

Management and accountability

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Chapter 4.1

Governance structure

Our governance structure is designed to ensure accountability for delivery of our department's strategic direction. It enables us to deliver outcomes in an efficient, effective and transparent manner.

Committees supporting our business

Committees reporting to the Secretary

At 30 June 2019, our governance committee structure included the Executive Management Group and five supporting committees that provided advice and assurance to the Secretary on the administration and operation of the department.

Executive Management Group

This is our most senior committee which provides advice to the Secretary on our overall strategic direction, priorities, management and performance, and oversees our financial position by allocating resources, monitoring performance and risk, and ensuring regulatory requirements are met. This group comprises the Secretary and Deputy Secretaries.

Audit and Assurance Committee

This committee provides independent assurance and advice to the Secretary on financial and performance reporting responsibilities, risk oversight and management, and our system of internal control. The Financial Statements Sub-Committee reports directly to this committee and was established to give assurances to the members with regards to our financial responsibilities.

This committee has an independent Chair, three external experts and three internal members appointed by the Secretary. It meets up to six times a year.

Committees reporting to the Executive Management Group

Policy Committee

This committee provides advice to the Secretary through the Executive Management Group. It is responsible for the oversight of our social policy advice, supporting frameworks and other priorities as directed by the Executive Management Group. It provides advice on our development, implementation and monitoring of social policy activities. Deputy Secretary, Social Security, chairs the committee.

People and Culture Committee

This committee provides advice to the Secretary through the Executive Management Group. It is responsible for ensuring delivery of government requirements through improved oversight of our workforce. Its remit includes work health and safety, workforce strategy, diversity and inclusion and other priorities as directed by the Executive Management Group. Deputy Secretary, Families and Communities, chairs the committee.

Implementation Committee

This committee provides advice to the Secretary through the Executive Management Group. It is responsible for ensuring effective delivery of government requirements through improved oversight of implementation activities across the department in the context of the Portfolio Budget Statements and the Corporate Plan. Its remit includes performance monitoring and reporting, budget measures, enterprise risk management, and other priorities as directed by the Executive Management Group. The Chief Operating Officer chairs the committee.

Figure 4.1.1: Our governance structure, as at 30 June 2019



Business planning and risk management

Strategic and business planning

Our planning process engages staff at all levels to understand how they contribute to delivering on required outcomes. There is a clear pathway from each staff member's individual performance plan through to our key corporate documents.

Our corporate plan outlines our purpose, priorities and performance objectives and guides the way in which we achieve results.

For further information on our Corporate Plan, go to dss.gov.au.

Risk management

Effective risk management is fundamental to ensuring we can deliver on government priorities. We base our approach to risk management on the Australian/New Zealand International Standard on Risk Management (AS/NZS ISO 31000:2018). It aligns with the nine elements of the Commonwealth Risk Management Policy 2014, meeting our obligations under the *Public Governance, Performance and Accountability Act 2013*.

In 2018–19, we rolled out an enhanced Enterprise Risk Management Framework, comprising the department's Risk Management Policy, Guidelines and Risk Assessment Tool. The enhanced framework includes accountabilities for risk management and procedures and demonstrates how risk management operates as a system.

Business continuity management

We have a structured business continuity program and we undertake exercises to test its effectiveness. In 2018–19, we engaged an external provider to assess current emergency response procedures.

We are committed to managing business interruptions that may affect critical services and assets. Our Business Continuity Management Framework including our Disaster Coordination Plan ensures we can deliver our critical work in the event of a disruption and aims to provide support to the communities affected by disasters.

Internal audit assurance activities

Internal Audit is an important component of our governance arrangements.

Internal Audit provides assurance services, including reasonable assurance engagements as defined in the *Public Governance, Performance and Accountability Act 2013*, Resource Management Guide 210.

Internal Audit is an independent assurance and advisory function designed to strengthen accountability of the department's activities and functions and improve risk based, decision making across our operations.

The 2018–19 Audit Work Plan took into account our risk profile and was approved by the Secretary following consideration by the Audit and Assurance Committee. Over the year, 17 audits were undertaken across our policy, program and enabling activity.

The Head of Internal Audit is independent from the department’s policy and program management activities. As part of strengthening the department’s accountability, the Head of Internal Audit provides the Audit and Assurance Committee with all internal audit findings and advises them on progress towards implementing audit recommendations. The independence of the Head of Internal Audit allows the position to provide objective insights into the state of our governance, performance, risk management and internal controls, systems, policies, processes and practices.

