self-reliance and community contribution through participation in the labour force and community life. To maximise the engagement of all Australians in society, the Department will:

- encourage economic and social participation by individuals and families by enabling access and promoting opportunities;
- foster a culture of self-reliance in the community, and provide an effective safety net;
- develop partnerships with key stakeholders (other departments, business and community organisations and service providers) to improve efficiency and effectiveness of services, to identify emerging problems and to develop appropriate policy responses.

The contributing outputs for Outcome 3 are shown at Map 2.4. A detailed breakdown of resources for Outcome 3 appears at Table 2.7.3.

### **Resourcing for Outcome 3**

Table 2.7.3 shows final estimates of resourcing for 1999-00 and Budget estimates for resourcing in 2000-01 for each output group within Outcome 3. In particular, Table 2.7.3 shows estimates of administered and departmental appropriations, revenue from sources outside Government (such as fees for services) and total department expenses (the "price of outputs") in order to provide a comprehensive picture of the financial position.

Total resourcing for 2000-01 is estimated to be \$38.6 billion, significantly higher than the final estimate of \$35.0 billion for 1999-00. This movement primarily reflects increased support for the aged (Output Group 3.4) and, to a lesser degree, growth in support for people with a disability (Output Group 3.2) and carers (Output Group 3.3). These more than offset an easing in labour market assistance (Output Group 3.1) that reflects the favourable impact of the strengthening labour market. The increased support for the aged, people with a disability and carers largely reflect the compensation arrangements associated with the Government's tax reform package.

#### *2000-01 Budget Initiatives*

There are major budget strategies that contribute to the achievement of Outcome 3. These are aimed at enhancing economic and social participation (through the welfare reform pilots and the preparing for work agreement) and making the income support system fairer and more efficient.

There are three welfare reform pilots aimed at trialing approaches to increase the economic or social participation of people on income support:

- the Mature Age Participation Pilot will test the feasibility and cost of requiring increased participation of the older unemployed. The extent to which participation varies according to the voluntary or compulsory nature of the scheme and the extent to which certain groups of older people face greater barriers to economic and social participation than others will also be examined;
- the Tailored Assistance for the Very Long Term Unemployed Pilot will focus on improving the employment prospects of unemployed Newstart customers who have been receiving income support for 5 years or more. The interviewers will assess current levels of economic and social participation, identify barriers to employment, identify assistance options, develop a return to work plan and refer customers to existing programs where appropriate; and
- the Workless Families' Assistance Pilot. The measure will test approaches to assist workless families with school age children increase their economic and social participation. The pilots

will help couples to balance their caring and economic participation roles through programs of work, job search, training and similar activities that are developed to suit their circumstances. The interviewers will assess current levels of economic and social participation, identify barriers to greater participation, develop a participation plan with the customer and refer customers to existing programs of assistance, where appropriate.

In addition a new approach to help people with disabilities access services to maximise their potential is to be trialed in the new financial year. Trial participants will be offered an individual appraisal of their abilities, needs and any barriers they may face in entering the workforce with the aim of better matching support services to individual need. The trial will also test private sector capacity to contribute to the Commonwealth rehabilitation program.

The Introduction of a Preparing for Work Agreement for New Claimants of Unemployment Payments will increase compliance with mutual obligation requirements. All new claimants of unemployment payments who have an activity test requirement will be required to enter into a Preparing for Work Activity Agreement. The Agreement will clearly set down job search and other mutual obligation requirements for claimants if they remain on payment. The Agreement is part of the Government's mutual obligation strategies and will assist in identifying barriers to workforce entry.

The measure to Revise the Means Test Treatment of Private Trusts and Private Companies aims to ensure that customers who hold their assets in private companies or trusts receive comparable treatment under the means test to those customers who hold their assets directly. Currently assets held in discretionary trusts are not assessable and income derived from the trust is assessed only upon distribution. Similarly, assets held in private companies are assessed only according to the net asset backing of the company. Current assessments may therefore bear little relationship to the wealth an individual actually controls within a trust or company.

The Compliance Package will make the income support system fairer. While it will impact on income support payments delivered across all Outcomes, the largest effect will be on payments delivered under Outcome 3. There are three elements to the Package:

- the Measures to Improve Control of Incorrect Payment and Fraud – Research and Development Projects, will consist of: a random sample survey of the age pension and youth allowance populations and a suite of feasibility studies to pilot additional data-matching and inter-agency activities to test their cost-effectiveness;
- the measures to Improve Control of Incorrect Payment and Fraud-Detection, by increasing data matching reviews and improving detection systems, extending the period for matching of income details between the Australian Tax Office and Centrelink from 2 to 4 years; and linking public information recording ('tip-off') systems between the ATO and Centrelink; and
- the Measure to Improve the Control of Incorrect Payment and Fraud-Deterrence-Publicity Campaign to Encourage Customer Compliance will seek to increase the level of voluntary compliance with social security law.

The Simplification Package will make the social security law simpler to administer and to understand.

The Removal of Anomaly between ABSTUDY and the Social Security Income Test will achieve equity in the treatment of ABSTUDY recipients with that of other income support recipients by excluding ABSTUDY payments from the social security income test.

The resourcing impact for Outcome 3 of these and other 2000-01 Budget initiatives is shown at Table 2.9.3. A more detailed explanation of the 2000-01 Budget initiatives is provided at Section 3 ("Statement of Budget and Non-Budget Measures").

### *Refinements to Administered Item Structure*

In addition to the transfer of Childcare Support from Outcome 3 to Outcome 1, a number of changes have been made to administered items in order to reflect and to describe better the purposes of those items:

- as foreshadowed in the *Portfolio Additional Estimates Statements 1999-2000*, the former Community Sector Support Scheme (a cross outcome item) has been divided into National Secretariats (which is attributed across outcomes) and into the Volunteer Management Program, which is consolidated into Outcome 2.
- the JET pre vocational training (Output Group 3.1) has been retitled to JET - payments for training, to reflect better the purposes of this item;
- the pilot program to assist clients with severe disabilities who require more intensive and flexible services prior to participating in mainstream disability support programs, for which \$0.1 million has been carried over to 2000-01, has been incorporated into Employment Assistance and other services, in order to rationalise these items which originated from different portfolios.

For purposes of comparison, final 1999-00 estimates in Table 2.7.3 are shown under the revised structure.

There have been some new administered items to reflect initiatives in the 2000-01 Budget:

- Welfare Reform Pilots (Output Group 3.1); and
- *ex-gratia* payments to partners of ABSTUDY recipients (Output Group 3.1).

There are new items to reflect arrangements associated with the commencement of *A New Tax System* from 1 July 2000:

- the Aged Persons' Savings Bonus (Output Group 3.4); and
- Self-Funded Retirees' Supplementary Bonus (Output Group 3.4).

### *Other Resourcing Variations*

Differences between the estimates for 1999-00 and 2000-01 will reflect the impact of new policy, variations to policy and movements in estimated expenditure. There are some significant movements between estimates for administered and departmental appropriations for 1999-00 and 2000-01. Significant variations in administered appropriations reflect the following:

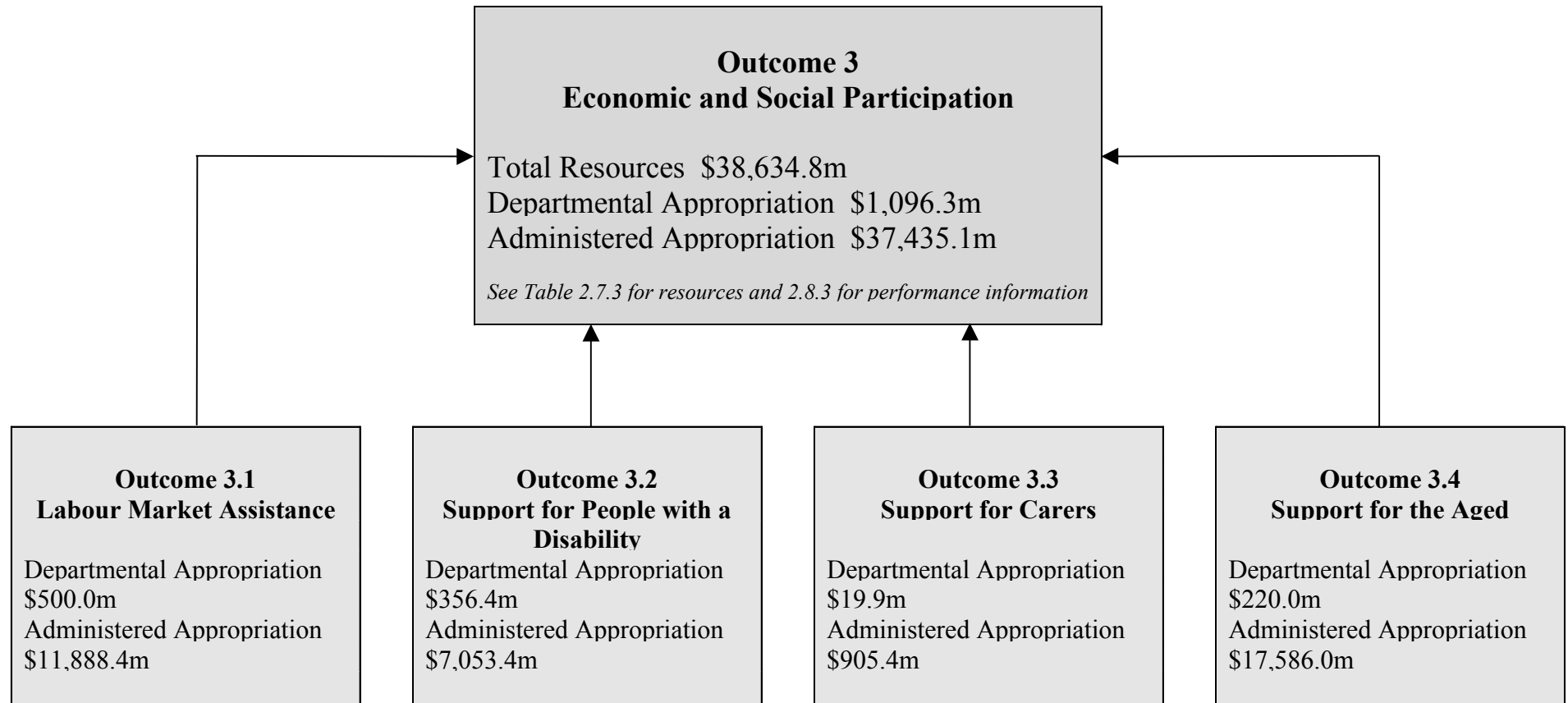
- increases in estimated expenses for income support payments are generally due to a combination of rate increases, due to indexation provisions and GST compensation adjustments, and expected growth in recipient numbers;
- the increases for Partner Allowance (Pension) and falls in estimated expenses for Wife Pension (DSP) and Wife Pension (Age) reflect the replacement of Wife Pension by Partner Allowance for new claimants from 1 July 1995;
- the reduction in estimated expenses for Widow B Pension reflects the convergence of two measures, the phase out of Widow B Pension and the increase in the Age Pension age for women. Prior to the cessation of new grants from 20 March 1997, eligibility for Widow B Pension was restricted to women born before 1 July 1937, unless the person is a sole parent whose youngest child turned 16 in which case the relevant date was 1 July 1942. The former group all reached the qualifying age for Age Pension before 1998-99, while the latter group will all have reached Age Pension age by 1 January 2005. The effect of the phased increase in Age Pension age for women is that there is a six-month period where no women reach Age Pension age every second year. This occurred over the first six months of 1999-00, but will not occur in

2000-01. Hence almost twice as many recipients of Widow B Pension will transfer to Age Pension in 2000-01 as transferred in 1999-00;

- increases in expenses for Employment Assistance and other services includes \$14 million in carry over from 1999-00, the majority of which is for case-based funding trials testing alternative funding models for specialist disability assistance, which have been delayed by extensive industry consultation;
- Expenses for Employment Assistance and other services have been reduced by some \$8 million in 2000-01 due to the transfer of funding for the continence aids assistance scheme to the Department of Health and Aged Care from 1 July 2000;
- *ex gratia* payments to young recipients of Disability Support Pension whose payments were unintentionally limited by the Youth Allowance are not expected to be required in 2000-01 as amending legislation included in the Youth Allowance Consolidation Bill 1999 will render these payments unnecessary; and
- the increase in funding for the Commonwealth-State Disability Agreement is principally due to \$50 million for 'unmet need' in 1999-00, as reported in the *Portfolio Additional Estimates Statements 1999-2000*.

The *Social Security (Administration) Act 1999* replaced the *Social Security Act 1991* as the appropriating authority for income support payments from 20 March 2000.

Map 2.4: Outcome 3 and Contributing Outputs



Note: 'Total Resources' include appropriations, non-appropriation revenue, and resources across outcomes





Table 2.7.3: Total Resources for Outcome 3

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Items applicable across outcome</b>		
<b>Appropriation Bill No 1</b>		
Compensation for detriment caused by defective administration (part component see also Outcome 1)	38	38
National secretariats (part component see also Outcomes 1 and 2)	656	670
Payments to universities and other organisations for special studies and research (part component see also Outcome 1)	1,181	1,205
<b>Sub total</b>	<b>1,875</b>	<b>1,913</b>
<b>Total items across outcome</b>	<b>1,875</b>	<b>1,913</b>
<b>Output Group 3.1 — Labour Market Assistance</b>		
<b>Appropriation Bill No 1</b>		
Ex-gratia payments to partners of ABSTUDY recipients	0	250
JET — Payments for training	3,146	3,331
Payment to voluntary work agencies	1,925	1,595
Welfare reform pilots	0	1,728
<b>Sub total</b>	<b>5,071</b>	<b>6,904</b>
<b>Special Appropriations</b>		
Bereavement allowance	729	766
Mature age allowance	365,147	360,196
Newstart allowance	5,042,202	4,975,581
Parenting payment (partnered & single)	5,554,356	5,326,501
Partner allowance (benefit)	337,139	355,276
Partner allowance (pension)	320,193	368,413
Pensioner education supplement	49,583	47,159
Special benefit	103,939	113,553
Widow allowance	274,580	334,038
<b>Sub total</b>	<b>12,047,868</b>	<b>11,881,483</b>
<b>Total Output Group 3.1</b>	<b>12,052,939</b>	<b>11,888,387</b>
<b>Output Group 3.2 — Support for People with a Disability</b>		
<b>Appropriation Bill No 1</b>		
Employment assistance and other services (including expenditure under the <i>Disability Services Act 1986</i> )	260,618	279,371
Ex-gratia payments to young Disability support pension recipients whose payments were unintentionally limited by the youth allowance legislation	1,032	0
<b>Sub total</b>	<b>261,650</b>	<b>279,371</b>
<b>Appropriation Bill No 2</b>		
Commonwealth-State Disability Agreement	355,801	426,053
<b>Sub total</b>	<b>355,801</b>	<b>426,053</b>

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>ADMINISTERED APPROPRIATIONS</b>		
<b>Special Appropriations</b>		
Disability support pension	5,281,714	5,755,256
Mobility allowance	52,250	58,600
Sickness allowance	84,565	93,620
Wife pension (DSP)	488,821	440,471
<b>Sub total</b>	<b>5,907,350</b>	<b>6,347,947</b>
<b>Total Output Group 3.2</b>	<b>6,524,801</b>	<b>7,053,371</b>
<b>Output Group 3.3 — Support for Carers</b>		
<b>Special Appropriations</b>		
Carer allowance	413,186	464,409
Carer payment	366,893	440,984
<b>Sub total</b>	<b>780,079</b>	<b>905,393</b>
<b>Total Output Group 3.3</b>	<b>780,079</b>	<b>905,393</b>
<b>Output Group 3.4 — Support for the Aged</b>		
<b>Appropriation Bill No 1</b>		
Ex-gratia payments to income tested pensioners resident in nursing homes	50	0
Ex-gratia payments to pensioners identified under Section 15 of the <i>Ombudsman Act 1997</i> concerning departure certificates	50	0
National information centre on retirement investments — Grants to establish a clearing house on investment advice	417	428
<b>Sub total</b>	<b>517</b>	<b>428</b>
<b>Special Appropriations</b>		
Age pension	14,155,538	15,856,560
Aged persons savings bonus	0	1,140,500
Self-funded retiree's supplementary bonus	0	293,224
Widow B pension	92,820	69,461
Wife pension (Age)	237,724	225,836
<b>Sub total</b>	<b>14,486,082</b>	<b>17,585,581</b>
<b>Total Output Group 3.4</b>	<b>14,486,599</b>	<b>17,586,009</b>
<b>Total Administered Appropriations</b>		
Appropriation Bill No. 1	269,113	288,616
Appropriation Bill No. 2	355,801	426,053
Special Appropriations	33,221,379	36,720,404
<b>Total Administered Appropriations</b>	<b>33,846,293</b>	<b>37,435,073</b>
<b>Non Appropriation Expenses</b>		
Other trust monies	70,000	70,000
<b>Sub total</b>	<b>70,000</b>	<b>70,000</b>
<b>Total Administered</b>	<b>33,916,293</b>	<b>37,505,073</b>

	<b>Final Estimate 1999-00 (\$'000)</b>	<b>Budget Estimates 2000-01 (\$'000)</b>
<b>DEPARTMENTAL APPROPRIATIONS</b>		
<b>Output Group 3.1 – Labour Market Assistance</b>		
FaCS	17,433	18,937
Centrelink	430,778	481,049
<b>Total Output Group 3.1</b>	<b>448,211</b>	<b>499,986</b>
<b>Output Group 3.2 – Support for people with a disability</b>		
FaCS	44,689	44,402
CRS	101,323	101,900
Centrelink	206,635	210,139
<b>Total Output Group 3.2</b>	<b>352,647</b>	<b>356,441</b>
<b>Output Group 3.3 – Support for Carers</b>		
FaCS	4,133	4,011
Centrelink	15,833	15,841
<b>Total Output Group 3.3</b>	<b>19,966</b>	<b>19,852</b>
<b>Output Group 3.4 – Support for the Aged</b>		
FaCS	12,531	13,786
Centrelink	195,304	206,225
<b>Total Output Group 3.4</b>	<b>207,835</b>	<b>220,011</b>
<b>Total Revenue from Government (Appropriations) Contributing to Price of Departmental Output</b>	<b>1,028,659</b> <b>96.82%</b>	<b>1,096,290</b> <b>97.04%</b> <b>(C1)</b>
<b>Revenue from Other Sources</b>		
Section 31 of the Financial Management and Accountability Act	33,746	33,440
<b>Total Revenue from Other Sources</b>	<b>33,746</b>	<b>33,440</b>
<b>Total Price of Departmental Outputs</b> (Total revenue from Government and from other sources)	<b>1,062,405</b>	<b>1,129,730</b> <b>(E1)</b>
<b>TOTAL ESTIMATED RESOURCING FOR OUTCOME 3</b> (Total Price of Outputs and Administered Items)	<b>34,978,698</b>	<b>38,634,803</b>
<b>STAFF YEARS (NUMBER)</b>		
FaCS	2,468	2,445

## **Payments and Services under Outcome 3**

### **Overview**

Outcome 3 reflects the Government's commitment to encouraging self-reliance and community contribution through economic and social participation. This brings together income support and other assistance and support including rehabilitation services, specialised disability employment services and programmes such as Jobs, Education and Training (JET).

Around 4.3 million Australians aged 16 years and over received an income support payment administered by the Department (not including family payments, basic Parenting Payment, Austudy or Youth Allowance), as at the end of 1999. Of these, over 1.7 million were of age pension age and 2.6 million were below age pension age.

The four major income support payments are Age Pension, Newstart Allowance, Parenting Payment and Disability Support Pension, the recipients of which together make up 92 per cent of all income support recipients. Sixty two per cent of income support recipients are female, reflecting the gender differences in labour force participation, caring activities, income and assets and the relative longevity of females.

