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### Annual Report

### 2019–20

#### About this report

This report describes the operations and performance of the Department of Social Services during  
2019–20. It was prepared to meet legislated reporting requirements.

#### How to use this report

|  |  |
| --- | --- |
|  | |
| Part 1 | Introduces the Department of Social Services with a description of our department and the portfolio. |
| Part 2 | Presents our annual performance statement for 2019–20. |
| Part 3 | Provides the annual report on the operation of the National Redress Scheme consistent with the requirements of section 187f of the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*. |
| Part 4 | Details our management and accountability processes, including corporate governance, external scrutiny, human resources, and a review of financial management for the past year. |
| Part 5 | Presents our audited financial statements for 2019–20. |
| Part 6 | Provides additional information including an index of requirements and where to find this information in the report. |

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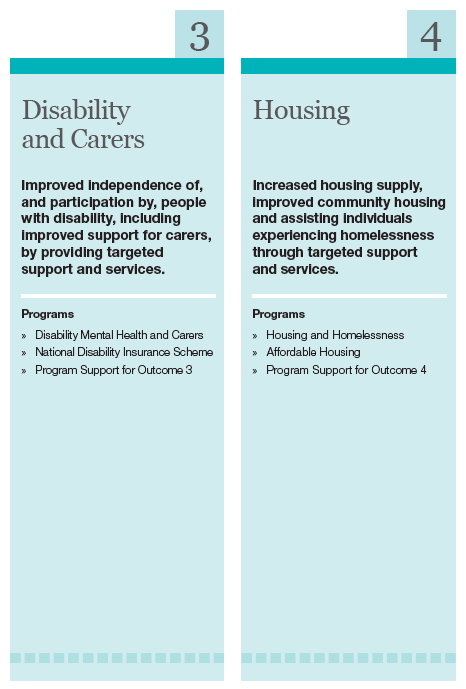
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**Figure 0.1: Outcome and program structure as at 30 June 2020**

This figure describes the Department of Social Services' outcome and program structure. Outcome 1 - Social Security; Outcome 2 - Families and Communities. Further information about these Outcomes and their Programs is available in Chapter 2 Annual Performance Statements.



Kathryn Campbell AO CSC

Secretary

Senator the Hon Anne Ruston

Minister for Families and Social Services

Parliament House

CANBERRA ACT 2600

The Hon Stuart Robert MP

Minister for the National Disability Insurance Scheme

Minister for Government Services

Parliament House

CANBERRA ACT 2600

Dear Ministers

I am pleased to submit the Department of Social Services (‘the department’) Annual Report for the year ending 30 June 2020 under section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The report has been prepared in accordance with *Resource Management Guide No. 135 – Annual reports for non-corporate Commonwealth entities*, issued by the Department of Finance*.*

This annual report includes the department’s audited financial statements, as required  
by section 43(4) of the PGPA Act. The report meets the department’s reporting requirements under the *Social Security (Administration) Act 1999*, the *A New Tax System (Family Assistance) (Administration) Act* *1999*, the *Child Support (Assessment) Act 1989* and the *Child Support (Registration and Collection) Act 1988*. The report also includes the second annual report of the National Redress Scheme Operator on the operation of the  
National Redress Scheme for Institutional Child Sexual Abuse, under section 187 of the  
*National Redress Scheme for Institutional Child Sexual Abuse Act 2018.*

In accordance with section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that the department has prepared fraud risk assessments and fraud control plans, and has in place appropriate fraud prevention, detection, investigation, and reporting mechanisms that meet its specific needs. Reasonable measures have also been taken  
to appropriately deal with fraud relating to the department.

Yours sincerely



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## Secretary’s review

****It has been a challenging 12 months for all Australians as we have experienced extreme bushfires and floods, and we are still in the midst of the COVID-19 pandemic.

In this context, the department’s commitment to improving the social and economic wellbeing of individuals and families in Australian communities has never been more important. In 2019–20 the department, working closely with our portfolio agencies, mobilised our workforce to focus on critical priorities by developing policies and delivering essential services to support people and communities.

We oversaw the Government’s $50 million package to support  
bushfire-affected communities. This included $40 million for emergency relief and food relief services, and $10 million for Commonwealth Financial Counselling and the National Debt Helpline. This assisted tens of thousands of people affected by the bushfires to rebuild and recover, while also helping boost local economies.

In March 2020, the JobSeeker Payment was introduced as the main payment for working age Australians, and is progressively consolidating seven existing income support payments. Together with the previous Newstart Allowance, $18.5 billion was provided to support Australians out of work in 2019-20. With the onset of COVID-19, we were also able to make a range of temporary changes to JobSeeker and related payments, including introducing the Coronavirus Supplement, to support over a million Australians who needed support quickly.

We supported people with disability during COVID-19 through funding the Disability Information Helpline, a free and confidential phone line for people with disability, families, carers and support workers delivering a range of services such as counselling or advocacy.

The new Carer Gateway introduced by the department in April 2020 provided a range of   
in-person (where possible), online and phone-based support services throughout the COVID-19 pandemic. Through the new digital services we aim to improve carers’ health and wellbeing, increase their skills and reduce the strain of caring.

In 2019–20, we continued to look for ways to improve the experience of people interacting with the National Disability Insurance Scheme (NDIS). We commissioned a review of the *National Disability Insurance Scheme Act 2013* to determine how processes could be simplified and how legislative barriers that hinder positive participant and provider experiences could be removed, including through the introduction of a Participant Service Guarantee.

We initialised NDIS full scheme agreements with Victoria and Queensland, providing certainty that the future of the NDIS is secure in these states. NDIS full scheme agreements have now been finalised with all states and territories except Western Australia, which is not due to enter into a full scheme agreement until 2023.

We provided funding for advocacy support services to help people engage with the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*, and for counselling support services for people who may experience distress in relation to the   
Royal Commission.

We worked to improve the National Redress Scheme for people who have experienced institutional child sexual abuse by supporting applicants with extra funding for support services and through the engagement of more independent decision-makers. We also worked with institutions, named by applicants, to commit to join the Scheme and then on-board them.

Our work to combat family violence remained an important priority as we continued to implement the *Fourth Action Plan of the National Plan to Reduce Violence Against Women and their Children   
2010–2022*. We also managed the *Help is Here* campaign to help Australians, experiencing domestic violence or abuse, find the support services available to them. This work was complemented by the additional funding of $150 million to support the COVID-19 response to domestic and family violence, including $130 million distributed to states and territories.

We continued to manage the National Housing and Homelessness Agreement, providing almost  
$1.6 billion to state and territory governments to support housing and homelessness services. Our work with states and territories included developing a data improvement plan to better measure housing and homelessness outcomes.

During 2019-20, the department introduced changes to help Indigenous students stay longer in boarding school. Under the changes, more than 2,000 Aboriginal and Torres Strait Islander families with students who need to live away from home to study will receive Family Tax Benefit until the student finishes year 12.

The department also managed the passage of the Simplifying Income Reporting legislation to make income reporting easier for recipients. From December 2020, all income support recipients will report employment income when it is paid, rather than when it is earned. This change works together with the Australian Taxation Office’s Single Touch Payroll to reduce income reporting errors and associated debts.

**Looking forward**

In 2020–21, the department will continue to play a key role in policy development and delivering services to support the recovery from COVID-19.

Working across the portfolio, we will design policy solutions that support the delivery of social security payments to those Australians who need financial assistance.

We will continue to deliver on key recommendations of the *Royal Commission into Institutional Responses to Child Sexual Abuse*, including the National Redress Scheme, by helping survivors through the application and offer process, and supporting institutions engage with the Scheme.

We will enhance family safety and child protection through the continued implementation of the *National Plan to Reduce Violence Against Women and their Children 2010–22* and the design of a new strategy to succeed the *National Framework for Protecting Australia’s Children 2009-20*.

We will also work to provide emergency accommodation for women and children escaping family and domestic violence through the Safe Places program by funding eligible providers to provide new and expanded emergency accommodation.

We will continue to improve people’s financial skills and resilience through support for financial counselling, no interest loans and matched savings funding schemes, and implementation of the Cashless Debit Card, including in the Northern Territory.

Supporting Australians with disability will continue to be a key focus, through working collaboratively with states and territories to reinvigorate the National Disability Strategy and supporting people with disability to find and retain employment.

We will also coordinate improvements to participant-centred services delivered by the NDIS, strengthen the design and implementation of the Participant Service Guarantee, and develop the NDIS Market to provide choice to NDIS participants in accessing services.

The department will continue to improve housing and homelessness outcomes through the ongoing funding of the National Housing and Homelessness Agreement to states and territories.

The department is committed to the tasks at hand and we will deliver these outcomes, and other Government priorities during 2020–21 to continue to improve the wellbeing of individuals and families in Australian communities.



**Kathryn Campbell AO CSC**

Part 1

Overview

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##### Chapter 1.1

# Our department

The Department of Social Services is responsible for a diverse range of policies, payments, programs, and services that improve the wellbeing of people and families in Australia.

We fund services and payments that assist families, children and older people, provide a safety net for those who cannot fully support themselves, enhance the wellbeing of people with high needs, assist those who need help with care, and support a diverse and harmonious society.

#### Our mission

Our mission is to improve the wellbeing of individuals and families in Australian communities.

#### Purpose

We work in partnership with government and non-government organisations to achieve our mission through the effective development, management and delivery of payments, policies, programs, and services.

Our purpose reflects four core areas in which we seek to assist people:

###### Purpose 1: Social Security

Encourage self-reliance and support people who cannot fully support themselves by providing sustainable social security payments and assistance.

###### Purpose 2: Families and Communities

Contribute to stronger and more resilient individuals, families and communities by providing targeted services and initiatives.

###### Purpose 3: Disability and Carers

Improved independence of, and participation by, people with disability, including improved support for carers, by providing targeted support and services.

###### Purpose 4: Housing

Increased housing supply, improved community housing and assisting individuals experiencing homelessness through targeted support and services.

#### Our priorities

We deliver our mission and purpose through:

**Quality policy advice** – providing timely, evidence-based, social policy advice to our Ministers and the broader government with a focus on ensuring the long-term sustainability of the welfare system.

**Effective program design and management** – ensuring government policies and programs achieve intended outcomes through effective program planning, design, implementation, ongoing monitoring, and evaluation.

**People, culture and performance** – building a productive, safe, diverse and respectful workplace, effectively managing risks and resources, and ensuring we have the capability to deliver government priorities now and into the future.

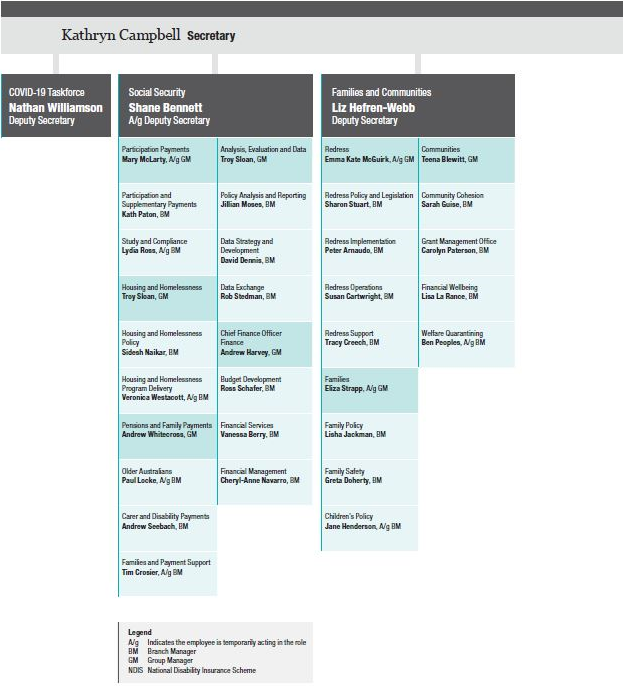
#### Our values

Our values are those of the Australian Public Service (APS). The APS values require us to be impartial, committed to service, accountable, respectful, and ethical. These are central to the way we work with our Ministers, colleagues, and stakeholders.

#### Organisational structure

Our department is led by the Secretary and supported by deputy secretaries operating across four streams. Our organisational structure as at 30 June 2020 is shown at Figure 1.1.1.

**Figure 1.1.1 Organisational structure as at 30 June 2020**

******

******

#### Our people

We operate across Australia with 71.6 per cent of our staff based in our national office located in Canberra and 28.4 per cent in the service delivery network located in state, territory, and regional offices.

**Figure 1.1.2 Our national presence as at 30 June 2020**

**Staff numbers by state.
ACT 1,694; NSW 161; NT 37; QLD 114; SA 84; TAS 54; VIC 148; WA 74; Grand total 2,366

Illustration showing 71.6 per cent of staff (1,694) work in National Office and 28.4 per cent (672) work in the Delivery Network

**

##### Chapter 1.2

# The portfolio

As at 30 June 2020, two Ministers and two Assistant Ministers had responsibilities in the Social Services Portfolio:

* Senator the Hon Anne Ruston, Minister for Families and Social Services
* The Hon Stuart Robert MP, Minister for the National Disability Insurance Scheme,  
  Minister for Government Services
* The Hon Michelle Landry MP, Assistant Minister for Children and Families
* The Hon Luke Howarth MP, Assistant Minister for Community Housing, Homelessness and Community Services.

The department is established as a Department of State under the Administrative Arrangements Order.

In addition to the Department of Social Services, the portfolio comprises the following portfolio bodies:

* Australian Institute of Family Studies, established under the *Family Law Act 1975*
* National Disability Insurance Agency, established under the *National Disability Insurance Scheme Act 2013*
* NDIS Quality and Safeguards Commission, established under the *National Disability Insurance Scheme Act 2013*
* Services Australia, established as an Executive Agency under the *Public Service Act 1999*
* Digital Transformation Agency, established as an Executive Agency under the  
  *Public Service Act 1999*
* Hearing Australia, established under the *Australian Hearing Services Act 1991*.

#### Portfolio bodies

###### Australian Institute of Family Studies

**Outcome:** increase understanding of factors affecting how families function by conducting research and communicating findings to policy-makers, service providers, and the broader community.

The Australian Institute of Family Studies provides advice, shares knowledge, and builds evidence about what works for families to accelerate positive outcomes.

[**aifs.gov.au**](https://aifs.gov.au/)

###### National Disability Insurance Agency

**Outcome:** implement a National Disability Insurance Scheme (NDIS) that provides individual control and choice in the delivery of reasonable and necessary supports to improve the independence, social and economic participation of eligible people with disability, their families and carers, and associated referral services and activities.

The National Disability Insurance Agency, established under the *National Disability Insurance Scheme Act 2013*, has responsibility for administering the NDIS. The *National Disability Insurance Scheme Act 2013* (in conjunction with other laws) gives effect to Australia’s obligations under the United Nations Convention on the Rights of Persons with Disabilities.

**ndis.gov.au**

###### NDIS Quality and Safeguards Commission

**Outcome:** promote the delivery of quality supports and services to people with disability under the NDIS and other prescribed supports and services, including through nationally consistent and responsive regulation, policy development, advice, and education.

The NDIS Quality and Safeguards Commission (the NDIS Commission) is a statutory body established to improve the quality and safety of NDIS supports and services. The NDIS Commission is responsible for ensuring NDIS providers comply with new regulatory standards and the NDIS Code of Conduct in the course of delivering supports and services to NDIS participants. The NDIS Commission also promotes safety and quality services, resolves problems, and identifies areas for improvement.

The NDIS Commission commenced operations in New South Wales and South Australia on   
1 July 2018. All other states and territories transitioned on 1 July 2019 except Western Australia, which will transition to the NDIS Commission on 1 December 2020.

**ndiscommission.gov.au**

###### Services Australia

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

**servicesaustralia.gov.au**

###### Digital Transformation Agency

**Outcome:** accelerate the Government’s digital transformation agenda by helping agencies move more services online, deliver a better user experience to users, and ensure the best use of Government’s Information and Communication Technology (ICT) spend. The Digital Transformation Agency is a non‑corporate Commonwealth entity.

**dta.gov.au**

###### Hearing Australia

**Mission:** provide world leading research and hearing services for the wellbeing of all Australians. Hearing Australia is a Public Non-financial Corporation (Trading) entity established under the *Australian Hearing Services Act 1991*. Accordingly, Hearing Australia is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements. Hearing Australia is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* and  
is governed by a board that is appointed by the Minister for Government Services.

**hearing.com.au**

#### Ministers and portfolio responsibilities

**Figure 1.2.1: Social Services portfolio as at 30 June 2020**

Figure 1.2.1 Social Services Portfolio: Minister for Families and Social Services, Senator the Hon Anne Ruston. Minister for the National Disability Insurance Scheme; Minister for Government Services, The Hon Stuart Robert MP. Assistant Minister for Children and Families, The Hon Michelle Landry MP. Assistant Minister for Community Housing, Homelessness and Community Services, The Hon Luke Howarth MP.
Department of Social Services: Secretary, Ms Kathryn Campbell AO CSC. 
Portfolio bodies: Australian Institute of Family Studies, Director, Ms Anne Hollonds; NDIS Quality and Safeguards Commission, Commissioner, Mr Graeme Head AO; National Disability Insurance Agency, Chief Executive Officer, Mr Martin Hoffman; Services Australia, Chief Executive Officer, Ms Rebecca Skinner; Digital Transformation Agency, Chief Executive Officer, Mr Randall Brugeaud; Hearing Australia, Managing Director, Mr Kim Terrell.

#### Changes to the Portfolio 2019–20

Services Australia (formerly the Department of Human Services) was established as a new  
Executive Agency within the Social Services Portfolio under the Administrative Arrangements Order issued on 5 December 2019, with effect from 1 February 2020.

Part 2

Annual Performance Statement

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Department of Social Services

Introductory statement

I, Kathryn Campbell, as the accountable authority of the Department of Social Services, present the   
2019–20 Annual Performance Statement of the Department of Social Services, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013.* In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the *Public Governance, Performance and Accountability Act 2013*.



Kathryn Campbell AO CSC

Secretary

15 October 2020

Our performance

The 2019-20 Annual Performance Statement outlines the department’s performance against its outcomes, programs and key activities. The performance criteria are set out in the 2019-20 Portfolio Budget Statements and the Corporate Plan 2019-20.

This year has been a time of significant challenge and adversity in Australia. The bushfires and the  
COVID-19 pandemic have had ongoing devastating impacts on individuals, families and communities. They required urgent responses from the Government and, by extension, the department. These events had a significant impact on the department’s operations and required resources to be reprioritised and quickly moved to work on emerging critical activities. Through these events the importance of the department’s mission to improve the social and economic wellbeing of people has been paramount.

In the context of the national emergencies, the department developed new policies to enable existing payments and services to be adapted, and was responsive in facilitating temporary payments and services to support Australians in these unprecedented times. This work included:

* developing the Coronavirus Supplement and introducing the JobSeeker Payment
* working with third party community organisations to ensure enhanced levels of funding and services were provided to support Australians in need, and
* supporting people with disability through initiatives such as the Disability Information Helpline and the new Carer Gateway.

Over and above the response to the bushfires and COVID-19 pandemic, the department continued to develop policies and implement Government priorities across the spectrum of our social services responsibilities.

**How we measured our performance in 2019-20**

The department has a wide range of responsibilities within the social services portfolio and works with a diverse range of stakeholders. As a predominately policy agency, the vast majority of our performance is measured through our impact on effectiveness.

The department’s 2019–20 Performance Framework is outlined in Table 2.0.1. It is based around the department’s four outcomes across: Social Security, Families and Communities, Disability and Carers and Housing and Homelessness.

At the program level our performance criteria (as outlined in the 2019-20 Portfolio Budget Statements) relies on having strong and clear agreements in place with our service delivery partners.

At the key activity level the department uses a three step categorisation system with outcomes, intermediate outcomes and/or outputs, which are all supported by performance indicators. The performance criteria is grouped around similar policy and outcome themes (e.g. financial self-reliance, individual and family functioning).

**Table 2.0.1: The department’s Performance Framework 2019-20**

| Outcome | Measure Hierarchy | Performance criteria | Indicator/Output |
| --- | --- | --- | --- |
| **Outcome / Purpose (Social Security, Families and Communities, Disability and Carers, Housing and Homelessness)** | **Outcome — What did we achieve?** | **Criteria** | Indicator theme |
| Indicator theme |
| **Intermediate Outcome — How well did we do?** | **Criteria** | Indicator theme |
| Indicator theme |
| **Output —****How much did we do?** | **Delivery measures** | Number of outputs |
| Administered outlays |

Chapter 2.1

Purpose 1 — Social Security

Encourage self-reliance and support people who cannot fully support themselves by providing sustainable social security payments and assistance.

Summary and analysis of Outcome 1 performance

The social security system promotes self-reliance and aims to break the cycle of long-term welfare dependence, while providing adequate support for those who need it.

The sustainability of the social security system and the capacity of people to achieve and maintain financial self-reliance over their lifetime relies on many factors, some beyond the direct influence of the department. These factors include labour market conditions, availability and alignment of education and job opportunities, and increasing life expectancy. We work in close partnership with other Australian Government agencies to develop and implement cross-portfolio strategies aimed at influencing these and other factors in order to deliver an efficient and effective social security system.

In the past year, the social security system has demonstrated its flexibility and responsiveness to supporting Australians in need. In February 2020, the proportion of working age Australians receiving welfare benefits had fallen to its lowest level in more than 30 years, with 13.5 per cent of the working age population receiving working age income support payments at June 2019. This was a drop from the previous year’s level of 14.3 per cent and a significant reduction over the previous decade when  
in 2009 the proportion of working age Australians relying on welfare was 17.2 per cent.

The social security system was able to rapidly respond to the economic impacts resulting from health measures put in place to protect Australians from the COVID-19 pandemic. Between March and April 2020, the number of income support recipients increased by 9.9 per cent from 5.0 million to 5.5 million and a range of temporary measures were introduced to the system to support Australians who lost their jobs.

| **Key results**  In the past year, some of our contributions to improving outcomes for sustainability of the social security system include:   * From 20 March 2020, seven existing payments started to progressively cease and the JobSeeker Payment was created as the main payment for working age Australians, making the social security system easier and simpler to navigate * At the commencement of the unprecedented health and economic crisis, caused by the COVID-19 pandemic, additional financial support was provided through the social security system, including: * a $750 Economic Support Payment for eligible income support and Family Tax Benefit recipients and concession card holders from 31 March 2020 * a temporary Coronavirus Supplement for eligible payments from 27 April 2020 * temporary changes to the partner income test for JobSeeker Payment from 27 April 2020 * a reduction in social security deeming rates to reflect changed market conditions * Support was given to over 4,000 participants to receive services in 2019–20 under the Try, Test and Learn Fund, which trials new and innovative ways of reducing long-term welfare dependence among at-risk cohorts. |
| --- |

Outcome 1 Programs and Key Activities

Outcome 1 comprises 12 programs and a number of activities that contribute to the achievement of the social security outcome. We support those most in need and help people become and remain financially self-reliant. We provide a range of payments through the administration of a social security system. The tables below outline how the objectives of this purpose were achieved through delivery of measurable activities. Our program performance in 2019–20 is measured through agreements in place with relevant service providers and the performance of key activities is assessed using  
cross-program performance indicators and measures.