Compliance framework

We promote a strong compliance culture, which enables us to deliver outcomes effectively and achieve high levels of performance.

In 2018–19, we developed and implemented a new Enterprise Compliance Framework. This framework sets out a range of risk based strategies that apply across all departmental activities and helps focus effort and resources on areas of highest risk of non-compliance.

Effective compliance management is part of a broader, coordinated approach to meeting our administrative, legislative and cultural responsibilities, underpinned by principles such as accountability, transparency, integrity, efficiency and leadership. This framework complements other key governance frameworks, including those addressing security, risk and fraud.

Compliance with finance law

Under section 19(1)(e) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), we are required to notify our Minister and the Minister for Finance of significant issues of non-compliance with the finance law (including the PGPA Act, any rules and instruments created under the PGPA Act, and Appropriation Acts) as soon as practicable after identification. In 2018–19 no significant issues of non-compliance with the finance law were identified or reported.

Fraud and corruption control

We are committed to preventing fraud against the department, our programs and operations.

We manage fraud through a number of strategies, including:

- » a zero-tolerance approach to fraud
- » educating our employees on risk management
- » identifying and mitigating our fraud, compliance, security and privacy risks
- » making our employees aware of their fraud control responsibilities
- » integrating fraud prevention, detection and investigation arrangements and using data analysis to identify trends and issues
- » ensuring fraud reporting is transparent and accountable.

We reviewed our Fraud Control Framework to ensure it continues to reflect our business activities.

We undertake regular assessment of fraud risks to improve understanding of our exposure to fraud. These risk assessments involve identifying possible areas where fraud could be committed, evaluating existing risk mitigation strategies and identifying possible new or emerging risks that may require treatment. These fraud risk assessments form an integral part of our overall risk assessment framework.

Fraud and corruption awareness

In 2018–19, we delivered online and face-to-face fraud and corruption awareness presentations to staff.

Throughout the year, we also communicated a series of fraud and corruption-related messages to encourage staff to learn about fraud and report suspicious behaviour.

Fraud investigation

In 2018–19, the Investigations Section assessed 40 suspected internal and external fraud incidents through established referral mechanisms in accordance with paragraph (d) of the Fraud Rule (Section 10 of the PGPA Rule 2014). These mechanisms allow officials, clients and members of the public to report incidents of suspected fraud confidentially. Four briefs of evidence were submitted to the Commonwealth Director of Public Prosecutions for consideration. Following an investigation, the section also referred one matter of criminal offending to a state law enforcement body.

In circumstances where there was not sufficient evidence of criminal offending, there were appropriate referrals to relevant entities or programs for consideration of compliance and/or other preventive actions.

In 2018–19, the Investigations Section worked in partnership with other agencies to initiate information sharing to improve inter-agency responses to fraud. The development of these partnerships aligns with the aims of managing risk and incidents of fraud across the department and the Commonwealth.

We undertake all criminal investigations in accordance with the Australian Government Investigation Standards and all departmental investigators have at least the minimum qualifications stipulated in the standards.

In 2018–19, we remained a participating member of the Australian Federal Police hosted Fraud and Anti-Corruption Centre.

Agreements with third parties

To enable effective delivery of outcomes, the department enters into a range of agreements with third parties, including other Australian Government entities, state and territory government entities and external organisations. These agreements govern the way in which one party delivers programs, payments and services on behalf of the other.

Ethical standards

We are committed to ensuring all employees understand and comply with the APS Values, Employment Principles and Code of Conduct.

In 2018–19, we:

- » provided training to the Harassment Contact Officer network
- » reviewed the Workplace Bullying and Harassment Policy and Conflict of Interest Policy
- » provided clear guidance in relation to Ethics and Code of Conduct to staff and managers through our intranet, STAFFnet and case by case advice
- » released the Corporate Plan 2018–19 and Workforce Strategy 2018–19 outlining our priorities including building a productive, safe, diverse and respectful workplace.

In addition, we have a broad range of information and resources available on our intranet, including clear desk policies, guidance on accepting gifts and benefits, information on outside employment, managing official information, ethical decision-making and information about the *Public Interest Disclosure Act 2013*.

We also incorporate the *APS Code of Conduct* and the *APS Values* in each employee's individual performance agreement and offer a range of online and face-to-face training relating to ethical and respectful workplace behaviours through Learnhub, the department's learning management system.