The income support safety net aims to ensure adequate incomes for people who are unable to support themselves due to loss of employment, disability or caring responsibilities or entering retirement with insufficient retirement savings. Maintaining incentives to return to work and encouraging people to provide for themselves in retirement are strong aspects of the income support system.

Income support payments are complemented by services to assist people make the most of opportunities for social and economic participation. They include labour market assistance, education and training, childcare services, rehabilitation, specialist disability employment assistance and other personal support services, such as financial information services and family relationship services. All income support payments, except Age and Disability Support Pension for the blind, are subject to income and asset tests. Newstart Allowance and Youth Allowance are provided for unemployed people on condition that they take appropriate action to make the most of opportunities for self-reliance, and contribute to the community. In addition to the activity test the 'Mutual Obligation' Initiative and 'Work for the Dole' are two schemes created to achieve this.

### **Assistance for people of workforce age**

#### *Newstart Allowance*

This payment provides income support for unemployed people who are seeking to return to paid work. Young unemployed customers aged less than 21, who are not in full-time education or training, receive Youth Allowance while they seek to enter the workforce. In March 2000, the average number of Newstart Allowance recipients was 623,600, a fall of 60,200 from March 1999, which reflected the improving labour market over the period. The average number of unemployed Youth Allowance recipients was 85,700 in March 2000.

#### *Mature Age Allowance*

This payment provides income support to unemployed people aged over 60 but under age pension age who have been receiving other income support, and face barriers to employment because of a lack of recent workforce experience. The average number of recipients (not including Mature Age Partner allowees) was 42,400 in March 2000.

### *Partner Allowance*

This payment provides income support to older people who are partners of income support recipients and face barriers to employment due to their lack of recent workforce experience. The number of recipients has been increasing reflecting the phase-out of Wife Pension and the increase in the Age Pension qualifying age for women. The average number of PA customers in March 2000 was 89,900 which represents an increase of 7,800 over March 1999.

### *Widow Allowance*

This payment provides income support for older women who no longer have a partner and who face barriers to finding employment because of limited participation in the workforce. The number of recipients is increasing, reflecting the phase out of Widow B Pension and the increase in the Age Pension qualifying age for women. There were 32,100 recipients in March 2000, an increase of 4,800 over March 1999.

### *Special Benefit*

This payment provides income support for people who are unable to support themselves or their dependants, and are not otherwise entitled to any other income support payment. The number of beneficiaries has been relatively stable over the past year at around 11,200.

### *Parenting Payment*

This payment provides assistance for people who are caring for at least one child under 16 years of age. At the end of March 2000 there were 617,284 customers receiving the income support form of Parenting Payment (395,902 lone parents and 221,382 partnered parents). A further 379,518 partnered parents received non-benefit Parenting Payment (also known as basic Parenting Payment), which gives people the choice of receiving this assistance as a fortnightly payment or through the tax system as with-child Dependent Spouse Rebate. From July 2000, non-benefit Parenting Payment will be subsumed into Family Tax Benefit Part B. This will not affect the income support form of Parenting Payment, which will remain a separate entitlement.

### *The Jobs, Education and Training (JET) programme*

The programme contributes to this outcome by aiding the entry or re-entry of low-income parents, carers, widows and some partner allowees to the workforce. In the first 6 months of the 1999-00 financial year 30,200 new customers were interviewed by JET advisers. Within the JET programme, JET Training Funds (JTF) are available to assist people to undertake training and education. Funds of \$3 million per financial year are available to eligible customers, and 7,550 customers have been assisted with JTF from 1 July 1999 to December 1999.

In addition, 17,900 JET participants were referred to other education or training programmes from 1 July 1999 (to December 1999).

### *The Voluntary Work Initiative*

This programme assists unemployed people to participate in voluntary work. Volunteering Australia is funded to provide a volunteer referral placement and training service as well as volunteer management training for non-profit organisations.

## **Assistance to people with disabilities**

People with disabilities who meet the required test of eligibility receive Disability Support Pensions (DSP) to ensure that they have sufficient means to live, with approximately 580,000 people receiving DSP at June 1999. People with disabilities are also encouraged to maximise their economic and social participation by accessing the range of disability services available.

In 1998-99, disability services funded by this portfolio assisted a total of 49,285 people with disabilities to seek, gain or maintain employment. Seventy two per cent (35,381) of all people who were assisted worked for some time during the year. Of those who worked, 87 per cent (30,671) worked at least eight hours per week, for at least three months.

CRS Australia provided rehabilitation programmes to 26,432 new and existing clients funded by the Department in 1998-99. Approximately 17,000 new clients were provided with a rehabilitation programme; 40 per cent of these were placed in employment.

By the end of 1997-98, all States and Territories had signed the second Commonwealth State Disability Agreement. The agreement builds on the existing national framework for disability services and will improve the transparency of, and accountability for, the provision of disability services. Negotiations are well progressed

with State and Territory governments on the Commonwealth's offer on "unmet need" (previously reported in the *Portfolio Additional Estimates Statements 1999-2000*).

People with disabilities were also assisted through the Mobility Allowance programme. Mobility Allowance is a non-means tested income supplement. It is provided to assist with transport costs for people with disabilities who are in employment, vocational training, a combination of work and training, or voluntary work and who are unable to use public transport without substantial assistance. At June 1999 approximately 31,000 people received Mobility Allowance.

### **Assistance for Carers**

Carer Payment is available to provide income support for people who, because of their caring responsibilities, are unable to do full-time work. There are opportunities for carers to participate in paid or voluntary work, training and education for up to 20 hours per week without affecting their qualification for the payment.

The care recipient must have a physical, intellectual or psychiatric disability and need care permanently or for at least six months (unless they are terminally ill). The care recipient must be receiving a social security or Veterans' Affairs pension, benefit or allowance, or if not, they must meet a special income and assets test. Since 1 July 1998, people can qualify for Carer Payment if they care for a child aged under 16 with profound disabilities, or for two or more children with disabilities whose combined care needs are equivalent to that of a child with a profound disability.

Carers may also be eligible for Carer Allowance. This is an income supplement made in recognition of the impact a person's disability has on his or her family. It was introduced on 1 July 1999 to replace the Domiciliary Nursing Care Benefit, previously administered by the Department of Health and Aged Care, and the Child Disability Allowance. Carer Allowance (child) is available for parents or guardians who are caring for a child with a disability. Carer Allowance (adult) is available to carers of people who are frail aged, terminally ill or who are severely disabled and aged over 16 years.

### **Assistance to the Aged**

Australia's Age Pension programme aims to ensure that those who are unable to provide for themselves have adequate income in retirement.

Pension rates are indexed in line with CPI increases, and linked to increases in wages through benchmarking the single rate of pension to 25 per cent of Male Total Average Weekly Earnings (MTAWE). Since introduction of the legislation to benchmark the single rate of pension against MTAWE, the maximum single rate of pension has increased by \$13.00 a fortnight more than it would otherwise have done. Likewise, the maximum partnered rate of pension has increased by \$11.00 a fortnight.

Payments are targeted at those in most financial need, through income and assets tests. These encourage self-provision. For example, the means test rules encourage people to use lump sum superannuation payments and other savings to generate a steady retirement income stream.

An increasing focus of the assistance to the aged programme is encouraging and fostering opportunities for the participation of older people in the community. The programme also promotes participation, independence and self-reliance through the provision of information to retirees and pre-retirees on planning, saving and preparing for retirement, and on investment options and the effective use of savings for self-support. The Department works in partnership with industry bodies, other agencies and community groups in producing a series of publications and leaflets for retirees and pre-retirees. Recent products include *Understanding Retirement Income Streams*, *Investing Money – Your Choices*, a new edition of *Home and Residence Choices for Older People*, and information on deeming accounts. In October 1999 the Minister launched a new publication, *Australian Retiree – Your Choices*, aimed at Australia's 400,000 plus self-funded retirees. It provides information on the concessions and services available to non-pensioner retirees, in recognition of their valuable contribution to Australia. The Department funds the National Information Centre on Retirement Investments to provide the public with independent information on investment products and processes.

The Financial Information Service (FIS) programme, delivered by Centrelink, aims to ensure that customers and potential customers have sufficient information to make effective use of their private resources for self support, informed decisions about retirement issues and adequate financial preparation for a retirement that allows participation in their community.

As at March 2000, there were approximately 132 FIS Officers throughout Australia. Also as of March 2000, FIS Officers had conducted 148,102 telephone interviews and 40,013 in-person interviews, as well as 1667 seminars attended by 51,110 people. The seminars are increasingly focused on assisting and encouraging pre-retirees to

commence planning for retirement. In response to Government taxation reform, the focus of the FIS seminars has been altered temporarily to concentrate on the introduction of the compensation package for income support customers and other older Australians, including the Aged Persons Savings Bonus and Self-Funded Retiree Supplementary Bonus.

International agreements enable customers to gain access to overseas pensions and domestic benefits that would otherwise be unavailable. Nearly 50 per cent of overseas-born Australians were born in countries with which Australia has social security agreements. In 1998-99, 30,462 age pensions were paid under agreements.

### **Contribution of Outputs to Outcome 3**

The four Output Groups (or “Groups”) under Outcome 3 contribute to meeting the Government’s commitment to address poverty and disadvantage through a new social coalition of Government, community organisations and business. This commitment will be delivered through a combination of services and income support, with an emphasis on supporting and strengthening continuing engagement of all Australians in the economic processes and social aspects of community life.

Labour Market Assistance (Output Group 3.1) will contribute by:

- fostering a culture of self reliance in the community by promoting appropriate understanding, expectations and behaviours; and
- helping support individuals of working age through the provision of income support to seek work or undertake other activities such as training, community work or caring for children.

Support for People with a Disability (Output Group 3.2) will contribute by:

- promoting independence and self reliance through support for the provision of rehabilitation services, specialist employment services and other services for people with a disability; and
- helping to support people with a disability with limited means through the provision of income support.

Support for Carers (Output Group 3.3) will contribute by:

- helping support carers through the provision of income support and income supplement payments.

Support for the Aged (Output Group 3.4) will contribute by:

- assisting retirees to make the best use of savings and investment to maintain their standard of living;
- helping to support the aged with limited means through the provision of income support; and
- providing information and fostering opportunities for older people to participate in their community.



## **Performance Indicators for Outcome 3**

### **Environmental Indicators**

- Age dependence ratios
- Average age of transition out of the labour force among older workers
- Employment
- Employment/Labour Force Participation Rate of 65 Years And Over Population
- Incidence of low paid employment
- Joblessness
- Out of work replacement rates
- Participation rates
- Percentage of aged pensioners who own their own home
- Percentage of working age families with no adult in paid employment, and
- Number of children in families with no adult in paid employment
- Population with low-income
- Relativities between income units headed by a person aged 65 years and over as a proportion of the mean gross weekly income of all income units
- Unemployment

The estimated costs against the Groups in Table 2.8.3 below are aggregate appropriations for the Group, which are reported under the total resources for Outcome 3 (Table 2.7.3). The price or departmental resources for Budget Measures are included within aggregate resources reported against each outcome (as part of Appropriation Bills 1 and 2), unless otherwise indicated.

### ***Performance Indicators for Budget Measures***

For information on proposed Performance Indicators for Budget Measures, refer to the Measure Descriptions in Section 3 of the Department's Agency Budget Statement.

\*Items highlighted with an asterisk are generically referred to within footnotes to Budget Measures descriptions, in Section 3 of the Department's Portfolio Agency Budget Statement where proposed Performance Indicators are included.

Table 2.8.3: Performance Indicators for Outcome 3

Group 3.1: Assistance for People of Workforce Age

- Jobs, Education and Training (JET) – Payments for Training
- Newstart Allowance (NSA)
- Mature Age Allowance (MAA)
- Partner Allowance (PA)
- Widow Allowance (WA)
- Special Benefit (SpB)
- Parenting Payment
- Volunteer Management Program
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation:  
\$11,888.4m  
Departmental Appropriation: \$500.0m

Administered Items			
Reference	Indicator Type		Indicator
Assistance for People of Workforce Age	Effectiveness	Independence	Percentage of customers with private earnings and Average amount of private earnings per fortnight
		Takeup/coverage	Percentage of the workforce age population on labour market assistance related income support
	Targeting		Percentage on part rate due to means test
			Number of customers paid under international agreements; and Average value of payments; for <ul style="list-style-type: none"> <li>• Parenting Payment</li> </ul>

Administered Items			
Reference	Indicator Type		Indicator
Assistance for People of Workforce Age	Effectiveness	Adequacy	<p>Maximum payments to recipients</p> <ul style="list-style-type: none"> <li>as a percentage of Male Total Average Weekly Earnings (MTAWE)</li> <li>index of real value</li> </ul> <p>Ratio of single adult rate of Newstart Allowance to minimum wage</p>
		Independence	Percentage of customers undertaking paid work, job search, education or training, employment assistance, Work for the Dole, Mutual Obligation Initiative
		Takeup/coverage	Percentage of estimated population who are customers
	Quantity		<p>Total number of customers assisted including</p> <ul style="list-style-type: none"> <li>no. of those customers paid Employment Entry Payment</li> <li>no. of those customers paid Education Entry Payment</li> <li>no. of those customers paid Rent Assistance</li> <li>no. of those customers paid Pensioner Education Supplement</li> </ul>
Jobs, Education and Training (JET) - payments for training	Quantity		<p>Number of Jobs, Education and Training (JET) customers actively participating in skill development and education; employment assistance; assisted with child care placement and those JET customers receiving income or cancelled due to earnings</p>
			Number of new JET interviews
Newstart Allowance, Mature Age Allowance, Partner Allowance, Widow Allowance Special Benefit	Effectiveness	Independence	<ul style="list-style-type: none"> <li>Duration on income support</li> <li>Average duration on income support (weeks), and</li> <li>Percentage of customers who leave payment within the first three months, and</li> <li>Percentage of allowees unemployed for 12 months or more</li> </ul>
Parenting Payment	Effectiveness	Takeup/coverage	Number of children cared for by Parenting Payment customers

Departmental Outputs			
Reference	Indicator Type		Indicator
Departmental Outputs	Cost		Ratio of departmental items to administered items
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements in place with all service providers
	Quantity		Number of contracts/service agreements under management Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals

Group 3.2: Support for People with a Disability

- Commonwealth State Disability Agreement
- Disability Specialist Rehabilitation Services
- Disability Support Pension;
- Wife Pension
- Mobility Allowance
- Sickness Allowance
- Employment Assistance and Other Services
- *Ex-Gratia* payments to Young Disability Support Pension Recipients whose Payments were Unintentionally Limited by the Youth Allowance
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation: \$7,053.4m

Departmental Appropriation: \$356.4m

Administered Items			
Reference	Indicator Type		Indicator
Commonwealth State Disability Agreement (CSDA)	Effectiveness	Capacity	Proportion of accommodation clients receiving community based care or support
		Takeup/coverage	Number of estimated potential population using accommodation services
		Targeting	Percentage of consumers: from linguistically and culturally diverse backgrounds; by Accessibility/Remoteness Index of Australia (ARIA,) Aboriginal and Torres Strait Islanders (ATSI); by disability type; by age; by gender.
	Quality	Customer satisfaction	Level of satisfaction with services provided under CSDA
	Quantity		Number and percentage of consumers in different service types
Disability Support Pension Wife Pension Mobility Allowance Sickness Allowance	Effectiveness	Adequacy	Maximum payments to recipients <ul style="list-style-type: none"> <li>• as a percentage of Male Total Average Weekly Earnings (MTAWE)</li> <li>• index of real value</li> </ul>
		Independence	Percentage of customers with private income and Average amount of private income per fortnight
			Average duration of payment

Administered Items			
Reference	Indicator Type		Indicator
		Takeup/coverage	Percentage of people of workforce age who receive Disability Support Pension or Wife Pension or Sickness Allowance or Mobility Allowance Percentage of estimated population who are customers
		Targeting	Percentage on part rate due to means test Percentage of consumers: from linguistically and culturally diverse backgrounds; ATSI; by disability type; by age; by gender.
			Number of Disability Support Pension customers paid under international agreements, and Average value of payments
	Quantity		Number of customers assisted <ul style="list-style-type: none"> <li>• Disability Support Pension</li> <li>• Wife Pension</li> <li>• Mobility Allowance</li> <li>• Sickness Allowance</li> </ul>
Employment assistance and other services	Effectiveness	Capacity	Percentage of clients realising a durable employment outcome
			Percentage of clients at the job seeker stage
		Targeting	Percentage of consumers: from linguistically and culturally diverse backgrounds; by ARIA, ATSI; by disability type; by age; by gender.
	Quality	Assurance	Employment services' achievement against the Disability Services Standards
	Quantity		Number of clients receiving employment assistance Number of clients assisted under Employer Incentive Strategies Number of clients assisted by advocacy services
Ex-Gratia payments to young Disability Support Pension recipients whose payments were unintentionally limited by the Youth Allowance legislation	Quantity		Number of customers receiving assistance

Departmental Outputs			
Reference	Indicator Type		Indicator
Departmental Outputs	Cost		Ratio of Departmental items to administered items
Policy Advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements in place with all service providers
	Quantity		Number of contracts/service agreements under management Number of service providers under management
Research and Evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service Delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals
Disability Specialist Rehabilitation Services	Effectiveness	Capacity	Number of clients participating in an independent living programme
			Percentage of total clients achieving an employment outcome after a rehabilitation programme
		Targeting	Percentage of consumers: from linguistically and culturally diverse backgrounds; by ARIA, ATSI; by disability type; by age; by gender.
	Quality	Assurance	CRS Australia delivers services to the agreed standards.
	Quantity		Number of clients assisted on a rehabilitation programme

Group 3.3: Support for Carers

- Carer Payment
- Carer Allowance
- Respite for Carers of Young People with Severe or Profound Disabilities
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

<u>2000-2001 Estimate</u>
Administered Appropriation: \$905.4m
Departmental Appropriation: \$19.9m

Administered Items			
Reference	Indicator Type		Indicator
Carer Payment (CP) and Carer Allowance (CA)	Effectiveness	Adequacy (CP)	Maximum payments to recipients—as a percentage of Male Total Average Weekly Earnings (MTAWE)
			Maximum payments to recipients—index of real value
		Independence (CP)	Percentage of customers with private income and Average amount of private income per fortnight
			Takeup/coverage (CP and CA)
		Number of people cared for by customers receiving payment	
		Percentage of primary carers who are customers	
		Percentage of Carer Payment customers also in receipt of Carer Allowance	
		Targeting (CP)	Percentage on part rate due to means test
			Number of customers paid under international agreements, and Average value of payments Percentage of consumers: from linguistically and culturally diverse backgrounds; ATSI; by disability type; by age; by gender (CP & CA)
		Carer Payment and Carer Allowance	Quantity
Respite for Carers of young people with severe or profound disabilities	Effectiveness	Takeup/coverage	Percentage change in numbers of carers of young people with severe or profound disabilities assisted by funded carer respite centres



<b>Departmental Outputs</b>			
<b>Reference</b>	<b>Indicator Type</b>		<b>Indicator</b>
Departmental Outputs	Cost		Ratio of departmental items to administered items
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements in place with all service providers
	Quantity		Number of contracts/service agreements under management Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals

Group 3.4: Support for the Aged

- Age Pension, Widow B Pension, Wife Pension
- Ex-Gratia Payments to Non-Pension Age Partners of Farmers Assisted under Retirement Assistance for Farmers
- Aged Persons Savings Bonus
- Self funded Retirees Supplementary Bonus
- Policy advice
- Programme management
- Research and evaluation
- Service Delivery