**Table 2.1.1: Outcome 1 Programs and Key Activities**

| **OUTCOME 1 – SOCIAL SECURITY** | | | | | |
| --- | --- | --- | --- | --- | --- |
| **Program 1.1**  **Family Tax Benefit** | **Program 1.2**  **Child Payments** | **Program 1.3**  **Income Support for Vulnerable People** | **Program 1.4**  **Income Support for People in Special Circumstances** | **Program 1.5**  **Supplementary Payments and Support for Income Support Recipients** | **Program 1.6**  **Income Support for Seniors** |
| Refer to Table 2.1.2 for program performance results | | | | | |
| **Key activities**   * Family Tax Benefit (FTB) * Child Support Scheme (CSS) | **Key activities**   * Stillborn Baby Payment (SBP) * Double Orphan Pension (DOP) * Assistance for Isolated Children (AIC) | **Key activities**   * Special Benefit (SB) | **Key activities**   * Payments under Special Circumstances (PUSC) | **Key activities**   * Utilities Allowance (UA) | **Key activities**   * Age Pension (AP) |
| Refer to Table 2.1.3 for index of key activities performance results | | | | | |

| **Program 1.7**  **Allowances and Concessions for Seniors** | **Program 1.8**  **Income Support for People with Disability** | **Program 1.9**  **Income Support for Carers** | **Program 1.10**  **Working Age Payments** | **Program 1.11**  **Student Payments** | **Cross-Program**  **Rent Assistance** |
| --- | --- | --- | --- | --- | --- |
| Refer to Table 2.1.2 for program performance results | | | | | |
| **Key activities**   * Energy Supplement for Commonwealth Seniors Health Card Holders (ES**)** | **Key activities**   * Disability Support Pension (DSP) | **Key activities**   * Carer Payment (CP) * Carer Allowance (CA) | **Key activities**   * Jobseeker Payment (JP) * Parenting Payment (PP) * Youth Allowance (Other) (YA) | **Key activities**   * ABSTUDY * Austudy * Youth Allowance (Student) (YA) | **Key activities**   * Rent Assistance (RA) |
| Refer to Table 2.1.3 for index of key activities performance results | | | | | |

Performance Results of Programs

This section describes the 2019–20 results of the program performance measured through agreements in place with relevant service providers.

**C1.4 Extent to which delivery meets program objective**

This criterion assesses whether funds have been spent consistent with the program objective with a focus on appropriate delivery of payments.

**C1.4.1 Program performance criteria and associated milestones/standards**

**Table 2.1.2: Program performance criteria and associated milestones/standards**

| Intermediate outcome performance measure  PBS performance criteria | Target | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- | --- |
| **Program 1.1: Family Tax Benefit** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments/programs below are made in accordance with relevant legislation, policy and guidelines:   * Family Tax Benefit Part A * Family Tax Benefit Part B * Child Support Scheme | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.2: Child Payments** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Single Income Family Supplement * Stillborn Baby Payment * Double Orphan Pension * Assistance for Isolated Children | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.3: Income Support for Vulnerable People** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Special Benefit | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.4: Income Support for People in Special Circumstances** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Payments under Special Circumstancesa * Bereavement Allowance | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.5: Supplementary Payments and Support for Income Support Recipients** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Essential Medical Equipment Payment * Utilities Allowance | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |

| Program 1.6: Income Support for Seniors | | | | |
| --- | --- | --- | --- | --- |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Age Pension * Widow B Pension * Wife Pension (Age) | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.7: Allowances and Concessions for Seniors** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Allowances and Concessions for Seniors | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.8: Income Support for People with Disability** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Disability Support Pension * Mobility Allowance | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.9: Income Support for Carers** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Carer Allowance (Adult) and (Child) * Carer Payment * Carer Supplement * Child Disability Assistance Payment * Wife Pension (Disability Support Pension) | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.10: Working Age Payments** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Newstart Allowance/JobSeeker Payment * Parenting Payment * Sickness Allowance * Widow Allowance * Youth Allowance (other) * Partner Allowance | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 1.11: Student Payments** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * ABSTUDY * Austudy * Youth Allowance (student) * Student Start-up Loan | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Cross Program: Rent Assistance** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Commonwealth Rent Assistance | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Program Support for Outcome 1 | | | | |
| Total departmental funding for Outcome 1 | Milestone/ standard:  Departmental funding is expended to achieve agency outcomes | $107.912m | $105.263m | $101.997m |

a The Communities Program components of Payments Under Special Circumstances are not delivered by Services Australia.

Performance Analysis of Outcome 1 Programs

Outcome 1 program’s performance criteria (as outlined in the 2019–20 Portfolio Budget Statements) is about having agreements in place with Services Australia. As much of the data and activity outputs are demand driven and intersect with changes in the economy the delivery of policy intent by Services Australia is critical. The Administrative Arrangements Orders (AAOs) of 5 December 2019 were updated to reflect Services Australia as an Executive Agency within the Social Services Portfolio.

During the COVID-19 pandemic response, the portfolio arrangements were critical in ensuring a whole of portfolio response to the COVID-19 pandemic and in delivering working age payments, particularly JobSeeker Payment to assist Australians who lost their jobs or had their hours of work reduced. This also included repurposing the department’s Enid Lyons Building at Tuggeranong, Canberra and providing staff from the department to take calls and process claims during the peak of the pandemic.

As a result of the changes to AAOs and the review of our performance measures from 2020–21 the program measures reflect key policy activities and targets.

Performance Results of Key Activities

This section describes the performance of the key activities in Outcome 1. The table below outlines our Corporate Plan performance criteria and indicators for Outcome 1, which show how we intend to measure what we achieved, how well we did, and how much we did. Not all activities report against every performance criterion. Where appropriate, analysis has also been provided.

**Table 2.1.3: Cross program performance criteria for Outcome 1 – Social Security**

*Programs: 1.1 Family Tax Benefit; 1.2 Child Payments; 1.3 Income Support for Vulnerable People; 1.4 Income Support for People in Special Circumstances; 1.5 Supplementary Payments and Support for Income Support Recipients; 1.6 Income Support for Seniors; 1.7 Allowances and Concessions for Seniors; 1.8 Income Support for People with Disability; 1.9 Income Support for Carers; 1.10 Working Age Payments; 1.11 Student Payments; XP (Cross Program); XPRA (Cross Program) Rent Assistance.*

| Measure Hierarchy | Performance criteria | Indicator/Output | Program Reference | Results Table Index |
| --- | --- | --- | --- | --- |
| **Outcome — What did we achieve?** | **C1.1 – Sustainability of the payments system** | C1.1.1 – Average future lifetime cost (in current year dollars) of total welfare payments to individuals | XP | 2.1.4a, 2.1.4b |
| **C1.2 – Extent to which payment recipients have improved financial self-reliance** | C1.2.1 – Expected average proportion of future years not receiving income support payments | XP | 2.1.5 |
| C1.2.2 – Percentage of recipients who are not receiving income support 3/6/12 months after exiting student payments | 1.11 | 2.1.6 |
| C1.2.3 – Percentage of recipients who exit income support within 3/6/12 months | 1.3, 1.10 | 2.1.7 |
| C1.2.4 – Percentage of recipients reporting employment income | 1.3, 1.6, 1.8, 1.9, 1.10, 1.11 | 2.1.8 |
| C1.2.5 – Percentage of recipients receiving a part rate of payment due to income or assets test | 1.1, 1.3, 1.6, 1.8, 1.9, 1.10, 1.11 | 2.1.9a, 2.1.9b, 2.1.9c |
| **Intermediate Outcome — How well did we do?** | **C1.3 – Extent to which payments are made to, or with respect to, people unable to fully support themselves** | C1.3.1 – Percentage of targeted population who receive payment | 1.1, 1.6, 1.8, 1.9 | 2.1.10a, 2.1.10b |
| C1.3.2 – Percentage of recipients aligned to specific policy objectives or payment conditions | 1.1, 1.6 | 2.1.11a, 2.1.11b, 2.1.11c |
| C1.3.3 – Percentage of Commonwealth Rent Assistance income units in rental stress before and after receiving Commonwealth Rent Assistance | XPRA | 2.1.12 |
| **C1.4 – Extent to which delivery meets program objective** | C1.4.1 – Program performance criteria and associated milestones/standards (PBS) | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, XPRA | 2.1.2 |
| C1.4.2 – Payment accuracy (PBS) | 1.1, 1.6, 1.8, 1.9, 1.10, 1.11 | 2.1.13 |
| C1.4.3 – Percentage of recipients with debts by type and status | 1.1 | 2.1.14 |
| **Output —****How much did we do?** | **C1.5 – Delivery measures** | C1.5.1 – Number of recipients (PBS) | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11, XPRA | 2.1.15a, 2.1.15b |
| C1.5.2 – Number of children | 1.1, 1.2 | 2.1.16a, 2.1.16b |
| C1.5.3 – Number of Commonwealth Rent Assistance income units | XPRA | 2.1.17 |
| C1.5.4 – Administered outlays (PBS) | 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.10, 1.11 | 2.1.18 |

Source: Corporate Plan 2019–20 and Portfolio Budget Statements 2019–20.

**C1.1 Sustainability of the payments system**

This criterion measures the sustainability of the payments system by estimating the expected average future welfare payments to be made over the remaining future lifetimes of the Australian resident population. The analysis is taken from the Australian Priority Investment Approach to Welfare actuarial model. This model can be used to contribute to longer-term thinking about costs and sustainability of the welfare system. The assessment of projected future lifetime costs will help identify where interventions may improve sustainability outcomes.

**C1.1.1 Average future lifetime cost (in current year dollars) of total welfare payments to individuals**

In the actuarial model, welfare recipients are assigned to a unique welfare class grouping that reflects their life situation and welfare usage. Classes are defined by the payment types currently being received. Further detail about this is provided in the 30 June 2018 Valuation Report.

Each valuation estimates the net present value of the future lifetime cost of the welfare system by applying a discount rate to future costs to bring them back to today’s dollars. While the first three valuations (2015, 2016 and 2017) used a discount rate of 6 per cent, the discount rate for the 2018 valuation was reduced to 5 per cent to reflect economic conditions and to align with other government publications. To enable the comparability of the 2017 and 2018 lifetime costs, the 2017 results have been ‘rebased’ using a 5 per cent discount rate.

Analysis

The total future lifetime cost for the Australian resident population is estimated to be $5.7 trillion as at 30 June 2018. This is approximately $636 billion (10.1 per cent) lower than the rebased 2017 lifetime cost of $6.3 trillion. Tables 2.1.4a and 2.1.4b show the contribution of each welfare class and population group to the total future lifetime cost and the average future lifetime cost for each group.

**Table 2.1.4a: Total future lifetime cost (in current year dollars) by current welfare class**

| Outcome performance measure | Total future lifetime costa | |
| --- | --- | --- |
| June 2018 c | June 2017b |
| **Cross program** | | |
| Current welfare recipients | | |
| * Studying Payment recipients | $94b | $112b |
| * Working Age Payment recipients | $471b | $521b |
| * Parenting Payment recipients | $220b | $259b |
| * Carer Payment recipients | $155b | $148b |
| * Disability Support Pension recipients | $417b | $417b |
| * Age Pension recipients | $577b | $591b |
| * Recipients of non-Income Support Family Payments | $354b | $403b |
| * Recipients of non-Income Support Carer Payments | $51b | $53b |
| * Recipients of other non-Income Support Payments | $98b | $96b |
| Previous welfare recipients | $900b | $990b |
| Rest of Australian resident population | $2,323b | $2,708b |
| Total—Australian resident population | $5,662b | $6,298b |

a Future lifetime cost is defined at the valuation date as the net present value of future in-scope payments made to people over the remainder of their natural lifetimes. Due to rounding, numbers may not add up precisely to the total provided.

b The 2017 results have been ‘rebased’ using a 5 per cent discount rate to enable the comparability of the 2017 and 2018 lifetime costs.

c One-year lag for reporting of data.

**Table 2.1.4b: Average future lifetime cost (in current year dollars) by current welfare class**

| Outcome performance measure | Average future lifetime costa | |
| --- | --- | --- |
| June 2018 | June 2017b |
| **Cross program** | | |
| Current welfare recipients: | | |
| * Studying Payment recipients | $263,000 | $302,000 |
| * Working Age Payment recipients | $380,000 | $400,000 |
| * Parenting Payment recipients | $577,000 | $599,000 |
| * Carer Payment recipients | $529,000 | $532,000 |
| * Disability Support Pension recipients | $547,000 | $548,000 |
| * Age Pension recipients | $230,000 | $228,000 |
| * Recipients of non-Income Support Family Payments | $230,000 | $261,000 |
| * Recipients of non-Income Support Carer Payments | $235,000 | $260,000 |
| * Recipients of other non-Income Support Payments | $151,000 | $172,000 |
| Previous welfare recipients | $187,000 | $221,000 |
| Rest of Australian resident population | $189,000 | $223,000 |
| Total—Australian resident population | $226,000 | $255,000 |

a Future lifetime cost is defined at the valuation date as the net present value of future in-scope payments made to people over the remainder of their natural lifetimes. Average future lifetime cost refers to the per person lifetime cost for a group of people. Note the one-year lag for reporting the data.

b The 2017 results have been ‘rebased’ using a 5 per cent discount rate to enable the comparability of the 2017 and 2018 lifetime costs.

**C1.2 Extent to which payment recipients have improved financial self-reliance**

This criterion comprises a number of proxy indicators for financial self-reliance that measures contact with the social security payment system. These indicators are designed to capture the extent to which people that have the capacity to do so access financial resources beyond the payment they are receiving. These indicators are:

* expected average proportion of future years not receiving income support payments
* percentage of recipients who are not receiving income support within three, six, and 12 months after exiting student payments
* percentage of recipients who exit income support within three, six, and 12 months
* percentage of recipients reporting employment income
* percentage of recipients receiving a part rate of payment due to the income or assets test.

The five indicators apply differently across payments, based on payment objectives and the extent of financial independence and duration on payment expected for different groups of people. More measures apply to activity-tested programs as these are explicitly trying to improve self-reliance and provide opportunities to exit the income support system.

**C1.2.1 Expected average proportion of future years not receiving income support payments**

This indicator measures the expected average proportion of future years that an individual will not receive income support payments over their expected future lifetime as simulated by the Australian Priority Investment Approach to Welfare actuarial model. This helps us understand expected future reliance on the social security system for Australian residents.

**Table 2.1.5: Expected average proportion of future years not receiving income support payments, June 2018**

|  |  |  |
| --- | --- | --- |
| Outcome performance measure | Expected average proportion of future years not receiving income support paymentsa | |
| **June 2018**b | **June 2017** |
| **Cross program** | | |
| * Studying Payment recipients | 65% | 60% |
| * Working Age Payment recipients | 41% | 38% |
| * Parenting Payment recipients | 41% | 36% |
| * Carer Payment recipients | 18% | 16% |
| * Disability Support Pension recipients | 7% | 6% |
| * Age Pension recipients | 4% | 6% |
| * Recipients of non-Income Support Family Payments | 67% | 62% |
| * Recipients of non-Income Support Carer Payments | 62% | 57% |
| * Recipients of other non-Income Support Payments | 68% | 63% |
| Previous welfare recipients | 66% | 59% |
| Rest of Australian resident population | 71% | 66% |
| Total—Australian resident population | 64% | 59% |

a This measure captures information on an annual basis; that is, the number of future years for which no income support payment would be made to the individual (expressed as a percentage of their expected future lifetime years). It is not a measure of the number of fortnightly payment periods in which individuals do not receive payment.

b Note the one-year lag for reporting the data.

**C1.2.2 Percentage of recipients who are not receiving income support 3/6/12 months after exiting student payments**

This indicator measures the reliance of former recipients of student payments on income support three, six, and 12 months after leaving student payments. It is a proxy indicator for sustained self-reliance.

**Table 2.1.6: Percentage of recipients who are not receiving income support 3/6/12 months after exiting Student Payments**

| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Student Payments**a | | | |
| **Austudy** | | | |
| Percentage of Austudy recipients who are not receiving income support 3/6/12 months after exiting Student Payments: | | | |
| * within 3 months | 69.1% | 65.2% | 63.2% |
| * within 6 months | 71.4% | 68.3% | 65.7% |
| * within 12 months | 75.3% | 73.0% | 70.5% |
| **Youth Allowance (student)** | | | |
| Percentage of Youth Allowance (student) recipients who are not receiving income support 3/6/12 months after exiting Student Paymentsb | | | |
| * within 3 months | 77.5% | 73.9% | 71.5% |
| * within 6 months | 80.5% | 77.9% | 75.4% |
| * within 12 months | 84.0% | 82.8% | 80.4% |
| **ABSTUDY (Secondary and Tertiary)** | | | |
| Percentage of ABSTUDY recipients who are not receiving income support 3/6/12 months after exiting Student Paymentsc | | | |
| * within 3 months | 60.9% | 56.6% | 53.1% |
| * within 6 months | 58.6% | 55.2% | 52.2% |
| * within 12 months | 57.7% | 57.5% | 54.4% |

a Group comprises recipients who exited from Student Payments in calendar years 2018, 2017 and 2016.

b Includes Australian apprentices.

c ABSTUDY Living Allowance only.

**C1.2.3 Percentage of recipients who exit income support within 3/6/12 months**

This indicator demonstrates how quickly activity-tested recipients have been able to exit from income support and is a proxy measure of self-reliance. Activity-tested recipients are those who have mutual obligation requirements to look for work or undertake other activities and who are normally expected to have a short duration on payment.

Analysis

The proportion of people exiting Newstart Allowance/JobSeeker Payment, Youth Allowance (other) and Special Benefit within 12 months has decreased, compared to the previous year. This can, in part, be explained by the economic downturn that occurred as a result of the health response to the COVID-19 pandemic.

Recipients exit income support for a variety of reasons, including employment, personal income from other sources, partner income, parental income (for Youth Allowance (other) recipients only), or assets.

**Table 2.1.7: Percentage of recipients who exit income support within 3/6/12 months**

| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Income Support for Vulnerable People** | | | |
| **Special Benefit** | | | |
| Percentage of Special Benefit activity tested recipients who exit income support payment: | | | |
| * within 3 months | 8.6% | 20.8% | 23.7% |
| * within 6 months | 27.7% | 36.9% | 40.8% |
| * within 12 months | 56.6% | 58.0% | 60.6% |
| **Working Age Payments** | | | |
| **Newstart Allowance/JobSeeker Paymenta** | | | |
| Percentage of Newstart Allowance/JobSeeker Payment recipients who exit income support payment: | | | |
| * within 3 monthsb | 17.6% | 19.2% | 24.0% |
| * within 6 monthsc | 28.5% | 38.0% | 41.7% |
| * within 12 monthsc | 57.1% | 62.0% | 63.0% |
| **Youth Allowance (other)** | | | |
| Percentage of Youth Allowance (other) recipients who exit income support payment: | | | |
| * within 3 months | 14.9% | 17.3% | 22.9% |
| * within 6 months | 28.1% | 37.7% | 42.5% |
| * within 12 months | 56.4% | 61.6% | 62.1% |

a JobSeeker Payment replaced Newstart Allowance on 20 March 2020.

b Includes Newstart Allowance and JobSeeker Payment recipients.

c Includes Newstart Allowance recipients only.

**C1.2.4 Percentage of recipients reporting employment income**

This indicator uses receipt of employment income to demonstrate a person’s connection to the workforce. Reporting income from employment is a proxy for improved financial self reliance.

The results for this measure will vary by payment. For some groups, such as secondary students, principal carers of children under school age, carers, people with disability, and seniors, it is recognised there is a reduced capacity to undertake paid work. Students are provided with additional incentives to work through a higher personal income-free area and income bank. This is consistent with the Government’s objectives of increasing financial self‑reliance.

Analysis

The economic downturn that occurred from March 2020 as a result of the health response to the COVID-19 pandemic has resulted in decreased opportunities for people to take up paid work.

Only 1.7 per cent of all Special Benefit recipients report employment income as many recipients are over Age Pension age.

The proportion of Age Pension recipients reporting employment income in 2019–20 has declined to 4.0 per cent after being relatively steady in the previous two years (4.2 per cent in 2017–18, 4.3 per cent in 2018–19).

Disability Support Pension recipients reporting employment income continued to decline to 6.9 per cent in 2019–20 from previous years (8.0 per cent in 2017–18 and 7.8 per cent in 2018–19). The low proportion of recipients reporting employment income reflects that the Disability Support Pension is designed to support those with limited capacity to work.

The low percentage of Carer Payment recipients reporting employment income (between 8.3 and 9.3 per cent over the past three financial years) reflects the targeting of the payment to carers who have limited capacity to engage in employment.

The proportion of working age payment recipients reporting employment income has generally remained steady, although there was a slight fall for Newstart Allowance/JobSeeker Payment.

Parenting Payment Partnered, Sickness Allowance, Partner Allowance and Widow Allowance recipients are less likely to have employment income as these recipients are not subject to mutual obligation requirements.

Parenting Payment Single has a higher income limit than other working age payments, which allows recipients with higher levels of earnings to remain entitled to the payment.

**Table 2.1.8: Percentage of recipients reporting employment income**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Income Support for Vulnerable People** | | | |
| Special Benefit | 1.7% | 1.6% | 1.5% |
| **Income Support for Seniors** | | | |
| Age Pension (new entrants) | 10.0% | 9.8% | 9.4% |
| Age Pension (all recipients) | 4.0% | 4.3% | 4.2% |
| **Income Support for People with Disability** | | | |
| Disability Support Pension | 6.9% | 7.8% | 8.0% |
| **Income Support for Carers** | | | |
| Carer Payment | 8.3% | 9.3% | 9.1% |
| Wife Pension (Disability Support Pension)a | – | 21.3% | 21.7% |
| **Working Age Payments** | | | |
| Newstart Allowance/JobSeeker Payment b | 15.1% | 19.1% | 20.3% |
| Parenting Payment (Partnered) | 10.5% | 10.8% | 10.0% |
| Parenting Payment (Single) | 25.5% | 28.8% | 26.9% |
| Partner Allowance | 4.1% | 5.9% | 6.1% |
| Sickness Allowancec | 0.0% | 9.4% | 8.8% |
| Widow Allowance | 3.2% | 5.1% | 5.9% |
| Youth Allowance (other) | 19.8% | 17.6% | 19.3% |
| **Student Payments** | | | |
| Austudy | 27.7% | 33.7% | 33.1% |
| Youth Allowance (student)d | 31.9% | 38.0% | 37.7% |
| ABSTUDY (Secondary and Tertiary)e | 14.8% | 17.5% | 17.4% |

a Wife Pension (Disability Support Pension) closed on 20 March 2020, these recipients were transferred to Carer Payment, Age Pension or JobSeeker Payment and the percentage of recipients reporting employment income is reflected in the payment to which these people transferred.

b JobSeeker Payment replaced Newstart Allowance on 20 March 2020.

c Sickness Allowance closed to new recipients on 20 March 2020 and all but six existing recipients transitioned  
to JobSeeker Payment.

d Includes Australian apprentices.

e ABSTUDY Living Allowance only.

**C1.2.5 Percentage of recipients receiving a part rate of payment due to income or assets tests**

This indicator shows the proportion of payment recipients with additional means (income or assets over free areas in the means test) who need less support from the payments system. A higher proportion of the population in receipt of a part rate of payment indicates a higher financial capacity to provide some level of self-support. Some payments only apply income tests.