We treat all potential breaches of the APS Code of Conduct seriously and take action in accordance with the Secretary's procedures for determining breaches of the code and for determining sanctions.

Service Charter

Our Service Charter sets out the standards of service our clients can expect and ways to help us improve our customer service. The charter also helps our staff understand their roles and responsibilities.

For further information on our service charter, go to dss.gov.au.

Complaints management

We value feedback on the experiences the public has with our department or department funded service providers. This enables us to improve our quality of service to all Australians.

In 2018–19, 557 formal complaints were received through our Feedback Management System.

The top three areas of complaint were:

- » 137 complaints about the National Redress Scheme
- » 132 complaints about the National Rental Affordability Scheme
- » 87 complaints about the *Stop it at the Start campaign*.

Freedom of information

In 2018–19, we received 93 Freedom of Information (FOI) requests for documents. Taking into account cases pending from the previous year, we finalised 95 requests. Of these requests:

- » full access was granted in eight cases
- » part access granted in 17 cases
- » access refused¹ in 17 cases
- » 42 requests withdrawn² before decisions on access were made
- » 11 cases transferred to other agencies.

Notes:

¹ In 7 cases, access was refused as we did not hold any documents.

² In 31 cases, documents were released administratively to the applicant outside the FOI process.

Information Publication Scheme

For further information on our Information Publication Scheme plan, go to dss.gov.au.

Office of the Australian Information Commissioner

In 2018–19, three FOI applicants sought a review of their decision from the Office of the Australian Information Commissioner. The Information Commissioner has not yet made a decision on these reviews.

Privacy

The department's privacy framework is guided by the department's privacy policy. The privacy policy guides how we deal with personal information in respect of our functions and activities. For further information on our privacy policy, go to dss.gov.au.

The Privacy Commissioner may look into a privacy issue, including breach notifications and complaints, and issue a report or determination.

The Privacy Commissioner did not review any privacy complaints involving the department this financial year.

Chapter 4.2

External scrutiny

Our operations are scrutinised by external entities such as the Australian National Audit Office (ANAO), the Commonwealth Ombudsman and committees of the Australian Parliament.

Reports by the Australian National Audit Office

In 2018–19, the Australian National Audit Office (ANAO) tabled one cross-agency performance audit report involving the department:

- » Disability Support Pension—Follow-on Audit.

The ANAO also completed three performance audits focused on the department:

- » The Implementation and Performance of the Cashless Debit Card
- » Coordination and Targeting of Domestic Violence Funding and Actions
- » National Disability Insurance Scheme Fraud Control Program.

The following two ANAO reports are in the preparation stage:

- » Delivery of the Humanitarian Settlement Program
- » Management of contracts for Disability Employment Services.

For further information on ANAO reports, go to anao.gov.au.

Reports by the Commonwealth Ombudsman

In 2018–19, the Commonwealth Ombudsman released one report related to the department:

- » Centrelink's Automated Debt Raising and Recovery System Implementation Report.

This report can be found at: ombudsman.gov.au/publications/reports/investigation.

Judicial decisions

No judicial decisions impacted our operations during the year.

Administrative tribunal decisions

No decisions of an administrative tribunal significantly impacted our operations during the year.

Reports by parliamentary committees

The Senate Standing Committees on Community Affairs

The Senate Standing Committees on Community Affairs covers the Health and Social Services Portfolios, including Services Australia. Its work is divided between two committees—the Legislation Committee and the References Committee. During 2018–19, the department had the following engagement with the committees:

The Legislation Committee

- » On 20 July 2018, we provided a submission to the inquiry into the Social Services Legislation Amendment (Maintaining Income Thresholds) Bill 2018. The Committee tabled its final report on 28 November 2018
- » On 25 July 2018, we tabled the Government response to the inquiry into the National Redress Scheme for Institutional Child Sexual Abuse Bill 2018 and National Redress Scheme for Institutional Child Sexual Abuse (Consequential Amendments) Bill 2018. The Committee tabled its report on 15 June 2018
- » On 14 August 2018, we tabled the Government response to the inquiry into the Social Services Legislation Amendment (Drug Testing Trial) Bill 2018
- » On 17 October 2018, we tabled the Government response to the inquiry into the Social Services Legislation Amendment (Housing Affordability) Bill 2017
- » On 18 March 2019, we provided a submission and attended a hearing for the inquiry into the Social Security (Administration) Amendment (Income Management and Cashless Welfare) Bill 2019. The Committee tabled its final report on 1 April 2019.