2000-2001 Estimate

Administered Appropriation:  
\$17,586.0m  
Departmental Appropriation: \$220.0m

Administered Items			
Reference	Indicator Type		Indicator
A. Support for the Aged	Effectiveness	Adequacy	Maximum payments to recipients <ul style="list-style-type: none"> <li>• as a percentage of Male Total Average Weekly Earnings (MTAWE)</li> <li>• index of real value</li> </ul>
		Independence	Proportion of Income Units Headed by a Person Aged 65 Years And Over <ul style="list-style-type: none"> <li>• With Government Pension as Principal Source of Income</li> <li>• With Government Pension Contributing Less Than 20% of Income</li> <li>• With Government Pension Contributing Less Than 50% of Income</li> </ul>
		Takeup/coverage	Percentage of estimated population who are customers
Age Pension, Widow B Pension, Wife Pension*	Effectiveness*	Independence	Average amount of assessed income <ul style="list-style-type: none"> <li>• Percentage of aged pensioners with assessed income greater than \$500 p.a.</li> <li>• Ratio of assessed income to total income</li> </ul>
			Percentage of aged pensioners with private earnings and Average amount of private earnings per fortnight
		Targeting*	Percentage on part-rate due to means tests; <ul style="list-style-type: none"> <li>• average reduction per pensioner</li> </ul>

Administered Items			
Reference	Indicator Type		Indicator
			Number of Age, Widow B and Wife pension (Wife Pension numbers include Wife (Age) and Wife (DSP) customers paid under international agreements, and* Average value of payments*
	Quality	Access & Choice	Access for target or special interest groups
	Quantity		Number customers assisted Number of customers paid Rent Assistance
Aged Persons Savings Bonus	Effectiveness	Takeup/coverage	Eligible people are made aware of the bonus and apply to receive it
	Quantity		Number of customers assisted and Average level of bonus paid
Ex-gratia payments to non-pension age partners of farmers assisted under Retirement Assistance for farmers	Quality		Timeliness of ex-gratia payments
	Quantity		Number of ex-gratia payments
Self-Funded Retirees Supplementary Bonus	Effectiveness	Takeup/coverage	Eligible people are made aware of the bonus and apply to receive it
	Quantity		Number of customers assisted and Average level of bonus paid

Departmental Outputs			
Reference	Indicator Type		Indicator
Departmental Outputs	Cost		Ratio of departmental items to administered items
Policy advice	Quality	Customer satisfaction	Ministers and ministers' offices satisfied with the quality of policy advice and Department meets standards for policy advice
	Quantity		Number of items to Ministers <ul style="list-style-type: none"> <li>• Briefs &amp; Submissions etc.</li> <li>• Correspondence</li> </ul>
Programme management	Quality	Assurance	Department ensures that service providers meet terms and conditions of funding
			Service agreements/contracts that meet legislative, Government policy and departmental requirements in place with all service providers
	Quantity		Number of contracts/service agreements under management
			Number of service providers under management
Research and evaluation	Quality	Assurance	Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
	Quantity		Major pieces of research and evaluation completed
Service delivery	Quality	Assurance	Service providers deliver services to the standards agreed with the Department
		Customer rights & obligations	Control of incorrect payment and fraud: savings in administered items arising from compliance activities
			No. of reviews and appeals

### **Evaluations for Outcome 3**

*The More Intensive and Flexible Services (MIFS) Pilot:* This pilot is undergoing final evaluation by the Department in consultation with Centrelink.

*The Activity Test Evaluation:* This will provide information on:

- the appropriateness of current activity test arrangements, including mutual obligation requirements;
- the extent to which activity testing achieves identified employment and social contribution outcomes; and
- the efficiency of administering an activity test.

The evaluation projects include an analysis of administrative data (including the longitudinal data set); surveys of community and customer attitudes; research in rural and remote areas; a cost/benefit analysis and an international comparative study. The evaluation is expected to be finalised early in 2001.

*Other evaluations for Outcome 3 include:*

- the trial of case based funding for disability employment assistance and the trial to test private sector capacity to contribute to the Commonwealth's rehabilitation programme, which will be evaluated in 2000-01. The results from the evaluations will inform Government decisions on disability employment assistance reforms;
- an evaluation of the Adult Disability Assessment Tool and the Print Disability and Postal Concession for the Blind Programmes which is planned for 2000-01;
- a client satisfaction survey, which was contracted out through select tender to inform an administrative review of the Continence Aids Assistance Scheme;
- an evaluation of the Supported Wage System, which commenced in April 2000, was contracted through open tender; and
- an evaluation of the Pension Bonus Scheme, which is planned for 2000-01.

### **Competitive Tendering and Contracting for Outcome 3**

For the past two years the Department has contracted out, on a competitive basis, research on Parenting Payment (Partnered) to investigate the risk and success factors for parents in relation to their economic and social participation. The circumstances of separated income support customers who share care of their children were also researched under contract.

A competitive tender for a telephone survey on the activities, attitudes and plans of Parenting Payment customers was undertaken in October 1999. It was a component of the research carried out under the Parenting Payment Intervention Pilot.

The Department has contracted out on a competitive basis (some of these are mentioned under 'Evaluations' above):

- a survey in relation to the evaluation of the More Intensive and Flexible Services (MIFS) Pilot;
- a client satisfaction survey to inform an administrative review of the Continence Aids Assistance Scheme (which has since been completed);
- an evaluation of the Supported Wage System;
- a support service for outlets participating in the Case Based Funding Trial; and

- the development of a new assessment process to better inform funding decisions for access to specialist disability employment assistance.

The Department is also about to contract on a competitive basis a study of ways of providing employment assistance in rural and remote locations in the context of disability employment assistance funding reforms.

Work to evaluate the trial of case based funding, and a trial of an alternative system to match services to needs and to test private sector capacity to contribute to the Commonwealth's rehabilitation programme, will be contracted through open tender. A research project into ways of measuring work capacity is also going to open tender.

In 2000-01 the Department, on behalf of the Commonwealth/State Disability Services Agreement (CSDA) National Research Fund, is expecting to tender for research into *Quality Assurance and Abuse Prevention Strategies in CSDA Funded Services* and *CSDA National Performance Reporting*.

In 1999-00 the Department contracted out on a competitive basis research to investigate the transition from work to retirement, "Workforce Circumstances and Retirement Attitudes of Older Australians". In 2000-01, it is expected that customer survey elements of the Pension Bonus Scheme evaluation will go out to tender.

In 1999-00, the competitive tendering process was used for four Activity Test Evaluation projects:

- a competitive tender for the Community Attitudes Survey, involving a telephone survey of the Australian community on unemployment and activity testing issues, was undertaken in September 1999;
- in January 2000, another competitive tender for the Customer Survey, a telephone survey of Newstart and Youth Allowance customers (other than full-time students) on the effectiveness of activity testing arrangements was undertaken;
- in the same period, a competitive tender was undertaken for a Locational Study, involving face-to-face interviews with rural, remote and indigenous communities on issues relating to YA and activity testing; and
- in May 2000 there is expected to be a competitive tender for the Analysis of the Department's Administrative Data.

Table 2.9.3: Summary Table of Budget Measures for Outcome 3

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
<b>2000-01 Budget Measures – New Policies</b>														
Welfare Reform Pilots: Mature Age Participation Pilot	152	3	1160	1827	2987	0	51	51	0	0	0	0	0	0
Welfare Reform Pilots: Workless Families Assistance Pilot	154	3	-703	3062	2359	0	4	4	0	0	0	0	0	0
Welfare Reform Pilots: Tailored Assistance for the Very Long Term Unemployed Pilot	155	3	163	1202	1365	0	0	0	0	0	0	0	0	0
Introduction of a Preparing for Work Agreement for New Claimants of Unemployment Payments	157	3	-39655	15244	-24411	-65563	11423	-54140	-67462	11230	-56232	-69312	11349	-57963
Revised Means Test Treatment of Private Trusts and Private Companies	163	3	-9050	31233	22183	-78015	40465	-37550	-136121	9894	-126227	-140540	8329	-132211
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud - Research and Development Projects	164	3	-16661	3389	-13272	-18696	2223	-16473	-7129	567	-6562	-908	-1	-909
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Detection	165	3	-20954	9504	-11450	-33254	8351	-24903	-32511	8322	-24189	-33045	6557	-26488

Measure	Page	Out- come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total	Admin Appn	Dept Out- puts	Total
Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Deterrence - Publicity Campaign to Encourage Customer Compliance	166	3	0	573	573	-13215	7305	-5910	-19934	605	-19329	-447	0	-447
Protection of People Affected by the Termination of the Social Security Agreement with the United Kingdom	167	3	-1349	593	-756	-2920	81	-2839	-4096	50	-4046	-5523	25	-5498
Simplification Package	168	3	0	206	206	-1140	911	-229	-1238	107	-1131	-1779	108	-1671
Removal of Anomaly Between ABSTUDY and the Social Security Income Test	169	3	250	999	1249	267	124	391	284	117	401	302	178	480
Removal of Direct Deduction Rules From Partners of Compensation Recipients	170	3	0	264	264	2274	1485	3759	3082	960	4042	3241	964	4205
Unauthorised Arrivals in Australia Package: Reducing the Incentives for Unauthorised Arrivals	171	3	-1032	5014	3982	-3126	4068	942	-5996	4096	-1900	-6160	4124	-2036
Continuation of Payment to Voluntary Work Agencies (Voluntary Work Initiative)	172	3	1221	0	1221	1622	0	1622	1648	0	1648	1674	0	1674
Department of Agriculture, Fisheries and Forestry- Australia (AFFA) - Extension of Retirement Assistance for Farmers Scheme	173	3	901	598	1499	1867	60	1927	1933	9	1942	2007	9	2016
FaCS Pricing Review	174	3	0	-681	-681	0	-2001	-2001	0	-3364	-3364	0	-3364	-3364



Measure	Page	Out-come	Appropriations Budget 2000-01 (\$'000)			Appropriations Forward Estimate 2001-02 (\$'000)			Appropriations Forward Estimate 2002-03 (\$'000)			Appropriations Forward Estimate 2003-04 (\$'000)		
			Admin Appn	Dept Out-puts	Total	Admin Appn	Dept Out-puts	Total	Admin Appn	Dept Out-puts	Total	Admin Appn	Dept Out-puts	Total
Aboriginal and Torres Strait Islander Commission (ATSIC): Expansion of the Community Development Employment Projects (CDEP) Scheme	176	3	-5533	-145	-5678	-11349	-398	-11747	-11673	-400	-12073	-12017	-402	-12419
Department of Veteran's Affairs (DVA): Change Date of Effect for Grants and Variations to Compensation Payments	177	3	0	9	9	82	9	91	81	6	87	80	6	86
Department of Veterans' Affairs (DVA) – Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75	178	3	-12870	0	-12870	-26595	0	-26595	-27178	0	-27178	-27794	0	-27794
Department of Immigration and Multicultural Affairs (DIMA): Introduction of New Entry Requirements for Aged Parent Migrants	179	3	225	315	540	1865	842	2707	2611	465	3076	1335	509	1844
Department of Immigration and Multicultural Affairs (DIMA): Increased Permanent Migrant Intake	180	3	1111	631	1742	2257	602	2859	2428	348	2776	4776	446	5222
Department of Immigration and Multicultural Affairs (DIMA): Enhanced Integrity of the Family Migration Stream	181	3	-155	130	-25	-155	204	49	-155	208	53	-155	213	58
<b>Sub-Total for Outcome 3</b>			<b>-102931</b>	<b>73967</b>	<b>-28964</b>	<b>-243794</b>	<b>75809</b>	<b>-167985</b>	<b>-301426</b>	<b>33220</b>	<b>-268206</b>	<b>-284265</b>	<b>29050</b>	<b>-255215</b>



## **SECTION 3: STATEMENT OF BUDGET AND NON-BUDGET MEASURES**

### **Performance Indicators for Budget Measures**

Proposed Performance Indicators for the 2000-01 Budget measures are included under the measure descriptions below. These will generally be developed further, and then incorporated into the Department's revised reporting framework, and subsequently reported in the 2000-01 Annual Report. The price or departmental resources for these measures are included with aggregate resources reported against each outcome (as part of Appropriation Bills 1 and 2), unless otherwise indicated.

## Statement of 2000-01 Budget Measures

### Stronger Families and Communities Strategy: Stronger Families Fund Initiative

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	2.501	7.499	12.999	17.000
	<b>Total</b>	<b>2.501</b>	<b>7.499</b>	<b>12.999</b>	<b>17.000</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	2.501	7.499	12.999	17.000
	<b>Total</b>	<b>2.501</b>	<b>7.499</b>	<b>12.999</b>	<b>17.000</b>

This measure will provide additional funding to communities, assisting them to develop innovative ways to strengthen family functioning with a particular emphasis on early childhood and parenting.

Neighbourhoods and communities will identify pressing issues for families in their local area and develop solutions that make better use of existing infrastructure and networks. Partnerships between local residents, volunteers and paid professionals from business, Government and non-Government organisations will be an integral part of this approach. These partnerships will be able to draw on the Stronger Families Fund to identify and fill gaps in support to families.

There will be a number of projects developed in Aboriginal and Torres Strait Islander communities and opportunities for linkages with other initiatives including the National Indigenous English Literacy, Numeracy and Attendance Strategy. Seventy-five projects across Australia will be established through this initiative. However, the Stronger Families Fund will be ongoing.

It is expected that project areas will benefit from an improved network of services and support for families. Findings from planned evaluations of projects supported by the Fund are expected to develop a robust body of knowledge on the effectiveness of early intervention and prevention in the families arena.

#### Performance Indicators

Performance indicators will be developed through assessment of initial evaluations of early projects supported by the Fund. Initial indicators will be based on output data.

**Stronger Families and Communities Strategy: Early Intervention, Parenting and Family Relationship Support Initiative**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	2.558	12.100	14.194	17.185
	<b>Total</b>	<b>2.558</b>	<b>12.100</b>	<b>14.194</b>	<b>17.185</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	2.558	12.100	14.194	17.185
	<b>Total</b>	<b>2.558</b>	<b>12.100</b>	<b>14.194</b>	<b>17.185</b>

This measure will expand parenting and family relationship support services and activities with a focus on prevention and early intervention. Services and activities that target families facing difficulties and disadvantaged groups will provide crucial support in meeting emerging needs and provide practical skills and support for parents and families through flexible, innovative responses particularly for families not well served by existing approaches.

Services offered will include:

- enhancing parenting skills by offering Family Skills Training and parenting support;
- establishing more playgroups in rural and regional areas;
- helping families with children with special needs to access playgroups;
- providing relationship education in innovative and responsive ways;
- developing relationship education materials in a varied range of formats and settings that are tailored to transitions in couples' lives;
- providing early intervention support to families in rural and regional communities by making family counselling services available as part of the Regional Communities Program; and
- developing and providing training resources for legal, medical and other professionals (who are a point of contact for families experiencing, or at risk of, family breakdown) to help them identify, assist and refer individuals and families to needed support.

It is expected that regional and rural communities will particularly benefit through the provision of more play groups, family counselling services, and improved access to family relationship education. New community links and networks are expected to be established while existing links and networks are anticipated to be strengthened.

**Performance Indicators**

Performance data on take-up rates, outputs and communities identifying a need for services will be collected. Outcome based performance indicators will be developed in conjunction with the work undertaken in developing performance indicators for the Stronger Families Fund.

### Stronger Families and Communities Strategy: Greater Flexibility and Choice in Child Care Initiative

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	1.861	7.152	15.074	24.349
	Departmental	2.161	4.856	5.000	4.999
	<b>Total</b>	<b>4.022</b>	<b>12.008</b>	<b>20.074</b>	<b>29.348</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	1.861	7.152	15.074	24.349
	Departmental	2.161	4.856	5.000	4.999
	<b>Total</b>	<b>4.022</b>	<b>12.008</b>	<b>20.074</b>	<b>29.348</b>

This measure aims to improve flexibility of child care to meet better the needs of families and to ensure cross-sectoral equity for families under the Child Care Benefit. The package will enlarge the choice of service through the introduction of a subsidy for in-home care and incentives for rural and regional provision, supported by common standards of quality thereby assisting families to fulfil both work and family responsibilities. The elements are specifically designed to improve access and choice for shift workers, families working non-standard hours, those who have a sick child or who live in rural areas without access to care through ongoing funding for:

- development of 7700 new places for flexible 'in home' care for non-standard hours care and 1500 new places for sick care arrangements for families whose circumstances cannot be adequately catered for in mainstream services;
- provision of establishment, set-up and equipment funding along with guaranteed cashed out recurrent funding for the first two years of operation to encourage private operators to establish child care centres in rural areas where there is an established need for child care; and
- introduction of private operators to manage Family Day Care (FDC) schemes and Outside School Hours Care (OSHC) schemes within existing planning frameworks supported by the development of a quality assurance scheme for the FDC and OSHC sectors of the Childcare industry.

It is expected that this measure will enable families to access formal child care services, especially in regional and rural areas, where they have not been able to previously. Establishment of privately operated long day care centres in these areas is expected, as is increased competition between private and community based child care services. Extension of the quality assurance system for FDC and OSHC will also provide parents with greater certainty about the quality of care being provided and enable their ability to choose from a full range of child care services.

#### Performance Indicators

Data will be drawn from a number of sources including the Child Care Census and Child Care Benefit<sup>1</sup> information to assess the effect of the total package. This will include assessing the improved accessibility of in-home care, the establishment of services in rural and regional communities and quality improvements for Family Day Care and Outside School Hours Care schemes.

<sup>1</sup> Please note that this item is generically referred to within FaCS' revised reporting framework under Group 1.4.

**Stronger Families and Communities Strategy: Longitudinal Study of Australian Children Initiative**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	0.201	1.801	0.500	3.600
	<b>Total</b>	<b>0.201</b>	<b>1.801</b>	<b>0.500</b>	<b>3.600</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	0.201	1.801	0.500	3.600
	<b>Total</b>	<b>0.201</b>	<b>1.801</b>	<b>0.500</b>	<b>3.600</b>

This measure provides for a comprehensive national longitudinal study of children and their families to inform Government policy on early childhood, with a focus on effective early intervention and prevention strategies in areas of health, parenting, family relationships, early childhood education, child care and family support. It will provide unique Australian data and complement other current social research focussing on the economics of families and impacts on their decision making including the Household Income and Labour Dynamics in Australia (HILDA) Project, the ANU Negotiating the Lifecourse Project and Australian Institute of Family Studies (AIFS) research on family functioning and wellbeing. Consideration could be given to extending data collection to track developments into adulthood. This will enable evaluation of the longer-term impact of childhood interventions on education, health, employment, crime and social deviance.

The initial developmental work and the first wave of data collection for the study will cost \$2 million. The overall cost will be \$20.2 million over 9 years and indicates the importance the Commonwealth Government places on the early years of childhood. Findings are expected to be welcomed by a range of Commonwealth, State and Territory portfolios including health, community services, education and justice and will complement and inform prevention and early intervention strategies with the long-term outcome of optimising children's wellbeing.

**Performance Indicators**

Progress against milestones will be monitored once preparatory work on the study is underway.

**Stronger Families and Communities Strategy: Potential Leadership in Local Communities Initiative**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	0.911	3.508	3.358	3.358
	<b>Total</b>	<b>0.911</b>	<b>3.508</b>	<b>3.358</b>	<b>3.358</b>
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	2.127	8.184	7.834	7.834
	<b>Total</b>	<b>2.127</b>	<b>8.184</b>	<b>7.834</b>	<b>7.834</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	3.038	11.692	11.192	11.192
	<b>Total</b>	<b>3.038</b>	<b>11.692</b>	<b>11.192</b>	<b>11.192</b>

This measure will seek to identify and support potential community leaders in socially disadvantaged areas, those active in the community outside industry and government structures (for example, in community associations). These will be offered skills and support that will assist them to tackle local problems and find local solutions.

On-going elements will include:

- a programme to develop and link new and emerging leaders and engage people in community building projects;
- initiatives to help to re-engage youth with their community; and
- a national community leadership conference to promote networks and to share local solution approaches.