Payment rates may be reduced under the income test due to income earnt by the recipient or their partner or, for Youth Allowance only, parental income.

The high proportion of Special Benefit recipients receiving a part rate is due to the strict Special Benefit income test whereby all income and the value of in‑kind support, such as free board and lodgings, reduces the Special Benefit rate by that amount.

Analysis

The proportion of Age Pension recipients on part rate due to the means test reduced to 32.8 per cent in 2019–20 compared to around 38 per cent in the previous two financial years. The proportion in receipt of a part rate is highest for pensioners aged 70 and under.

Over the longer-term, it is expected the proportion of Age Pension recipients on the part rate will increase, because newer retirees are more likely to have accumulated superannuation savings due to the introduction of compulsory superannuation in 1992.

The downward trend of Disability Support Pension recipients on part rate is partially influenced by improved assessments and tightened eligibility for recipients, which better targets the payment to people who are unable to support themselves due to their disability.

There has been a slight reduction in the percentage of Carer Payment recipients receiving a part rate of pension due to the means test over the past three years, from 22.5 per cent in 2017–18 to 19.5 per cent in 2019–20.

This indicator captures recipients on a part rate due to the income test only for working age payments. This is because these payments are not payable at a part rate under the assets test. These payments are subject to personal and partner income tests, and for dependent Youth Allowance (other) recipients, a parental income test and where applicable, a maintenance income test where child support is being received in respect of the young person and that amount is above the maintenance income-free area. The proportion of working age payment recipients receiving a part rate has remained steady across most payment types. In line with the slight reduction in the proportion of recipients with earned income, the proportion of Newstart Allowance/JobSeeker Payment recipients on a part rate of payment also fell slightly. This can be attributed to the economic downturn that occurred from March 2020 as a result of the health response to the COVID-19 pandemic that reduced opportunities for people to participate in the labour market.

**Table 2.1.9a: Percentage of recipients receiving a part rate of payment due to income or assets test — Family Tax Benefit**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Intermediate outcome performance measure | As ata | | | | | |
| **June 2018** | | | **June 2017** | | **June 2016** |
| **Percentage of recipients receiving a part rate of payment due to income or assets test**b | | | | | | |
| Family Tax Benefit | | | | | | |
| **Family Tax Benefit Part A**c | | | | | | |
| * Income testd | | 40.4% | 40.5% | | 40.9% | |
| * Maintenance income teste | | 21.4% | 20.7% | | 20.3% | |
| **Family Tax Benefit Part B** | | | | | | |
| * Income test | | 24.8% | 25.7% | | 28.0% | |

a Family Tax Benefit instalment population as at June each year.

b Family Tax Benefit recipients are not subject to an assets test.

c In this measure, a recipient may be captured in more than one category, that is, both income test and maintenance income test for Family Tax Benefit Part A. In Table 2.1.11a, recipients are captured in one category only.

d This measure captures any recipient whose entitlement is reduced by an income test.

e This measure captures any recipient whose entitlement is reduced by the maintenance income test.

**Table 2.1.9b: Percentage of recipients who did not meet the Family Tax Benefit Maintenance Action Test**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measurea | As at | | |
| **June 2018** | **June 2017** | **June 2016** |
| Percentage of children who did not meet the Family Tax Benefit Maintenance Action Testb | 11.0% | 11.0% | 10.8% |
| Percentage of families who did not meet the Family Tax Benefit Maintenance Action Testc | 14.5% | 14.4% | 14.2% |

a The Family Tax Benefit Maintenance Action Test requires a child’s parent to seek financial support from the other parent when they separate. If the parent does not take action, they are limited to the base rate of Family Tax Benefit Part A for that child. In certain circumstances, parents may be exempt from the Maintenance Action Test.

b Denominator includes all Family Tax Benefit Part A children who are required to go through Maintenance Action Test.

c Denominator includes all Family Tax Benefit Part A families who are required to take reasonable action to obtain maintenance.

**Table 2.1.9c: Percentage of recipients receiving part rate of payment due to income or assets test — welfare payments (excluding Family Tax Benefit)**

| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Income Support for Vulnerable People** | | | |
| Special Benefita | 59.6% | 76.7% | 77.7% |
| **Income Support for Seniors** | | | |
| Age Pension | 32.8% | 38.0% | 38.2% |
| * Income test | 19.5% | 25.1% | 25.4% |
| * Assets test | 13.3% | 13.0% | 12.8% |
| Widow B Pensionb | – | 40.2% | 39.0% |
| * Income test | – | 40.2% | 39.0% |
| * Assets test | – | 0.0% | 0.0% |
| Wife Pension (Age)b | – | 18.0% | 18.7% |
| * Income test | – | 16.2% | 17.0% |
| * Assets test | – | 1.8% | 1.7% |
| **Income Support for People with Disability** | | | |
| Disability Support Pension | 12.3% | 14.1% | 14.4% |
| * Income test | 11.3% | 13.2% | 13.5% |
| * Assets test | 1.0% | 0.9% | 1.0% |
| **Income Support for Carers** | | | |
| Carer Payment | 19.5% | 22.7% | 22.5% |
| * Income test | 17.1% | 20.3% | 20.0% |
| * Assets test | 2.4% | 2.4% | 2.5% |
| Wife Pension (Disability Support Pension)b | – | 27.5% | 27.8% |
| * Income test | – | 26.1% | 26.2% |
| * Assets test | – | 1.4% | 1.6% |
| **Working Age Payments** | | | |
| Newstart Allowance/JobSeeker Payment c | 24.6% | 22.3% | 23.2% |
| Parenting Payment (Partnered)c | 26.5% | 26.6% | 26.7% |
| Parenting Payment (Single)c | 24.2% | 26.3% | 24.7% |
| Partner Allowancec | 11.0% | 13.0% | 14.9% |
| Sickness Allowancec | 0.0% | 16.4% | 16.1% |
| Widow Allowancec | 17.7% | 21.5% | 21.4% |
| Youth Allowance (other)c | 20.6% | 15.8% | 16.3% |
| **Student Payments** | | | |
| Austudy | 13.6% | 16.8% | 15.4% |
| Youth Allowance (student)d | 24.5% | 27.8% | 26.4% |
| ABSTUDY (Secondary)e | 15.6% | 12.9% | 13.7% |
| ABSTUDY (Tertiary)f | 16.6% | 17.5% | 16.2% |

a Recipients on a part rate due to the income test only. This is because Special Benefit is not payable at a part rate under the assets test.

b Wife (Age & DSP) Pension and Widow B Pension closed on 20 March 2020, these recipients were transferred to Carer Payment, Age Pension or JobSeeker Payment and the percentage receiving a part rate of payment is reflected in the payment to which these people transferred.

c Recipients on a part rate due to the income test only. This is because working age payments are not payable at a part rate under the assets test. Sickness Allowance closed to new recipients on 20 March 2020 and all but six existing recipients have mostly transitioned to JobSeeker Payment (JobSeeker Payment replaced Newstart Allowance on 20 March 2020). Partner Allowance and Widow Allowance will close in 2022; existing recipients will progressively transition to Age Pension.

d Excludes Australian apprentices.

e ABSTUDY Living Allowance only.

f This indicator takes into account higher education and vocational education and training students.

**C1.3 Extent to which payments are made to, or with respect to, people unable to fully support themselves**

This criterion shows the reach of the major components of the payments system, expressed as a proportion of a particular population that receives payment. Trends in each demonstrate the effectiveness of policy measures in increasing or restricting eligibility to payments, as well as changes in the characteristics of the populations of interest.

**C1.3.1 Percentage of the targeted population who receive payment**

These measures provide a comparison of the number of people receiving particular welfare payments with the estimated population relevant to the payment type. They provide useful information on the coverage of particular payments in the population, such as families with children, senior Australians and carers.

Family Tax Benefit has undergone successive policy changes, such as pausing indexation of income thresholds, which have tightened eligibility for payment. This has resulted in a downward trend in the number of Family Tax Benefit families receiving fortnightly payments since 2004–05.

Analysis

There is a long-term trend of a gradual reduction in the proportion of senior Australians receiving the Age Pension. This is because new retirees have more assets at retirement than previous cohorts due to the maturation of the superannuation system. It is also due to the increase in the number of senior Australians remaining in the workforce longer. There was a slight increase in 2019–20, most likely due to the economic conditions in the second half of 2019–20, along with a reduction in deeming rates.

There has been a slight decrease in the percentage of people with disability who receive Disability Support Pension payments, down from 17.64 per cent in 2017–18 to 17.3 per cent in 2019–20. Similarly, the ratio of Disability Support Pension recipients to the total Australian working age population has also fallen slightly from 4.2 per cent in 2017–18 to 3.9 per cent in 2019–20. The continued decrease in Disability Support Pension recipients can primarily be attributed to previous policy changes associated with improved assessments and tightened eligibility.

**Table 2.1.10a: Percentage of the targeted population who receive payment — Family Tax Benefit**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | Entitlement yeara | | |
| **2017–18** | **2016–17** | **2015–16** |
| **Family Tax Benefit** | | | |
| Percentage of estimated population of families with children under 16 years of age receiving Family Tax Benefit Part Ab | 53.4% | 56.2% | 58.9% |
| Percentage of estimated population of families with children under 16 years of age receiving Family Tax Benefit Part Bb | 45.1% | 47.3% | 49.8% |

a Reconciliation data reported at June 2020 for 2017–18, June 2019 for 2016–17 and June 2018 for 2015–16. FTB reconciliation recipient information is reported after two years to capture future actions in respect of the financial year. The two-year period allows time for the data to capture many recipients lodging income tax returns and undertaking the reconciliation process or claiming a lump sum payment.

b Families are only able to receive Family Tax Benefit Part A for children aged 16 and over if they are in full time study towards Year 12 or equivalent. For this reason, comparison against the total population is limited to families with children under 16 years of age. The 2017–18 Australian Bureau of Statistics Survey of Income and Housing (SIH) data was used to estimate the number of families with a child aged under 16. For consistency, the 2016–17 and 2015–16 data have been revised using the same data. The estimates should be treated with caution as the 2017–18 SIH does not take into account families with shared care arrangements.

**Table 2.1.10b: Percentage of the targeted population who receive payment — welfare payments (excluding Family Tax Benefit)**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Income Support for Seniors** | | | |
| Percentage of estimated population of senior Australians over 65 years who receive Age Pensiona | 65.9% | 65.1% | 65.3% |
| **Income Support for People with Disability** | | | |
| Percentage of estimated population of people with disability who receive Disability Support Pensionb | 17.3% | 17.4% | 17.6% |
| Percentage of estimated Australian working age population who receive Disability Support Pensionc | 3.9% | 4.0% | 4.2% |
| **Income Support for Carers** | | | |
| Percentage of primary carers who are receiving Carer Paymentd | 34.2% | 33.0% | 32.1% |
| Percentage of primary carers who are receiving Carer Allowance (Adult) and (Child)e | 71.8% | 72.5% | 72.7% |

a These results are point-in-time counts of Age Pension recipients and the Australian Bureau of Statistics (cat. no. 3222.0 Population Projections, Australia, 2017 (base) to 2066) data on the seniors population aged 66 years and over.

b These results are derived from the 2018 Australian Bureau of Statistics Survey of Disability, Ageing and Carers (cat. no. 4430.0) and report the number of people with disability. Not all people with disability have a work limitation or rely on the Disability Support Pension.

c These results are point-in-time counts of Disability Support Pension recipients of working age and the Australian Bureau of Statistics (cat. no. 3222.0 Population Projections, Australia, 2017 (base) to 2066) data on the working age population aged 15–64 years.

d The result of this performance measure relies on the definition of primary carer used by the 2018 Australian Bureau of Statistics Survey of Disability, Ageing and Carers (cat. no. 4430.0) and is the number of people who provided the most informal help needed by a person with disability. Eligibility for Carer Payment and Carer Allowance is not determined by the Australian Bureau of Statistics definition of primary carer. This survey is run by the Australian Bureau of Statistics triennially.

e Excludes carers whose care receiver qualified for a Health Care Card only.

**C1.3.2 Percentage of recipients aligned to specific policy objectives or payment conditions**

This indicator explores a range of payment-specific policy requirements or parameters, such as immunisation and health checks. These provide insight into the characteristics of the payment populations and the effectiveness of policy conditions in influencing recipient behaviour.

Families who do not meet immunisation and health check requirements have a reduction applied to their FTB Part A child rate for each child who does not meet the requirements. To meet immunisation requirements children must be immunised according to the childhood vaccination schedule appropriate for the child’s age (or have an approved exemption). If a person received Family Tax Benefit and an Income Support Payment, and their child turned four during the entitlement year, their child also needs to undergo a health check in addition to immunisation requirements.

Analysis

In the 2017–18 entitlement year, the amount of child support received has reduced the amount of Family Tax Benefit Part A paid by $756 million, a small increase on the $750 million reduction in the 2016–17 entitlement year.

**Table 2.1.11a: Percentage of recipients aligned to specific policy objectives or payment conditions — Family Tax Benefit by income test categories**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Intermediate outcome performance measure | As ata | | | | |
| **June 2018** | | **June 2017** | | **June 2016** |
| **Family Tax Benefit** | | | | | |
| Percentage of families in receipt of Family Tax Benefit Part A within income test categories: | | | | | |
| * Families on Income Support | | | | | |
| * Maximum rate | 27.9% | 28.6% | | 28.8% | |
| * Maintenance reduced rate | 13.4% | 13.4% | | 13.3% | |
| * Base rate | 2.6% | 2.6% | | 2.5% | |
| * Regular care rate | 0.3% | 0.3% | | 0.3% | |
| * Families not on Income Support | | | | | |
| * Maximum rate | 10.8% | | 10.4% | | 10.1% |
| * Maintenance reduced rate | 3.6% | | 3.3% | | 3.1% |
| * Broken rate below high income free area | 20.4% | | 20.3% | | 19.9% |
| * Broken rate above high income free area | 6.8% | | 6.5% | | 6.0% |
| * Base rate | 9.9% | | 10.2% | | 11.2% |
| * Tapered base rate | 3.8% | | 4.1% | | 4.4% |
| * Regular care rate | 0.5% | | 0.4% | | 0.5% |
| Percentage of families in receipt of Family Tax Benefit Part B within income test categories: | | | | | |
| * Families on Income Support | | | | | |
| * Maximum rate single families | 39.0% | | 39.1% | | 37.1% |
| * Maximum rate couple families | 1.8% | | 1.9% | | 2.1% |
| * Broken rate couple families | 10.6% | | 11.2% | | 12.8% |
| * Families not on Income Support | | | | | |
| * Maximum rate single families | 18.9% | | 17.5% | | 15.8% |
| * Maximum rate couple families | 15.5% | | 15.8% | | 16.9% |
| * Broken rate couple families | 14.2% | | 14.5% | | 15.2% |

a Instalment population as at June each year. Totals may not add to 100 per cent due to rounding.

**Table 2.1.11b: Percentage of recipients aligned to specific policy objectives or payment conditions — Family Tax Benefit immunisation and maintenance income reduction**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | Entitlement yeara | | |
| **2017–18** | **2016–17** | **2015–16** |
| Percentage of children who meet the Family Tax Benefit immunisation requirement by age check point: | | | |
| * Children aged one in entitlement year | 97.1% | 97.0% | 97.3% |
| * Children aged two in entitlement year | 97.0% | 96.7% | 97.9% |
| * Children aged five in entitlement year | 97.6% | 97.3% | 98.5% |
| Percentage of children who meet the Family Tax Benefit health check requirement | 88.3% | 87.9% | 87.9% |
| Reduction of Family Tax Benefit as a result of maintenance income testb | $756m | $750m | $739m |

a Reconciliation data reported at June 2020 for 2017–18, June 2019 for 2016–17 and June 2018 for 2015–16. FTB reconciliation recipient information is reported after two years to capture future actions in respect of the financial year. The two-year period allows time for the data to capture many recipients lodging income tax returns and undertaking the reconciliation process or claiming a lump sum payment.

b The Child Support Scheme contributes to this indicator through assessment, collection and transfer of child support between separated parents.

**Table 2.1.11c: Percentage of recipients aligned to specific policy objectives or payment conditions — Income Support for Seniors**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Income Support for Seniors** | | | |
| Age Pension | | | |
| Percentage of total incomea derived from sources other than the pensionb | 19.1% | 21.9% | 22.2% |

a Total income only includes assessable income for social security purposes, such as employment income, foreign pensions, deemed income from financial investments and the assessable income received from income streams. It does not include the actual amounts earned on deemed financial investments, the actual income received from income streams, amounts received from reverse mortgages or lump sum amounts withdrawn from bank accounts or superannuation. It also does not account for the use of assets for self-support in retirement (e.g. selling property, selling shares), which is a key part of retirement income planning.

b Performance measure updated to reflect a percentage from 2018–19.

**C1.3.3 Percentage of Commonwealth Rent Assistance income units in rental stress before and after receiving Commonwealth Rent Assistance**

This indicator reports on the impact of Commonwealth Rent Assistance payments in helping social security payment or Family Tax Benefit recipients with the cost of private rental housing or community housing. It is a proxy measure of whether recipients can rent affordably in the private market. For the purposes of this indicator, Commonwealth Rent Assistance recipients are considered to be in rental stress if rent is more than 30 per cent of income.

The amount of Commonwealth Rent Assistance payable is based on the amount of rent paid and the person’s family situation (single, couple, number of children, if any, and for single people, whether they are sharing accommodation).

Analysis

As at the fortnight ending 26 June 2019, Commonwealth Rent Assistance reduced the proportion of income units[[1]](#footnote-1) paying more than 30 per cent of their income in rent from 55.4 per cent to 29.4 per cent.

**Table 2.1.12: Percentage of Commonwealth Rent Assistance income units in rental stress before and after receiving Commonwealth Rent Assistance**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20a | 2018–19 | 2017–18 |
| **Cross Program – Rent Assistance** | | | |
| Percentage of Commonwealth Rent Assistance income units in rental stress before and after receiving Commonwealth Rent Assistanceb | | | |
| * Before | 55.4% | 68.9% | 68.3% |
| * After | 29.4% | 40.5% | 40.3% |

a The decrease in rental stress for the fortnight ending 26 June 2020 was most likely due to factors, including Government support, relating to the COVID-19 pandemic.

b Refers to last fortnight during the reporting year.

**C1.4 Extent to which delivery meets program objective**

**C1.4.2 Payment accuracy**

The Random Sample Survey (RSS) provides assurance over the accuracy of sampled social security payments. Reviews are conducted by Services Australia using a random sample of the population for the major payment types provided by the department.

The survey provides a point-in-time assessment of recipient circumstances to establish the accurately paid value of total outlays and provides reasons for any debt, error, or change in payment rate. It provides benchmark data on the level of inaccurate payments.

Analysis

In 2019–20, 13,712 recipients were surveyed.

As a result of factors relating to the COVID-19 pandemic, Trimester 3 of the RSS did not proceed. Trimesters 1 and 2 fully met the completion and performance benchmarks and an assessment of existing payment controls supported reliance on two trimesters of RSS surveys to calculate payment accuracy for the full financial year.

The survey is one of the methods we use to measure social security service delivery performance. The target performance level is 95 per cent or greater accuracy across all payments, with individual targets set for each payment. In 2019–20, the overall accuracy result was 96.21 per cent (see Table 2.1.13).

**Table 2.1.13: Payment accuracy**

| Intermediate outcome performance measure | 2019–20 | | | | |
| --- | --- | --- | --- | --- | --- |
| Payment type | Number of recipients surveyed | | Accuracy | | Confidence  interval  +/– |
| **ABSTUDY** | 250 | | 80.07% | | 5.49% |
| **Austudy** | 343 | | 80.33% | | 4.40% |
| **Newstart Allowance** | 4,826 | 93.13% | | 0.89% | |
| **Parenting Payment (Partnered)** | 545 | 86.01% | | 3.60% | |
| **Parenting Payment (Single)** | 1,035 | 95.43% | | 1.35% | |
| **Partner Allowance** | 117 | 99.84% | | 0.22% | |
| **Sickness Allowance** | 377 | 73.13% | | 4.82% | |
| **Widow Allowance** | 190 | 97.02% | | 1.89% | |
| **Youth Allowance (other)** | 409 | 92.01% | | 2.63% | |
| **Youth Allowance (student)** | 644 | 86.44% | | 2.81% | |
| **Age Pension** | 1,724 | 97.78% | | 0.60% | |
| **Disability Support Pension** | 1,220 | 97.00% | | 1.09% | |
| **Carer Payment** | 526 | 94.30% | | 2.02% | |
| **Carer Allowance** | 171 | 98.32% | | 1.77% | |
| **Family Tax Benefit** | 988 | 97.06% | | 1.32% | |
| **Special Benefit** | 347 | 96.13% | | 2.40% | |
| Overall rate of accuracy | **13,712** | **96.21%** | | **0.40%** | |

**C1.4.3 Percentage of recipients with debts by type and status**

This indicator monitors the number and types of debts to assess the efficiency and responsiveness of the social security payments system design. Services Australia manages debt identification and recovery on behalf of the department. These measures were affected by a national pause on debt raising and recovery announced by the Government in response to the COVID-19 pandemic. The national debt pause commenced on 3 April 2020, reducing the number of new debts raised.

**Table 2.1.14: Percentage of recipients with debts by type and status**

| Intermediate outcome performance measurea | Entitlement yearb | | |
| --- | --- | --- | --- |
| 2017–18 | 2016–17 | 2015–16 |
| **Family Tax Benefit** | | | |
| Percentage of all recipients who had a qualification debt raised | 8.3% | 7.5% | 10.2% |
| Percentage of all recipients whose qualification debt remains outstanding | 0.5% | 0.5% | 1.2% |
| Percentage of all recipients who had a debt raised following reconciliation | 18.2% | 17.8% | 14.9% |
| Percentage of all recipients whose reconciliation debt remains outstanding | 3.8% | 3.4% | 2.9% |
| Percentage of all recipients who had a non‑lodger debt raised | 1.3% | 1.5% | 1.5% |
| Percentage of all recipients whose non‑lodger debt remains outstanding | 1.2% | 1.4% | 1.4% |

a This table includes any recipient that has had a debt raised in relation to an entitlement year. FTB reconciliation recipient information is reported after two years to capture future actions in respect of the financial year. The two-year period allows time for the data to capture many recipients lodging income tax returns and undertaking the reconciliation process or claiming a lump sum payment.

b Reconciliation data reported at June 2020 for 2017–18, June 2019 for 2016–17 and June 2018 for 2015–16. From 2016–17, Table 2.1.14 reports Family Tax Benefit debts against the Family Tax Benefit population (1,757,503 in 2017–18, 1,823,249 in 2016–17 and 1,859,774 in 2015–16). This recognises that Family Tax Benefit debts raised for a recipient may result from their entitlement (or non-entitlement) to Family Tax Benefit Part A and/or Part B.

**C1.5 Delivery measures**

**C1.5.1 Number of recipients**

**Table 2.1.15a: Number of recipients — Family Tax Benefit Part A and B**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | Entitlement yeara | | |
| **2017–18** | **2016–17** | **2015–16** |
| **Family Tax Benefit** | | | |
| Family Tax Benefit Part A | 1,604,777 | 1,669,583 | 1,723,741 |
| Family Tax Benefit Part B | 1,314,756 | 1,360,857 | 1,449,237 |

a Reconciliation data reported at June 2020 for 2017–18, June 2019 for 2016–17 and June 2018 for 2015–16. FTB reconciliation recipient information is reported after two years to capture future actions in respect of the financial year. The two-year period allows time for the data to capture many recipients lodging income tax returns and undertaking the reconciliation process or claiming a lump sum payment.