The References Committee

- » On 21 September 2018, we provided a submission to the inquiry into Support for Australia's thalidomide survivors. The department attended a hearing on 2 November 2018. The Committee tabled an interim report on 14 February 2019 and its final report on 22 March 2019
- » On 16 October 2018, we attended a hearing for the inquiry into the accessibility and quality of mental health services in rural and remote Australia. The Committee tabled its final report on 4 December 2018
- » On 27 February 2019, we attended a hearing for the inquiry into ParentsNext, including its trial and subsequent broader rollout. The Committee tabled its final report on 29 March 2019.

House of Representatives Standing Committee on Social Policy and Legal Affairs

The House of Representatives Standing Committee on Social Policy and Legal Affairs may inquire into and report on any matter referred to it by either the House or a minister, including any pre legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or document. During 2018–19, the department had the following engagement with the committee:

- » We attended a public hearing on 21 August 2018, for the inquiry into Local Adoption. The Committee tabled its final report on 26 November 2018.

The Joint Standing Committee on the National Disability Insurance Scheme

The Joint Standing Committee on the National Disability Insurance Scheme initiates inquiries into various aspects of the National Disability Insurance Scheme, including the scheme's operation and performance. Either House of Parliament can refer these inquiries. During 2018–19, the department had the following engagement with the committee:

- » The committee tabled its report on the inquiry into market readiness for the provision of services under the National Disability Insurance Scheme on 20 September 2018
- » On 24 October 2018, we tabled the Government response in the House of Representatives to the inquiry into the provision of hearing services under the National Disability Insurance Scheme. Tabling of the response in the Senate occurred on 13 November 2018. The Committee tabled its final report on 21 June 2018
- » On 7 March 2019, we tabled the Government response in the Senate for the inquiry into National Disability Insurance Scheme ICT Systems. The tabling of the response in the House of Representatives occurred on 2 April 2019. The Committee tabled its final report on 21 December 2018
- » On 7 March 2019, we tabled the Government response in the Senate for the inquiry into provision of assistive technology under the National Disability Insurance Scheme. The tabling of the response in the House of Representatives occurred on 2 April 2019. The Committee tabled its final report on 12 December 2018
- » The Committee tabled a progress report on the inquiry into general issues around the implementation and performance of the National Disability Insurance Scheme on 29 March 2019.

The Joint Standing Committee on oversight of the implementation of redress related recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse

- » On 17 August 2018, we provided a submission to the inquiry. We attended hearings for the inquiry on 12 September, 10 October, 8 November 2018, and 28 February 2019. The Committee tabled its report on 2 April 2019.

Other Parliamentary Inquiries

- » On 9 August 2018, we provided a submission to the Senate Select Committee inquiry into Charity Fundraising in the 21st Century. The Committee tabled its final report on 14 February 2019
- » On 24 August 2018, we attended a hearing for the Joint Standing Committee National Capital and External Territories inquiry into Canberra's national institutions. The Committee tabled its final report on 3 April 2019
- » On 24 August 2018, we attended a hearing for the Senate Standing Committee Foreign Affairs, Defence and Trade References Committee inquiry into United Nations Sustainable Development Goals. The Committee tabled its final report on 14 February 2019
- » On 19 September and 17 October 2018, we attended hearings for the House of Representatives Select Committee inquiry into intergenerational welfare dependence. The Committee tabled its final report on 22 March 2019
- » On 18 October 2018, we provided a submission to the Senate Legal and Constitutional Affairs Reference Committee inquiry into the practice of dowry and the incidence of dowry abuse in Australia. The Committee tabled its final report on 14 February 2019
- » We attended hearings on 14 November 2018 and 1 February 2019, for the Senate Standing Committee on Education and Employment inquiry into the appropriateness and effectiveness of objectives, design, implementation and evaluation of jobactive. The Committee tabled its final report on 14 February 2019
- » On 7 December 2018, we provided a submission to the Senate Economics Reference Committee inquiry into credit and financial services targeted at Australians at risk of financial hardship. We attended a hearing on 24 January 2019. The Committee tabled its final report on 22 February 2019
- » On 10 January 2019, we provided a submission to the Senate Standing Committee for the Scrutiny of Bills inquiry into the Social Services and Other Legislation Amendment (Supporting Retirement Incomes) Bill 2018. The Committee tabled its final report on 11 February 2019.