Once fully operational, up to 600 communities will be involved in the leadership programme and network. Between 1600-2400 leaders will work on projects of benefit to their local community and up to 10,000 young people will be funded to participate in community activities.

**Performance Indicators**

Research is currently underway within the Department to develop a set of community strength indicators that could be used to track the effectiveness of policy over time.

Initial indicators are:

- the number of communities that have identified potential leaders;
- the range and effectiveness of community projects developed with leadership involvement;
- the number of participants involved in the national network for community leadership; and
- the level of awareness of the leadership programme and projects within the community.



**Stronger Families and Communities Strategy: National Skills Development Program for Volunteers Initiative**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	3.800	6.000	3.000	3.000
	<b>Total</b>	<b>3.800</b>	<b>6.000</b>	<b>3.000</b>	<b>3.000</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	3.800	6.000	3.000	3.000
	<b>Total</b>	<b>3.800</b>	<b>6.000</b>	<b>3.000</b>	<b>3.000</b>

This measure will enable Australians to celebrate and support the work of volunteers, particularly in the International Year of the Volunteer in 2001, leaving a lasting contribution to the voluntary sector.

During 2001, communities will be able to select from a range of activities to celebrate the International Year of the Volunteer. This will include promotion of volunteer activity, greater recognition of volunteers and initiatives to foster volunteer efforts in regional and rural communities.

This initiative will also enable people to gain the skills needed to support programmes which rely heavily on volunteers. It will provide ongoing specific skills training (eg counselling, working with people with disabilities, interviewing techniques, financial management for board members, etc) necessary for volunteers to provide a better standard of service to the community group with which they are involved.

It is anticipated that as a result of this initiative many disadvantaged communities will have an improved capacity to provide local solutions to local problems.

**Performance Indicators**

The indicators are:

- number of participants and number of centres in which training is provided;
- satisfaction of community agencies with training of volunteers and of volunteers with training received; and
- type and frequency of training provided.

### Stronger Families and Communities Strategy: Local Solutions to Local Problems Initiative

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	1.462	4.808	4.558	4.558
	<b>Total</b>	<b>1.462</b>	<b>4.808</b>	<b>4.558</b>	<b>4.558</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	1.462	4.808	4.558	4.558
	<b>Total</b>	<b>1.462</b>	<b>4.808</b>	<b>4.558</b>	<b>4.558</b>

This measure will provide an ongoing funding commitment that will allow a significant number of socially disadvantaged communities to respond positively to the challenges they face. The initiative is designed to be broad and flexible, thus allowing for the great diversity of communities and a wide range of local responses.

Responses will depend on each community's needs and could include:

- conversion of unused buildings into community facilities;
- providing establishment costs for self-help services such as food cooperatives and foodbanks;
- developing community resources through provision of training. Possible topics could include; 'how to involve local people in community activities', and 'how to run community groups – basic meeting processes';
- facilitating links between communities and people who are tackling similar issues in their community;
- providing advisory services on topics like volunteering, business and family; and
- IT training and support for individuals to seek information or contribute to information about their community.

Funding will be provided for around 500 projects over four years. Program guidelines will emphasise the need for community involvement and partnerships with communities, business and government as key funding requirements. Proposals will need to meet criteria as demonstrated need, and broad local community support and ownership.

It is expected that this measure and the other interdependent measures forming the *Stronger Families and Communities Strategy*, will improve the capacity of many disadvantaged communities to identify and to develop solutions to local problems.

#### Performance Indicators

Research is currently underway within the Department to develop a set of community strength indicators that could be used to track the effectiveness of policy over time.

Initial indicators are:

- the number of projects engaged each year; and
- the number of activities that remain operative after 1 year.

### Stronger Families and Communities Strategy: 'Can Do Community' Initiative

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	0.800	1.800	1.800	0.800
	<b>Total</b>	<b>0.800</b>	<b>1.800</b>	<b>1.800</b>	<b>0.800</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	0.800	1.800	1.800	0.800
	<b>Total</b>	<b>0.800</b>	<b>1.800</b>	<b>1.800</b>	<b>0.800</b>

This measure will provide access to new ideas and contacts useful for communities seeking to develop their own solutions to local problems. Examples of innovative and effective community-based initiatives in Australia and overseas that help to strengthen community resilience will be targeted to local communities, particularly in rural Australia, via several media.

The initiative will:

- develop a project ideas bank;
- encourage people to get involved in their community;
- facilitate networking between community leaders and community building activists; and
- publicly recognise best practice examples of collaborative community actions that effectively address local issues.

It is anticipated that improved access and exposure to effective new ideas will inspire local action and extend the Government's focus on mutual obligation by invoking a sense of community responsibility for local social and economic outcomes.

#### Performance Indicators

Research is currently underway within the Department to develop a set of community strength indicators that could be used to track the effectiveness of policy over time. Initial indicators are:

- extent of audience reached and responsiveness to key messages in each local area;
- usefulness to participants/audience/end-users of the information provided in events, activities, media and project ideas bank (via surveys);
- extent to which specific events or activities result in further community action;
- extent and usefulness of new contacts and networking activities;
- changes in numbers and demographic characteristics of people involved in collaborative community activities; and
- volunteering in community-based services in each local area.

### Stronger Families and Communities Strategy: National Communication Campaign

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	3.501	2.502	1.001	1.000
	<b>Total</b>	<b>3.501</b>	<b>2.502</b>	<b>1.001</b>	<b>1.000</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	3.501	2.502	1.001	1.000
	<b>Total</b>	<b>3.501</b>	<b>2.502</b>	<b>1.001</b>	<b>1.000</b>

This measure will encourage families to use prevention and early intervention services, promote local partnerships to support families in their community and workplace, and address values, attitudes and skills by promoting key messages.

Particular audiences will be targeted through a range of media including television, radio, print media and the Internet. Key messages will include:

- good parenting and family relationship skills can be learned;
- seeking help early is positive; and
- fathers, including non-resident fathers, are important.

The needs of children will also be promoted through key messages.

General and specific information about available services and where to get help will be compiled with the assistance of Government and community partners and progressively made available at a local level across Australia.

It is expected that increased awareness of key messages and availability of prevention and early intervention services will encourage families at risk of breakdown to access such services and reduce the incidence of family stress.

#### Performance Indicators

The success of the communication strategy will be monitored against benchmarks and effectiveness indicators, which will be developed during the market-testing phase at the beginning of the communication strategy.

### Welfare Reform Pilots: Mature Age Participation Pilot

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	1.160	0.000	0.000	0.000
	Departmental	1.827	0.051	0.000	0.000
	<b>Total</b>	<b>2.987</b>	<b>0.051</b>	<b>0.000</b>	<b>0.000</b>
Measure	Administered	1.160	0.000	0.000	0.000
	Departmental	1.827	0.051	0.000	0.000
	<b>Total</b>	<b>2.987</b>	<b>0.051</b>	<b>0.000</b>	<b>0.000</b>

This initiative will trial a new approach to mature aged people without jobs. The project will test the extent to which certain groups of older working age customers face barriers to greater economic and social participation and will also explore the feasibility and effectiveness of a range of approaches to assist these people to be more active in work and community life.

Participants will be interviewed to assess their job readiness, to identify any barriers to work and other assistance needs (such as financial advice or relationship counselling). An individual participation plan will be developed, which will set out an agreed form of activity. Where appropriate, Centrelink staff will refer participants to existing programmes such as literacy and numeracy programmes, Job Network services, specialist disability employment services, rehabilitation services or volunteer work.

Pilot sites will be in a number of different areas with a range of socio-economic profiles, these areas including inner and outer urban, metropolitan and rural areas. The pilot will involve around 4,000 people on Mature Age Allowance, Widow Allowance, Partner Allowance, Newstart Allowance and others who have lost their jobs but are ineligible for payment because they have received a redundancy package.

The impact of this measure will be contained within pilot sites, however, findings are expected to inform policy development to assist older working age customers into work and community activity.

#### Performance Indicators

Information will be obtained from interviews with pilot participants, service providers and interviewers, and from administrative data. It will include:

- numbers of participants moving off payment, or to a lower rate of payment, due to earned income;
- extent of progressive engagement in social and economic participation;
- whether interventions are appropriate and effective;
- numbers and destination of referrals to support services; and
- cost/benefit of the interventions.

### Welfare Reform Pilots: Workless Families Assistance Pilot

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	-0.703	0.000	0.000	0.000
	Departmental	3.062	0.004	0.000	0.000
	<b>Total</b>	<b>2.359</b>	<b>0.004</b>	<b>0.000</b>	<b>0.000</b>
Measure	Administered	-0.703	0.000	0.000	0.000
	Departmental	3.062	0.004	0.000	0.000
	<b>Total</b>	<b>2.359</b>	<b>0.004</b>	<b>0.000</b>	<b>0.000</b>

This pilot tests the effectiveness of approaches to facilitating economic and social participation amongst workless families with school age children, with 2 areas of focus: workless couples and Parenting Payment customers with repeated transitions between single and partnered status.

Workless couples will be assisted to explore how they as a family can achieve optimal economic participation, while continuing to care for children and addressing other family problems or barriers. Joint interviews with Parenting Payment customers and their Newstart or Disability Support Pension partners will be conducted through the Jobs, Education and Training (JET) program.

Workless customers with repeated transitions between single and partnered status will be assisted to overcome barriers to participation and to work towards economic participation as a means of increasing their independence and self reliance. Interviews will be conducted through the JET program.

For both groups, referrals will be made to appropriate support services and assistance. The pilot will also investigate barriers to accessing services and assistance.

### Performance Indicators

Information will be obtained from interviews with pilot participants, services providers and interviewers, and from administrative data. It will include;

- progressive engagement in social and economic participation amongst pilot participants compared with control groups;
- numbers of participants moving off payment or to a lower rate of payment due to earning income, compared with control groups;
- effectiveness of assistance in reducing welfare dependency;
- cost/benefit of providing assistance; and
- information will be obtained from participants, control groups, interviewers and administrative data.

### Welfare Reform Pilots: Tailored Assistance for the Very Long Term Unemployed Pilot

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	0.025	0.000	0.000	0.000
	<b>Total</b>	<b>0.025</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Outcome 2	Administered	-	-	-	-

	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	0.163	0.000	0.000	0.000
	Departmental	1.202	0.000	0.000	0.000
	<b>Total</b>	<b>1.365</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Measure	Administered	0.163	0.000	0.000	0.000
	Departmental	1.227	0.000	0.000	0.000
	<b>Total</b>	<b>1.390</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

This measure will involve intensive interviews with Newstart customers who have been receiving income support for 5 years or more to improve their employment prospects. The interviews will seek to assess barriers to employment, identify appropriate assistance and make appropriate referrals.

3,000 long-term Newstart Allowance customers will be interviewed. Participants will be required to develop and to follow a structured return to work programme which, where appropriate, will include referral to work for the dole, training, specialist disability employment programmes or rehabilitation programmes or Job Network Services, for example. The pilot will increase the number of customers referred to programmes funded by the Department of Family and Community Services, the Departments of Employment, Workplace Relations and Small Business (DEWRSB) and Education, Training and Youth Affairs (DETYA) in the pilot sites.

In pilot sites, participation in local programmes and services is expected to increase.

#### **Performance Indicators:**

Information will be obtained from interviews with pilot participants, service providers, interviewers and administrative data. This will include:

- progressive engagement in social and economic participation between pilot participants and the control group;
- numbers of participants moving off payment, or to a lower rate of payment, due to earned income;
- whether the interventions are appropriate and effective;
- numbers and destination of referrals of pilot participants to support services; and
- cost of the interventions.

### Increase in Youth Allowance Family Assets Limits for Farms and Businesses

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	16.753	34.563	35.461	36.414
	Departmental	1.722	2.187	2.202	2.217
	<b>Total</b>	<b>18.475</b>	<b>36.750</b>	<b>37.663</b>	<b>38.631</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	16.753	34.563	35.461	36.414
	Departmental	1.722	2.187	2.202	2.217
	<b>Total</b>	<b>18.475</b>	<b>36.750</b>	<b>37.663</b>	<b>38.631</b>

This measure will increase the Government's support of families, particularly those from rural areas by increasing from 50 per cent to 75 per cent the discount available on farm and business assets under the Youth Allowance family assets test.

An estimated 7,200 young people will benefit from this measure by qualifying for Youth Allowance. Families with business assets up to \$1.658 million may qualify for Youth Allowance subject to the family income tests.

Dependent tertiary students who qualified for a Category 2 loan under the Student Financial Supplement Scheme because they were not eligible for Youth Allowance due to their family's business assets, will be eligible to receive Youth Allowance, subject to the family income test.

#### Performance Indicators

The indicators are:

- number of young people eligible for Youth Allowance whose family's business assets are between \$829,000 and \$1.658 million; and
- the number of Category 2 loan recipients.



### Introduction of a Preparing for Work Agreement for New Claimants of Unemployment Payments

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-5.153	-8.519	-8.766	-9.007
	Departmental	3.764	2.822	2.774	2.804
	<b>Total</b>	<b>-1.389</b>	<b>-5.697</b>	<b>-5.992</b>	<b>-6.203</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-39.655	-65.563	-67.462	-69.312
	Departmental	15.244	11.423	11.230	11.349
	<b>Total</b>	<b>-24.411</b>	<b>-54.140</b>	<b>-56.232</b>	<b>-57.963</b>
Measure	Administered	-44.808	-74.082	-76.228	-78.319
	Departmental	19.008	14.245	14.004	14.153
	<b>Total</b>	<b>-25.800</b>	<b>-59.837</b>	<b>-62.224</b>	<b>-64.166</b>

This measure will increase compliance with mutual obligation requirements. All new claimants of unemployment payments, who have an activity test requirement, will be required to enter into a Preparing for Work Activity Agreement. The Agreement will clearly set down job search and other mutual obligation requirements for claimants if they remain on payment. This measure was announced by the Minister for Community Services and the Minister for Employment on 2 March 2000.

The Preparing for Work Agreement is an important part of the Government's mutual obligation strategy and will deliver a strong, "up-front" message to all job seekers that they must meet their obligation to actively job search and participate in a range of additional activities in return for receiving unemployment payments. The Agreement will ensure that customers are aware of their rights and obligations from grant of payment and will streamline unemployment processes. Over time Preparing for Work Agreements will replace all activity agreements.

#### Performance Indicators

The indicators are:

- increase in the number of customers deterred from claiming payment, and subsequently finding work;
- increased customer awareness of their rights and obligations while receiving income support;
- increase in early identification of customer barriers to re-entry into the labour market;
- increase in the number of customers breached for failing to sign their agreement; and
- increase in the number of people exiting from payment as a result of their increased knowledge of their obligations.

### Child Support Package: Post Separation Counselling and Support for Non-Resident Parents

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	0.205	0.377	0.000	0.000
	<b>Total</b>	<b>0.205</b>	<b>0.377</b>	<b>0.000</b>	<b>0.000</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	0.205	0.377	0.000	0.000
	<b>Total</b>	<b>0.205</b>	<b>0.377</b>	<b>0.000</b>	<b>0.000</b>

This measure will assist non-resident parents (primarily fathers) to improve their post-separation relationships and parenting skills via a pilot programme. The programme will provide intensive practical assistance and ongoing support by encouraging clients to access existing community and Government programmes such as:

- parenting skills training;
- peer support services; relationship management programmes;
- legal advice services; and
- financial counselling services.

Assistance of this nature is in line with the 1996 Family Law reforms and is congruent with the notion that children have a right to know and to be cared for by both parents, regardless of the parents' relationship status.

Intervention early in the non-resident parent's post separation life is expected to improve the parents' post-separation relationship and to enable the continued involvement of both parents in the lives of their children. Non-resident parents are also expected to be more likely to meet their child support responsibilities.

#### Performance Indicators

The indicators are:

- improved post-separation relationships;
- improved quality of parenting for children; and
- improved child support payment rates<sup>2</sup>.

<sup>2</sup> Please note that this item may be related to indicators within FaCS' revised reporting framework under Group 1.3.

### Child Support Package: Lower Formula 'Percentages' for Payers Exercising Contact with their Children

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	10.674	11.471	12.208
	Departmental	1.400	5.721	3.000	3.023
	<b>Total</b>	<b>1.400</b>	<b>16.395</b>	<b>14.471</b>	<b>15.231</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	10.674	11.471	12.208
	Departmental	1.400	5.721	3.000	3.023
	<b>Total</b>	<b>1.400</b>	<b>16.395</b>	<b>14.471</b>	<b>15.231</b>

This measure recognises the additional costs faced by child support payers who exercise contact with their children and is intended to encourage parents to maintain contact with their children following separation.

Where a child support payer exercises contact with their children between 10 and 30 per cent of the nights of the year, their child support formula percentages will be reduced. For payers who make contact between 10 and 19 per cent, the relevant formula percentage that is applied to their income will generally be reduced by two percentage points (for example, from 18 to 16 per cent for one child). Where contact is between 20 and 29 per cent, the formula percentage will generally be reduced by a total of three percentage points (for example, from 18 to 15 per cent for one child).

An estimated 78,000 payers currently have contact with their children between 20 and 30 per cent of the nights of the year, and an estimated 127,000 have contact between 10 and 20 per cent of the nights of the year. Around two thirds of these will receive an average reduction of around \$5 per week in their child support liability. The remainder will not receive a reduction because they currently are required to pay only the minimum \$5 per week child support liability due to having a low income.

By recognising that payers incur costs during contact, it is expected that the frequency and level of contact with children will increase and this will consequently benefit the development of children involved as well as increase the likelihood of payment of child support.

#### Performance Indicators

The indicators is:

- Number of payers exercising contact.

### Child Support Package: A Lower 'Cap' on Payer Income Subject to Child Support Formula Assessment

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-0.003	-0.006	-0.007	-0.007
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>-0.003</b>	<b>-0.006</b>	<b>-0.007</b>	<b>-0.007</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	-0.003	-0.006	-0.007	-0.007
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>-0.003</b>	<b>-0.006</b>	<b>-0.007</b>	<b>-0.007</b>

The measure of 'Average Weekly Earnings' (AWE) that sets the upper limit or 'cap' on payer taxable income used in their child support assessment will be aligned with that used for the payee's disregarded income amount.

The payee disregard income amount is currently set by the Average Weekly Earnings of all employees while the level at which the child support income is 'capped' is currently set by using 2.5 times the Average Weekly Earnings of Full Time Employees. Aligning the measures of AWE would give a 'cap' of \$78,378 compared to \$101,153 under the current arrangements.

The current level of the 'cap' is not supported by research on the costs of children. Recent Australian research indicates that the child support formula requires higher income payers to pay more child support than the total gross costs of their children.

It is expected that around 4,000 child support payers will have their child support liabilities reduced. However, a large majority of these will still be paying at least \$12,000 a year in child support.

#### Performance Indicators

The indicator is:

- Average variation in child support paid<sup>3</sup>.

<sup>3</sup> Please note that this item may be related to indicators within FaCS' revised reporting framework under Group 1.3.

**Child Support Package: Assessment of Income for Child Support Parents Undertaking Overtime/Second Jobs**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.111	0.228	0.234	0.240
	Departmental	0.229	0.462	0.466	0.469
	<b>Total</b>	<b>0.340</b>	<b>0.690</b>	<b>0.700</b>	<b>0.709</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.111	0.228	0.234	0.240
	Departmental	0.229	0.462	0.466	0.469
	<b>Total</b>	<b>0.340</b>	<b>0.690</b>	<b>0.700</b>	<b>0.709</b>

Under this measure, an additional ground for departure from the child support formula will be created for parents who have income derived from a second job, regular overtime or other additional income source. Grounds for departure will apply where:

- a parent can demonstrate that the additional income is earned for the benefit of the children (both natural/adoptive and step-children) in their current (subsequent) family;
- the additional income is not earned as part of the normal earning pattern established by the parent prior to establishing a subsequent family, for example, through regular or seasonal overtime or seasonal employment; and
- the additional income does not arise from a condition of an existing income source, for example, mandatory overtime, shift work conditions or normal incremental increases in pay (including normal career advancements).