**Table 2.1.15b: Number of recipients — welfare payments (excluding Family Tax Benefit Part A and B)**

| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Family Tax Benefit** | | | |
| Child Support Scheme (number of cases)a | 759,931 | 767,247 | 777,884 |
| **Child Payments** | | | |
| Double Orphan Pension | 906 | 972 | 1,036 |
| Single Income Family Supplementb | –c | 65,430 | 116,031d |
| Stillborn Baby Payment | 796 | 788 | 866e |
| Assistance for Isolated Childrenf | 12,353 | 11,524 | 11,330 |
| **Income Support for Vulnerable People** | | | |
| Special Benefit | 9,638 | 7,135 | 6,823 |
| **Income Support for People in Special Circumstances** | | | |
| Bereavement Allowanceg | 641 | 742 | 872 |
| Payments under Special Circumstancesh | 35 | 39 | 36 |
| **Supplementary Payments and Support for Income Support Recipients** | | | |
| Utilities Allowance | 32,985 | 36,593 | 40,753 |
| Essential Medical Equipment Payment (number of payments) | 48,311 | 47,105 | 43,220 |
| **Income Support for Seniors** | | | |
| Age Pension | 2.56m | 2.54m | 2.48m |
| Widow B Pensioni | – | 296 | 328 |
| Wife Pension (Age)i | – | 4,102 | 4,715 |
| **Allowances and Concessions for Seniors** | | | |
| Energy Supplement for holders of the Commonwealth Seniors Health Card | 281,651 | 302,906 | 327,309 |
| **Income Support for People with Disability** | | | |
| Disability Support Pension | 754,181 | 745,673 | 756,960 |
| Mobility Allowancej | 13,463 | 16,750 | 32,799 |
| **Income Support for Carers** | | | |
| Carer Payment | 294,272 | 282,097 | 274,414 |
| Carer Allowance (Adult and Child)k | 619,038 | 620,396 | 622,423 |
| Carer Supplement | 638,761 | 651,587 | 642,537 |
| Child Disability Assistance Payment | 158,308 | 163,410 | 159,065 |
| Wife Pension (Disability Support Pension)i | – | 3,927 | 4,541 |
| **Working Age Payments** | | | |
| Newstart Allowance/JobSeeker Payment | 1,441,287 | 686,785 | 727,533 |
| Parenting Payment (Partnered) | 92,022 | 73,138 | 82,541 |
| Parenting Payment (Single) | 243,433 | 230,164 | 244,296 |
| Partner Allowance | 652 | 1,026 | 1,956 |
| Pensioner Education Supplement | 22,530 | 20,674 | 24,315 |
| Sickness Allowancel | 6 | 4,997 | 6,101 |
| Widow Allowance | 5,549 | 7,729 | 12,802 |
| Youth Allowance (other) | 173,125 | 82,770 | 94,009 |
| **Student Payments** | | | |
| Austudym | 34,360 | 34,950 | 39,170 |
| ABSTUDY—Secondarym | 18,201 | 17,762 | 18,984 |
| ABSTUDY—Tertiarym | 10,470 | 9,650 | 9,702 |
| Youth Allowance (student)mn | 177,700 | 174,906 | 187,114 |
| Student Start-up Loanop | 101,115 | 112,773 | 104,248 |
| Student Start-up Loan—ABSTUDYo | 2,373 | 2,136 | 1,948 |

a Data for number of cases is point-in-time as at 30 June of the relevant financial year.

b The Single Income Family Supplement is closed to new entrants. Recipients eligible on 30 June 2017 may continue to receive the supplement if they remain continuously eligible.

c Family Tax Benefit recipients are automatically assessed for Single Income Family Supplement when their Family Tax Benefit entitlement is reconciled. Data for 2019–20 is not available as the reconciliation process for Family Tax Benefit is not yet finalised.

d Number has been revised due to the further reconciliation.

e The department’s 2017–18 Annual Report, Table 2.1.13b (page 41) stated that 886 people received the payment. The correct figure was 866.

f These figures are for the month of December each year due to the nature of the payment.

g This is the number of grants for each financial year. Bereavement Allowance closed to new recipients on 20 March 2020 and will cease when all current recipients completed their bereavement period.

h These figures are unique counts of recipients across the financial year.

i Wife (Age & DSP) Pension and Widow B Pension closed on 20 March 2020.

j Significant decrease is due to recipients transitioning to NDIS as it is rolled out. Mobility Allowance is not payable to those in receipt of an NDIS package.

k Excludes carers whose care receiver qualified for a Health Care Card only.

l Sickness Allowance closed to new recipients on 20 March 2020 and will cease by September 2020.

m These figures are monthly averages due to the seasonal nature of Student Payments.

n Includes Australian apprentices.

o These figures are unique counts of recipients across the calendar year due to the nature of the payment.

p Youth Allowance and Austudy recipients only.

**C1.5.2 Number of children**

**Table 2.1.16a: Number of children — Family Tax Benefit**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | Entitlement year | | |
| **2017–18** | **2016–17** | **2015–16** |
| Number of childrena | | | | |
| **Family Tax Benefit** | | | |
| Number of eligible Family Tax Benefit Part A children | 3,179,161 | 3,298,456 | 3,403,411 |
| Number of children in eligible Family Tax Benefit Part B familiesb | 2,455,652 | 2,539,278 | 2,811,937 |

a Reconciliation data reported at June 2020 for 2017-18, June 2019 for 2016–17, and June 2018 for 2015–16. FTB reconciliation recipient information is reported after two years to capture future actions in respect of the financial year. The two-year period allows time for the data to capture many recipients lodging income tax returns and undertaking the reconciliation process or claiming a lump sum payment.

b Family Tax Benefit Part B is a per family payment.

**Table 2.1.16b: Number of children — Child Payments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 | |
| **Child Payments** | | | |
| Double Orphan Pensiona | 1,311 | 1,425 | 1,512 | |

a Data as at 30 June 2020 for 2019–20, as at 30 June 2019 for 2018–19 and as at 30 June 2018 for 2017–18.

**C1.5.3 Number of Commonwealth Rent Assistance income units**

As at 30 June 2020, Commonwealth Rent Assistance had assisted 1,700,166 income units[[2]](#footnote-2). This was at a cost of $4.69 billion in 2019-20.

**Table 2.1.17: Number of Commonwealth Rent Assistance income units**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20a | 2018–19 | 2017–18 |
| **Cross program—Rent Assistance** | | | |
| Number of Commonwealth Rent Assistance income unitsb | 1,700,166 | 1,285,941 | 1,311,187 |

a The sharp increase in the number of Commonwealth Rent Assistance income units was mainly due to the increase in number of JobSeeker Payment recipients in the three months to June 2020.

b Refers to last Friday in June during the reporting year.

**C1.5.4 Administered outlays**

**Table 2.1.18: Administered outlays**

| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Family Tax Benefit** | | | |
| Family Tax Benefit Part A | $14,567.42m | $13,962.34m | $13,936.74m |
| Family Tax Benefit Part B | $4,054.21m | $4,104.97m | $4,077.17m |
| **Child Payments** | | | |
| Double Orphan Pension | $3.17m | $3.00m | $3.11m |
| Single Income Family Supplement | $17.51m | $22.22m | $28.46m |
| Stillborn Baby Payment | $1.78m | $1.73m | $1.89m |
| Assistance for Isolated Children | $82.69m | $77.19m | $74.94m |
| **Income Support for Vulnerable People** | | | |
| Special Benefit | $151.12m | $103.15m | $99.79m |
| **Income Support for People in Special Circumstances** | | | |
| Bereavement Allowance | $3.06m | $3.42m | $3.93m |
| Payments under Special Circumstances | $0.67m | $0.78m | $0.53m |
| **Supplementary Payments and Support for Income Support Recipients** | | | |
| Utilities Allowance | $17.45m | $19.56m | $21.53m |
| Essential Medical Equipment Payment | $7.91m | $7.61m | $6.80m |
| **Income Support for Seniors** | | | |
| Age Pension | $50,077.91m | $46,443.59m | $44,801.74m |
| Widow B Pension | $4.03m | $5.36m | $5.46m |
| Wife Pension (Age) | $51.97m | $76.36m | $83.24m |
| **Allowances and Concessions for Seniors** | | | |
| Energy Supplement for holders of the Commonwealth Seniors Health Card | $378.73m | $92.66m | $98.21m |
| **Income Support for People with Disability** | | | |
| Disability Support Pension | $17,739.32m | $16,711.95m | $16,443.07m |
| Mobility Allowance | $41.74m | $64.77m | $103.37m |
| **Income Support for Carers** | | | |
| Carer Payment | $6,144.30m | $5,590.59m | $5,392.47m |
| Carer Allowance (Adult) | $1,783.41m | $1,674.48m | $1,644.72m |
| Carer Allowance (Child) | $631.13m | $627.32m | $605.94m |
| Carer Supplement | $587.33m | $584.94m | $590.59m |
| Child Disability Assistance Payment | $181.81m | $185.87m | $182.41m |
| Wife Pension (Disability Support Pension) | $47.84m | $68.55m | $75.37m |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Working Age Payments | | | | |
| Newstart Allowance/JobSeeker Payment a | $18,528.09m | $9,684.89m | $10,014.20m | |
| Parenting Payment (Partnered) | $1,113.98m | $806.00m | $916.23m | |
| Parenting Payment (Single) | $5,183.56m | $4,305.24m | $4,676.79m | |
| Partner Allowance | $14.58m | $18.81m | $29.35m | |
| Pensioner Education Supplement | $37.43m | $36.34m | $46.56m | |
| Sickness Allowance | $93.52m | $84.62m | $102.79m | |
| Widow Allowance | $138.41m | $161.99m | $221.74m | |
| Youth Allowance (other) | $1,726.72m | $862.75m | $943.90m | |
| **Student Payments** | | | | |
| Austudy | $609.15m | $444.42m | $509.73m | |
| Youth Allowance (student) | $2,685.77m | $1,652.38m | $1,851.24m | |
| ABSTUDY—Secondary | $178.63m | $154.37m | $152.68m | |
| ABSTUDY—Tertiary | $143.83m | $110.50m | $113.77m | |
| Student Start-up Loan | –b | –b | $129.43m |
| Student Start-up Loan—ABSTUDY | –b | –b | $2.46m |

a JobSeeker Payment replaced Newstart Allowance as the main working age payment on 20 March 2020.

b Nil expenses for 2019-20 and 2018–19 due to the implementation of AASB9—Financial Instruments.

Chapter 2.2

Purpose 2 — Families and Communities

Contribute to stronger and more resilient individuals, families and communities by providing targeted services and initiatives.

Summary and analysis of Outcome 2 performance

We operate in an environment in which the strength of families and communities is influenced by a complex array of circumstances, social norms and people’s personal aspirations and motivations. Parenting, relationship, and financial management skills also contribute to positive outcomes for families and children.

Our performance contributes to positive outcomes alongside the significant effort made by state jurisdictions, local communities, other government agencies, and families.

We support families and children to improve their lifetime wellbeing by responding to specific needs and encouraging independence and participation in the community. We provide assistance through numerous programs of grants, procurements, and subsidies. We support new parents through Paid Parental Leave arrangements. Through this assistance, we help individuals and families, and strengthen community capacity to provide support and meet local needs.

We work across the Australian and state and territory governments to foster inclusive social behaviours that strengthen social cohesion, such as mutual respect, trust and belonging. We support the development of strong and resilient families and community harmony by providing support and early intervention to people at risk of a range of social harms including domestic and family violence, child abuse and neglect, sexual assault against women and children, racism, and discrimination. We also work with state and territory governments to reduce the harm from online gambling through a National Consumer Protection Framework for Online Wagering. We support those affected by institutional child sexual abuse to access redress through the National Redress Scheme.

We work in partnership with the community sector to support individuals and families to navigate financial crises and build financial wellbeing, capability and resilience. This includes programs such as Emergency Relief, which provides immediate financial or material aid, such as food, clothing, vouchers or help to pay bills. A sector led National Coordination Group has been established to provide advice on the delivery of Emergency Relief and Food Relief nationally in response to the unprecedented challenges and demands presented by the COVID-19 pandemic.

| **Key** **results**  In the past year, our contributions to improving the outcomes for families and communities include:   * delivered strong results for the Cashless Debit Card in current sites and made program improvements such as the payment of interest for Cashless Debit Card participants * delivered key activities under the *National Plan to Reduce Violence against Women and their Children* *2010–2022* (National Plan) and worked with states and territories to boost frontline services during the COVID-19 pandemic * delivered key activities under the Third (2015–2018) and Fourth (2018–2020) Action Plans of the *National Framework for Protecting Australia’s Children 2009–2020* (National Framework) * commenced the development of the national successor plan to follow the current National Framework, as recommended by the *Royal Commission into Institutional Responses to Child Sexual Abuse* (recommendation 6.15) * supported the community sector in a collaborative, timely, and coordinated manner to provide front-line assistance to vulnerable people in response to the COVID-19 pandemic and the 2019–20 bushfires * delivered changes to the Paid Parental Leave Scheme to support working parents impacted by COVID-19 pandemic, by allowing time spent on the JobKeeper Payment to count towards the Paid Parental Leave work test. |
| --- |

Outcome 2 programs and key activities

Outcome 2 comprises three programs underpinned by a number of activities that seek to contribute to stronger and more resilient individuals, children, families, and communities. The tables below outline how the objectives of this purpose were achieved through delivery of measurable activities. Our program performance in 2019–20 is measured through agreements in place with relevant service providers and the performance of key activities is assessed using cross program performance indicators and measures.

**Table 2.2.1: Outcome 2 Programs and Key Activities**

| **OUTCOME 2 FAMILIES AND COMMUNITIES** | | |
| --- | --- | --- |
| **Program 2.1**  **Families and Communities** | **Program 2.2**  **Paid Parental Leave** | **Program 2.3**  **Social and Community Services** |
| Refer to Table 2.2.2 for program performance results | | |
| **Key activities**   * Families and Children * Family Safety * Protecting Australia’s Children * Financial Wellbeing and Capability * Volunteering and Community Connectedness * Cashless Debit Card * National Redress Scheme for Institutional Child Sexual Abuse | **Key activities**   * Parental Leave Pay * Dad and Partner Pay | **Key activities**   * Social and Community Services Pay Equity Amount |
| Refer to Table 2.2.3 for index of key activities performance results | | |

Performance Results of Programs

This section describes the 2019–20 results of the program performance measured through agreements in place with relevant services providers.

**C2.3 Extent to which payments and service provision meet program objective**

This criterion explores a range of payment and service provision parameters that indicate progress towards outcomes, rather than impact. These include whether funds have been spent consistent with the program objective, satisfaction with services, community and service system capacity, service usage by priority groups, and payment coverage.

**C2.3.1 Program performance criteria and associated milestones/standards**

This indicator assesses whether funds have been spent consistent with the program objective. It focuses on appropriate delivery of grants, procurements, and subsidies for which the department receives appropriations.

**Table 2.2.2: Program performance criteria and associated milestones/standards**

| Intermediate outcome performance measure  PBS performance criteria | Target | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- | --- |
| **Program 2.1: Families and Communities** | | | | |
| Delivery by organisations is in accordance with specified requirements, which may include service level standards, of the contracts and agreements between organisations and the department. Agreements and contracts require:   * support and capacity building that contribute to strengthening individual and family functioning and communities | Milestone/standard:  Standard of delivery is performed in accordance with the terms and conditions of organisations’ contracts and agreements with the department | 🗹 | 🗹 | 🗹 |
| **Program 2.2: Paid Parental Leave** | | | | |
| Agreement is in place with Services Australia to provide assurance that the delivery of the payments below are made in accordance with relevant legislation, policy and guidelines:   * Dad and Partner Pay * Parental Leave Pay | Milestone/ standard:  Agreement is in place | 🗹 | 🗹 | 🗹 |
| **Program 2.3: Social and Community Services** | | | | |
| Delivery complies with relevant legislation  The funds appropriated to the department are issued to meet the Australian Government’s share of the pay increases | Milestone/standard:  Payments were made as described | 🗹 | 🗹 | 🗹 |
| **Program 2.4: Program Support for Outcome 2** | | | | |
| Total departmental funding for Outcome 2 | Milestone/standard:  Departmental funding is expended to achieve agency outcomes | $202.334m | $244.017m | $236.448m |

Performance Analysis of Outcome 2 Programs

Outcome 2 program performance criteria (as outlined in the 2019–20 Portfolio Budget Statements) are about having agreements in place and compliance with legislation.

For the Families and Communities program, the criteria relate to having agreements in place with organisations who deliver services and supports that contribute to strengthening communities and individual and family functioning. These agreements contain the agreed service level standards and expectations between the department and the organisation delivering the services. In the context of the financial year, these agreements were essential during the period to deliver, for example, emergency relief payments and grants to providers who were supporting communities through bushfires, COVID-19 and other economic impacts. These providers are geographically located in communities to provide on the ground support in service areas as set out in the funding agreements we have in place. In terms of assurance and support to these providers, the Community Grants Hub who administers and monitors performance of grant providers have regular reporting and engagement at the local level.

In 2020–21, program performance will be focused on measuring the effectiveness of the services delivered by the organisations, by seeking feedback from the users of the services. In addition, we will measure the impact of policy development through engagement with stakeholders and we will measure the delivery of services for the Cashless Debit Card and National Redress Scheme through timeliness and outputs reporting.

For the Paid Parental Leave program, the criteria is having an agreement in place with  
Services Australia, to ensure payments are made in accordance with the policy and guidelines set by the department. In 2020–21, similar to Outcome 1, this will be measured through the level of payments accessed by the eligible cohort to maintain a focus on providing targeted payments to those in need.

For the Social and Community Services payments, the focus is and continues to be payments being made as prescribed by legislation and to the eligible grant recipients to provide the basis of effective administration of the payment.

Performance Results of Key Activities

This section describes the performance of the key activities in Outcome 2. The table below outlines our Corporate Plan performance criteria and indicators for Outcome 2, which show how we intend to measure what we achieved, how well we did, and how much we did. Not all activities report against every performance criterion.

**Table 2.2.3: Cross program performance criteria for Outcome 2 — Families and Communities**

*Programs: 2.1 Families and Communities; 2.2 Paid Parental Leave; 2.3 Social and Community Services; XP Cross Program*

| Measure Hierarchy | Performance criteria | Indicator/Output | Program Reference | Results Table Index |
| --- | --- | --- | --- | --- |
| **Outcome — What did we achieve?** | **C2.1 – Extent to which assisted individuals and families have improved individual and family functioning** | C2.1.1 – Percentage of assisted individuals and families with improved circumstances in areas relevant to individual/family needs | 2.1, XP | 2.2.4 |
| C2.1.2 – Percentage of assisted individuals and families who achieve individual/family goals related to building capacity and connections | 2.1, XP | 2.2.5 |
| **Intermediate Outcome — How well did we do?** | **C2.2 – Extent of contribution to implementing national initiatives** | C2.2.1 – Contribution to reducing violence against women | 2.1 | - |
| C2.2.2 – Extent of progress in implementing the *National Framework for Protecting Australia’s Children 2009–2020* | 2.1 | 2.2.6 |
| C2.2.3 – Extent of progress in implementing the *National Centre for the Prevention of Child Sexual Abuse* | 2.1 | 2.2.7 |
| **C2.3 – Extent to which payments and service provision meet program objective** | C2.3.1 – Program performance criteria and associated milestones/standards (PBS) | 2.1, 2.2, 2.3 | 2.2.2 |
| C2.3.2 – Extent of satisfaction with services | 2.1 | 2.2.8 |
| C2.3.3 – Extent of community and service system capacity and capability improvement | 2.1 | - |
| C2.3.4 – Percentage of assisted individuals who are from priority groups or locations | 2.1 | 2.2.9 |
| C2.3.5 – Percentage of new parents supported to take paid parental leave | 2.2 | 2.2.10 |
| **Output — How much did we do?** | **C2.4 – Delivery measures** | C2.4.1 – Number of individuals assisted (PBS) | 2.1, 2.2 | 2.2.11, 2.2.12 |
| C2.4.2 – Number of applications received for the National Redress Scheme | 2.1 | 2.2.13 |
| C2.4.3 – Number of organisations contracted or receiving grant funding to deliver services (PBS) | 2.1 | 2.2.14 |
| C2.4.4 – Number of institutions that have joined the National Redress Scheme | 2.1 | 2.2.15 |
| C2.4.5 – Administered outlays (PBS) | 2.1, 2.2, 2.3 | 2.2.16 |

Source: Corporate Plan 2019–20 and Portfolio Budget Statements 2019–20.

**C2.1 Extent to which assisted individuals and families have improved individual and family functioning**

This criterion captures elements of the outcome purpose: stronger and more resilient individuals, families, and communities. It represents the main areas where improved individual and family functioning is an expected outcome of service provision. It is measured through two indicators, which focus on improved circumstances and achievement of, or progress towards, goals.

**C2.1.1 Percentage of assisted individuals and families with improved circumstances in areas relevant to individual/family needs**

This indicator captures the main areas where improved circumstances for individuals and families are an expected outcome of service provision.

This indicator considers a range of areas (such as family functioning, financial resilience, age‑appropriate development, and personal safety) to provide a high-level summary on how a family functions. Specific measures track improvements by individuals being assisted through programs for families and children, and financial wellbeing and capability programs.

*Analysis*

There are a number of activities that may have contributed to clients reporting improved circumstances, including:

* delivery of the Home Interaction Program for Parents and Youngsters in 100[[3]](#footnote-3) communities across Australia, including 50 Indigenous-focused sites
* delivery of the Communities for Children Facilitating Partners, which supports children and families in 52 disadvantaged communities across Australia
* delivery of the National Redress Scheme, with community-based services in place to support survivors throughout their redress journey
* community-based support services for those affected by institutional child sexual abuse throughout their redress journey
* delivery of Children and Parenting Support services in 805[[4]](#footnote-4) outlets across Australia, including service delivery in Western Australia and South Australia to support the Cashless Debit Card trial
* delivery of Intensive Family Support Services in the Northern Territory and Anangu Pitjantjatjara Yankunytjatjara Lands in South Australia, providing intensive support to families with children aged 0–12 years of age and where child neglect concerns are present
* delivery of the Adult Specialist Support Services (Find and Connect Support Services and Forced Adoption Support Services) to improve outcomes and enhance wellbeing for people adversely affected by past institutional and child‑welfare practices and policies
* delivery of Family and Relationship Services in 499[[5]](#footnote-5) locations across Australia, including counselling services to families and individuals at critical family transition points such as family formation, extension or family separation, and education and skills training to strengthen family relationships
* delivery of the Strong and Resilient Communities Activity, which builds strong, resilient, cohesive and harmonious communities to ensure that individuals, families, and communities have the opportunity to thrive, be free from intolerance and discrimination, and have the capacity to respond to emerging needs and challenges
* delivery of additional Emergency Relief and Financial Counselling to support people impacted by the 2019–20 bushfires and the COVID-19 pandemic
* delivery of the Cashless Debit Card program to support people, families, and communities in places where high levels of welfare dependence co-exist with high levels of social harm:
* 12,577 participants across four trial regions were participants on the Cashless Debit Card as at 26 June 2020
* delivered 83 information sessions on the transition to the Cashless Debit Card in the Northern Territory and Cape York region in over 70 communities as part of engagement with over 3,400 community members and over 120 stakeholder and local organisations
* improved Cashless Debit Card systems including to allow for monthly payment of interest on balances in Cashless Debit Card accounts
* successfully delivered a pilot of Product Level Blocking technology which uses  
  Point-of-Sale systems and PIN Pads to identify and automatically block the purchase of restricted items rather than blocking at the merchant level.