Chapter 4.3

Managing our people

Overview

In 2018–19, we implemented a range of strategies and initiatives to continue to develop our workforce capability in line with current and emerging Government priorities and foster an inclusive culture which reflects the diversity of the Australian community.

Effectiveness in managing and developing staff

Workforce planning

The *Department of Social Services Workforce Strategy 2018–19* was approved in January 2019. It sets out our approach to building workforce capability and culture now and into the future. The strategy incorporates our workplace behaviours (action orientated, builders of co-operative relationships, curious and decisive) and 15 priority workforce actions under the themes: leadership, adaptability, inclusion, and capability.

We undertook operational workforce planning aligned with the business and risk planning cycle, enabling the senior executive to make informed and deliberate decisions about workforce capability and capacity.

The senior executive used regular workforce reporting and analysis, including the 2018 APS Employee Census results, workforce trend analysis and workforce data (provided through an online Executive Dashboard) as the primary evidence base to inform workforce decisions.

Leadership and capability development

In 2018–19 our investment in learning and development aligned with the identified capability needs set out in our Workforce Strategy.

In 2018–19, we delivered 87 face-to-face training courses through our Capability Development Calendar to build a range of skills. Our staff had access to more than 161 different eLearning programs through the online learning platform LearnHub, in total 6832 courses were completed. This was complemented by unlimited, on-demand access to a library of high quality, current video tutorials on Lynda.com (also known as LinkedIn Learning). In the past year, staff viewed 34,579 learning videos, demonstrating a strong appetite for continued learning.

We continued to invest in growing capable leaders and provided high value learning opportunities to talented staff. In 2018–19, 30 staff took part in a number of highly regarded leadership and management programs including Graduate Certificate in Business Public Sector Management, Jawun secondments, the Sir Roland Wilson Scholarship and the Australian and New Zealand School of Government (ANZSOG) Executive Master of Public Administration Program.

Senior leaders took up opportunities for executive coaching and attended targeted SES development programs including APSC SES Leadership Development, SES Orientation, ANZSOG Executive Fellows Program, ANZSOG Executive Master of Public Administration and Australian Institute of Company Directors Course.

We collaborated with the University of Canberra to co-design a Graduate Certificate in Policy and Data for employees who have successfully completed our Graduate Program, for continued professional development beyond the initial graduate year. Two new internal programs were also developed to grow future leaders (Leading with Purpose) and core people management skills (Empowered Managers). These programs will be rolled out in 2019–20.

We continue to acknowledge and recognise outstanding staff performance and contribution through our Secretary's Excellence Awards and NAIDOC Awards.

Workplace diversity

We continue to support a diverse and inclusive workplace. Our *Aboriginal and Torres Strait Islander Workforce Strategy*, *Disability Workforce Action Plan 2015–2018* and the *DSS Gender Equality Action Plan*, build on our existing framework and commitment to diversity and inclusion.

In 2018–19, our staff participated in International Day of People with Disability, Hearing Awareness Week, NAIDOC Week, National Reconciliation Week, Carers Week, Harmony Day, Wear it Purple Day, Mental Health Week, International Day Against Homophobia, Biphobia, Intersexism and Transphobia and National Families Week.

Employment of Aboriginal and Torres Strait Islander peoples

We value, acknowledge and respect diversity and actively use life experiences, skills and knowledge of Aboriginal and Torres Strait Islander peoples as a source of advice on policy and delivery.

As at 30 June 2019, five per cent of our ongoing employees (130 staff) identified as being Aboriginal or Torres Strait Islander, compared with an APS rate of 3.5 per cent (at December 2018).

Our *Reconciliation Action Plan 2017–2020* and *Aboriginal and Torres Strait Islander Workforce Strategy 2015–2018* guide our commitment to the recruitment, retention and career development of Aboriginal and Torres Strait Islander staff across all policy and program areas.

We continue to participate in entry-level recruitment programs to provide employment pathways for Aboriginal and Torres Strait Islander peoples, including through the Indigenous Australian Government Development Program coordinated by the Department of Jobs and Small Business; the Indigenous Apprenticeships Program coordinated by Services Australia and our department specific Indigenous Internship Program.