The overall amount of additional income to be excluded from the assessment will be limited to a maximum of 30 per cent of the parent's total child support income.

In the first year, it is expected that around 300 child support payers with second families who undertake additional work will benefit.

**Performance Indicators**

The indicators are:

- number of successful applications; and
- average variation<sup>4</sup> in child support paid.

<sup>4</sup> Please note that this item may be related to indicators within FaCS' revised reporting framework under Group 1.3.

**Child Support Package: An Increase in the Family Tax Benefit Income Test Deduction for Payers with a Subsequent Family**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	5.297	5.693	6.059
	Departmental	0.073	0.040	0.018	0.019
	<b>Total</b>	<b>0.073</b>	<b>5.337</b>	<b>5.711</b>	<b>6.078</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	5.297	5.693	6.059
	Departmental	0.073	0.040	0.018	0.019
	<b>Total</b>	<b>0.073</b>	<b>5.337</b>	<b>5.711</b>	<b>6.078</b>

This measure will increase the Family Tax Benefit and Childcare Benefits income test deductions for child support payers from 50 to 100 per cent by allowing a dollar for dollar deduction for any child support paid. This will ensure that income assessed for Family Tax Benefit and Childcare Benefits more closely reflects the income actually available to the family of a child support payer.

It is anticipated that approximately 10,000 payers with children in new families will benefit by an average of around \$8 per week. There will be no impact on payees.

**Performance Indicators**

The indicator is:

- increased claims and payment of Family Tax Benefit and Childcare Benefits<sup>5</sup>.

<sup>5</sup> Please note that these items are consistent with FaCS' revised reporting framework under Groups 1.1 and 1.4 respectively.

### Revised Means Test Treatment of Private Trusts and Private Companies

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
Outcome 2	Administered	0.000	-0.201	-0.418	-0.431
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>0.000</b>	<b>-0.201</b>	<b>-0.418</b>	<b>-0.431</b>
Outcome 3	Administered	-9.050	-78.015	-136.121	-140.540
	Departmental	31.233	40.465	9.894	8.329
	<b>Total</b>	<b>22.183</b>	<b>-37.550</b>	<b>-126.227</b>	<b>-132.211</b>
Measure	Administered	-9.050	-78.216	-136.539	-140.971
	Departmental	31.233	40.465	9.894	8.329
	<b>Total</b>	<b>22.183</b>	<b>-37.751</b>	<b>-126.645</b>	<b>-132.642</b>

This measure aims to ensure that customers who hold their assets in private companies or trusts receive comparable treatment under the means test to those customers who hold their assets directly. Currently, assets held in discretionary trusts are not assessable and income derived from the trust is assessed only upon distribution. Similarly, assets held in private companies are assessed only according to the net asset backing of the company. Current assessments thus may bear little relationship to the net wealth an individual actually controls within a trust or company.

Assets and income of the structure will be attributed to the person(s) who controls it or who was the source of the capital. Clear rules of attribution will apply to cover different types of structure. However, the onus will be on the individual who is attributed assets and/or income under this measure, to demonstrate why they should not be so attributed.

It is expected that social security payments being paid to individuals with considerable resources will cease and hence equity and integrity will be restored to the means test. It is, however, recognised that a significant number of farmers will be potentially adversely affected by the measure because their assets are held in a trust. To address concerns about retaining the farm in the family, an additional concession will allow, in some circumstances, controllers of farms with net value not exceeding \$750,000 to retain control over the disposal of the property without having trust assets attributed to him or her. The existing means test concessions available to farmers who own property outright will also be extended, where practicable, to farmers who control the family farm through a trust.

#### Performance Indicators

The indicators are:

- number of customers who have the income support payment cancelled or reduced; and
- reduced administered expenses.

**Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Research and Development Projects**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-1.954	-0.867	-0.137	-0.034
	Departmental	1.306	0.231	0.021	0.000
	<b>Total</b>	<b>-0.648</b>	<b>-0.636</b>	<b>-0.116</b>	<b>-0.034</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-16.661	-18.696	-7.129	-0.908
	Departmental	3.389	2.223	0.567	-0.001
	<b>Total</b>	<b>-13.272</b>	<b>-16.473</b>	<b>-6.562</b>	<b>-0.909</b>
Measure	Administered	-18.615	-19.563	-7.266	-0.942
	Departmental	4.695	2.454	0.588	-0.001
	<b>Total</b>	<b>-13.920</b>	<b>-17.109</b>	<b>-6.678</b>	<b>-0.943</b>

This measure has two components aimed at improving the control of incorrect payment and fraud. They are:

- random sample surveys of Age Pension and Youth Allowance customers to provide data on the level and reasons for incorrect payment. Customers randomly selected in the surveys will have their entitlement to payment reviewed. Data collected will allow evaluation of the adequacy of existing controls and the need for new controls or policy changes. Similar surveys of Parenting Payment (Partnered) and Disability Support Pension customers are being conducted in 1999-00; and
- a suite of feasibility studies to pilot additional data-matching and inter-agency activities and to test their cost-effectiveness. Studies will focus on addressing the risks associated with undisclosed income and incorrectly declared residency status. The data-matching pilots will access data from the Australian Taxation Office (ATO) and the Health Insurance Commission (HIC) to identify customers with undisclosed superannuation or compensation income, and from the Department of Immigration and Multicultural Affairs (DIMA) to identify customers who do not have residential qualification for Family Tax Benefit. The inter-agency pilot, involving Centrelink, the ATO, DIMA and the Australian Federal Police, will focus on high-risk cash economy industries.

These measures will assist in creating public recognition of the risks and penalties associated with receiving income support payments fraudulently, promote voluntary compliance and increase community confidence in the integrity of the social security system. This initiative is being conducted in accordance with agreed guidelines between the Department of Family and Community Services, Centrelink and the Privacy Commissioner.

**Performance Indicators**

An evaluation will be conducted after the first 12 months of each feasibility study to determine its effectiveness.



### Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Detection

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-4.995	-9.222	-7.819	-6.354
	Departmental	2.531	3.100	2.815	1.851
	<b>Total</b>	<b>-2.464</b>	<b>-6.122</b>	<b>-5.004</b>	<b>-4.503</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-20.954	-33.254	-32.511	-33.045
	Departmental	9.504	8.351	8.322	6.557
	<b>Total</b>	<b>-11.450</b>	<b>-24.903</b>	<b>-24.189</b>	<b>-26.488</b>
Measure	Administered	-25.949	-42.476	-40.330	-39.399
	Departmental	12.035	11.451	11.137	8.408
	<b>Total</b>	<b>-13.914</b>	<b>-31.025</b>	<b>-29.193</b>	<b>-30.991</b>

This measure will introduce a number of activities to improve detection of incorrect payment and fraud. They are:

- increased data matching reviews and enhancement of the data-matching detection systems to improve the detection of incorrect payments and the quality of matches. New data matching with employment records held by the Department of Employment, Workplace Relations and Small Business will identify customers who have obtained work but have failed to advise Centrelink or incorrectly declared income. Extension of current internal data matching will identify customers who have failed to advise their correct rent liability;
- amend the *Data-Matching Program (Assistance and Tax) Act 1990* to allow matching of income details between the Australian Tax Office (ATO) and Centrelink to be extended to a period of 4 years. (This measure will increase Centrelink's ability to detect people who commit fraud against the social security system by deliberate action, or engaging in artificial tax schemes which minimise their declared income and their tax liability and allow them to obtain a social security payment); and
- undertake exchange of information from the public between the ATO's and Centrelink's tip-off recording systems. Exchange of information supplied by the public will enhance Centrelink's ability to identify customers who have failed to advise of income or a change in circumstances.

These measures will assist in the detection of incorrect payments and incidences of fraud leading to savings in administered expenses. This initiative is being conducted in accordance with agreed guidelines between the Department of Family and Community Services, Centrelink and the Privacy Commissioner.

#### Performance Indicators

The indicators are: administered expense savings achieved; and cost effectiveness.

**Compliance Strategy: Measures to Improve Control of Incorrect Payment and Fraud – Deterrence – Publicity Campaign to Encourage Customer Compliance**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	-1.318	-1.994	-0.044
	Departmental	0.086	0.853	0.049	0.000
	<b>Total</b>	<b>0.086</b>	<b>-0.465</b>	<b>-1.945</b>	<b>-0.044</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	0.000	-13.215	-19.934	-0.447
	Departmental	0.573	7.305	0.605	0.000
	<b>Total</b>	<b>0.573</b>	<b>-5.910</b>	<b>-19.329</b>	<b>-0.447</b>
Measure	Administered	0.000	-14.533	-21.928	-0.491
	Departmental	0.659	8.158	0.654	0.000
	<b>Total</b>	<b>0.659</b>	<b>-6.375</b>	<b>-21.274</b>	<b>-0.491</b>

In 2001–02, the Government will conduct a multi-media campaign that will seek to increase the level of voluntary compliance with social security law. The target audiences for the campaign will be:

- Centrelink customers—who will be encouraged to ‘do the right thing’ by the taxpayers and report their circumstances honestly to Centrelink; and
- the general public—who will be assured that the Government is active in encouraging Centrelink customers to do the right thing, thereby helping to maintain the integrity of the social security system.

Campaign activity, particularly television publicity, will be concentrated in August 2001 and February 2002. Although not aimed at encouraging tip-offs, rather at changing customer behaviour, an increase in tip-offs is expected.

This measure aims to increase the level of compliance to optimum levels. As the measure also aims at giving the public an assurance that the Government is active in ensuring the integrity of the social security system, the campaign is expected to increase community confidence in the integrity of the social security system.

**Performance Indicators**

The indicator is:

- increased savings from compliance activity.

### Protection of People Affected by the Termination of the Social Security Agreement with the United Kingdom

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	-1.349	-2.920	-4.096	-5.523
	Departmental	0.593	0.081	0.050	0.025
	<b>Total</b>	<b>-0.756</b>	<b>-2.839</b>	<b>-4.046</b>	<b>-5.498</b>
Measure	Administered	-1.349	-2.920	-4.096	-5.523
	Departmental	0.593	0.081	0.050	0.025
	<b>Total</b>	<b>-0.756</b>	<b>-2.839</b>	<b>-4.046</b>	<b>-5.498</b>

This measure provides for protection of people affected by the termination of the Social Security Agreement with the United Kingdom (UK).

The Government announced its intention to terminate the Agreement in July 1999, with termination taking effect from 1 March 2001, twelve months after service of the written notice. Under the termination provisions of the Agreement, people currently receiving payments under the Agreement or who have lodged claims and are entitled to payment before the Agreement terminates, will continue to be paid. Similarly, people who migrated on or before the date the written notice of termination was served on the UK Government (1 March 2000) will continue to have early access to Australia's social security system (as if the Agreement were still in force).

#### Performance Indicators

The indicator is:

- information on pensions<sup>6</sup> paid under the agreement.

<sup>6</sup> This item is generically related to indicators within FaCS' revised reporting framework under Group 3.4.

### Simplification Package

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	-0.004	-0.001	-0.001
	Departmental	0.000	0.003	0.001	0.001
	<b>Total</b>	<b>0.000</b>	<b>-0.001</b>	<b>0.000</b>	<b>0.000</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	0.000	-1.140	-1.238	-1.779
	Departmental	0.206	0.911	0.107	0.108
	<b>Total</b>	<b>0.206</b>	<b>-0.229</b>	<b>-1.131</b>	<b>-1.671</b>
Measure	Administered	0.000	-1.144	-1.239	-1.780
	Departmental	0.206	0.914	0.108	0.109
	<b>Total</b>	<b>0.206</b>	<b>-0.230</b>	<b>-1.131</b>	<b>-1.671</b>

This measure aims to achieve a simpler social security system which is fairer, easier to administer and more efficient. It represents the second stage of the Simplification Project, which will simplify Chapter 3 and related provisions of the *Social Security Act 1991*. These changes will simplify the means test provisions and the various rate calculators that determine the rates of payment to which social security customers are entitled.

There will also be some minor changes to improve the operation of the law in respect of the means test arrangements and rate calculators. These changes will:

- clarify in legislation the current treatment for income test purposes of earned income for pensions and parenting payment, and of gross rental income;
- streamline the deeming exemption provisions by providing an automatic exemption for financial investments that are unrealisable for the purpose of the assets test hardship provisions;
- amend the means test treatment of income streams to ensure the conditions that income streams must meet to gain favourable means test treatment are unambiguous, as well as correct anomalies and unintended consequences; and
- for 'compensation arrears debts' that are treated as income, allow their recovery directly from compensation payers/insurers.

### Performance Indicators

Due to the minor nature of the changes and minimal numbers affected, performance information is not required.

### Removal of Anomaly between ABSTUDY and the Social Security Income Test

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	0.250	0.267	0.284	0.302
	Departmental	0.999	0.124	0.117	0.178
	<b>Total</b>	<b>1.249</b>	<b>0.391</b>	<b>0.401</b>	<b>0.480</b>
Measure	Administered	0.250	0.267	0.284	0.302
	Departmental	0.999	0.124	0.117	0.178
	<b>Total</b>	<b>1.249</b>	<b>0.391</b>	<b>0.401</b>	<b>0.480</b>

This measure will achieve equity in the treatment of partners of ABSTUDY recipients with that of other income support recipients by excluding ABSTUDY payments from the social security income test.

Since *The Social Security Act 1991* does not specifically exclude ABSTUDY payments from the income test, a small number of recipients are potentially disadvantaged. This occurs for couples where both individuals receive income support payments, one of whom receives ABSTUDY payments. In this scenario the partner of the ABSTUDY recipient can be disadvantaged as some ABSTUDY payments are taken to be income and may reduce or even cancel the partner's entitlement.

Under this measure, up to 600 partners of ABSTUDY recipients can be assured they are being treated consistently with other income support recipients.

#### Performance Indicators

Due to the minor nature of the change and minimal numbers affected, performance information is not required.

### Removal of Direct Deduction Rules from Partners of Compensation Recipients

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.023	0.031	0.032
	Departmental	0.005	0.030	0.020	0.020
	<b>Total</b>	<b>0.005</b>	<b>0.053</b>	<b>0.051</b>	<b>0.052</b>
Outcome 2	Administered	0.000	0.001	0.000	-0.001
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>0.000</b>	<b>0.001</b>	<b>0.000</b>	<b>-0.001</b>
Outcome 3	Administered	0.000	2.274	3.082	3.241
	Departmental	0.264	1.485	0.960	0.964
	<b>Total</b>	<b>0.264</b>	<b>3.759</b>	<b>4.042</b>	<b>4.205</b>
Measure	Administered	0.000	2.298	3.113	3.272
	Departmental	0.269	1.515	0.980	0.984
	<b>Total</b>	<b>0.269</b>	<b>3.813</b>	<b>4.093</b>	<b>4.256</b>

This measure will provide more generous treatment for the partners of compensation payment recipients by replacing the dollar for dollar direct deduction rules with the existing income test. Currently, periodic compensation payments for economic loss (ie. lost earning or lost capacity to earn) are generally treated as a 'dollar for dollar' direct deduction against the compensation recipient's and/or their partner's pension or allowance. Under this new measure, when the compensation recipient's rate of payment is reduced to nil because of the dollar for dollar deductions, the excess of the periodic compensation will reduce the partner's rate under the ordinary income test (ie. access to free areas and taper rates). Dollar for dollar deductions will however continue to apply to the compensation recipient.

Overall this measure will increase the amount of income support payments made to couples with low levels of income derived largely, or solely, from compensation payments.

### Performance Indicators

The indicators are:

- number of partners who receive increased (or new) social security payments as a result of the initiative; and
- changes to the average duration compensation recipients and their partners receive social security payments.

### Unauthorised Arrivals in Australia Package: Reducing the Incentives for Unauthorised Arrivals

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	-1.032	-3.126	-5.996	-6.160
	Departmental	5.014	4.068	4.096	4.124
	<b>Total</b>	<b>3.982</b>	<b>0.942</b>	<b>-1.900</b>	<b>-2.036</b>
Measure	Administered	-1.032	-3.126	-5.996	-6.160
	Departmental	5.014	4.068	4.096	4.124
	<b>Total</b>	<b>3.982</b>	<b>0.942</b>	<b>-1.900</b>	<b>-2.036</b>

The measure complements the Government's measures to address the issue of unauthorised arrivals. The specific aims of this measure as a part of the overall package are:

- to encourage social and economic participation by treating Temporary Protection Visa holders of work-force age in a similar way to Australian nationals of work-force age by requiring them to be self-reliant and to fulfil a mutual obligation to the Australian community; and
- to reinforce community support for the humanitarian immigration programme and the treatment of these refugees.

Temporary Protection Visa holders who, from 1 January 2001, apply for Special Benefit and are of work-force age or are on Special Benefit and reach work-force age after that date will be required to meet:

- the activity test requirements and other allowance conditions; and
- strengthened review and compliance requirements.

**Continuation of Payment to Voluntary Work Agencies (Voluntary Work Initiative)**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	1.221	1.622	1.648	1.674
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>1.221</b>	<b>1.622</b>	<b>1.648</b>	<b>1.674</b>
Measure	Administered	1.221	1.622	1.648	1.674
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>1.221</b>	<b>1.622</b>	<b>1.648</b>	<b>1.674</b>

This measure will allow the continuation of an existing contract with Volunteering Australia. Payments to Voluntary Work Agencies allows the Department of Family and Community Services to contract with Volunteering Australia which has successfully provided referral, placement and training services to unemployed income support recipients, and training to organisations involved in volunteer management, including those in rural and remote areas.

The referral service will facilitate placement in suitable voluntary work positions so that unemployed people can obtain the maximum benefit from their voluntary work. Training in volunteer management will assist the organisations to put in place good volunteer management practices and so enhance the value of voluntary work for unemployed people and the organisations in which they work.

**Performance Indicators**

The indicators are:

- number of enquiries;
- number of interviews;
- number of people referred to volunteer positions;
- training sessions provided to community organisations, volunteers, Centrelink staff and volunteer referral agencies; and
- marketing initiatives to community organisations, unemployed people and Centrelink Offices.



**Department of Agriculture, Fisheries and Forestry-Australia (AFFA) - Extension of Retirement Assistance for Farmers Scheme**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	0.901	1.867	1.933	2.007
	Departmental	0.598	0.060	0.009	0.009
	<b>Total</b>	<b>1.499</b>	<b>1.927</b>	<b>1.942</b>	<b>2.016</b>
Measure	Administered	0.901	1.867	1.933	2.007
	Departmental	0.598	0.060	0.009	0.009
	<b>Total</b>	<b>1.499</b>	<b>1.927</b>	<b>1.942</b>	<b>2.016</b>

The Retirement Assistance for Farmers Scheme (RAFS) will be extended for 9 months beyond its previous end date to 30 June 2001, to enable more farmers to access the scheme. The scheme assists a targeted group of low income, retirement age farmers to transfer the farm to a family member and gain immediate access to the pension, through modification to the gifting provisions. An asset limit of \$500,000 of the net value of the farm will continue to apply.

**Performance Indicators**

The indicators are:

- number of successful applicants;
- number of applicants rejected; and
- characteristics of successful applicants.