The outcome areas of community participation and networks, education and skills training and employment saw declines in the percentage of clients achieving a positive outcome  
(from 2018-19 to 2019-20). One of the factors influencing this change was the movement of Settlement Services to the Department of Home Affairs via machinery of government changes  
in July 2019 and as such were included in the 2018-19 results but not the 2019-20 results.  
Settlement Services have a strong focus on strengthening community participation and supporting migrants to become independent through education and employment. As a result, settlement service organisations reported high numbers of clients against these domains.

The decrease in results in some outcome areas, for example ‘community participation and networks’, ‘education and skills training’, ‘employment’, ‘physical health’ and ‘housing’ corresponds broadly with the timing of the COVID-19 pandemic. The introduction of social distancing measures, restrictions on community gatherings, as well as the interruptions and changes to regular training and education mechanisms, (i.e. as courses transitioned online or were delayed or cancelled) impacted the results in the second half of the 2019-20.

**Table 2.2.4: Percentage of assisted individuals and families with improved circumstances in areas relevant to individual/family needs**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Outcome performance measure | 2019–20 | | 2018–19 | | 2017–18 |
| **Cross program** | | | | | |
| Percentage of assisted individuals and families with improved circumstances in areas relevant to individual/family needsabc | | | | | |
| * All circumstances | 71.0% | | 72.1% | | 70.8% |
| * Age-appropriate development | 57.5% | | 61.7% | | 59.4% |
| * Community participation and networks | 58.6% | | 67.9% | | 64.7% |
| * Education and skills trainingd | 58.7% | | 69.2% | | – |
| * Employmentd | 43.9% | | 61.1% | | – |
| * Family functioning | 58.1% | | 58.9% | | 59.7% |
| * Housing | 52.3% | | 59.6% | | 60.6% |
| * Material wellbeing and basic necessities | 66.1% | | 69.6% | | 67.6% |
| * Mental health, wellbeing and self-care | 58.8% | | 58.6% | | 59.7% |
| * Financial resiliencee | 64.4% | | 60.7% | | 59.4% |
| * Personal and family safety | 49.8% | | 51.3% | | 52.1% |
| * Physical health | 49.5% | | 55.7% | | 50.1% |
| **Families and Children** | | | | | |
| Percentage of individuals with improved family functioning, including child wellbeing, safety and developmentf | 68% | | 66.8% | | 66.7% |
| **Financial Wellbeing and Capability** | | | | | |
| Percentage of assisted individuals with improved financial wellbeing, capability and resilienceg | 74.7% | 74.4% | | 71.9% | |

a To measure outcomes only clients with at least two corresponding outcome domains have been counted.

b The number of activities funded under the Families and Communities Program may vary across financial years. Data relating to Family Law Services is excluded as it is funded by, and under the policy responsibility of, the Attorney-General’s Department.

c Strong and Resilient Communities Activity replaced Strengthening Communities from 1 April 2018. Data is not comparable as a reduced number of organisations were funded to deliver services before the commencement of the Strong and Resilient Communities Activity.

d ‘Employment’ and ‘Education and skills training’ was reported as a combined domain in 2017-18. This was split into two new domains in 2018-19.

e Description of this performance measure in 2017–18 was ‘Money management’ and was changed to ‘Financial resilience’ in 2018–19.

f For this measure, all domains relating to the circumstance outcome type have been included.

g Measured by provider reports of client assessments, for clients whose needs were met through Financial Crisis and Material Aid, Commonwealth Financial Counselling and Financial Capability, and Financial Resilience services. Changes in the number of organisations reporting may affect comparability over financial years.

**C2.1.2 Percentage of assisted individuals and families who achieve individual/family goals relating to building capacity and connections**

This indicator captures the main areas where goal setting is a function of service provision and reporting is applicable.

*Analysis*

Activities that may have contributed to clients reporting improved knowledge, skills, behaviours, and engagement with services include:

* delivery of Children and Parenting Support services in 805[[6]](#footnote-6) outlets across Australia, including service delivery in Western Australia and South Australia to support the Cashless Debit Card trial
* delivery of Commonwealth Financial Counselling services to help people in financial difficulty address their financial problems, manage debt and make informed choices. These services are provided by community and local government organisations, through face-to-face meetings, a National Debt Helpline and website
* delivery of Family and Relationship Services in 499[[7]](#footnote-7) locations across Australia, including counselling services to families and individuals at critical family transition points such as family formation, extension or family separation, and education and skills training to strengthen family relationships.

**Table 2.2.5: Percentage of assisted individuals and families who achieve individual/family goals related to building capacity and connections**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Cross program** | | | |
| Percentage of assisted individuals and families who achieve individual/family goals related to building capacity and connections abc | | | |
| * All goalsd | 75.8% | 76.8% | 78.0% |
| * Under 15 years | 77.5% | 78.0% | 74.8% |
| * 15–64 years | 75.4% | 77.2% | 78.3% |
| * 65 years and over | 77.4% | 66.3% | 83.3% |
| * Culturally and linguistically diverse | 79.7% | 82.4% | 82.9% |
| * Do not identify as culturally and linguistically diverse | 75.3% | 74.8% | 75.9% |
| **Families and Children** | | | |
| Percentage of individuals with improved knowledge, skills, behaviours, and engagement with servicese | 74% | 73.8% | 74.9% |
| **Financial Wellbeing and Capability** | | | |
| Percentage of assisted individuals achieving individual goals relating to financial wellbeing, capability and resiliencef | 78.8% | 77.7% | 80.5% |

a To measure outcomes only clients with at least two corresponding outcome domains have been counted.

b The number of activities funded under the Families and Communities Program may vary across financial years.

c Data relating to Family Law Services is excluded as it is funded by, and under the policy responsibility of, the Attorney-General’s Department.

d Outcome performance measures are collated from programs supporting people in achieving different outcome circumstances.

e The submission of outcomes data is mandatory for some programs but not others, meaning not all service providers have submitted the additional data. To measure outcomes only clients with at least two corresponding domain SCOREs (Standard Client/Community Outcomes Reporting) have been counted. For this measure all domains relating to the goals’ outcome type have been included.

f Measured by provider reports of client assessments, for clients who were assisted to improve their financial wellbeing through Financial Crisis and Material Aid, Commonwealth Financial Counselling and Financial Capability, and Financial Resilience services. Changes in the number of organisations reporting may affect comparability over financial years.

**C2.2 Extent of contribution to implementing national initiatives**

This criterion captures the high-level contribution by our department to the larger effort made by state jurisdictions, local communities, and other government agencies on key national initiatives.

**C2.2.1 Contribution to reducing violence against women**

The *National Plan to Reduce Violence against Women and their Children 2010–2022* (the National Plan) represents a commitment by the Commonwealth and state and territory governments to reduce violence against women and their children, delivered through a series of three-year Action Plans.

State and territory governments have primary responsibility for funding front line services to support women who have experienced or are at risk of violence. In 2019–20, we continued implementation of the Fourth Action Plan delivering:

* primary prevention activities, including the second phase of the Stop it at the Start campaign, complemented by Our Watch’s Doing Nothing Does Harm, and No Excuse for Abuse campaigns. These activities aim to change community attitudes and behaviour that can lead to violence against women
* continued support of national services for women, including:
* 1800RESPECT, which responded to 267,869 phone and online contacts
* DV-alert, which delivered domestic violence response training to more than 5,560 frontline workers
* Keeping Women Safe in Their Homes initiative, which supported 3,458 women and their children who have experienced violence to remain in their own homes, or a home of their choice, where it was safe and appropriate to do so
* community-led prevention project initiative, which funded 16 organisations to support innovative and community-led primary prevention activities that challenge the underlying social, economic, and political conditions as well as historical and cultural factors that allow violence-supportive attitudes and behaviours to thrive
* $150 million under the Domestic Violence Support Package to support all Australians at risk of, or experiencing, family and domestic violence through this COVID-19 pandemic, that includes:
* $130 million to state and territory governments through the National Partnership on COVID-19 Domestic and Family Violence Responses to bolster support for domestic, family and sexual violence service
* $20 million to boost key Commonwealth programs under the National Plan.

*Analysis*

A reduction in prevalence rates of violence against women requires sustained action by all tiers of government. The Australian Bureau of Statistics (ABS) Personal Safety Survey data from 2016 (the latest results available) shows that rates of cohabiting partner violence have remained steady, and rates of sexual violence have increased since 2012 (from 1.2 per cent to 1.8 per cent); a result that may be driven by improved reporting and does not preclude a reduction in prevalence rates being achieved in coming years. The *2017 National Community Attitudes towards Violence against Women Survey* (NCAS), by Australia’s National Research Organisation for Women’s Safety (ANROWS) showed most Australians were more likely to understand that violence against women involves more than just physical violence in 2017 than they were in 2013 and 2009.

**C2.2.2 Extent of progress in implementing the *National Framework for Protecting Australia’s Children 2009–2020***

The Third Action Plan 2015–2018 (Third Action Plan) of the *National Framework for Protecting Australia’s Children 2009–2020* (National Framework) included three strategies focused on national efforts to improve the wellbeing of Australia’s children:

* Strategy 1: Early intervention with a focus on the early years, particularly the first 1,000 days for a child
* Strategy 2: Helping young people in out-of-home care to thrive into adulthood
* Strategy 3: Organisations responding better to children and young people to keep them safe.

*Analysis*

We are leading a number of initiatives that continue beyond the end of the Third Action Plan, including:

* delivery of the Towards Independent Adulthood (TIA) trial, which has implemented  
  a one-on-one mentoring model that aims to assist young people leaving out-of-home care engage with training and education, get a job and secure a place to live, and develop skills to live independently. As a result of the impact of the COVID-19 pandemic on the young people in the trial, service delivery was extended to 31 March 2021 to ensure adequate support was available during this difficult time
* the National Community Awareness Raising (NCAR) strategy ended in June 2020 and raised awareness in the community of the importance of the first 1,000 days of a child’s life
* an evaluation of NCAR is being undertaken and is expected in September 2020
* the continuance of the Inter-jurisdictional child protection linkage solution named  
  Connect 4 Safety. This solution enables child protection workers to undertake a real time search to identify whether vulnerable children will have links to other jurisdictions. All state and territory child protection agencies are progressively on-boarding to the solution during 2020.

Actions under the Fourth Action Plan 2018–2020 (Fourth Action Plan) of the National Framework continue to be delivered. The Fourth Action Plan has four key priority areas:

* Priority 1 — Improving outcomes for Aboriginal and Torres Strait Islander children at risk of entering, or in contact with, child protection systems:
* developing a guide to Support Implementation of the Aboriginal and Torres Strait Islander Child Placement Principle (ATSICPP)
* investment in ongoing data development for new national indicators to measure compliance with the ATSICPP
* Priority 2 — Improving prevention and early intervention through joint service planning and investment:
* implementation of Stronger Places, Stronger People, a place-based, collective impact initiative that focuses on interrupting the cycle of childhood vulnerability and poverty
* seven communities have been announced in Logan, Rockhampton, and Gladstone in Queensland; Bourke in New South Wales; Burnie in Tasmania; the Far West Region (including Ceduna) in South Australia; and Tennant Creek in the Northern Territory
* Priority 3 — Improving outcomes for children in out-of-home care by enhancing placement stability through reunification and other permanent care options:
* a Permanency Outcomes Performance Reporting Framework was agreed, and new permanency indicators were reported in Child Protection Australia 2018–19, released on 18 March 2020
* development of a nationally consistent approach to guide timely permanency decision making for children in out-of-home care. The National Approach may not be publicly available until the first half of 2021 due to the impact of the COVID-19 pandemic
* Priority 4 — Improving organisations’ and governments’ ability to keep children and young people safe from abuse:
* priority 4 is being led by the National Office of Child Safety (NOCS) in the  
  Department of the Prime Minister and Cabinet.

**Table 2.2.6: Extent of progress in implementing the *National Framework for Protecting Australia’s Children 2009–2020***

| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Cross program** | | | |
| Assess whether the department has implemented the actions under the Third and Fourth Action Plans of the National Framework, for which the department is responsiblea | Result: Met  Completion of the Towards Independent Adulthood (TIA) trial  Completion of the National Community Awareness Raising (NCAR) communication strategy  Parenting Research Centre and the Frame Works Institute release Phase 2 of the *Perceptions of Parenting Research* – Workshop held  Development and delivery of the First 1,000 Days landing page on the Raising Children Network website  Development of the *Bringing Up Great Kids in the First 1,000 Days* train the trainer package  Limited tender process for delivery of National Child Protection Information Data Sharing Solution (Connect 4 Safety) completed, vendor contracted. Solution progressively being on boarded by state and territory child protection agencies  Building Capacity in Australia’s Parents (BCAP) trial completed  Completion of a guide to support implementation of the Aboriginal and Torres Strait Islander Child Placement Principle (ATSICPP), including workshops to support implementation of the ATSICPP  Investment in ongoing data development for new national indicators to measure compliance with the ATSICPP  Agreement of Permanency Outcomes Performance Reporting Framework. New permanency indicators reported in Child Protection Australia 2018-19  Development of a nationally consistent approach to guide timely permanency decision-making for children in out-of-home care | Result: Met  Formation of Priority Area Working Groups to drive delivery of actions to meet the objectives of priorities in the Fourth Action Plan  Regular meetings and consultations with the Child and Families Secretaries Group, the National Forum for Protecting Australia’s Children and Aboriginal and Torres Strait Islander Working Group to oversee the implementation of actions  Continuation of the Towards Independent Adulthood (TIA) trial by working with Western Australian Department of Communities to support TIA participants  Sharing information nationally to help ensure child safety’ challenge, Stage Two, Proof of Concept Phase successfully completed  Evidence review published on timely decision-making and outcomes for children in out-of-home care | Result: Met  Development of National Principles for Child Safe Organisations  Towards Independent Adulthood (TIA) trial governance structures agreed with Western Australia’s Department of Communities and service providers  Stage One, Feasibility Study phase successfully completed  Commencement of the Building Capacity in Australian Parents (BCAP) trial pilot phase  Parenting Research Centre and the Frame Works Institute release Phase 2 of the Perceptions of Parenting Research ‘Talking about the Science of Parenting’ report |

a 2019–20 measure was updated from the 2018–19 version to reflect the maturity of the activity / actions taken to implement the framework.

**C2.2.3 Extent of progress in implementing the *National Centre for the Prevention of Child Sexual Abuse***

The Royal Commission into *Institutional Responses to Child Sexual Abuse* recommended the Australian Government, along with state and territory governments, establish a National Centre to address child sexual abuse by reducing stigma, promoting help-seeking, and supporting good practice (Recommendation 9.9).

*Analysis*

The Australian Government has committed $22.5 million over five years to establish a National Centre for the Prevention of Child Sexual Abuse (National Centre). The Australian Government is working closely with all states and territories to ensure the National Centre delivers a five-year work plan that will address the scope of the recommendation. The National Centre will intersect with the *National Strategy for the Prevention of Child Sexual Abuse* to deliver outcomes that will reduce further traumatisation of those living with past child sexual abuse, and work to prevent future harm.

The National Centre, once established in 2020–21, will partner with victims and survivors in all its work.

The timeframe for delivering the National Centre was extended from December 2020 until early 2021. The extended timeframe will ensure any impediments to selecting a provider to deliver the National Centre due to the COVID-19 pandemic have been minimised.

**Table 2.2.7: Assess whether the National Centre for the Prevention of Child Sexual Abuse is on track to be operational in the second half of 2020**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Cross program** | | | |
| Assess whether the National Centre for the Prevention of Child Sexual Abuse is on track to be operational in the second half of 2020 | Result: Not met  The National Centre will launch in February 2021. The initial timeframe has been extended to accommodate the impacts of the COVID-19 pandemic  National online survey conducted through Engage to capture the views of diverse stakeholders, including victims and survivors of child sexual abuse, their families and caregivers, and the sector  Nineteen face-to-face consultation workshops conducted with government and non-government stakeholders  Ongoing engagement with states and territories  Ongoing coordination and collaboration with the National Office for Child Safety in delivering the Royal Commission’s recommendations | – | – |

**C2.3 Extent to which payments and service provision meet program objective**

This criterion explores a range of payment and service provision parameters that indicate progress towards outcomes, rather than impact. These include whether funds have been spent consistent with the program objective, satisfaction with services, community and service system capacity, service usage by priority groups, and payment coverage.

**C2.3.2 Extent of satisfaction with services**

Feedback from individuals, service providers, or stakeholders on the impacts of services helps our department better understand how well funded services meet the needs of individuals and communities. The decrease in satisfaction is due to the changing nature of the survey between  
2018-19 and 2019-20, and the varying participation rates.

**Table 2.2.8: Extent of satisfaction with services**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Strong and Resilient Communities**a | | | |
| Percentage of individuals satisfied with service provision | 95.8% | 90.7% | 92%b |
| **Families and Communities Service Improvement** | | | |
| Extent of members’ satisfaction with service provisionc | 84% | 90% | – |

a Strong and Resilient Communities Activity replaced Strengthening Communities from 1 April 2018.

b Data relates to Community Capacity Building from 1 July 2017 to 31 March 2018, Strong and Resilient Communities from 1 April 2018 and Digital Literacy for Older Australians from 1 July 2017.

c New performance measure for 2018–19. Data is based on data from member surveys conducted by the organisations during the 2019–20 financial year.

**C2.3.3 Extent of community and service system capacity and capability improvement**

The Families and Communities Service Improvement (FCSI) Activity was established in 2014 to build capacity within the families and communities’ sector by funding peak bodies to deliver conferences, research, pilots, policy advice, evaluations, and other overarching service initiatives.

Six peak bodies are funded to deliver FCSI: the Australian Council of Social Service, Australian Research Alliance for Children and Youth, Families Australia, Family and Relationship Services Australia, Economic Justice Australia, and Volunteering Australia.

We also fund two programs that support capacity and capability improvement through the Australian Institute of Family Studies. The first is the Child Family Community Australia (CFCA) Information Exchange, which is an information hub for evidence, resources, and support for professionals working in the child, family, and community welfare sector. The CFCA produces a number of publications, including papers, resource sheets, practice guides and webinars, which are published electronically and are free to access.

The second program is the Families and Children (FaC) Expert Panel Project. In 2019–20, the  
FaC Expert Panel Project implemented a number of universal and targeted activities to meet the varying needs of FaC Activity service providers. These include:

* development and publishing of evaluation and planning resources to support service providers to use evaluation findings for decision-making and continuous improvement
* facilitation of professional development workshops to enhance best practice implementation in child and family service delivery
* development and publication of resources and training for a ‘genuine partnerships’ project, in collaboration with SNAICC, which supports non-Indigenous service providers to better respond to the needs and aspirations of Indigenous children, families, and communities
* providing specialised support to Communities for Children Facilitating Partners to apply  
  evidence-based practices in their programs.

**C2.3.4 Percentage of assisted individuals who are from priority groups or locations**

This indicator shows the extent to which Indigenous and culturally and linguistically diverse people are accessing services.

Providers of Families and Children activities aim to ensure their services are sensitive and accessible to anyone who faces a real or perceived barrier to receiving assistance. This includes delivery of Children and Parenting Support services as part of the Cashless Debit Card package, through Aboriginal Community Controlled Organisations in the communities of Kununurra, Wyndham, Ceduna, Koonibba, Yalata, and Oak Valley as well as providers’ access to culturally appropriate activities and supports.

**Table 2.2.9: Percentage of assisted individuals who are from priority groups or locations**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Families and Children** | | | |
| Percentage of individuals from priority groupsa | 23.8% | 20.5% | 12.6% |
| * Indigenous | 11.7% | 9.0% | 7.8% |
| * Culturally and linguistically diverse | 5.9% | 5.3% | 4.8% |
| * People with disabilityb | 7.7% | 7.4% | – |
| **Strong and Resilient Communities**c | | | |
| Percentage of individuals assisted from priority groupsd | 31% | 19.2% | 12.8% |
| * Indigenous | 9.7% | 6.6% | 1.2% |
| * Culturally and linguistically diverse | 21.4% | 12.7% | 11.6% |
| **Volunteer Management Activity**e | | | |
| Percentage of individuals assisted from priority groups: | 12.4% | 14.0% | 18.2% |
| * Indigenous | 1.4% | 1.7% | 1.3% |
| * Culturally and linguistically diverse | 11% | 12.3% | 16.9% |
| **Financial Wellbeing and Capability** | | | |
| Percentage of individuals from priority groupsfg | 26.1% | 24.9% | 24.0% |
| * Indigenous | 18.8% | 19.2% | 18.5% |
| * Culturally and linguistically diverse | 7.3% | 5.7% | 5.5% |

a Data across the three years is not comparable due to program changes (for example commencement of new services and cessation of some programs). This captures clients identified as Indigenous and culturally and linguistically diverse and people with disability.

b New performance measure for 2018–19.

c Strong and Resilient Communities Activity commenced on 1 April 2018.

d Data relates to Digital Literacy for Older Australians and Strong and Resilient Communities Activity. Digital Literacy for Older Australians started providing services in 2017–18, was fully implemented in 2018–19, and expanded reach of its network in 2019-20 resulting in an increased number of individuals assisted, including in priority groups. Volunteer Management Activity became separate funding stream on 1 January 2018 and is now reported separately.

e Data consistency and quality continues to improve over time as providers get used to using the Data Exchange.

f Data may not be comparable across years as some organisations may modify the way they collect data and report to the department.

g This is a count of individual and group clients assisted.

**C2.3.5 Percentage of new parents supported to take paid parental leave**

This indicator shows the reach of the Paid Parental Leave scheme among new parents, including the proportion of mothers who received Parental Leave Pay, how they received their payment, and the proportion of parents paid the full 18 weeks of Parental Leave Pay or two weeks of Dad and Partner Pay.

There are two payments under the Paid Parental Leave scheme — Parental Leave Pay, and  
Dad and Partner Pay. Parental Leave Pay provides eligible working parents up to 18 weeks’ pay based on the rate of the national minimum wage ($740.60 per week). Dad and Partner Pay provides eligible working fathers and partners two weeks’ pay based on the rate of national minimum wage.

*Analysis*

In 2019–20, a total of 171,712 parents started receiving Parental Leave Pay and a total of 92,343 fathers or partners received the Dad and Partner Pay.

The proportion of mothers receiving Parental Leave Pay has decreased from 53.8 per cent of all mothers with newborns in 2018–19 to 51.1 per cent in 2019–20.