Support for Aboriginal and Torres Strait Islander staff and supervisors is provided through our Indigenous Liaison Officer, who coordinates initiatives around our *Reconciliation Action Plan and Aboriginal and Torres Strait Islander Workforce Strategy*.

Our Indigenous Champion, a role performed at the Deputy Secretary level, has provided leadership in supporting the executive to implement our Indigenous employment strategies. Our champion also works with the Aboriginal and Torres Strait Islander Staff National Committee to provide strategic advice on workforce initiatives for Indigenous employees.

Employment of people with disability

Increasing employment outcomes for people with disability is a priority. A total of 6.7 per cent of our staff identified as a person with disability in June 2019, compared with an APS rate of 3.7 per cent in December 2018.

Our *Disability Workforce Action Plan 2015–2018* guides our approach to recruiting, developing and retaining people with disability.

We provide entry-level employment pathways for people with disability through participation in the Australian Network on Disability's Stepping Into Internship Program. We also apply APS RecruitAbility to all our recruitment processes.

We provide support and guidance to employees with disability and their managers through:

- » a dedicated Disability Access Coordinator
- » centralised funding to provide reasonable adjustment for employees with disability
- » specialised training for managers of staff who have an intellectual disability
- » working closely with rehabilitation managers.

Our Disability Champion, a role performed at the Deputy Secretary level, drives workforce initiatives for employees with disability.

Support for Lesbian, Gay, Bisexual, Transgender, Intersex and Queer staff

In the 2019 APS Employee Census, 5.7 per cent of our staff identified as lesbian, gay, bisexual, transgender, and/or intersex. We have an established Pride Committee and network, as well as champions to support lesbian, gay, bisexual, transgender, intersex and queer staff and allies at work.

We participate in the Australian Workplace Equality Index, a national benchmark for lesbian, gay, bisexual, transgender and intersex workplace inclusion. In 2018–19, we retained our bronze employer status.

Figure 4.3.1 Diversity in our people



*DSS figures as at 30 June 2019. APS figures as at 31 December 2018 (sourced from the Australian Public Service Employment Database).

Graduate program

Our graduates undertake a 10-month program that offers comprehensive internal and external training, networking opportunities, and broad opportunities for career development.

In 2019 we recruited a cohort of 56 graduates.

The program exposes participants to social policy development and programs that improve the wellbeing of people and families in Australia. Graduates are provided with opportunities to formulate and support government initiatives and influence the social policy agenda.

Workplace arrangements

Enterprise agreement

Following a successful ballot in August 2018, the *Department of Social Services Enterprise Agreement 2018 to 2021* was approved by the Fair Work Commission to commence operation on 21 January 2019. The Enterprise Agreement covers non-SES employees and has a nominal expiry date of 21 January 2022.

A change to the application of the Government's Workplace Bargaining Policy (effective 30 October 2018) provided agencies with the discretion, in certain circumstances, to apply the first pay increase of approved enterprise agreements from 12 weeks after a successful ballot. The Secretary signed a determination under subsection 24(1) of the *Public Service Act 1999* to provide the first salary increase under the Enterprise Agreement on 9 November 2018.

Individual Flexibility Arrangements for non-Senior Executive Services (SES) employees

In accordance with the *Fair Work Act 2009*, Individual Flexibility Arrangements can be used to provide varied terms and conditions for non-SES employees. We also use Individual Flexibility Arrangements to attract and retain staff, to recognise highly valued skills and critical roles.

As at 30 June 2019, we had 46 Individual Flexibility Arrangements in place.

Performance pay

Performance payments were not made to departmental employees in 2018–19.

Secretary remuneration

The Secretary is remunerated under the *Remuneration Tribunal (Departmental Secretaries—Classification Structure and Terms and Conditions) Determination*, which is made under Division 4 of Part II of the *Remuneration Tribunal Act 1973*.

Senior Executive Service remuneration

The Secretary reviews Senior Executive Service (SES) remuneration annually, after completion of the annual performance cycle. When determining salary progression outcomes for an individual SES employee's performance, the Secretary takes into account factors including organisational performance, relevant remuneration data and the size and complexity of the role.

As at 30 June 2019, 64 SES employees were remunerated through a Section 24 (1) determination.

Common law contracts

We do not use common law contracts to employ staff.

Non-salary benefits to employees

Our Enterprise Agreement offers a range of non-salary benefits to our people, including leave, flexible working arrangements, access to salary packaging and remote locality assistance.