### FaCS Price Review

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	-7.184	-15.409	-24.076	-31.676
	<b>Total</b>	<b>-7.184</b>	<b>-15.409</b>	<b>-24.076</b>	<b>-31.676</b>
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	-0.235	-0.690	-1.160	-1.160
	<b>Total</b>	<b>-0.235</b>	<b>-0.690</b>	<b>-1.160</b>	<b>-1.160</b>
Outcome 3	Administered	0.000	0.000	0.000	0.000
	Departmental	-0.681	-2.001	-3.364	-3.364
	<b>Total</b>	<b>-0.681</b>	<b>-2.001</b>	<b>-3.364</b>	<b>-3.364</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	-8.100	-18.100	-28.600	-36.200
	<b>Total</b>	<b>-8.100</b>	<b>-18.100</b>	<b>-28.600</b>	<b>-36.200</b>

The Department of Family and Community Services will reduce the price of its operating costs and provide savings to the budget of \$1.6m in 2000-01, \$4.7m in 2001-02 and \$7.9m in 2002-03.

The Department will achieve these savings through a combination of better targeting of priorities, greater efficiencies in staffing and operational costs and by improving performance. The Department has implemented a change management framework to ensure effective delivery of its strategic outcomes and key business objectives and has made substantial progress towards benchmarking the cost and quality of its key business processes. The strategy to manage the funding reductions will be based on continuous business improvements using tools such as benchmarking and process improvements.

The review of the Child Support Agency (CSA) pricing of outputs has resulted in a pricing model being agreed with the Department of Finance and Administration, involving a 4 year formal funding agreement. This is on the basis of the agreed 3 per cent net annual price reduction against the budgeted 1999-00 price per case.

### Amendments to a New Tax System (Family Assistance and Related Measures) Bill 2000

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.030	0.034	0.040	0.041
	Departmental	0.596	0.187	0.189	0.190
	<b>Total</b>	<b>0.626</b>	<b>0.221</b>	<b>0.229</b>	<b>0.231</b>
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	0.073	0.011	0.011	0.011
	<b>Total</b>	<b>0.073</b>	<b>0.011</b>	<b>0.011</b>	<b>0.011</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.030	0.034	0.040	0.041
	Departmental	0.669	0.198	0.200	0.201
	<b>Total</b>	<b>0.699</b>	<b>0.232</b>	<b>0.240</b>	<b>0.242</b>

This measure amends the *A New Tax System (Family Assistance and Related Measures) Bill 2000* to ensure the family assistance regime, to be introduced on 1 July 2000, is comprehensive and viable. Some of the measures related to Child Care Benefit (CCB) fulfil a commitment to replace regulation making powers with substantive provisions.

The amendments can be categorised as follows:

- introduction of administrative infrastructure to support payment of CCB;
- amendments that clarify and refine the operation of family assistance law;
- amendments that replace regulation making powers with substantive provisions;
- savings and transitional provisions;
- miscellaneous minor/technical amendments;
- consequential amendments to other Commonwealth Acts;
- amendments to other '*A New Tax System*' legislation; and
- new policy issues.

#### Performance Indicators

No performance information will be required.

**Aboriginal and Torres Strait Islander Commission (ATSIC) - Expansion of the Community Development Employment Projects (CDEP) Scheme**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-1.158	-2.371	-2.436	-2.504
	Departmental	-0.036	-0.100	-0.100	-0.100
	<b>Total</b>	<b>-1.194</b>	<b>-2.471</b>	<b>-2.536</b>	<b>-2.604</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-5.533	-11.349	-11.673	-12.017
	Departmental	-0.145	-0.398	-0.400	-0.402
	<b>Total</b>	<b>-5.678</b>	<b>-11.747</b>	<b>-12.073</b>	<b>-12.419</b>
Measure	Administered	-6.691	-13.720	-14.109	-14.521
	Departmental	-0.181	-0.498	-0.500	-0.503
	<b>Total</b>	<b>-6.872</b>	<b>-14.218</b>	<b>-14.609</b>	<b>-15.024</b>

The CDEP scheme is a programme funded by ATSIC and the Torres Strait Regional Authority (TSRA). The scheme enables Aboriginal and Torres Strait Islander community councils and other approved Aboriginal and Torres Strait Islander groups to offer work to community members in activities that assist individuals in acquiring skills which:

- benefit the community;
- develop business enterprises; and/or
- lead to unsubsidised employment.

The scheme also aims to develop management and business skills in an environment conducive to the principles of self-determination.

This measure will increase the amount of existing places within the scheme by 1,500.

**Department of Veterans' Affairs (DVA) - Change Date of Effect for Grants and Variations to Compensation Payments**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	0.000	0.082	0.081	0.080
	Departmental	0.009	0.009	0.006	0.006
	<b>Total</b>	<b>0.009</b>	<b>0.091</b>	<b>0.087</b>	<b>0.086</b>
Measure	Administered	0.000	0.082	0.081	0.080
	Departmental	0.009	0.009	0.006	0.006
	<b>Total</b>	<b>0.009</b>	<b>0.091</b>	<b>0.087</b>	<b>0.086</b>

The Government will modify the *Veterans' Entitlements Act 1986* to change the way that disability and war widows' pensions are calculated to more accurately reflect pensioners' true entitlements.

Currently pensioners receive a full fortnight's instalment at the new or varied rate on the payday following the determination. Under these new arrangements, pensioners will receive a payment that reflects only the number of days prior to that payday for which they are entitled to the new or varied rate.

Where a reduction in pension occurs, the pensioner will receive a more generous first payment in the next fortnight. This is because the reduction is only made for the number of days prior to the pay day for which the reduced rate applies, rather than for a full fortnight.

As a result of this change, a disability or war widow/er pensioner's assessable income for social security income test purposes may reduce slightly. This leads to a small increase in the Department of Family and Community Services income support payments.

This is a cross portfolio measure between the Department of Veteran's Affairs and the Department of Family and Community Services.

**Department of Veterans' Affairs (DVA) – Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	-12.870	-26.595	-27.178	-27.794
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>-12.870</b>	<b>-26.595</b>	<b>-27.178</b>	<b>-27.794</b>
Measure	Administered	-12.870	-26.595	-27.178	-27.794
	Departmental	0.000	0.000	0.000	0.000
	<b>Total</b>	<b>-12.870</b>	<b>-26.595</b>	<b>-27.178</b>	<b>-27.794</b>

The Government will extend repatriation benefits and medals to certain deployments to South-East Asia in the period 1955-75.

A review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75 concluded that anomalies existed in the determination of entitlements to medals and repatriation benefits for a number of deployments of Australian Defence Force and other personnel. The Department of Defence has reassessed each deployment, and this measure rectifies anomalies determined in the award of medals and repatriation entitlements.

An additional 43,000 medals will be awarded, and an additional 2,600 Veterans will be entitled to repatriation benefits. The Department of Defence will absorb the cost (\$1.7 million in 2000-01) for the provision of medals.

As the Department of Veterans' Affairs will provide service pension and health care for those entitled to repatriation benefits, savings will be realised in the Departments of Health and Aged Care and the Department of Family and Community Services.

This is a cross-portfolio measure between the Department of Veterans' Affairs, the Department of Health and Aged Care, the Department of Family and Community Services and the Department of Defence.

Note: The increase in DVA repatriation entitlements results in fewer social security payments, as shown in the table above.

**Department of Immigration and Multicultural Affairs (DIMA): Introduction of New Entry Requirements for Aged Parent Migrants**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
<hr/>					
	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
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Outcome 3	Administered	0.225	1.865	2.611	1.335
	Departmental	0.315	0.842	0.465	0.509
	<b>Total</b>	<b>0.540</b>	<b>2.707</b>	<b>3.076</b>	<b>1.844</b>
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Measure	Administered	0.225	1.865	2.611	1.335
	Departmental	0.315	0.842	0.465	0.509
	<b>Total</b>	<b>0.540</b>	<b>2.707</b>	<b>3.076</b>	<b>1.844</b>

This measure represents the Department of Family and Community Services component of the Department of Immigration and Multicultural Affairs' 2000-01 Migration Program measure to increase the aged parent numbers in the family stream to relieve the pressure in demand.

The increase in the aged parent numbers will be subject to new Assurance of Support (AoS) conditions being imposed on this category - extension of the AoS period from two to ten years and increase in the bond from \$3,500 to \$10,000 for the main applicant and from \$1,500 to \$4,000 for a dependant applicant.

The package will allow for family reunion and its associated social benefits, while ensuring that sponsors/assurers of parents bear greater responsibility for this group. This proposal will also partially relieve the pressure on this migration category and will contribute to the policy of strengthening and supporting Australian families.

**Department of Immigration and Multicultural Affairs (DIMA): Increased Permanent Migrant Intake**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.827	1.571	2.485	3.430
	Departmental	0.328	0.280	0.263	0.273
	<b>Total</b>	<b>1.155</b>	<b>1.851</b>	<b>2.748</b>	<b>3.703</b>
Outcome 2	Administered	0.000	0.000	0.000	0.000
	Departmental	0.010	0.010	0.005	0.007
	<b>Total</b>	<b>0.010</b>	<b>0.010</b>	<b>0.005</b>	<b>0.007</b>
Outcome 3	Administered	1.111	2.257	2.428	4.776
	Departmental	0.631	0.602	0.348	0.446
	<b>Total</b>	<b>1.742</b>	<b>2.859</b>	<b>2.776</b>	<b>5.222</b>
Measure	Administered	1.938	3.828	4.913	8.206
	Departmental	0.970	0.892	0.616	0.726
	<b>Total</b>	<b>2.908</b>	<b>4.720</b>	<b>5.529</b>	<b>8.932</b>

This measure represents the Department of Family and Community Services' component of the Department of Immigration and Multicultural Affairs' 2000-01 Migration Program measure to increase the total migrant intake for the next year by 6000 places.

The increase in the total migrant intake for 2000-01 will be predominantly in the skilled migrant stream. Skilled migrants are subject to the two-year waiting period for most social security payments and show very good performance in the labour market. The minor increase in the family stream is to relieve the pressure in demand caused by stringent caps in the last few years and will contribute to the policy of strengthening and supporting Australian families. The increase in the family stream is also due to one-off parent intake under the "designated parent visa class" which was created as a result of the Senate disallowance (in March 1999) of the regulations for parent migration introduced in November 1998. The proposed increase in the total migrant intake for 2000-01 will increase both Assurance of Support and non-Assurance of Support placements.



**Department of Immigration and Multicultural Affairs (DIMA): Enhanced Integrity of the Family Migration Stream**

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	-	-	-	-
Outcome 3	Administered	-0.155	-0.155	-0.155	-0.155
	Departmental	0.130	0.204	0.208	0.213
	<b>Total</b>	<b>-0.025</b>	<b>0.049</b>	<b>0.053</b>	<b>0.058</b>
Measure	Administered	-0.155	-0.155	-0.155	-0.155
	Departmental	0.130	0.204	0.208	0.213
	<b>Total</b>	<b>-0.025</b>	<b>0.049</b>	<b>0.053</b>	<b>0.058</b>

This measure is to amend the *Social Security (Administration) Act 1999* to enable the Social Security Appeals Tribunal (SSAT) to hear appeals against medical assessments for Australian residents under the Carer visa provisions.

Under current arrangements Australian residents who require care by overseas relatives must undertake assessment of their medical condition by Health Services Australia (HSA). Applicants who disagree with HSA medical assessments may seek review by the external specialist panel maintained by HSA.

The SSAT would provide a more appropriate and independent review body. It has a proven record in relation to the review of administrative decisions in a cost effective, speedy and impartial manner. It reviews cases involving medical conditions and employs medical members to hear such cases. It is the only tribunal of its kind to do so.

The proposed amendment of the *Social Security (Administration) Act 1999* would permit the SSAT to review decisions made under legislation not currently within the scope of the SSAT's review powers. As applications under the Carer visa provisions are made under relevant legislation relating to the operation of the Department of Immigration and Multicultural Affairs, the measure would have no direct impact on customers of the Family and Community Services portfolio. It is possible, however, that a customer of this portfolio may also be a person who makes an application under the Carer visa provisions.

### Family Assistance Office (FAO) Review Mechanism

		2000-01	2001-02	2002-03	2003-04
		\$m	\$m	\$m	\$m
Outcome 1	Administered	0.000	0.000	0.000	0.000
	Departmental	10.695	3.200	0.142	0.143
	<b>Total</b>	<b>10.695</b>	<b>3.200</b>	<b>0.142</b>	<b>0.143</b>
Outcome 2	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Outcome 3	Administered	-	-	-	-
	Departmental	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Measure	Administered	0.000	0.000	0.000	0.000
	Departmental	10.695	3.200	0.142	0.143
	<b>Total</b>	<b>10.695</b>	<b>3.200</b>	<b>0.142</b>	<b>0.143</b>

On 10 April 2000 the Minister for Family and Community Services announced the broad parameters of a scheme to enable people to claim a top-up payment if they are able to demonstrate that they are disadvantaged by the introduction of the new family assistance arrangements. The assessment will be made by the Family Assistance Office (FAO) and based on the combined effects of changes to income tax, family assistance and other social payments as part of the taxation reforms, and the impact of the GST. This funding enables the FAO to assess inquiries regarding this scheme. Should assessment identify people who are disadvantaged, funding for additional payments will be provided at that time.

## **Non-Budget Measures**

The following are measures or variations to previously announced measures that have taken effect since those reported in the *Portfolio Additional Estimates Statements 1999-2000*

### **Extend Double Orphan Pension Eligibility.**

Carers of children whose only living parent is a long-term prisoner will become entitled to DOP. The definition of "long-term prisoner" will be extended to include a person who has been charged with an offence punishable by imprisonment for life or for a term of at least 10 years, is in custody, and has not been convicted. This change to DOP is included in the *Family and Community Services Legislation Amendment Bill 2000*, which was introduced to Parliament on 9 March 2000 and will take effect from Royal Assent.

### **Pay Family Allowance to Carers of Orphaned Children.**

Where the rate of family assistance (Family Allowance or Family Tax Benefit) payable in respect of a DOP child is lower than the rate payable in respect of the child immediately before the child became a double orphan, an additional rate of DOP will be paid to the carer. This additional rate will equal the difference between the prior rate of family assistance and the current rate of family assistance. This measure will be backdated to 1 July 1998. This change to DOP is included in the *Family and Community Services Legislation Amendment Bill 2000*, which was introduced to Parliament on 9 March 2000.

### **1998-99 Budget measure to Apply the Newly Arrived Resident's Waiting Period to Agreement Countries - deferred implementation**

In the 1998-99 Budget a measure was announced to apply the newly arrived resident's waiting period to Agreement countries. The measure:

- removes inconsistent Agreement provisions; and
- ensures that a newly arrived resident's waiting period applies (for relevant payments) to all people who have not been Australian residents and in Australia for a period of, or periods totalling, 104 weeks.

The measure was scheduled for implementation on 1 September 1998 but was deferred to 1 September 1999 as reported in the 1999-00 Portfolio Budget Statements. Due to further delays in the passage of legislation, the commencement date was deferred to 1 November 1999, as reported in the 1999-00 Portfolio Additional Estimates Statements.

As a result of further delays in the passage of legislation, the commencement date was again deferred to 1 February 2000, resulting in a loss of savings. The actual commencement date was fixed by Proclamation.

### **1998-99 Budget measure to Abolish Special Maintenance – deferred implementation**

In the 1998-99 Budget a measure was announced to abolish the category of special maintenance for Family Allowance. The measure removes the concessional treatment of maintenance paid in the form of housing under the maintenance income test.

The measure was scheduled for implementation on 1 January 1999. However, due to delays in the passage of legislation it was deferred to 1 April 2000, resulting in a loss of savings. The legislation received Royal Assent in November.

### **1998-99 Budget Measure to Modify the Treatment of Non-Economic Loss Compensation Payments – deferred implementation**

In the 1998-99 Budget a measure was announced to modify the existing income test treatment of non-economic loss compensation payments. The measure was scheduled for implementation on 1 July 1999, but has been amended and deferred. The legislation prescribes an implementation date of 12 months following the legislation's proclamation.

**1998-99 Budget measure to Introduce a Crisis Payment to Assist People in Extreme Circumstances – deferred implementation**

In the 1998-99 Budget a measure was announced to introduce a crisis payment to assist people in extreme circumstances. The measure introduced a non-refundable one-off payment to assist new and existing customers who are in financial hardship when forced to leave their home and establish a new home due to a limited number of circumstances, such as fleeing domestic violence or an event such as a household fire. The new crisis payment was intended to replace the prison release payment arrangements.

The measure was scheduled for implementation on 1 July 1999. However, due to delays in the passage of legislation, the commencement date was deferred to Royal Assent of the *Further 1998 Budget Measures Legislation Amendment (Social Security) Act 1999* on 11 November 1999. The delay resulted in additional Departmental costs.

**1998-99 Budget measure Community Development Employment Projects (CDEP) – Remove Inequities and Pay a Participant Supplement – variation and deferred implementation**

In the 1998-99 Budget a measure was announced to remove inequities and pay a participant supplement for the Community Development Employment Projects (CDEP) scheme. The measure includes three elements:

- allowing participants access to additional entitlements such as rent assistance, bereavement payments, telephone allowance, pharmaceutical allowance and concession cards;
- the introduction of a \$20 per fortnight participant supplement for eligible low-income workers; and
- revised income test treatment of CDEP wages.

The measure was scheduled for implementation on 20 March 1999. However, due to delays in the passage of legislation and Senate amendments, the commencement date was deferred to 20 September 1999 for the first and third elements, with the second element to be backdated to the original date of implementation, 20 March 1999.

Further delays to the passage of legislation have resulted in an implementation date of 20 March 2000. The \$20 supplement is being paid retrospectively for the period 20 March 1999 to 19 March 2000. The delays have resulted in an increase in expenses.

**1998-99 Budget measure to Create a New Category of Advance Payment Called a Special Employment Advance – deferred implementation**

In the 1998-99 Budget a measure was announced to create a new category of advance payment called a Special Employment Advance. The advance extends coverage to customers who are or would be in financial hardship due to:

- having earned income but not yet received it; or
- the costs of taking up a definite job offer.

The measure was originally scheduled for implementation on 20 March 1999. However, due to delays in the passage of legislation, the commencement date was deferred to 20 September 1999 and again to the date of Royal Assent, 11 November 1999. Changes to the legislation before it was passed in November ensure that income support customers cannot claim both the Special Employment Advance and the Employment Entry Payment.

**1996-97 Budget measure to Abolish Employment Entry Payment – measure defeated**

In the 1996-97 Budget a measure was announced to abolish the Employment Entry Payment for all customers with a scheduled implementation date of 20 March 1997. The measure was amended and deferred to 1 January 1998, as reported in the 1997-98 Portfolio Budget Statements. Due to further delays in the passage of legislation, the commencement date was deferred to 20 September 1999 and

further deferred to the date of Royal Assent. However, the legislation was not passed and the abolition of Employment Entry Payment will not go ahead, resulting in a loss of savings.

During the debate on the Special Employment Advance legislation, changes were made that result in customers not being able to claim both the Special Employment Advance and the Employment Entry Payment. This means a slight reduction in the ongoing cost of the now continuing Employment Entry Payment since some customers will choose a Special Employment Advance instead of an Employment Entry Payment.

#### **1996-97 Budget measure to Abolish the Education Entry Payment - measure defeated**

In the 1996-97 Budget a measure was announced to abolish Education Entry Payment for non-pensioners and scheduled for implementation on 20 March 1997. The measure was amended and deferred to 1 January 1998, as reported in the 1997-98 Portfolio Budget Statements. Due to further delays in the passage of legislation, the commencement date was deferred to 20 September 1999 and further deferred to the date of Royal Assent. However, the legislation was not passed and the abolition of Education Entry Payment will not go ahead, resulting in a loss of savings.

#### **1999-00 Budget measure to Introduce New Income Support Arrangements for Persons Sharing Care of a Child - measure defeated**

In the 1999-00 Budget, changes to the income support arrangements for persons sharing care of a child were announced. The changes were to have become effective from 1 January 2001. They would have introduced a requirement that a person must have greater than 60 per cent care of a shared care child before that child could qualify the person for Parenting Payment. Persons with care in the range 40 per cent to 60 per cent would have had access to Newstart Allowance with a modified activity test, which took into account their caring responsibilities. The measure was defeated in the Senate in the 1999 Budget Session of Parliament, resulting in a loss of savings.