**Table 2.2.10: Percentage of new parents supported to take Paid Parental Leave**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | | 2017–18 | |
| **Parental Leave Pay** | | | | | |
| Percentage of mothers for whom Parental Leave Pay has been paid as a proportion of all mothers in the same yeara | 51.1% | | 53.8% | | 48.5% |
| Percentage of parents paid government‑funded Parental Leave Pay by employers | 68.7% | 68.3% | | 68.5% | |
| Percentage of parents who have taken the full 18 weeks of Parental Leave Pay | 96.6% | 96.6% | | 96.6% | |
| **Dad and Partner Pay** | | | | | |
| Percentage of dads and other partners who have taken the full two weeks of Dad and Partner Pay | 96.9% | | 96.6% | | 95.9% |

a Annual figures for all mothers in the same year are based on the Australian Bureau of Statistics (ABS) publication ABS report 3222.0—Population Projections, Australia, 2012 (base) to 2101, Table B9. Population projections, by age and sex, Australia—Series B estimates of persons aged 0 for June 2018, 2019 and 2020.

**C2.4 Delivery measures**

**C2.4.1 Number of individuals assisted**

**Table 2.2.11: Number of individuals assisted**

| Output performance measure | 2019–20 | | 2018–19 | | 2017–18 |
| --- | --- | --- | --- | --- | --- |
| **Families and Children** | | | | | |
| Number of individuals assisteda | 457,612 | | 604,825 | | 648,377 |
| **Transition to Independent Living Allowance** | | | | | |
| Number of recipients | 1,415 | | 1,490 | | 1,221 |
| **Financial Wellbeing and Capability** | | | | | |
| Number of individuals assisteda | 581,837 | | 660,137 | | 669,804 |
| Number of individuals engaged with Income Managementb | 26,649 | | 24,943 | | 24,800 |
| * Vulnerable Welfare Payment Recipient Measure | 1,755 | | 1,481 | | 1,581 |
| * Long-term Welfare Payment Recipient Measure | 16,867 | | 15,592 | | 14,944 |
| * Disengaged Youth Measure | 4,550 | | 4,020 | | 4,096 |
| * Voluntary Income Management | 3,168 | | 3,510 | | 3,857 |
| * Child Protection Measure | 124 | | 147 | | 185 |
| * Cape York Welfare Reform—Income Management | 135 | | 129 | | n/p |
| * Supporting People at Risk Measure | 50 | | 64 | | <5c |
| Number of people on the Cashless Debit Cardb | 12,577 | | 11,301 | | 5,207 |
| **Strong and Resilient Communities**d | | | | | |
| Number of individuals assistede | 525,854 | | 292,866 | | 57,590 |
| **Volunteer Management Activity**f | | | | | |
| Number of individuals assisted | 106,900 | | 105,208 | | 112,244 |
| **Volunteer Grants** | | | | | |
| Number of individuals assisted | 245,855 | | 282,792 | | 0g |
| **National Initiatives** | | | | | |
| Number of contacts answered by 1800RESPECT—the National Sexual Assault, Domestic Family Violence Counselling Service (telephone and online)h | | 267,869h | | 163,551 | 98,466 |
| **Paid Parental Leave** | | | | | |
| Number of individuals assistedi | | | | | |
| * Parental Leave Pay | | 171,712 | | 178,758 | 159,372 |
| * Dad and Partner Pay | | 92,343 | | 91,762 | 81,882 |

a The decrease in data reported for 2019–20 is due to the department undertaking a data quality exercise that resulted in service providers reporting fewer unidentified group clients during the 2019–20 period. While there has been no policy change to service delivery and numbers of individual clients and sessions is consistent with previous years, the number of individuals reported as unidentified group clients has decreased.

b Income Management and Cashless Debit Card data is a point in time snapshot as at 26 June 2020.

c Numbers less than five have been withheld for privacy reasons. Numbers have not been provided (n/p) to ensure figures less than five cannot be derived from totals.

d Strong and Resilient Communities Activity commenced on 1 April 2018.

e Data relates to Digital Literacy for Older Australians and Strong and Resilient Communities Activity. Digital Literacy for Older Australians started providing services in 2017–18, was fully implemented in 2018–19, and expanded reach of its network in 2019–20 resulting in an increased number of individuals assisted. Volunteer Management Activity became a separate funding stream on 1 January 2018 and is now reported separately.

f Data consistency and quality continues to improve over time as providers get used to using the Data Exchange.

g As 2017–18 Volunteer Grants funds were deferred to support a combined round in 2018–19, there was no selection round in 2017–18.

h These numbers include every contact to the service, including hang ups, pranks and wrong numbers.

i For Parental Leave Pay this is the number of individuals and families who started receiving payment in the financial year. For Dad and Partner Pay this is the number of individuals and families who received payment in the financial year.

**Table 2.2.12: Number of individuals who have received a payment under the National Redress Scheme**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Number of individuals who have received a payment under the National Redress Scheme** | | | |
| Families and Communities | | | |
| Number of individuals | 2,504 | 239 |  |

**C2.4.2 Number of applications received for the National Redress Scheme**

**Table 2.2.13: Number of applications received for the National Redress Scheme**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Number of applications received for the National Redress Scheme** | | | |
| Number of applications | 3,127 | 4,200 |  |

**C2.4.3 Number of organisations contracted or receiving grant funding to deliver services**

**Table 2.2.14: Number of organisations contracted or receiving grant funding to deliver services**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Number of organisations contracted or receiving grant funding to deliver services** | | | |
| Families and Children | 430 | 424 | 410 |
| Financial Wellbeing and Capabilityab | 331 | 373 | 346 |
| Families and Communities Service Improvement | 6 | 6 | 6 |
| Strong and Resilient Communitiesc | 3413 | 1,308 | 106 |
| Volunteer Management Activity | 52 | 52 | 52 |
| Volunteer Grants | 2,711 | 5,003d | –e |
| National Initiativesf | 93 | 104 | 100 |

a Data is not comparable across years due to funding rounds being conducted in 2018–19. Organisations with different reporting arrangements for subsidiaries or delivery partners may mean the total number of delivery organisations is higher than reported.

b This is a count of organisations delivering the program.

c Strong and Resilient Communities Activity replaced Strengthening Communities from 1 April 2018. Data is not comparable as a reduced number of organisations were funded to deliver services prior to the commencement of the Strong and Resilient Communities Activity. Digital Literacy for Older Australians started providing services in 2017–18 and was fully implemented in 2018–19, resulting in an increased number of Network Partner organisations in 2019–20.

d Combined 2017–18 and 2018–19 Volunteer Grants funding round.

e As 2017–18 Volunteer Grants funds were deferred to support a combined round in 2018–19, there was no selection round in 2017–18.

f This figure includes organisations contracted or receiving grant funding under both the *National Plan to Reduce Violence against Women and their Children 2010*–*2022*, and the *National Framework for Protecting Australia's Children 2009–2020*.

**C2.4.4 Number of institutions that have joined the National Redress Scheme**

**Table 2.2.15: Number of institutions that have joined the National Redress Scheme**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Number of institutions that have joined the National Redress Scheme** | | | |
| Number of institutions or groups of institutions that have joined the National Redress Scheme during the yeara | 177 | 47 |  |

a Reflecting total number of non-government institutions or groups of institutions. All Commonwealth and state and territory governments are also participating in the Scheme.

**C2.4.5 Administered outlays**

**Table 2.2.16: Administered outlays**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Families and Communities** | | | |
| Families and Children | $290.99m | $271.74m | $258.27m |
| Transition to Independent Living Allowance | $1.84m | $1.95m | $1.65m |
| Settlement Services | – | $196.24m | $163.68m |
| Financial Wellbeing and Capabilitya | $218.42m | $111.07m | $99.97m |
| Families and Communities Service Improvement | $2.73m | $2.60m | $2.60m |
| Strong and Resilient Communitiesb | $57.45m | $53.84m | $36.76m |
| Volunteer Management Activity | $5.54m | $5.73m | $2.92m |
| Volunteer Grants | $12.39m | $19.00m | –c |
| National Initiatives | $102.76m | $75.16m | $72.48m |
| **Paid Parental Leave** | | | |
| Parental Leave Pay | $2,269.88m | $2,177.77m | $2,082.31m |
| Dad and Partner Pay | $129.68m | $136.95m | $111.74m |
| **Social and Community Services** | | | |
| Social and Community Services | $411.92m | $377.10m | $430.72m |

a Funding is for the Financial Wellbeing and Capability Activity, and Welfare Quarantining.

b Strong and Resilient Communities Activity replaced Strengthening Communities from 1 April 2018.

c As 2017–18 Volunteer Grants funds were moved forward to support a combined round in 2018–19 there was no selection round in 2017–18.

Chapter 2.3

Purpose 3 — Disability and Carers

Improved independence of, and participation by, people with disability, including improved support for carers, by providing targeted support and services.

Summary and analysis of Outcome 3 performance

We operate in an environment in which market dynamics, social norms and workplace cultures, impact the range of opportunities available for people with disability to improve their wellbeing. Many mainstream policies and programs accessed by people with disability are run by state jurisdictions and, within the Commonwealth, by agencies other than the department. Our performance is reliant on effectively managing the policies and programs for which our agency is responsible and also on influencing other jurisdictions, agencies, and employers to reduce barriers to social and economic participation for people with disability and to improve their access to support.

| **Key results**  In the past year, our contributions to improving outcomes for people with disability and carers include:   * cooperation with the National Disability Insurance Agency (NDIA) and state and territory governments to implement the National Disability Insurance Scheme (NDIS) across Australia, including reaching a full scheme Agreement with Queensland during 2019–20 * Victoria, Queensland, Tasmania, the Australian Capital Territory, and the Northern Territory transitioned to the NDIS Quality and Safeguards Commission (NDIS Commission) on 1 July 2019, which means the NDIS Commission is now operating in all states and territories except Western Australia * improved access to Specialist Disability Accommodation for NDIS participants by stimulating supply and market confidence * implementation of supports as part of the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability*, including trauma-informed counselling services, individual advocacy support, Indigenous-specific individual advocacy, and systemic advocacy support for organisations and individuals * continued implementation of the reforms to the Disability Employment Services (DES), which saw a significant increase in the number of people with disability, illness and injury accessing assistance. From 1 July 2019 to 30 June 2020, the number of DES participants increased nearly 20 per cent (or 45,654) from 238,327 to 283,981 * the introduction of the new Integrated Carer Support Service (ICSS). |
| --- |

Outcome 3 Programs and Key Activities

Outcome 3 comprises two programs underpinned by a number of activities that seek to contribute to positive outcomes for people with disability. The tables below outline how the objectives of this purpose were achieved through delivery of measurable activities.

**Table 2.3.1: Outcome 3 Programs and Key Activities**

| **OUTCOME 3 — DISABILITY AND CARERS** | |
| --- | --- |
| **Program 3.1**  **Disability Mental Health and Carers** | **Program 3.2**  **National Disability Insurance Scheme (NDIS)** |
| Refer to Table 2.3.2 for program performance results | |
| **Key activities**   * Disability employment services * Support for carers * Advocacy support for people with disability * National Disability Strategy | **Key activities**   * NDIS Transition (including Commonwealth Programs) * Development of the NDIS Market * NDIS Participant Plans |
| Refer to Table 2.3.3 for index of key activities performance results | |

Performance Results of Programs

This section describes the 2019–20 results of the program performance measured through agreements in place with relevant service providers.

**C3.3 Extent to which service provision meets program objective**

This criterion explores a range of payment and service provision parameters that indicate progress towards outcomes, rather than impact. These include whether funds have been spent consistent with the program objective, satisfaction with services, and service usage by priority groups.

**C3.3.1 Program performance criteria and associated milestones/standards**

This indicator assesses whether funds have been spent consistent with the program objective, with a focus on appropriate delivery of grants, procurements, and subsidies for which our department receives appropriations.

As at 30 June 2020, 391,999 people with disability were supported by the NDIS, including  
8,197 participants referred to the Early Childhood Early Intervention program receiving initial supports. A total of 175,568, or 45 per cent of the NDIS participants, had not previously been receiving government-funded disability services before they accessed the NDIS.

From July 2019, the NDIS is available in every region of Australia except for Christmas Island and the Cocos Islands, where it was available from 1 July 2020. On 1 July 2019, quality and safeguard arrangements transitioned from the state-based arrangements to the national arrangements under the NDIS Quality and Safeguards Commission (NDIS Commission) in Victoria, Queensland, Tasmania, the Australian Capital Territory and the Northern Territory. This means the NDIS Commission now has regulatory oversight in all states and territories except Western Australia which is due to come under the NDIS Commission from 1 December 2020.

During 2019–20, the Prime Minister signed a bilateral full scheme agreement with Queensland which commenced on 1 October 2020. Full scheme agreements setting in place enduring funding and governance arrangements for the NDIS are in place with all jurisdictions, except Western Australia.

In June 2019, the Australian Government commissioned a review of the *National Disability Insurance Scheme Act 2013* (NDIS Act) with a focus on streamlining NDIS processes and removing red tape for participants and providers. Specifically, the review examined participant’s experiences of the NDIS and opportunities for improvement, honouring the Government’s 2019 Election commitment to introduce a NDIS Participant Service Guarantee (the Guarantee). The Guarantee will set standards and timeframes for NDIA decision-making as it affects participants, their families, and carers.

We supported the work of the review through a small, dedicated secretariat, reporting to the independent reviewer, Mr David Tune AO PSM.

The review was designed to be shaped by the experiences of people with disability, their families, and carers. To support this, we facilitated, on Mr Tune’s behalf, a national public consultation process to seek feedback from participants about their experiences with the NDIS, what should be included in the Guarantee, and what they felt was important to consider in this review of the NDIS Act.

Consultation activities commenced on 26 August 2019 and concluded 31 October 2019. During that process, the review received 201 written submissions from a range of stakeholders, including participants, their families and carers, service providers, advocates, and peak bodies. 1,273 usable responses were received to an online survey that sought to understand how participants and the people who support them experience the NDIS. An additional 15 face-to-face community workshops were held in every capital city and a regional location in each state and territory. Targeted consultations were also held with members of the Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse backgrounds, and people with psychosocial disability.

Mr Tune handed his final report to the Government in December 2019, making 29 recommendations to remove legislative impediments to positive participant and provider experiences and support the implementation of the Guarantee. The report was published on the department’s website  
in January 2020.

The Government’s election commitment was to bring the Guarantee into law from 1 July 2020. However, this was not achievable due to the impact of the COVID-19 pandemic on the Australian community.

The Government is working to bring the Guarantee into law from 1 July 2021, with the NDIA committed to meeting the Guarantee from 1 July 2020, despite the delay in legislation.

**Table 2.3.2: Program performance criteria and associated milestones/standards**

| Intermediate outcome performance measure  PBS performance criteria | Target | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- | --- |
| **Program 3.1: Disability Mental Health and Carers** | | | | |
| Delivery by organisations is in accordance with specified requirements, which may include service level standards, of the contracts and agreements between organisations and the department. Agreements and contracts require:   * employment assistance and other services to individuals with disability * direct advocacy support to individuals with disability * support to carers * support through community-based initiatives to assist people with, or at risk of, mental illness * national leadership and representation for services to build capacity within the disability, carers, or community mental health sectors. | Milestone/standard: Standard of delivery is in accordance with the terms and conditions of organisations’ contracts and agreements with the department | 🗹a | 🗹a | 🗹a |
| **Program 3.2: National Disability Insurance Scheme** | | | | |
| Policy, financial and partnership arrangements are in place to create an effective and sustainable NDIS including: | | | | |
| Developing and implementing policy settings for full scheme | Milestone/standard:  Timely and effective policy advice (including on Quality and Safeguards) is provided for full scheme | 🗹b | 🗹c | 🗹d |
| Implementing funding mechanisms for NDIS transitions | Milestone/standard:  Appropriate management of the NDIS cash flow | 🗹e | 🗹e | 🗹e |
| Negotiating and implementing agreements with states and territories for transition to full scheme | Milestone/standard  Strategic implementation issues are identified and resolved | 🗹f | 🗹g | 🗹h |
| **Program 3.3: Program Support for Outcome 3** | | | | |
| Total departmental funding for Outcome 3 | Milestone/standard:  Departmental funding is expended to achieve agency outcomes | $116.905m | $110.047m | $106.633m |

a All contracts and agreements were delivered in accordance with the terms and conditions specified.

b Policy settings requiring finalisation before end of transition have been designed and are being implemented. Full scheme agreements with NSW, VIC, QLD, SA, TAS, ACT and NT embed enduring arrangements for the NDIS in those states and territories. A bilateral transition agreement remains in place in WA. QLD remained under a bilateral transition agreement until 1 October 2020 when its full scheme agreement came into effect.

c Policy settings requiring finalisation before end of transition have been designed and are being implemented. Full scheme agreements with NSW, SA, VIC, TAS, NT and ACT embed enduring arrangements for the NDIS in those states and territories. Bilateral transition agreements remain in place for QLD and WA.

d Policy settings requiring finalisation before end of transition are being designed and implemented. Reaching agreement with WA to join the nationally delivered NDIS makes it a truly national scheme. Full scheme agreements with NSW and SA embed enduring arrangements for the NDIS in those states.

e The funding mechanism is agreed and is in place for all jurisdictions transitioning to full scheme NDIS.

f Full scheme agreements with NSW, VIC, QLD, SA, TAS, ACT and NT embed enduring arrangements for the NDIS in those states and territories. A bilateral transition agreement remains in place for WA. QLD continues under a bilateral transition agreement until its full scheme agreement comes into effect no later than 1 January 2021.

g Full scheme agreements with enduring funding and governance arrangements are in place for NSW, SA, VIC, TAS, NT and ACT. Negotiations with QLD were in their final stages at the end of the reporting period. Bilateral transition agreements remain in place for QLD and WA.

h Bilateral transition agreements are in place for all states and territories including WA, which agreed to join the nationally delivered scheme in December 2017.

Performance Analysis of Outcome 3 Programs

For Outcome 3 programs our performance criteria (as outlined in the 2019–20 Portfolio Budget Statements) are primarily about having agreements in place. This is specifically related to the services and program outcomes for developing capabilities and active participation in the disability sector.

Services delivered under these arrangements include employment assistance to people with disability, direct advocacy support to people with disability, support to carers, support for community based initiatives to assist people with, or at risk of, mental illness and national leadership and representation services to build capacity within the disability, carers or community health sectors. Service level standards and expectations to improve independence and participation of people with disability and their carers are contained within the relevant funding agreements.

In the context of the NDIS the arrangements are focused on the policy, financial and partnerships with states and territories. The effectiveness of achieving these arrangements was through monitoring timely and effective policy advice, appropriate management of NDIS cash flow and strategic implementation issues being identified and resolved.

In this financial year, these arrangements were essential, for example with COVID-19 it enabled personal protective equipment and support to be directed and targeted appropriately.

In addition to the above, for 2020–21, the program performance will be focused on measuring the effectiveness of the services delivered by the organisations by seeking responses from the users of the services. In addition we will be measuring the impact of strategy development through engagement with stakeholders for the National Disability Strategy and the delivery of services for NDIS clients.

Performance Results of Key Activities

This section describes the performance of the key activities in Outcome 3. The table below outlines our Corporate Plan performance criteria and indicators for Outcome 3, which show how we intend to measure what we achieved, how well we did, and how much we did. Not all activities report against every performance criterion.

**Table 2.3.3: Performance criteria for Purpose 3 Disability and Carers**

*Programs: 3.1 Disability, Mental Health and Carers; 3.2 National Disability Insurance Scheme; XP Cross Program*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Measure Hierarchy | Performance criteria | Indicator/Output | Program Reference | Results Table Index |
| **Outcome — What did we achieve?** | **C3.1 – Extent of improved independence and participation** | C3.1.1 – Number of people supported to achieve at least 6 months employment at their work capacity in Disability Employment Services | 3.1 | 2.3.4 |
| C3.1.2 – Percentage of assisted people with disability, mental illness and carers with improved knowledge, skills, behaviours and engagement with services | 3.1 | 2.3.5 |
| **Intermediate Outcome — How well did we do?** | **C3.2 – Extent of contribution to creating and implementing national approaches** | C3.2.1 – Continued implementation of the National Disability Strategy 2010–2020 | XP | 2.3.6 |
| C3.2.2 – Extent of contribution to create an effective and sustainable NDIS | XP | 2.3.7 |
| **C3.3 – Extent to which service provision meets program objective** | C3.3.1 – Program performance criteria and associated milestones/standards (PBS) | 3.1, 3.2 | 2.3.2 |
| C3.3.2 – Extent of satisfaction with services | 3.1 | 2.3.8 |
| C3.3.3 – Percentage of assisted individuals who are from priority groups | 3.1 | 2.3.9 |
| **Output —****How much did we do?** | **C3.4 – Delivery measures** | C3.4.1 – Number of individuals assisted (PBS) | 3.1 | 2.3.10 |
| C3.4.2 – Number of organisations contracted or receiving grant funding to deliver services (PBS) | 3.1 | 2.3.11 |
| C3.4.3 – Value of Commonwealth program funding transitioned to the NDIS (PBS) | 3.2 | 2.3.12 |
| C3.4.4 – Value and number of Jobs and Market Fund projects supporting the growth of the NDIS market and workforce (PBS) | 3.2 | 2.3.13 |
| C3.4.5 – Administered outlays (PBS) | 3.1, 3.2 | 2.3.14 |

Source: Corporate Plan 2019–20 and Portfolio Budget Statements 2019–20.

**C3.1 Extent of improved independence and participation**

This criterion is intended to report progress by people with disability towards goals for improved independence and participation, for individuals, families, and carers. Collectively the set of indicators provides an indication of improved independence and participation by people with disability.

**C3.1.1 Number of people supported to achieve at least six months employment at their work capacity in Disability Employment Services**

This indicator tracks the number of Disability Employment Services (DES) participants who achieved 26-week employment outcomes.

*Analysis*

Although there have been improvements in the number of DES participants with 26-week employment outcomes from 2018-19 to 2019-20, from early March 2020 the COVID-19 pandemic impacted on the number of DES participants being placed into employment and a number of DES participants who were in employment lost their jobs as a result of the COVID-19 pandemic and subsequent economic downturn. Both these factors directly affected the number of DES participants who would have achieved at least a 26-week employment outcome.

**Table 2.3.4: Number of people supported to achieve at least six months employment at their work capacity in Disability Employment Services**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Disability Employment Services** | | | |
| Total for Disability Employment Servicesa | 32,093 | 28,772 | 31,711 |
| * Disability Management Servicea | 14,370 | 12,868 | 14,470 |
| * Employment Support Servicea | 17,723 | 15,904 | 17,241 |

a From 2018–19 reporting, data on 26-week employment outcomes replaced the 3-month Post Placement Monitoring (PPM) data. The data on 26-week employment outcomes for 2017-18 and 2018-19 are included for comparison purposes.

**C3.1.2 Percentage of assisted people with disability, mental illness and carers with improved knowledge, skills, behaviours, and engagement with services**

This indicator tracks the extent that carers, people with disability and people with mental illness who access support programs are building their capability through improved knowledge, skills and behaviours and engagement with services. It provides an indication of the extent of their progress towards greater capability and participation goals.