Work health and safety

We acknowledge and are committed to fulfilling our responsibilities under the *Work Health and Safety Act 2011*, the *Work Health and Safety Regulations 2011* and the *Safety, Rehabilitation and Compensation Act 1988*.

Our strong focus on work health and safety and early intervention has resulted in sustainable reductions in workers' compensation claims. Our achievements include:

- » sustained low number of workers' compensation claims submitted in 2018–19 of 13
- » maintaining a low number of accepted workers' compensation claims in 2018–19 of nine
- » no psychological injury claims accepted in 2018–19
- » maintaining a decrease in our Comcare workers' compensation premium rate for a fourth consecutive year from 2.1 percent of payroll in 2015–16 to 0.47 percent for 2019–20.

We will continue to focus on encouraging early identification, reporting and response to workplace hazards and injuries in the workplace to further improve work health and safety and return to work performance.

Other initiatives implemented in 2018–19 to ensure the health, safety and welfare of our workers include:

- » working with our managers in supporting ill or injured employees through our early intervention program to help them remain at work or return to work safely
- » promoting and encouraging employees to access the services of our Employee Assistance Program to support positive physical and mental health and wellbeing
- » refreshing our Family and Domestic Violence Policy and guidance material embedding the 'Enough' principles. Promoting our Family Safety Champions and trained Family and Domestic Violence contact officers and encouraging all staff to undertake Family and Domestic Violence training
- » participating in APS working groups to provide input into the ongoing management of the Comcare Scheme, which provides all scheme employers with an integrated safety, rehabilitation, and compensation system
- » inviting our employees to participate in the annual influenza vaccination program to reduce unscheduled absences during the influenza season.

Notifiable incidents

In 2018–19, there was one notifiable incident in relation to a serious injury of a person.

No investigations were carried out under part 10 of the *Work Health and Safety Act 2011*.

Chapter 4.4

Managing our finances

How we are funded

The Australian Parliament, via the Appropriation Acts, provides the department with two types of funding: departmental and administered.

Departmental resources are used to develop and implement policies and deliver services (programs).

We also administer payments, subsidies, revenues and other resources on behalf of the Australian Government. A shaded background in our Financial Statements indicates information that relates to an administered resource (see Part 5).

Table 4.4.1: Trends in departmental finances

	2018–19 \$ million	2017–18 \$ million	Change \$ million
Revenue from the Australian Government	420.5	406.8	13.7
Other revenue	77.8	86.1	(8.3)
Total income	498.3	492.9	5.4
Employee benefits	287.8	259.0	28.8
Suppliers	188.4	203.7	(15.3)
Other expenses	98.2	73.0	25.2
Total expenses	574.4	535.7	38.7
Deficit attributed to the Australian Government	(76.1)	(42.8)	(33.3)
Add back non-appropriated depreciation and amortisation expense	95.9	72.1	23.8
Surplus attributed to the department	19.8	29.3	(9.5)
Financial assets A	99.5	83.0	16.5
Non-financial assets B	229.8	275.8	(46.0)
Liabilities C	166.2	156.2	10.0
Net assets (A+B-C)	163.1	202.6	(39.5)

Table 4.4.2: Trends in administered finances

	2018–19 \$ million	2017–18 \$ million	Change \$ million
Recoveries	54.2	54.3	(0.1)
Interest	71.8	1.0	70.8
Other revenue	9.9	13.5	(3.6)
Total revenue	135.9	68.8	67.1
Suppliers	229.4	965.5	(736.1)
Subsidies	126.4	84.9	41.5
Personal benefits	110,804.4	109,346.3	1,458.1
Grants	2,425.8	1,639.6	786.2
Payments to corporate Commonwealth entities	5,305.0	3,210.8	2,094.2
Other expenses	248.2	890.1	(641.9)
Total expenses	119,139.2	116,137.2	3,002.0
Financial assets	7,495.6	6,240.3	1,255.3
Liabilities	6,632.6	6,402.6	230.0

Assets management

Our assets are managed under the authority of section 20A of the PGPA Act, relevant accounting standards and Department of Finance requirements.

We invest in new assets to improve our systems and processes. We manage capital investment through an annual capital plan that reflects both government priorities and ongoing business needs.

Consultants

During 2018–19, 58 new consultancy contracts were entered into involving total actual expenditure of \$8.7 million. In addition, 49 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$15.4 million.