#### **1999-00 Budget measure to tighten gifting rules – deferred implementation**

In the 1999-00 Budget a measure was announced to tighten the social security gifting rules. The measure involved reducing from \$10,000 to \$5,000 the amount customers could gift each year without attracting the deprivation provisions of the *Social Security Act 1991*. Included as part of the measure was a change to the period to which the gifting free area applied, from a 'pension year' to the more commonly understood 'financial year'.

The measure was scheduled for implementation on 1 July 1999. However, due to delays in the passage of legislation, the commencement date has been deferred, resulting in a loss of savings.

#### **1999-00 Budget measure to Align Invalidity Service Pension Assessments – amended measure**

This measure is a component of the Department of Veterans' Affairs' 1999-00 Budget to align invalidity service pension assessments with disability compensation assessments.

This measure was amended in the Senate to allow current Invalidity Service pensioners to be grandfathered. The criteria to align Invalidity Service Pension assessments with disability compensation assessments will apply only to grants of invalidity based income support payment made on or after 1 January 2000.

#### **The GST Assistance Scheme (GAS)**

GAS will provide assistance to persons who identify themselves as outside the income tax and social security systems and, therefore unable to access the compensation provided in The New Tax System package.



## **SECTION 4: BUDGETED FINANCIAL STATEMENTS**

### **Budget Statement of Revenue and Expenses (Budget Operating Statement)**

This statement provides a picture of the expected financial results for the Department by identifying full accrual expenses and revenues, which highlights whether the Department is operating at a sustainable level in the short run.

### **Budget Statement of Assets and Liabilities (Budget Balance Sheet)**

This statement shows the financial position of the Department. It enables decision-makers to track the management of the Department's assets and liabilities.

### **Budget Cash Flow Statement**

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

### **Capital Budget**

Shows all planned capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

### **Non-financial Assets — Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

Table 4.1: FaCS Departmental Operating Statement

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>Revenues</b>					
Sales of goods and services	35.722	35.286	34.188	33.900	33.713
Appropriations	2029.459	2136.426	2106.937	2064.255	2046.660
Other sources of non-taxation revenue	0	0.130	0.204	0.208	0.213
<b>Total Revenue</b>	<b>2065.181</b>	<b>2171.842</b>	<b>2141.329</b>	<b>2098.363</b>	<b>2080.586</b>
<b>Expenses</b>					
Employees	286.939	291.938	301.516	301.321	306.389
Suppliers	203.113	226.705	254.847	256.946	262.608
Depreciation and amortisation	11.324	21.389	21.196	21.406	22.379
Other goods and services expenses	1556.052	1623.885	1556.084	1518.690	1489.210
<b>Total Expenses</b>	<b>2057.428</b>	<b>2163.917</b>	<b>2133.643</b>	<b>2098.363</b>	<b>2080.586</b>
<b>Operating Result</b>	<b>7.753</b>	<b>7.925</b>	<b>7.686</b>	<b>0</b>	<b>0</b>
Abnormal items	0	0	0	0	0
Profit or Loss on Extraordinary Items After Tax	0	0	0	0	0
<b>Accumulated Result at Year End</b>	<b>7.753</b>	<b>7.925</b>	<b>7.686</b>	<b>0</b>	<b>0</b>
Capital user charge	1.714	0	0	0	0
Dividends provided for or paid	6.000	7.925	7.686	0	0
Transfer to/from reserves	0	0	0	0	0
<b>Accumulated Results After Transfers</b>	<b>0.039</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



Table 4.2: FaCS Departmental Budgeted Balance Sheet

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>LIABILITIES</b>					
<b>Provisions and Payables</b>					
Employee provisions	82.420	89.797	97.494	103.496	109.420
Suppliers payable	16.010	14.239	14.423	13.090	11.645
Other provisions and payables	-0.045	-0.045	-0.045	-0.045	-0.045
<b>Provisions and Payables</b>	<b>98.385</b>	<b>103.991</b>	<b>111.872</b>	<b>116.541</b>	<b>121.020</b>
<b>EQUITY</b>					
Accumulated results	0.570	0.570	0.570	0.570	0.570
Reserves	0.423	0.423	0.423	0.423	0.423
Capital	0.180	0.328	0.441	0.509	0.577
<b>Total Equity</b>	<b>1.173</b>	<b>1.321</b>	<b>1.434</b>	<b>1.502</b>	<b>1.570</b>
<b>Liabilities and Equity</b>	<b>99.558</b>	<b>105.312</b>	<b>113.306</b>	<b>118.043</b>	<b>122.590</b>
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	11.579	16.794	25.684	20.879	28.263
Receivables	3.714	3.670	3.574	3.554	3.534
Total Investments	25.000	25.000	25.000	25.000	25.000
<b>Financial Assets</b>	<b>40.293</b>	<b>45.464</b>	<b>54.258</b>	<b>49.433</b>	<b>56.797</b>
<b>Non-Financial Assets</b>					
Land & Buildings	8.968	8.204	7.440	6.676	5.912
Infrastructure Plant and Equipment	12.084	10.027	8.120	13.670	13.574
Intangibles	32.710	36.114	37.985	42.761	40.804
Other non-financial assets	5.503	5.503	5.503	5.503	5.503
<b>Non Financial Assets</b>	<b>59.265</b>	<b>59.848</b>	<b>59.048</b>	<b>68.610</b>	<b>65.793</b>
<b>Total Assets</b>	<b>99.558</b>	<b>105.312</b>	<b>113.306</b>	<b>118.043</b>	<b>122.590</b>

Table 4.3: FaCS Departmental Statement of Cash Flows

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>OPERATING ACTIVITIES</b>					
<b>Cash Received from Operating Activities</b>					
Sale of Goods and Services	38.704	35.330	34.284	33.920	33.733
Appropriation receipts	2029.459	2136.426	2106.937	2064.255	2046.660
Cash from the Consolidated Revenue Fund	9.268	0	0	0	0
Cash received - other	0	0.130	0.204	0.208	0.213
<b>Total Cash Received From Operating Activities</b>	<b>2077.431</b>	<b>2171.886</b>	<b>2141.425</b>	<b>2098.383</b>	<b>2080.606</b>
<b>Cash Used from Operating Activities</b>					
Payments to employees	282.336	284.561	293.819	295.319	300.465
Payments to suppliers	208.718	228.436	254.614	258.235	264.009
Cash used - other	1556.052	1623.925	1556.133	1518.734	1489.254
<b>Total Cash Used For Operating Activities</b>	<b>2047.106</b>	<b>2136.922</b>	<b>2104.566</b>	<b>2072.288</b>	<b>2053.728</b>
<b>Net Cash From/(To) Operating Activities</b>	<b>30.325</b>	<b>34.964</b>	<b>36.859</b>	<b>26.095</b>	<b>26.878</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received -Investing - Non Financial</b>					
<b>Total Cash Received - Investing - Non-financial</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Used - Investing - Non Financial</b>					
Purchase of replacement assets	6.887	7.018	5.762	12.453	7.712
Purchase or replacement of intangibles	9.990	14.954	14.634	18.515	11.850
<b>Total Cash Used - Investing - Non-financial</b>	<b>16.877</b>	<b>21.972</b>	<b>20.396</b>	<b>30.968</b>	<b>19.562</b>
<b>Net Cash Received - Investing - Non-financial</b>	<b>-16.877</b>	<b>-21.972</b>	<b>-20.396</b>	<b>-30.968</b>	<b>-19.562</b>
<b>Net Cash From/(To) Investing Activities</b>	<b>-16.877</b>	<b>-21.972</b>	<b>-20.396</b>	<b>-30.968</b>	<b>-19.562</b>

**FINANCING ACTIVITIES****Cash Received From Financing Activities**

Cash from Consolidated Revenue Fund	0.180	0.148	0.113	0.068	0.068
<b>Total Cash Received from Financing Activities</b>	<b>0.180</b>	<b>0.148</b>	<b>0.113</b>	<b>0.068</b>	<b>0.068</b>

**Cash used for Financing Activities**

Cash used for dividends and CUC	7.714	7.925	7.686	0	0
Repayment of borrowings	3.000	0	0	0	0
<b>Total Cash Used for Financing Activities</b>	<b>10.714</b>	<b>7.925</b>	<b>7.686</b>	<b>0</b>	<b>0</b>

<b>Net Cash From/(To) Financing Activities</b>	<b>-10.534</b>	<b>-7.777</b>	<b>-7.573</b>	<b>0.068</b>	<b>0.068</b>
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<b>Net (decrease)/increase in cash held</b>	<b>2.914</b>	<b>5.215</b>	<b>8.890</b>	<b>-4.805</b>	<b>7.384</b>
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<b>Cash at beginning of the period</b>	<b>8.665</b>	<b>11.579</b>	<b>16.794</b>	<b>25.684</b>	<b>20.879</b>
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<b>Cash at end of period</b>	<b>11.579</b>	<b>16.794</b>	<b>25.684</b>	<b>20.879</b>	<b>28.263</b>
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Table 4.4: FaCS Departmental Capital Budget Statement

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>Capital Appropriations</b>					
Total Equity Injections	0.180	0.148	0.113	0.068	0.068
Appropriation of Previous Years Carryover	9.269	0	0	0	0
<b>Total Capital Appropriation</b>	<b>9.449</b>	<b>0.148</b>	<b>0.113</b>	<b>0.068</b>	<b>0.068</b>
<b>Represented By:</b>					
Purchase of Non-Current Assets	9.449	0.148	0.113	0.068	0.068
Other Items	0	0	0	0	0
<b>Purchase of non current assets</b>					
Funded by Capital Appropriation	9.449	0.148	0.113	0.068	0.068
Funded Internally by Departmental Resources	7.428	21.824	20.283	30.900	19.494
<b>Total Amount Funded</b>	<b>16.877</b>	<b>21.972</b>	<b>20.396</b>	<b>30.968</b>	<b>19.562</b>

Table 4.5: FaCS Departmental Non-Financial Assets – Summary of Movement

	<b>Land</b> \$m	<b>Buildings</b> \$m	<b>IP&amp;E</b> \$m	<b>Intangibles</b> \$m
<b>Gross Value</b>				
As at 1 July 2000 (opening)		18.582	31.222	37.890
Additions		0	7.018	14.954
Disposals		0	0	0
Other Movements		0	0	0
As at 30 June 2001		18.582	38.240	52.844
<b>Accumulated Depreciation</b>				
As at 1 July 2000 (opening)		9.614	19.138	5.180
Disposals		0	0	0
Charge for the reporting period		0.764	9.075	11.550
Other Movements		0	0	0
As At 30 June 2001		10.378	28.213	16.730
<b>Net Book Value as at 30 June 2001 (closing book value)</b>		<b>8.204</b>	<b>10.027</b>	<b>36.114</b>
<b>Net Book Value as at 1 July 2000 (opening book value)</b>		<b>8.968</b>	<b>12.084</b>	<b>32.710</b>
<b>Total Additions</b>				
Self Funded			6.870	14.954
Appropriations			0.148	
<b>Total</b>			<b>7.018</b>	<b>14.954</b>

Table 4.6: Statement of Administered Revenues and Expenses

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>Revenue</b>					
Other taxes fees and fines	45.951	50.445	52.793	57.447	62.157
Interest and dividends	39.466	44.310	48.833	53.098	53.098
Appropriations	46005.929	52933.811	53318.624	55408.973	57379.556
Other sources of non-taxation revenue	899.980	959.003	995.869	1058.777	1122.547
<b>Total Revenue</b>	<b>46991.326</b>	<b>53987.569</b>	<b>54416.119</b>	<b>56578.295</b>	<b>58617.358</b>
<b>Expenses</b>					
Suppliers	54.145	59.494	64.534	64.534	64.534
Net write-down of assets	202.089	281.948	298.930	324.643	341.925
Other goods and services expenses	595.630	638.410	648.997	684.723	732.598
Subsidies	15.818	13.091	13.253	13.538	13.824
Personal Benefits	43791.743	50512.258	50865.314	53050.153	55088.879
Grants	2059.996	2198.496	2229.035	2135.093	2066.475
Interest and other financing costs	65.242	64.604	62.174	60.599	60.599
<b>Total Expenses</b>	<b>46784.663</b>	<b>53768.301</b>	<b>54182.237</b>	<b>56333.283</b>	<b>58368.834</b>
<b>Accumulated Result at Year End</b>	<b>206.663</b>	<b>219.268</b>	<b>233.882</b>	<b>245.012</b>	<b>248.524</b>
Cash transfers to/from Consolidated Revenue Fund	190.530	237.121	265.981	285.074	284.962
<b>Accumulated Results After Transfers</b>	<b>16.133</b>	<b>-17.853</b>	<b>-32.099</b>	<b>-40.062</b>	<b>-36.438</b>

Table 4.7: Statement of Administered Assets and Liabilities

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>LIABILITIES</b>					
<b>Debt</b>					
Loans	1039.178	1000.021	976.774	976.572	976.370
<b>Debt</b>	<b>1039.178</b>	<b>1000.021</b>	<b>976.774</b>	<b>976.572</b>	<b>976.370</b>
<b>Provisions and Payables</b>					
Suppliers payable	0.256	0.256	0.256	0.256	0.256
Personal benefits payable	926.854	1109.377	1260.065	1378.914	1521.348
Subsidies payable	0.589	0.589	0.589	0.589	0.589
Grants payable	1.794	1.794	1.794	1.794	1.794
Other provisions and payables	47.087	47.217	47.182	47.798	48.346
<b>Provisions and Payables</b>	<b>976.580</b>	<b>1159.233</b>	<b>1309.886</b>	<b>1429.351</b>	<b>1572.333</b>
<b>EQUITY</b>					
Accumulated results	880.522	862.669	830.570	790.508	754.070
Capital	254.491	414.683	560.337	683.936	807.535
<b>Equity</b>	<b>1135.013</b>	<b>1277.352</b>	<b>1390.907</b>	<b>1474.444</b>	<b>1561.605</b>
<b>Liabilities and Equity</b>	<b>3150.771</b>	<b>3436.606</b>	<b>3677.567</b>	<b>3880.367</b>	<b>4110.308</b>
<b>ASSETS</b>					
<b>Financial Assets</b>					
Cash	96.063	81.139	80.740	90.194	98.370
Receivables	3049.168	3349.927	3591.287	3784.633	4006.398
Total Investments	0.788	0.788	0.788	0.788	0.788
<b>Financial Assets</b>	<b>3146.019</b>	<b>3431.854</b>	<b>3672.815</b>	<b>3875.615</b>	<b>4105.556</b>
<b>Non-financial Assets</b>					
Other non-financial assets	4.752	4.752	4.752	4.752	4.752
<b>Non Financial Assets</b>	<b>4.752</b>	<b>4.752</b>	<b>4.752</b>	<b>4.752</b>	<b>4.752</b>
<b>Total Assets</b>	<b>3150.771</b>	<b>3436.606</b>	<b>3677.567</b>	<b>3880.367</b>	<b>4110.308</b>

Table 4.8: Administered Cash Flow

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>OPERATING ACTIVITIES</b>					
<b>Cash Received from Operating Activities</b>					
Taxes fees and fines	3.854	3.963	4.012	4.112	4.449
Interest	3.211	5.139	7.029	8.583	8.583
Appropriation receipts	45642.201	52807.121	53202.131	55318.569	57259.733
Cash received - other	808.126	836.007	853.400	890.311	938.016
<b>Total Cash Received From Operating Activities</b>	<b>46457.392</b>	<b>53652.230</b>	<b>54066.572</b>	<b>56221.575</b>	<b>58210.781</b>
<b>Cash Used from Operating Activities</b>					
Payments to suppliers	56.728	87.163	90.597	89.941	91.005
Subsidies - cash used	15.818	13.091	13.253	13.538	13.824
Personal benefits - cash used	43371.677	50409.429	50757.489	52957.898	54967.159
Grants - cash used	2100.270	2200.496	2229.035	2135.093	2066.475
Interest & other financing costs	61.801	61.261	59.040	57.637	57.637
Cash to the Consolidated Revenue Fund	190.530	179.585	205.953	222.572	221.972
Cash used - other	598.914	627.457	639.793	676.160	723.801
<b>Total Cash Used For Operating Activities</b>	<b>46395.738</b>	<b>53578.482</b>	<b>53995.160</b>	<b>56152.839</b>	<b>58141.873</b>
<b>Net Cash From/(To) Operating Activities</b>	<b>61.654</b>	<b>73.748</b>	<b>71.412</b>	<b>68.736</b>	<b>68.908</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash Received – Investing – Financial</b>					
Cash Rec'd - Repayment of Advances	68.566	95.608	114.875	131.784	131.338
<b>Total Cash Received - Investing - Financial</b>	<b>68.566</b>	<b>95.608</b>	<b>114.875</b>	<b>131.784</b>	<b>131.338</b>
<b>Cash Used - Investing - Financial</b>					
Cash used - Advances made	42.503	49.488	49.075	51.613	52.129
Cash used - Consolidated Revenue Fund	0	40.314	40.423	41.436	41.924
<b>Total Cash Used - Investing - Financial</b>	<b>42.503</b>	<b>89.802</b>	<b>89.498</b>	<b>93.049</b>	<b>94.053</b>
<b>Net Cash Received - Investing - Financial</b>	<b>26.063</b>	<b>5.806</b>	<b>25.377</b>	<b>38.735</b>	<b>37.285</b>



	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>Net Cash From/(To) Investing Activities</b>	<b>26.063</b>	<b>5.806</b>	<b>25.377</b>	<b>38.735</b>	<b>37.285</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash Received From Financing Activities</b>					
Cash from Consolidated Revenue Fund	185.930	168.051	153.481	132.242	132.242
<b>Total Cash Received from Financing Activities</b>	<b>185.930</b>	<b>168.051</b>	<b>153.481</b>	<b>132.242</b>	<b>132.242</b>
<b>Cash used for Financing Activities</b>					
Cash to Consolidated Revenue Fund	39.794	24.487	26.960	28.605	28.605
Repayment of borrowings	220.214	238.042	223.709	201.654	201.654
<b>Total Cash Used for Financing Activities</b>	<b>260.008</b>	<b>262.529</b>	<b>250.669</b>	<b>230.259</b>	<b>230.259</b>
<b>Net Cash From/(To) Financing Activities</b>	<b>-74.078</b>	<b>-94.478</b>	<b>-97.188</b>	<b>-98.017</b>	<b>-98.017</b>
<b>Net (decrease)/increase in cash held</b>	<b>13.639</b>	<b>-14.924</b>	<b>-0.339</b>	<b>9.454</b>	<b>8.176</b>
<b>Cash at beginning of the period</b>	<b>82.424</b>	<b>96.063</b>	<b>81.139</b>	<b>80.740</b>	<b>90.194</b>
<b>Cash at end of period</b>	<b>96.063</b>	<b>81.139</b>	<b>80.740</b>	<b>90.194</b>	<b>98.370</b>

Table 4.9: Administered Capital Budget Statement

	Estimated Actual 1999-00 \$m	Budget Estimate 2000-01 \$m	Forward Estimate 2001-02 \$m	Forward Estimate 2002-03 \$m	Forward Estimate 2003-04 \$m
<b>Capital Appropriations</b>					
Administered Capital	145.336	160.192	145.654	123.599	123.599
<b>Total Capital Appropriation</b>	<b>145.336</b>	<b>160.192</b>	<b>145.654</b>	<b>123.599</b>	<b>123.599</b>
<b>Represented By:</b>					
Purchase of Non-Current Assets	0	0	0	0	0
Other Items	145.336	160.192	145.654	123.599	123.599

## Notes to the Financial Statements

The financial statements encompass the activities of all of the entities that form part of the Department under the *Financial Management and Accountability Act 1997*. These are the Department of Family and Community Services, the Social Security Appeals Tribunal, the Child Support Agency and CRS Australia.