The Data Exchange is a program performance platform used to collect data about services delivered to clients. In response to feedback from organisations, the Data Exchange was enhanced in 2018, which impacted the client outcome measures for Data Exchange programs. In August 2018, the requirement to specify whether an outcome assessment was ‘pre’ or ‘post’ was removed to better reflect how clients interact with services. Instead the system now collects outcome assessments in a time sequence, which makes it easier for organisations to record multiple outcome assessments. The Data Exchange now matches the earliest outcomes assessment (regardless of whether it was ‘pre’ or ‘post’) with the most recent outcomes assessment.

This change has increased the number of matched outcomes, but has also resulted in a higher number of neutral and negative client outcomes. This is because the counting of an outcome occurs as soon as two outcomes assessments can be matched together, meaning that the activity may have had less time to have an impact. We have provided information and caveats against each indicator where these system changes are likely to have influenced the overall result. The performance tables also include what the outcome results would have looked like if the new methodology were applied to previous years, enabling more accurate comparison of outcome measures across financial years.

**Table 2.3.5: Percentage of assisted individuals with disability, mental illness, and carers with improved knowledge, skills, behaviours, and engagement with services**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2019–20a | 2018–19a | 2017–18a |
| **Disability and Carer Support** | | | |
| Percentage of assisted carers, with improved knowledge, skills, behaviours, and engagement with servicesb | 83.2% | 86.9% | 82.9% |
| **Community Mental Health** | | | |
| Percentage of assisted individuals with mental illness with improved knowledge, skills, behaviours, and engagement with services | 72% | 68.4% | 68% |

a To measure outcomes only clients with at least two corresponding outcome domains have been counted.

b This was a new performance measure for 2016–17. A refinement to the methodology has been applied to 2018–19 to better reflect overall performance. Data for 2019-20 includes outcomes data collected under the new Integrated Carer Support Service introduced from 1 July 2019, in addition to carer support programs funded under Outcome 3 until  
31 May 2020.

**C3.2 Extent of contribution to creating and implementing national approaches**

This criterion captures the high-level contribution to the larger effort made by state jurisdictions, local communities, and other government agencies.

**C3.2.1 Continued implementation of the *National Disability Strategy 2010–2020***

This indicator captures high-level progress made in implementing the *National Disability Strategy 2010–2020* (the Strategy). The Strategy provides a 10-year national policy framework for all levels of government to improve the lives of people with disability.

*Analysis*

The Strategy is the main mechanism for all levels of government to meet Australia’s commitment under the United Nations [*Convention on the Rights of Persons with Disabilities*](about:blank) (CRPD). During  
2019–20, we continued to drive action under the Strategy and with the Attorney-General’s Department, provided the Committee on the Rights of Persons with Disability with Australia’s second and third periodic report under the CRPD outlining Australia’s achievements in implementing the convention and improving outcomes for people with disability. We also sponsored a civil society delegation to attend the proceedings in Geneva in September 2019 to ensure the Committee could hear directly from people with disability and disability sector representatives.

We also led significant work with states, territories, local government, and the disability sector on the development of the new National Disability Strategy for beyond 2020. A report, Right to Opportunity, on the first stage of public consultations to inform the new National Disability Strategy was released in December 2019. The report is available on the department’s website. A second stage of public consultations were scheduled to start during April 2020 but at the request of the disability sector it was delayed until July 2020 due to the COVID-19 pandemic to ensure people with disability could safely participate and help shape the new National Disability Strategy.

**Table 2.3.6: Continued implementation of the *National Disability Strategy 2010–2020***

|  |  |  |
| --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 |  |
| **Cross program** | | |
| Delivery of the third National Disability Strategy progress report covering 2016–18 to COAG, developed in partnership with state and territory governments and other Commonwealth agencies | Second progress report (to 2016) released. Work underway with state and territory governments to finalise 2017–18 and 2019–20 progress reports | |
| Development of the Strategy’s Third Implementation Plan, in partnership with state and territory governments | *National Disability Strategy 2010–2020* Third Implementation Plan, covering calendar years 2019 and 2020 was endorsed by the Commonwealth, and state and territory disability ministers | |

**C3.2.2 Extent of contribution to create an effective and sustainable National Disability Insurance Scheme (NDIS)**

**Table 2.3.7: Extent of contribution to create an effective and sustainable NDIS**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Cross program** | | | |
| Policy, financial, and partnership arrangements are in place to create an effective and sustainable NDIS | Results reported against performance criterion ‘Extent to which service provision meets program objective’ | Results reported against performance criterion ‘Extent to which service provision meets program objective’ | Results reported against performance criterion ‘Extent to which service provision meets program objective’ |

**C3.3 Extent to which service provision meets program objective**

This criterion explores a range of payment and service provision parameters that indicate progress towards outcomes, rather than impact. These include whether funds have been spent consistent with the program objective, satisfaction with services, and service usage by priority groups.

**C3.3.2 Extent of satisfaction with services**

This indicator helps us better understand how funded services are meeting the needs of individuals and communities through feedback from individuals, service providers, or stakeholders on the impacts of services provided.

**Table 2.3.8: Extent of satisfaction with services**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Disability and Carer Support** | | | |
| Percentage of individuals and families satisfied with the service provided by Carer Gateway | | | |
| * Call satisfactiona | 93% | 93% | 93% |
| * Website satisfactionb | – | 68% | 67% |
| Percentage of individuals who report that they are satisfied that the service they received was appropriate to their needs | 99.1% | 97.2% | 97.6% |
| **Community Mental Health** | | | |
| Percentage of individuals who report that they are satisfied that the service they received was appropriate to their needs | 94.5% | 93.8% | 96.9% |

a Call satisfaction ratings indicated are from 1 July 2019 to 5 April 2020 (nine months). The Carer Gateway contact centre ceased operating on 5 April 2020 with the national Carer Gateway 1800 number routed to callers’ local Carer Gateway service provider.

b Website satisfaction ratings were changed in late July 2017, therefore, only data from August 2017 to June 2018 (11 months) has been reported for 2017–18. A redeveloped Carer Gateway website was launched on 1 July 2019 and website satisfaction ratings were not collected in 2019–20.

**C3.3.3 Percentage of assisted individuals who are from priority groups**

This indicator shows the extent to which Indigenous and culturally and linguistically diverse people are accessing services.

**Table 2.3.9: Percentage of assisted individuals who are from priority groups**

|  |  |  |  |
| --- | --- | --- | --- |
| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Community Mental Health** | | | |
| Percentage of individuals from Indigenous and culturally and linguistically diverse backgrounds: | | | |
| * Indigenous | 18.4% | 18.2% | 18.4% |
| * Culturally and linguistically diverse | 4% | 3.4% | 3.7% |

**C3.4 Delivery measures**

**C3.4.1 Number of individuals assisted**

**Table 2.3.10: Number of individuals assisted**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Disability Employment Services** | | | |
| Number of commencements | 141,078 | 115,824 | 90,521 |
| Total number of 4-week outcomes achieveda | 45,250 | 41,147 | – |
| Total number of 2-week job placements achieveda | – | – | 49,328 |
| **Disability Management Service** | | | |
| Number of commencements | 63,035 | 51,848 | 43,082 |
| Total number of 4-week outcomes achieveda | 19,853 | 18,366 | – |
| Total number of 2-week job placements achieveda | – | – | 22,412 |
| **Employment Support Service** | | | |
| Number of commencements | 78,043 | 63,976 | 47,439 |
| Total number of 4-week outcomes achieveda | 25,397 | 22,781 | – |
| Total number of 2-week job placements achieveda | – | – | 26,916 |
| **Disability and Carer Support** | | | |
| Number of carers assistedb | 73,005 | 95,709 | 108,192 |
| Number of people accessing Carer Gatewayc | 1,453,373 | 580,948 | 441,311 |
| Number of people with disability provided with direct advocacy support: | | | |
| * National Disability Advocacy Program | 12,316 | 12,450 | 8,867 |
| * NDIS Appeals programe | 2,931 | 3,305 | – |
| **Community Mental Health** | | | |
| Number of people whose lives are affected by mental illness accessing support services d | 38,571e | 49,884 | 66,792 |

a Under the new Disability Employment Services introduced on 1 July 2018, data on 4-week outcomes replaced data on (2-week) Job Placement outcomes. This results in a ‘break in series’ as data for 2018–19 is based on 4-week outcomes and data for 2017–18 was based on (2-week) Job Placement outcomes.

b Under the new Integrated Carer Support Service introduced from 1 July 2019, program performance reporting within the Data Exchange for 2019-20 was expanded to measure the performance of the new Carer Gateway digital counselling service, and from 6 April 2020 face-to-face services, online coaching and peer support.

c Figures for 2017–18 and 2018–19 access to Carer Gateway includes web forms, calls and call backs through the Carer Gateway contact centre as well as website visits and Facebook engagements. Under the new Integrated Carer Support Service introduced from 1 July 2019, the figure for 2019-20 includes additional data measuring access to services through the Carer Gateway website including digital counselling, online peer support and coaching. Additionally, from 6 April 2020, calls to and call backs reflect engagement with Carer Gateway service providers through the Carer Gateway phone number and website.

d The decrease in client numbers reported for 2019–20 is due to the department undertaking a data quality exercise resulting fewer unidentified group clients. In addition, this decrease demonstrates the impact of COVID-19 pandemic on direct service delivery in the last quarter of 2019-20. There has been no policy change to service delivery.

e The decrease in client numbers reported for 2019–20 is due to the department undertaking a data quality exercise resulting in service providers reporting fewer unidentified group clients. In addition, this decrease demonstrates the impact of COVID-19 pandemic on direct service delivery in the last quarter of 2019-20. There has been no policy change to service delivery.

**C3.4.2 Number of organisations contracted or receiving grant funding to deliver services**

**Table 2.3.11: Number of organisations contracted or receiving grant funding to deliver services**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Disability Mental Health and Carers** | | | |
| Disability Employment Servicesa | 110 | 119 | 117 |
| Employer Assistance and Other Servicesb | 163 | 183 | 147 |
| Disability and Carer Supportc | 86 | 83 | 83 |
| Community Mental Healthd | 76 | 71 | 70 |

a Distinct counts of Disability Employment Services providers as at 30 June in 2018, 2019 and 2020.

b Distinct counts as at 30 June in 2018, 2019 and 2020 of entities that have been provided funding in relation to the Employment Assistance Fund, Supported Wage System, Wage Subsidy Scheme, National Disability Recruitment Coordinator, ongoing support assessments and JobAccess.

c This measure refers to the number of organisations contracted or receiving carer support grant funding.

d The closure of the Carers and Work sub-activity and the expansion of the Individual Placement and Support (IPS) Trial in 2019-20 resulted in a net increase in the number of organisations funded through the Community Mental Health Activity.

**C3.4.3 Value of Commonwealth program funding transitioned to the National Disability Insurance Scheme**

**Table 2.3.12: Value of funding transitioned to the National Disability Insurance Scheme**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **National Disability Insurance Scheme** | | | |
| Value of Commonwealth program funding transitioned into the National Disability Insurance Scheme | $499.84m | $304.14m | $168.79m |

**C3.4.4 Value and number of Jobs and Market Fund projects supporting the growth of the National Disability Insurance Scheme market and workforce**

**Table 2.3.13: Value and number of Jobs and Market Fund projects supporting the growth of the National Disability Insurance Scheme market and workforce (PBS)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 | |
| **National Disability Insurance Scheme** | | | |
| Valuea and numberb of Jobs and Market Fundc projects supporting the market, sector, and workforce to transition to the National Disability Insurance Scheme | $10.26m  22 projects | $5.20m  18 projects | $18.61m  40 projects | |

a Includes actual spending in the relevant period only.

b This figure captures all projects that were current during the 2018–19 financial year, including projects that may have been fully funded in previous financial years.

c Includes the Sector Development Fund (SDF), which was replaced by the Jobs and Market Fund in the 2018–19 Budget. Note final SDF payments were made in 2018–19. Results for 2018–19 and 2019-20 are not comparable with previous years.

**C3.4.5 Administered outlays**

**Table 2.3.14: Administered outlays**

|  |  |  |  |
| --- | --- | --- | --- |
| Output performance measure | 2019–20 | 2018–19 | 2017–18 |
| **Disability Mental Health and Carers** | | | |
| Disability Employment Servicesa | $1,201.12m | $862.98m | $765.45m |
| Employment Assistance and Other Servicesb | $30.29m | $28.30m | $31.34m |
| Disability and Carer Support | $181.65m | $139.85m | $127.35m |
| Community Mental Health | $52.57m | $49.63m | $47.36m |
| **National Disability Insurance Scheme** | | | |
| National Disability Insurance Scheme Research and Evaluation | – | – | $0.65m |
| National Disability Insurance Scheme Transition | $190.15m | $402.06m | $511.71m |
| National Disability Insurance Scheme Participant Plans | $6,754.76m | $3,715.71m | $2,088.86m |
| National Disability Insurance Scheme Information, Linkages and Capacity Building | $134.51m | $111.38m | $70.99m |
| Establishment of the NDIS Quality and Safeguards Commission | – | $0.18m | $0.82m |
| Boosting the Local Care Workforce | – | $15.84m | $10.56m |
| Payments to Corporate Entity—NDIA agency costs | $1,413.26m | $1,477.67m | $1,050.98m |

a Includes Disability Employment Services, ongoing support assessments and JobAccess.

b Includes Employment Assistance Fund, Supported Wage System, Wage Subsidy Scheme and National Disability Recruitment Coordinator.

Chapter 2.4

Purpose 4 — Housing

Increased housing supply, improved community housing, and assisting individuals experiencing homelessness through targeted support and services.

Summary and analysis of Outcome 4 performance

The policy tools to support the availability of affordable and stable housing for low and  
moderate-income households are shared between the Australian Government and state and territory jurisdictions. These tools include: finance, regulation and tax settings, and planning and zoning policy. More broadly, factors such as housing market performance and labour market conditions are important influences on housing opportunities and outcomes. We work with the Australian Government Treasury and state and territory housing departments, including through the National Housing and Homelessness Agreement (NHHA), to improve housing and homelessness outcomes.

We fund the development of targeted housing developments, such as the 100 new affordable and social homes in Greater Hobart and Safe Places program under the Fourth Action Plan of the *National Plan to Reduce Violence against Women and their Children 2010–2022.*

| **Key results**  In the past year, some of our contributions to improving outcomes for increasing housing supply, improving community housing and assisting individuals experiencing homelessness include:   * delivered over $4.6 billion in Commonwealth Rent Assistance payments to help more than 1.3 million individuals and families renting in the private rental market or living in community housing. Outcome 1 (Table 2.1.12) reports on the impact of Commonwealth Rent Assistance in reducing the incidence of rental stress[[8]](#footnote-8) for social security payment or Family Tax Benefit recipients * together with the Australian Government Treasury, delivered around $1.6 billion through the NHHA to improve housing and homelessness outcomes across Australia. Through the NHHA, the Australian Government is improving funding for homelessness by ensuring homelessness funding previously provided through short-term agreements is ongoing and indexed. This will result in dedicated homelessness funding that needs to be matched by states and territories * leading development of a housing and homelessness data improvement plan with states and territories and Commonwealth agencies, to ensure housing outcomes can be reliably measured in the future and government funds can be directed to the most effective measures * strengthened the regulatory framework for administering the National Rental Affordability Scheme (NRAS) * together with states and territories and the Australian Government Treasury, progressed the review of the National Regulatory System for Community Housing to ensure a well-governed, well-managed and viable sector that meets the housing needs of tenants and provides assurance for governments and investors. |
| --- |

Outcome 4 Programs and Key Activities

Outcome 4 comprises two programs and two activities contributing to the achievement of the Housing outcome. The policy tools to support the availability of affordable and stable housing for low and moderate-income households are shared between the Australian Government and state and territory jurisdictions. These tools include: finance, regulation and tax settings, and planning and zoning policy. More broadly, factors such as housing market performance and labour market conditions are important influences on housing opportunities and outcomes. We work with the Australian Government Treasury and state and territory housing departments, including through the NHHA, to improve housing and homelessness outcomes.

**Table 2.4.1: Outcome 4 Programs and Key Activities**

| **OUTCOME 4 – HOUSING** | |
| --- | --- |
| Refer to Table 2.4.2 for program performance results | |
| **Program 4.1**  **Housing and Homelessness** | **Program 4.2**  **Affordable Housing** |
| **Key activities**   * National Housing and Homelessness Agreement | **Key activities**   * National Rental Affordability Scheme |
| Refer to Table 2.4.3 for index of key activities performance results | |

Performance Results of Programs

This section describes the 2019–20 results of the program performance measured through agreements in place with relevant service providers.

**C4.3 Extent to which delivery meets program objective**

This criterion assesses whether funds have been spent consistent with the program objective, with a focus on appropriate delivery of the payments.

**C4.3.1 Program performance criteria and associated milestones/standards**

**Table 2.4.2: Program performance criteria and associated milestones/standards**

| Intermediate outcome performance measure  PBS performance criteria | Target | 2019–20 | 2018–19 | | 2017–18 |
| --- | --- | --- | --- | --- | --- |
| **Program 4.1: Housing and Homelessness** | | | | | |
| Delivery by organisations is in accordance with specified requirements, which may include service level standards, of the contracts and agreements between organisations and the department | Milestone/standard: Standard of delivery is performed in accordance with the terms and conditions of Homes for Homes’ and Hobart City Deal contracts and agreement with the department | 🗹 | | 🗹 | 🗹 |
| **Program 4.2: Affordable Housing** | | | | | |
| Delivery complies with relevant legislation to ensure that incentives are issued accurately to approved participants who comply with the regulations, so NRAS dwellings are made available at reduced rents for eligible low and moderate-income households | Milestone/standard:  Incentives are only issued when compliance to the regulations has been adhered to  Result: 34,509 incentives were issued to approved participants in accordance with the regulations for the 2018–19 NRAS year | 🗹a | | 🗹b | 🗹c |
| **Program 4.3: Program Support for Outcome 4** | | | | | |
| Total departmental funding for Outcome 4 | Milestone/standard:  Departmental funding is expended to achieve agency outcomes | $22.482m | | $19.139m | $18.545m |

a 34,509 incentives were issued to approved participants in accordance with the regulations for the 2018–19 NRAS year.

b 34,924 incentives were issued to approved participants in accordance with the regulations for the 2017–18 NRAS year.

c 34,061 incentives were issued to approved participants in accordance with the regulations for the 2016–17 NRAS year.

Performance Analysis of Outcome 4 Programs

For Outcome 4 our performance criteria (as outlined in the 2019–20 Portfolio Budget Statements) is about delivery in compliance with contracts, agreements and legislation.

The contracts and agreements contain the service level standards and expectations between the department and the organisation delivering the services to best effect the increase of housing supply, improved community housing and assisting individuals experiencing homelessness.

For 2020–21 there will be a continued focus on this effect with a performance criterion focused on states and territories delivering and meeting their requirements under the National Housing and Homelessness Agreement.

There will also be a continued focus on delivering the NRAS in compliance with legislation, including processing of compliance statements within 60 days. The NRAS makes dwellings available at reduced rents for eligible low and moderate income households by issuing incentives to approved participants. Results provided relate to compliance being met and demand data related to number of incentives issued and percentage of dwellings that were paid an incentive.

Performance Results of Key Activities

This section describes the performance of the key activities in Outcome 4. The table below outlines our Corporate Plan performance criteria and indicators for Outcome 4, which show how we intend to measure what we achieved, how well we did, and how much we did. Not all activities report against every performance criterion.

**Table 2.4.3: Cross program performance criteria for Outcome 4 – Housing**

*Programs: 4.1 Housing and Homelessness; 4.2 Affordable Housing*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Measure Hierarchy | Performance criteria | Indicator/Output | Program Reference | Results Table Index |
| **Outcome — What did we achieve?** | **C4.1 – Extent of improvement in rental affordability for low and moderate-income households** | C4.1.1 – Percentage of National Rental Affordability Scheme (NRAS) households in rental stress before and after NRAS discounted rent | 4.2 | 2.4.4 |
| **Intermediate Outcome — How well did we do?** | **C4.2 – Extent of contribution to national initiatives** | C4.2.1 – the department’s contribution to Commonwealth/State agreements for housing and homelessness | 4.1, 4.2 | 2.4.5 |
| **C4.3 – Extent to which delivery meets program objective** | C4.3.1 – Program performance criteria and associated milestones/standards (PBS) | 4.1, 4.2 | 2.4.2 |
| C4.3.2 – Percentage of NRAS dwellings paid an incentive for the relevant NRAS year (PBS) | 4.2 | 2.4.6 |
| **Output —****How much did we do?** | **C4.4 – Delivery measures** | C4.4.1 – Number of incentives issued for the relevant NRAS year (Cash and Refundable Tax Offsets (RTO)) (PBS) | 4.2 | 2.4.7 |

Source: Corporate Plan 2019–20 and Portfolio Budget Statements 2019–20.

**C4.1 Extent of improvement in rental affordability for low and  
moderate-income households**

This criterion comprises one similar indicator for measuring improved rental affordability for low and moderate-income households. The indicator enables an assessment of whether the provision of discounted rents through the NRAS improves rental affordability for those assisted. Rental affordability supports individuals and families from becoming homeless and supports those experiencing homelessness to transition into stable housing.

**C4.1.1 Percentage of National Rental Affordability Scheme (NRAS) households in rental stress before and after NRAS discounted rent**

This indicator reports on the impact of providing dwellings under NRAS at lower than market rents  
(a rate that is at least 20 per cent less than market rent). For the purposes of this indicator, an NRAS household is considered to be in rental stress when rent is more than 30 per cent of gross income.[[9]](#footnote-9) This may not reflect actual rental stress.

Analysis

NRAS has increased the availability of affordable rental housing to low and moderate-income households and has reduced the rent for dwellings in the scheme. As at 30 April 2019[[10]](#footnote-10), NRAS reduced the proportion of NRAS households in rental stress by over 21 percentage points.

**Table 2.4.4: Percentage of NRAS households in rental stress before and after NRAS discounted rent**

|  |  |  |  |
| --- | --- | --- | --- |
| Outcome performance measure | 2018–19 NRAS year | 2017–18  RAS year | 2016–17  NRAS year |
| **Affordable Housing** | | | |
| Percentage of NRAS households in rental stress before and after NRAS discounted rent | | | |
| * Before | 82.2% | 84.1% | 85.7% |
| * After | 60.5% | 61.3% | 62.1% |

**C4.2 Extent of contribution to national initiatives**

This criterion captures the high-level contribution to the larger effort made by state jurisdictions, local communities, and other government agencies.

**C4.2.1 The department’s contribution to Commonwealth/State agreements for housing and homelessness**

We work closely with other government agencies and states and territories to develop policy options to increase housing affordability, increase the supply of social and affordable housing, and reduce the level of homelessness.

Analysis

Other mechanisms for cross-jurisdictional housing policy and delivery in 2019–20 include the NHHA, the Review of the National Regulatory System for Community Housing and City Deals, such as the Hobart City Deal. Reporting on performance against the NHHA is managed by the Productivity Commission.

The almost $1.6 billion a year NHHA commenced on 1 July 2018. In 2019–20, under the NHHA, we chaired a Commonwealth–state Data Improvement Plan for improved, nationally consistent data on housing and homelessness which was endorsed by housing and homelessness senior officials from the Commonwealth and all states and territories.

As part of the 2017–18 Mid-Year Economic and Fiscal Outlook, the Australian Government agreed to work with state and territory governments to assist the growth of the community housing sector through a review of regulation.