We contract providers for specialist expertise or when independent research, review or assessment is required. Decisions to engage consultants were made after considering the skills and resources required for the task, internal capacity, and the cost effectiveness of contracting an external service provider. Consultants were engaged in line with the PGPA Act and related regulations.

Annual Reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at tenders.gov.au.

Summary information on consultancy services is set out in Tables 4.4.3 and 4.4.4.

Table 4.4.3: Consultancies in 2018–19

	Number	Expenditure (\$ million, GST inc.)
New consultancies let	58	8.7
Ongoing consultancies active	49	15.4
Total	107	24.1

Table 4.4.4: Total expenditure on new and ongoing consultancy contracts—2016–17 to 2018–19

Expenditure (\$ million, GST inc.)		
2018–19	2017–18	2016–17
24.1	21.0	15.1

Australian National Audit Office access clauses

All departmental contracts let in the past year required the Auditor-General to have access to the contractor's premises.

Exempt contracts

In 2018–19, no contracts were exempted from reporting on tenders.gov.au.

Purchasing

Our purchasing activities are consistent with the Secretary's Instructions and internal procurement guidelines, which are in accordance with the Commonwealth Procurement Rules 2019.

Purchasing is made in an accountable and transparent manner, complying with Australian Government policies and meeting relevant international obligations.

In 2018–19, we exceeded our targets under the Indigenous Procurement Policy by awarding more than three per cent of contracts to Indigenous businesses.

Procurement initiatives to support small business

The Department of Social Services supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SMEs) and Small Enterprise participation statistics are available on the Department of Finance's website at finance.gov.au.

We support the use of SMEs through various means including:

- » using standardised contracts for low-risk procurements valued under \$200,000
- » using an electronic invoice processing system
- » incorporating Australian Industry Participation Plans in procurement where applicable.

The Department of Social Services recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website at treasury.gov.au.

Grants administration

We administered 8,010 grants across 126 programs totalling over \$937 million for the 2018–19 financial year, which excludes fee for service programs.

We worked in partnership with government and non-government organisations to deliver grants across Australia.

Within the department, the Grants Management Office (GMO) worked with our policy areas to ensure government policies and programs achieve intended outcomes through effective program planning, design, implementation, ongoing monitoring and evaluation.

The Community Grants Hub (the Hub) administers grants for the Department of Social Services and provides shared services grants administration for nine external client agencies:

- » Department of Health
- » Department of Agriculture and Water Resources
- » Department of the Environment and Energy
- » Department of Veterans' Affairs
- » Department of the Prime Minister and Cabinet
- » Attorney-General's Department
- » Department of Education
- » National Disability Insurance Agency
- » Department of Home Affairs.

In 2018–19, the Hub administered over 44,000 funding arrangements worth over \$10 billion across over 675 programs.

Information on grants awarded by the Department of Social Services during 2018–19, is available at grants.gov.au, Australia's whole-of-government grants information system. Information on grants awarded up to 31 December 2017 is available at dss.gov.au.

Baking her way to success

At 20 years old, Kyleigh had never had paid employment.



Kyleigh loves making desserts and baking, and dreams of one day running her own patisserie. Having only ever baked at home, Kyleigh felt her dream was impossible.

She registered with jobactive, but without any qualifications or experience employers were not willing to take her on.

In May 2018, the Mentoring 2 Work trial was launched. Delivered by the Council of Ageing Western Australia over two years, the project will pair 240 young job seekers in Perth with mature volunteer mentors with strong business and workplace connections who will help support them through to employment.

The Mentoring 2 Work project is part of the Try, Test and Learn Fund (TTL). The \$96.1 million TTL is trialling new or innovative approaches to assist some of the most vulnerable in society onto the path towards independence.

Through the project, Kyleigh was matched with a mentor, Stephen. After being a consultant for most of his working life and raising three kids of his own, Stephen was well-placed to support Kyleigh to address her barriers to finding a job.

During fortnightly mentoring sessions, the pair worked on Kyleigh's resume, a job-seeking plan, interview skills and workplace behaviour. Stephen also provided support and encouragement when Kyleigh experienced set-backs in her job search.

Kyleigh now has a casual job in the catering industry.

"When I was offered the job, I was thrilled that someone had finally given me a chance," said Kyleigh. "I will get to use the skills I have gained to work towards my dream of becoming a pastry chef."

ABOVE: Kyleigh and her mentor, Stephen.

See Part 2, Chapter 2.1 for more information.