The financial statements are reported exclusive of recoverable GST amounts.

### Departmental

Changes to revenues and expenses since Additional Estimates include:

- a dividend (return to Government) from CRS reserves;
- savings as a result of the abolition of Wholesale Sales Tax; and
- the range of new policy measures, as detailed in the Statement of Budget and Non-Budget Measures.

Changes to assets and liabilities include:

- a reallocation of the provisions and payables to reflect more accurately current estimates of employees and suppliers; and
- revised non-financial asset estimates.

### Administered

Changes since Additional Estimates include a change in reporting of Child Support estimates. Previously the appropriated amounts were reported as net amounts (that is receipts less expenses). This has been adjusted so the estimates now reflect the gross amount, that is normally reimbursed (that is, receipts as revenues and the gross amount of payments as expenses).

There are significant changes between the revenue and expenses estimates for 1999-00 and 2000-01. Reasons for this include:

- changes to payments under *A New Tax System*. These are the introduction of Family Tax Benefit, Childcare Benefit, the Aged Persons Savings Bonus and other payments. In some cases, these are replacing existing payments;
- assuming responsibility for the Commonwealth Financial Counselling Program (which was previously Department of the Treasury's responsibility);
- the transfer of the Continence Aids Assistance Scheme to the Department of Health and Aged Care; and
- the new policy measures, detailed in the Statement of Budget and Non-Budget Measures.

There have been only minor changes to the Statement of Assets and Liabilities since Additional Estimates, as a result of the variances in the Revenue and Expenses Statement.

## **SECTION 5: PURCHASER PROVIDER ARRANGEMENTS**

### **Cross Agency Overview**

During 2000-01, the Department of Family and Community Services (the Department) will have purchaser provider arrangements with:

- Centrelink;
- the Health Insurance Commission (HIC);
- the Australian Taxation Office (ATO);
- the Department of Veterans' Affairs (DVA);
- the Attorney-General's Department (A-Gs); and
- over 400 external service providers in relation to child care, disabilities and related activities.

Centrelink is the major service delivery agent for the Department's programmes. Under the Business Partnership Agreement (BPA) between the two agencies, Centrelink provides services related to most of the Department's Output Groups, including all income support payments and a wide range of related human services.

The Department currently has agreements with Centrelink, the HIC and the ATO to implement the Government's reforms under *A New Tax System*. These reforms include the establishment of the Family Assistance Office (FAO) and the introduction of Family Tax Benefit (FTB) and Child Care Benefit (CCB). Centrelink's ongoing involvement in the FAO and the delivery of FTB and CCB will be detailed in the 2000-01 BPA between the Department and Centrelink. The involvement of the HIC and the ATO will be secured through separate agreements between each of these agencies and the Department.

The HIC currently delivers the Commonwealth Childcare Rebate for the Department. Families who have Childcare Rebate claims for care provided before 1 July 2000 have until 31 December 2000 to lodge these claims. The Department's agreement with the HIC for the provision of the Childcare Rebate will continue until 31 December 2000.

The Department's agreement with DVA provides for DVA to deliver Age Pension and Wife (Age) Pension to veterans and their partners who also receive a disability pension from DVA and who choose DVA to be their provider. This means that both DVA and Centrelink make contributions to the delivery of the Department's Output Group 3.4.

The Department has an agreement with A-Gs which, although it is not strictly a purchaser provider relationship, sets out the management arrangements under which A-Gs provides part of the funding for the Family Relationships Services Program.

An internal agreement exists with CRS Australia for the purchase of Commonwealth rehabilitation services.

### **The FaCS – Centrelink Business Partnership Agreement**

Centrelink provides services related to most of the Department's Output Groups, including all income support payments and a wide range of related human services. The Business Partnership Agreement (BPA) consists of a core agreement, a series of protocols and separate output specifications detailing those programmes and services from the Department's outcome and Output Groups that Centrelink will deliver on the Department's behalf.

The BPA includes a distinct service level agreement between the Child Support Agency (which is part of the Department) and Centrelink to provide electronic registration and transfer of information

pertaining to claims for child support. As part of this agreement, Centrelink provide the necessary IT infrastructure to facilitate these services.

### **Responsibility**

The Department is responsible to the Minister for Community Services for all the programmes and services within its outcome and Output Group structure that are delivered on its behalf by Centrelink.

Centrelink is responsible for its outcome, through its Board, to the Minister for Community Services. As Centrelink is part of the Family and Community Services Portfolio, it reports on its outcome and provides a full set of financial statements in Part D of this Portfolio Budget Statement.

### **Control Arrangements**

Centrelink was established as a statutory authority on 1 July 1997. It provides a range of services formerly delivered by a number of separate Government agencies, primarily then Department of Social Security and the Commonwealth Employment Service.

The Centrelink Board currently comprises:

- Mr Robin Marrett (Chairman)
- Ms Christine Gillies (Member)
- Dr David Rosalky (Member)
- Dr Peter Shergold (Member)
- Mr John Thame (Member)
- Ms Sue Vardon (Chief Executive Officer, Centrelink)

There is one vacant position of Member. Dr Rosalky and Dr Shergold are non-voting members of the Board as each holds a position as Secretary of a purchasing department (Department of Family and Community Services and the Department of Employment Workplace Relations and Small Business respectively).

### **Resourcing**

The Department purchases programme delivery services from Centrelink using the resources provided to it for each of the relevant Output Groups. Information relating to these Output Groups is provided in the relevant sections of this Statement. The total resources provided by the Department to Centrelink for 2000-01 will be \$1,595.7 million.

Centrelink does not receive any resources directly for its outcome.

### **Performance against Outcomes and Outputs**

The performance information that will be available for each of the relevant the Department's Output Groups is indicated in the relevant section of this Statement.

Centrelink contributes to only some aspects of the Department's Output Group performance. This applies even in those cases in which Centrelink delivers all the programmes under that Output Group. Centrelink's expected contribution to each Output will be detailed in the Outcome, Strategies and Performance Protocol and the relevant Output Specification of the 2000-01 BPA.

The Department's Annual Report will detail the level of performance achieved over the financial year for each of the relevant Outputs.

## **Arrangements with the Health Insurance Commission (HIC)**

The Department will have a new and separate service level agreement with the HIC specifying the HIC's ongoing involvement in the Family Assistance Office (FAO) and the delivery of FTB, CCB, Maternity Allowance (MAT) and Maternity Immunisation Allowance (MIA). The Department currently has agreements with Centrelink, the HIC and the ATO to implement the Government's reforms under A New Tax System, including the establishment of the Family Assistance Office (FAO) and the introduction of FTB and CCB.

### **Responsibility**

The Department is responsible to the Minister for Family and Community Services and the Minister for Community Services for all the programmes and services delivered by the Family Assistance Office. FTB, MAT and MIA are part of the Department's output group 1.1, and CCB is part of the Department's Output Group 1.4.

The HIC is responsible, through its Board, to the Minister for Health and Aged Care. It reports on its outcomes and provides a full set of financial statements in Part D of the Health and Aged Care Portfolio Budget Statement.

### **Control Arrangements**

The HIC is a statutory body of the Commonwealth. The Commission consists of:

- the Commission Secretary;
- the Chairman
- 8 full-time Commissioners; and
- 1 part-time Commissioner.

The HIC operates under the *Health Insurance Commission Act 1973*. The HIC also operates under the *Commonwealth Authorities and Companies Act 1997*, the *Auditor-General Act 1997* and the *Privacy Act 1988*.

### **Resourcing**

The Department purchases programme delivery services from the HIC using the resources provided to it for the Department's Output Groups 1.1 and 1.4. Information relating to these Output Groups is provided in the relevant sections of this Statement. The total resources provided by the Department to the HIC for 2000-01 is estimated to be \$20.4 million.

### **Performance against Outcomes and Outputs**

The performance information that will be available for each of the relevant Output Groups is indicated in the relevant section of this Statement.

The HIC contributes to only some aspects of the relevant Output Group performance. Overall performance for outputs delivered through the FAO generally will be the result of the combined performance of all agencies making up the FAO. The HIC's expected contribution to each Output Group's performance will be detailed in the relevant service level agreement with the Department.

The Department's Annual Report will detail the level of performance achieved over the financial year for each of the relevant Output Groups.

## **Arrangements with the Australian Taxation Office (ATO)**

The Department will have a new and separate service level agreement with the ATO specifying the ATO's ongoing involvement in the FAO and the delivery of FTB, CCB, MAT and MIA. The Department currently has agreements with Centrelink, the HIC and the ATO to implement the Government's reforms under *A New Tax System*, including the establishment of the Family Assistance Office (FAO) and the introduction of FTB and CCB.

### **Responsibility**

The ATO is responsible to the Treasurer. It reports on its outcomes and provides a full set of financial statements in the relevant agency statement in the Treasury Portfolio Budget Statement.

### **Control Arrangements**

The ATO is a statutory authority of the Commonwealth. The ATO operates within the mainstream legislation for the operation of Commonwealth agencies including the *Financial Management and Accountability Act 1997*, the *Auditor-General Act 1997*, the *Privacy Act 1988* and the *Public Service Act 1999*.

### **Resourcing**

The Department purchases programme delivery services from the ATO using the resources provided to it for the Department's Output Groups 1.1 and 1.4. Information relating to these Output Groups is provided in the relevant sections of this Statement. The total resources provided by the Department to the ATO for 2000-01 is estimated to be \$9.2 million.

### **Performance against Outcomes and Outputs**

The performance information that will be available for each of the relevant Output Groups is detailed in the relevant section of this Statement.

The ATO contributes to only some aspects of the relevant Output Group performance. Overall performance for outputs delivered through the FAO generally will be the result of the combined performance of all agencies comprising the FAO. The ATO's expected contribution to each Output Group's performance will be detailed in the relevant service level agreement with the Department.

The Department's Annual Report will detail the level of performance achieved over the financial year for each of the relevant Output Groups.

### **Arrangements with the Department of Veterans' Affairs (DVA)**

Since March 1998, the Department of Veterans' Affairs (DVA) has administered Age Pension and Wife (Age) Pension to veterans and their partners who also receive a disability pension from DVA and who choose DVA to be their provider. The arrangement is managed via a Memorandum of Understanding.

This arrangement affects approximately 10,000 aged pensioners and is being evaluated by FaCS, DVA and Centrelink.

### **Responsibility**

DVA is responsible to the Minister for Veterans' Affairs. It reports on its outcomes and provides a full set of financial statements in the Department of Veterans' Affairs Portfolio Budget Statement.

### **Control Arrangements**

DVA is a Commonwealth Department and is subject to the standard legislation governing the operations of Commonwealth Departments. DVA operates within the mainstream legislation for the operation of Commonwealth agencies including the *Financial Management and Accountability Act 1997*, the *Auditor-General Act 1997*, the *Privacy Act 1988* and the *Public Service Act 1999*.

### **Resourcing**

The Department purchases the delivery of age pensions from DVA using the resources provided to it for the Department's Output Group 3.4. Total service delivery cost in 2000-01 for those age pensions provided by DVA is estimated to be \$0.2 million.

### **Performance against Outcomes and Outputs**

The performance information that will be available for Output Group 3.4 is detailed in the relevant section of this Statement.

DVA only contributes to some aspects of performance for the Department's Output Group 3.4. Overall performance for this Output Group will be the result of the combined performance of DVA and Centrelink. DVA's expected contribution to performance is detailed in the Memorandum of Understanding.

The Department's Annual Report will detail the level of performance achieved over the financial year for Output Group 3.4.

### **Arrangements with the Attorney-General's Department (A-Gs)**

The Department administers the Family Relationships Services Program, including those parts that are funded through the A-Gs portfolio. A business partnership agreement is in place between the Department and A-Gs to set out the management arrangements between the Departments.

A-Gs provides funds for family relationships mediation, children's contact services, family relationships counselling and the contact orders pilot. The Department funds family relationships education, family relationships counselling, family relationships skills training and adolescent mediation and family therapy.

The FaCS - A-Gs agreement enables the Family Relationships Services Program, which serves the Portfolio responsibilities of two Ministers, to maintain its integrated service delivery and linked policy outcomes.

#### **Responsibility**

A-Gs is responsible to the Attorney-General. This arrangement is funded through its Output Group 1.3, with reports on its outcomes and a full set of financial statements contained in the Attorney-General's Portfolio Budget Statement.

The Department is responsible to the Minister for Family and Community Services and the Minister for Community Services. It provides funds to the Family Relationships Services Program using resources for the Department's Output Group 1.1.

#### **Control Arrangements**

The Department and A-Gs are Commonwealth Departments and operate within the mainstream legislation for the operation of Commonwealth agencies including the *Financial Management and Accountability Act 1997*, the *Auditor-General Act 1997*, the *Privacy Act 1988* and the *Public Service Act 1999*.

#### **Performance against Outcomes and Outputs**

The performance information that will be available on the Family Relationships Services Program is indicated in the section of the Attorney-Generals Portfolio Budget Statement covering A-G's Output Group 1.3, and in the section of this Statement covering the Department's Output Group 1.1.

Information on the performance level achieved over the year will be contained in the relevant sections of the Department's and Attorney-General's annual reports.

#### **Resourcing**

A-Gs funds part of the services that the Department purchases from community organisations. All resources for program administration are provided from within the FaCS portfolio.

#### **Other Arrangements**

In addition to the above mentioned agreements with Commonwealth agencies, the Department has arrangements with over 6,000 non-Government organisations for the delivery of services in areas such as childcare, family relationships, disability employment services, advocacy and assistance to young people at risk of becoming homeless.

The Department is developing a framework for managing funding arrangements with non-Government agencies that will ensure both value for money and improvements in the quality of services to the



community. This will mean an increased emphasis on the achievement of specified outcomes and a more consistent and rigorous approach to managing funding arrangements. At the same time the need to balance competition and efficiency with the considerations of social capital, collaboration and specific regional needs means that the Department will continue to use a variety of funding mechanisms suited to varying circumstances and programmes.

A Quasi purchase/provider agreement exists with CRS Australia. The service level agreement includes performance and outcome targets and is revised annually.

The Department also funds some services jointly with State and Territory governments under the Commonwealth State Housing Agreement (CSHA - Output Group 2.1); Supported Accommodation Assistance Program (SAAP - Output Group 2.1); and Commonwealth State Disability Agreement (CSDA - Output Group 3.2). State and Territory governments administer these services, including the selection of providers. Further information on these programmes is included in reports for the appropriate Output Groups.



## APPENDIX 1: FaCS NON-APPROPRIATION REVENUE

Table A1: Statement of Non-Appropriated Departmental and Administered Revenue

<b>ADMINISTERED REVENUES</b>	<b>Estimated Revenue 1999-00 (\$'000)</b>	<b>Estimated Revenue 2000-01 (\$'000)</b>
Assurance of Support	10	10
Commonwealth/State Disability Agreement	200	200
CSA Trust Account *	675,808	729,325
Futures For Young Adults	2,231	2,231
HIC Interest on Advances for Benefits	135	135
National Housing Research Trust Fund *	200	200
Other Non Taxation Revenues	28,000	28,000
Other Trust Monies *	70,000	70,000
Reciprocal Agreement with New Zealand	125,000	135,000
Services For Other Bodies Trust *	44,482	44,482
Student Financial Supplement Scheme *	39,331	44,175
<b>Sub Total</b>	<b>985,397</b>	<b>1,053,758</b>
<b>DEPARTMENTAL REVENUES</b>	<b>Estimated Revenue 1999-00 (\$'000)</b>	<b>Estimated Revenue 2000-01 (\$'000)</b>
CRS Australia Resources	32,281	31,845
Section 31 of the Financial Management and Accountability Act	3,441	3,441
Section 31 of the Financial Management and Accountability Act - SSAT	0	130
<b>Sub Total</b>	<b>35,722</b>	<b>35,416</b>
<b>TOTAL</b>	<b>1,021,119</b>	<b>1,089,174</b>

\* Non-appropriation revenue is monies received from sources other than annual or special appropriations. Where those funds are then expended, they become a non-appropriated expense. For example, monies paid into the Child Support Trust Fund by non-custodial parents are non-appropriation revenue, while disbursements of those monies to custodial parents and allowances for bad debts are a non-appropriated expense. Such items are identified by an asterisk in the above table, and the corresponding expense amounts are shown as non-appropriated revenue in Tables 2.1.1, 2.4.2 and 2.7.3.

Recoveries of monies paid to income support recipients are generally credited back to the relevant special appropriation rather than being recorded as revenue.



## APPENDIX 2: DEPARTMENT OF FAMILY AND COMMUNITY SERVICES ESTIMATE OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table A2: Estimates of Expenses from Special Appropriations

Item	Outcomes Affected	Estimated Expense 1999-00 (\$'000)	Estimated Expense 2000-01 (\$'000)
<b>ANTS (Bonuses for Older Australians) Act 1999</b>			
Aged Persons Savings Bonus	3	0	1,140,500
Self Funded Retirees	3	0	293,224
Supplementary Bonus			
Total		0	1,433,724
<b>ANTS (Family Assistance) (Administration) Act 1999</b>			
Childcare Benefit	1	0	989,383
Family Tax Benefit A	1	0	8,186,232
Family Tax Benefit B	1	0	1,650,172
Maternity Allowances	1	0	201,881
Total		0	11,027,668
<b>Childcare Rebate Act 1993</b>			
Childcare Rebate	1	134,980	50,000
Total		134,980	50,000
<b>Child Support (Registration and Collection) Act 1988</b>			
Child Support s77 - Shortfalls in CSA Trust	1	42	32,764
Child Support s78 - Unexplained Remittances	1	2	349
Total		44	33,113
<b>Social Security (Administration) Act 1999</b>			
Age Pension	3	14,155,538	15,856,560
Austudy Payment	1	246,946	263,765
Bereavement Allowance	3	729	766
Carer Allowance (Adult)	3	136,129	157,787
Carer Allowance (Child)	3	277,057	306,622
Carer Payment	3	366,893	440,984
Disability Support Pension	3	5,281,714	5,755,256
Disaster Relief Payment	2	0	0
Double Orphan Pension	1	1,793	2,140
Family Allowance	1	6,673,741	25,684
Family Tax Payment	1	529,101	10,000
Fares Allowance	1	619	995
Maternity allowances	1	194,087	0
Mature Age Allowance	3	365,147	360,196
Mobility Allowance	3	52,250	58,600
Newstart Allowance	3	5,042,202	4,975,581

<b>Item</b>	<b>Outcomes Affected</b>	<b>Estimated Expense 1999-00 (\$'000)</b>	<b>Estimated Expense 2000-01 (\$'000)</b>
Parenting Payment (Partnered)	3	2,071,448	1,468,328
Parenting Payment (Single)	3	3,482,908	3,858,173
Partner Allowance (Benefit)	3	337,139	355,276
Partner Allowance (Pension)	3	320,193	368,413
Pensioner Education Supplement	3	49,583	47,159
Sickness Allowance	3	84,565	93,620
Special Benefit	3	103,939	113,553
Student Financial Supplement Scheme	1	142,671	142,454
Widow Allowance	3	274,580	334,038
Widow B Pension	3	92,820	69,461
Wife Pension (Age)	3	237,724	225,836
Wife Pension (DSP)	3	488,821	440,471
Youth Allowance	1	1,976,783	2,211,276
<b>Total</b>		<b>42,987,120</b>	<b>37,942,994</b>

Note: The *Social Security (Administration) Act 1999* replaced the *Social Security Act 1991* as the appropriating authority for these payments from 20 March 2000.

**State Grants (Housing) Act 1971**

State Grants (Housing) Act 1971	2	5,502	5,502
<b>Total</b>		<b>5,502</b>	<b>5,502</b>

**Total Special Appropriations** **43,127,646** **50,493,001**