**Table 2.4.5: The department’s contribution to Commonwealth/state agreements for housing and homelessness**

| Intermediate outcome performance measure | 2019–20 | 2018–19 | 2017–18 |
| --- | --- | --- | --- |
| **Cross Program** | | | |
| The department’s contribution to Commonwealth/state agreements for housing and homelessness | Reviewed annual statements of assurance and chaired Data Improvement Plan under the National Housing and Homelessness Agreement | Chaired Data Improvement Plan under the National Housing and Homelessness Agreement | Contributed to development of National Housing and Homelessness Agreement that commenced on 1 July 2018 |

**C4.3 Extent to which delivery meets program objective**

This criterion assesses whether funds have been spent consistent with the program objective, with a focus on appropriate delivery of the payments.

**C4.3.2 Percentage of NRAS dwellings paid an incentive for the relevant NRAS year**

This indicator measures the compliance outcomes of approved participants to ensure they meet the regulatory requirements of the scheme.

**Table 2.4.6: Percentage of NRAS dwellings paid an incentive for the relevant NRAS year**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Intermediate outcome performance measure | | 2018–19  NRAS year | | 2017–18  NRAS year | 2016–17  NRAS year | |
| **Affordable Housing** | | | | | |
| Percentage of dwellings that were paid a full incentive for the relevant NRAS year | 92.7% | | 94.2% | | 95.8% | |
| Percentage of dwellings that were paid a partial incentive for the relevant NRAS year | 5.0% | | 3.7% | | 2.8% | |

**4.4 Delivery measures**

**4.4.1 Number of incentives issued for the relevant NRAS year (Cash and Refundable Tax Offsets (RTO))**

A total of 34,509 incentives were issued for the 2018–19 NRAS year.

**Table 2.4.7: Number of NRAS incentives issued for the relevant NRAS year (Cash and Refundable Tax Offsets (RTO))**

| Output performance measure | 2018–19  NRAS year | 2017–18  NRAS year | 2016–17  NRAS year |
| --- | --- | --- | --- |
| **Affordable Housing** | | | |
| Number of NRAS incentives issued for the relevant NRAS year (Cash and Refundable Tax Offsets (RTO)): | | | |
| * Cash | 12,385 a | 11,773 | 9,076 |
| * RTO | 22,124 a | 23,167 | 24,985 |

a Results for the 2018–19 NRAS year (1 May 2018 to 30 April 2019) are reported, as full payment data for 2019–20 were not available at time of publication.

Part 3

National Redress Scheme

Annual report on operation of the Scheme 94

# National Redress Scheme – Annual report on operation of the Scheme

The National Redress Scheme (the Scheme) was created in response to the recommendations of the *Royal Commission into Institutional Responses to Child Sexual Abuse*. The Scheme commenced on  
1 July 2018 and will operate for 10 years. The Scheme acknowledges that many children were sexually abused in Australian institutions and seeks to hold institutions to account for this abuse and help people who have experienced abuse gain access to redress.

The Scheme operates under the *National Redress Scheme for Institutional Child Sexual Abuse  
Act 2018* (the Act). The Act was passed by the Parliament in June 2018 following consultation with state and territory governments, institutions, survivors, support groups, and advocates. Under the Act, the Secretary of the department is the Scheme operator. The Act also requires the operator of the Scheme to prepare a report for the Minister on the operation of the Scheme as soon as practicable after the end of each financial year. The matters that the report must include are set out in section 75 of the  
*National Redress Scheme for Institutional Child Sexual Abuse Rules 2018* (the Rules). The Minister must present the report to the Parliament.

This report describes the key operations of the Scheme in its second year of operation  
(from 1 July 2019 to 30 June 2020) as required by the Act and the Rules.

### How the Scheme operates

A person can apply under the Scheme if they:

* experienced institutional child sexual abuse before 1 July 2018, and
* are aged over 18 or will turn 18 before 30 June 2028, and
* are an Australian citizen or permanent resident.

Under the Scheme, an offer of redress consists of three components:

* a counselling and psychological component
* a redress payment
* a direct personal response from each participating institution responsible for the abuse.

A redress monetary payment is calculated in accordance with the Scheme’s Assessment Framework (the Framework). This Framework considers the person’s individual circumstances and the kind of abuse they experienced as a child. Under the Scheme, the maximum redress payment a person can receive is $150,000, with any relevant prior payments related to the abuse deducted from this amount.

Counselling and psychological services differ depending on where the person lives at the time of applying for redress. In most states and territories, they are offered as state based counselling and psychological services. For those residing in South Australia, Western Australia, or overseas, they are offered as a direct payment to support access to services in the local area.

A direct personal response is an opportunity for survivors to have their experience of abuse and its impacts recognised by the responsible institution(s) in a manner that is meaningful to them. The survivor decides if, how, and when their direct personal response will happen. A direct personal response can involve a senior official or representative from the responsible institution(s) listening, acknowledging, and apologising for the harm they caused. The representative may also outline what steps the institution has taken to prevent future abuse.

#### The Scheme’s second year of operation

In its second year of operation, the Scheme has continued to deliver on key recommendations of the *Royal Commission into Institutional Responses to Child Sexual Abuse*. In February 2020, as part of machinery of government changes, National Redress Scheme Operations moved from Services Australia to become part of the Redress Group, Department of Social Services. This change provided an opportunity to better align the Australian Government’s efforts in delivering the Scheme by bringing all staff working on the Scheme into one organisation.

In the second year of operation (1 July 2019 to 30 June 2020)[[11]](#footnote-11):

* a further 3,127 people applied for redress through the Scheme[[12]](#footnote-12)
* 3,195 determinations were made
  + 3,059 people were assessed as eligible for redress
  + 136 applications were assessed as ineligible.
* 2,568 people accepted an offer of redress
* 10 people declined an offer of redress
* of the applications assessed as eligible for redress, 929 institutions were found to have been responsible across the individual cases of abuse
* 2,537 redress payments were made ranging from less than $10,000 to $150,000, with an average payment of $81,876
* the total value of redress monetary payments was $205,016,984
* 1,736 people requested counselling and psychological care as part of their redress outcomes
* 1,345 people requested a direct personal response from an institution
* 78.7 per cent of applications name more than one institution in their application and  
  33.7 per cent of applications name four or more institutions.

As at 30 June 2020, all Commonwealth and state and territory government institutions and  
224 non-government institutions, or groups of institutions, are now participating in the Scheme. This includes 177 non-government institutions that joined the Scheme in the second year of the Scheme’s operation. This brings the total number of sites (such as churches, schools, and community groups) covered by the Scheme to over 51,000 across Australia, with more institutions (158) notifying their intention to work with the Scheme to join in the first six months of 2020–21. As at 30 June 2020, the Scheme had eight funder of last resort listings for four states, meaning that applications relating to those eight defunct institutions can now progress and the applicants can access redress.

A key achievement of the Scheme in its second year of operation has been that 2,434 applications received in the first year of the Scheme have now been finalised[[13]](#footnote-13). Many of the remaining applications from this time-period cannot be finalised due to a number of reasons – for example, where relevant institutions have not joined the Scheme, or where more information is being sought from an applicant.

The outcomes from the Scheme’s second year of operation show a substantial increase from the first year.

From 1 July 2018 to 30 June 2019, the Scheme finalised a total of 239 applications, giving an average of 20 per month over the period. By comparison, from 1 July 2019 to 30 June 2020, the Scheme finalised a total of 2,510 applications, giving an average of 209 per month over the period.

In terms of outcomes[[14]](#footnote-14) provided to applicants from November 2019 to April 2020, the Scheme provided an average of around 260 outcomes to applicants per month. In May and June 2020, this increased to around 590 outcomes per month.

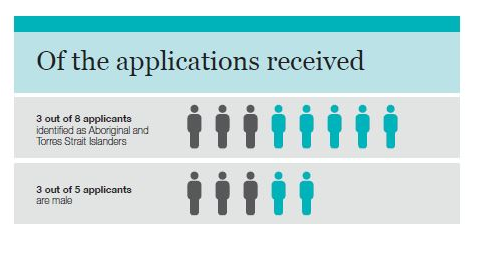
In 2019–20, the Government provided an additional $11.7 million in order to increase the number of Independent Decision Makers and to enable redress support services to prioritise outreach and community engagement activities. The funding allowed a particular focus on servicing regional areas and reducing service waitlists. The funding also resulted in the employment of dedicated Indigenous engagement workers to better connect with Indigenous clients and their communities.

As a result, and despite a challenging servicing environment arising from the impacts of the COVID-19 pandemic, cumulative figures to the end of June 2020 showed that more than half of all applicants to the Scheme are now indicating they are being supported to apply. Importantly, additional help is being provided to the groups most likely to need it, with around two thirds of people being supported falling into one or more of the following categories: former state wards, people with disability, and Indigenous Australians.

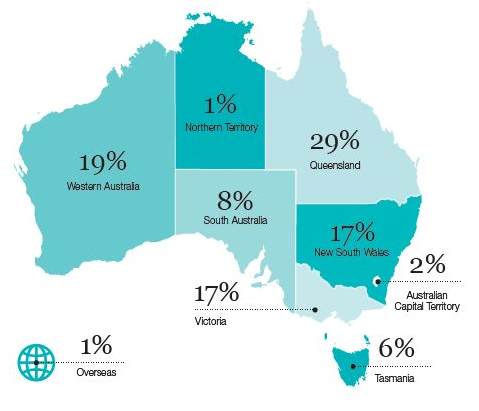
The Government took action to ensure survivors could continue to apply for, and receive redress, during the COVID-19 pandemic. The Minister for Families and Social Services made the *Coronavirus Economic Response Package (Modifications — National Redress Scheme for Institutional Child Sexual Abuse) Determination 2020* (the Determination) under sub item 1(2) of Schedule 5 to the *Coronavirus Economic Response Package Omnibus (Measures No. 2) Act 2020.* The Determination temporarily allows the Scheme to accept unsigned and unwitnessed statutory declarations for the period of  
1 March 2020 to 31 December 2020, where an applicant is impacted by COVID-19 restrictions.

#### Key statistics

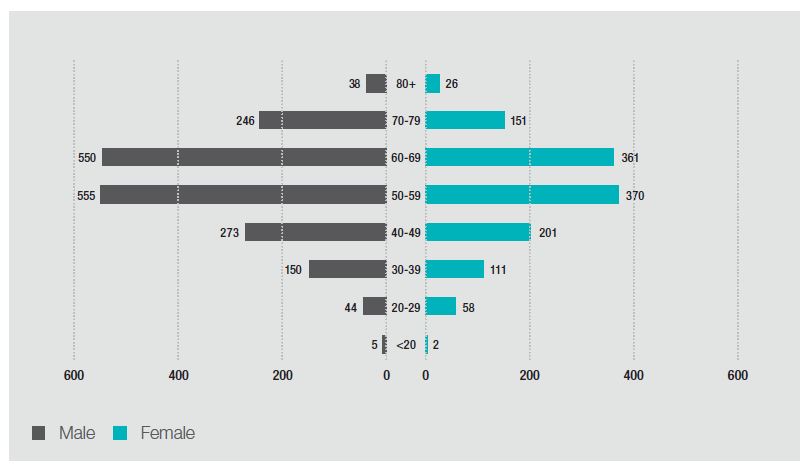
**Of the applications received for the period 1 June 2019 to 30 June 2020**



**Figure 3.1: Applications received by State/ Territory for the period 1 June 2019 to 30 June 2020**



**Figure 3.2: Applications received by gender and age for the period 1 June 2019 to 30 June 2020**

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Part 4

Management and Accountability

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##### Chapter 4.1

# Governance structure

#### Committees supporting our business

**Committees reporting to the Secretary**

At 30 June 2020, our governance committee structure included the Executive Management Group and four supporting committees that provided advice and assurance to the Secretary on the administration and operation of the department.

**Executive Management Group**

The Executive Management Group is our most senior governance committee. This group comprises the Secretary as Chair and deputy secretaries as members. It provides the department with guidance on overall strategic direction, priorities, management, and performance; and oversees our financial position by allocating resources, monitoring performance and risks, as well as ensuring our accountability and regulatory requirements are met.

**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 Audit and Assurance Committee Charter provides further information. 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.

For further information on the Audit and Assurance Committee Charter, go to dss.gov.au

### Figure 4.1.1 PGPA Rule Section 17AG (2A)(b)-(e) – Audit and Assurance Committee

|  |  |  |  |
| --- | --- | --- | --- |
| Member name | Qualifications, knowledge, skills or experience (include formal and informal as relevant) | Number of meetings attended / total number of meetings | Total annual remuneration |
| Mr Nick Baker | Bachelor of Arts in Computing Studies  Graduate Diploma in Professional Accounting  Certificate IV Commonwealth Fraud Investigations  Fellow Certified Practising Accountant Australia  Member Australian Computer Society | Six of six | $30,134 |
| Ms Jenny Morrison | Bachelor of Economics  Fellow - Chartered Accountants Australia and New Zealand  Fellow the Australian Institute of Management  Specialist in government financial reforms, governance and consulting  Independent member and chair of Commonwealth audit and risk committees and financial statement sub-committees for large and small government entities | Five of six | $18,316 |
| Mr Ian McPhee | Bachelor of Business  Bachelor of Arts  Financial management and budget experience, Department of Finance Fellow of Chartered Accountants Australia and New Zealand  Fellow CPA Australia, and the Institute of Public Administration Australia  Financial statement and performance audit experience with Australian National Audit Office | Six of six | $25,210 |
| Ms Susan Page | Former Deputy Secretary for the Department of Infrastructure and the Department of Finance  Five years’ experience with Audit and Assurance Committees  Member Department of Infrastructure, Transport, Regional Development and Communications Audit and Assurance Committee | Six of six | $23,580 |
| Mr Michael Lye | Bachelor of Arts (Psychology)  Master of Social Welfare Administration and Planning  Former Chief Operating Officer and Deputy Secretary for the Department of Social Services | Two of three (ceased membership November 2019) | $0 |
| Mr Matt Flavel | Master of Financial Management  Bachelor of Economics (Hons)  Previous experience as a Chief Operating Officer managing large complex budgets, audit, IT and security related issues | Two of two (new member March 2020) | $0 |
| Ms Flora Carapellucci | Graduate and member of the Australian Institute of Company Directors  Master of Public Policy  Special appropriations management and administered budgets | Six of six | $0 |
| Ms Chantelle Stratford | Master of Public Policy and Leadership  Risk management skills through project manager, project sponsor and program management roles | One of six (ceased membership June 2020) | $0 |

**Committees reporting to the Executive Management Group**

**Policy Committee**

This committee considers major policy issues, including early stage consideration of strategic issues, specialist advice on significant social services initiatives, and rapidly evolving situations. The committee is responsible for preliminary discussions of items, during the early policy development phase, that are intended for subsequent consideration by the Executive Management Group. The 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. The 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 design and delivery of government requirements through improved oversight of the department’s implementation activities. In the context of the Corporate Plan and Portfolio Budget Statements, the committee’s remit includes performance monitoring and reporting of election commitments, budget measures, enterprise risk management, and other priorities as directed by the Executive Management Group. The Chief Operating Officer chairs the committee.

**Figure 4.1.2: Our governance structure as at 30 June 2020**

#### Figure 4.1.2 The Secretary chairs the Executive Management Group. Four Committees report to the Executive Management Group. Audit and Assurance which has an external chair; Policy Committee, which is chaired by a Deputy Secretary; People and Culture Committee, chaired by a Deputy Secretary; Implementation Committee chaired by the Chief Operating Office. Two sub-committee assist the Audit and Assurance Committee. The Financial Statements and Performance Statements sub-committees both have an external chair.

#### 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 our key corporate documents through to each staff member’s individual performance plan.

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](http://www.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 2019–20, to demonstrate our commitment to enterprise risk management, we have continued to mature our risk management culture and capabilities by aligning our risks strategically with our corporate planning and embedding risk management principles into our everyday decision making.

**Business continuity management**

We are committed to managing business interruptions that may affect critical services and assets.

Our Business Continuity Management Framework ensures we can deliver our critical work in the event of a disruption. We review and test business continuity plans to ensure the safety, security, and wellbeing of staff during the event of an emergency or disaster.

In 2019–20, we activated key measures from our Business Continuity Plan and Pandemic Action Plan as part of our response to the bushfires and the COVID-19 pandemic.

**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 2019–20 Audit Work Plan considered our risk profile and was approved by the Secretary following consideration by the Audit and Assurance Committee. Over the year, 19 audits were undertaken across our policy, program, and enabling activities.

The Head of Internal Audit is independent from the department’s policy and program management activities. To strengthen 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.

Our Enterprise Compliance Framework establishes a foundation for a strong compliance culture enabling us to deliver outcomes effectively and achieve high levels of performance in a manner consistent with relevant legal and policy obligations. It forms part of a broader, coordinated approach to promote good governance 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.

**Fraud and corruption control**

Under section 10 of the *Public Governance, Performance and Accountability Rule 2014* (the Fraud Rule) we are required to have in place mechanisms to prevent, detect, and deal with fraud.

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

We manage fraud through a number of strategies, including:

* 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 review our Fraud Control Framework regularly to ensure its continued effectiveness.

We undertake regular assessment of fraud risks to improve understanding of our fraud exposure. These risk assessments involve identifying 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 compliance awareness**

In 2019–20, online fraud awareness training was made mandatory for all staff. Face-to-face fraud and compliance awareness presentations were also facilitated with staff.

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

**Fraud investigation**

In 2019–20, we assessed 35 suspected internal and external fraud incidents through established referral mechanisms in accordance with paragraph (d) of the Fraud Rule. These mechanisms allow officials, clients, and members of the public to confidentially report incidents of suspected fraud. Nine briefs of evidence were submitted to the Commonwealth Director of Public Prosecutions for consideration. Following an investigation, we also referred seven matters 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 2019–20, we 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 2019–20, we became a participating member of the Australian Federal Police hosted Operation Ashiba, which was formed following the closure of the 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 promote ethical standards and behaviours relating to our workplace and employment, including:

* the APS Code of Conduct, the APS Values, and the APS Employment Principles
* information on bullying and harassment
* guidance on acceptance of gifts and benefits
* information on conflict of interest and outside employment
* guidance on ethical behaviour in practice.

We incorporate the APS Code of Conduct and the APS Values in each employee’s individual performance agreement. Staff are able to access a range of courses relating to ethical and respectful behaviours through our learning management system.

#### 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 2019–20, 1,197 formal complaints were received through our Feedback Management System.

The top three areas of complaint were about:

* Social Security Payments
* the National Redress Scheme
* the National Rental Affordability Scheme.

#### Freedom of Information

We are subject to the *Freedom of Information Act 1982* (FOI Act) and we comply with the requirement to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. To view the department prepared IPS agency plan, go to dss.gov.au

#### Privacy

Our privacy framework is guided by our 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 investigate a privacy issue, including breach notifications and complaints, and issue a report or determination.

The Privacy Commissioner made inquiries in relation to one privacy breach and one privacy complaint in 2019–20. No reports or determinations relating to these matters were made.

##### 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 2019–20, the ANAO tabled a cross agency performance audit report involving the department on the delivery of the Humanitarian Settlement Program.

The ANAO also completed two performance audits focussed on the department:

* Management of Agreements for Disability Employment Services
* Fraud Control Arrangements in the Department of Social Services.

The following ANAO reports are in the preparation stage:

* Financial Statements of Australian Government Entities for the Period Ended 30 June 2020
* Decision-making controls for NDIS participant plans.

Completed audits can be found on the ANAO website. To view the completed audits, go to anao.gov.au

#### Reports by the Commonwealth Ombudsman

In 2019–20, the Commonwealth Ombudsman released one report related to the department:

* Lessons in good complaint handling.

For further information, go to ombudsman.gov.au

#### Judicial decisions

No judicial decisions significantly 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. Its work is divided between two committees – the Legislation Committee and the References Committee. During 2019–20, we had the following engagement with the Committees:

**The Legislation Committee**

* On 19 August 2019, we provided a submission to the inquiry into the Family Assistance Legislation Amendment (Extend Family Assistance to ABSTUDY Secondary School Boarding Students Aged 16 and Over) Bill 2019. We attended a hearing on 30 August 2019. The Committee tabled its final report on 5 September 2019. We tabled the Government response on 17 February 2020
* On 27 September 2019, we provided a submission to the inquiry into the Social Services Legislation Amendment (Drug Test Trial) Bill 2019. We attended a hearing on 2 October 2019. The Committee tabled its final report on 10 October 2019
* On 14 October 2019, we provided a submission to the inquiry into Social Security (Administration) Amendment (Income Management to Cashless Debit Card Transition) Bill 2019. We attended a hearing on 14 October 2019. The Committee tabled its final report  
  on 7 November 2019. We tabled the Government response on 2 December 2019
* On 14 February 2020, we provided a submission to the inquiry into the Social Services and Other Legislation Amendment (Simplifying Income Reporting and Other Measures) Bill 2020. We attended a hearing on 17 February 2020. The Committee tabled its final report  
  on 20 February 2020. We tabled the Government response on 26 February 2020
* On 6 March 2020, we provided a submission to the inquiry into Paid Parental Leave Amendment (Flexibility Measures) Bill 2020. The Committee tabled its final report  
  on 19 March 2020.

**The References Committee**

* On 30 September 2019, we provided a submission to the inquiry into the adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia. We attended hearings on 10 October 2019 and 14 February 2020. The Committee tabled its final report on 30 April 2020
* On 3 October 2019 and 16 December 2019, we attended hearings for the inquiry into Centrelink’s compliance program.

**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 of Representatives or a Minister, including any pre-legislation proposal, bill, motion, petition, vote or expenditure, other financial matter, report or document. During 2019–20, we had the following engagement with the Committee:

* On 12 September 2019, we tabled the Government response to the inquiry into Local Adoption
* On 24 October 2019, we provided a submission to the inquiry into age verification for online wagering and online pornography. We attended a hearing on 6 December 2019. The Committee tabled its final report on 5 March 2020
* On 11 June 2020, we provided a submission to the inquiry into homelessness in Australia.

**The Joint Standing Committee on the National Disability Insurance Scheme**

The Joint Standing Committee on the National Disability Insurance Scheme (NDIS) initiates inquiries into various aspects of the NDIS, including the Scheme’s operation and performance. During 2019–20, we had the following engagement with the Committee:

* On 19 September 2019 and 21 November 2019, we attended hearings for the inquiry into NDIS planning and the inquiry into Supported Independent Living. The Committee tabled its final report for the inquiry into Supported Independent Living on 13 May 2020
* On 21 November 2019, we attended a hearing for the inquiry into General issues around the implementation and performance of the Scheme
* On 13 February 2020, 17 April 2020, and 8 May 2020, we attended hearings for the Joint Standing Committee on the National Disability Insurance Scheme
* On 3 March 2020, we tabled the Government response in the House of Representatives for the inquiry into NDIS planning. The response was tabled in the Senate on 24 March 2020. The Committee tabled its interim report on 3 December 2019
* On 3 March 2020, we tabled the Government response in the House of Representatives for the inquiry into General issues around the implementation and performance of the Scheme. The response was tabled in the Senate on 24 March 2020. The Committee tabled its progress report on 29 March 2019
* On 3 March 2020, we tabled the Government response in the House of Representatives for the inquiry into Market Readiness. The response was tabled in the Senate on 24 March 2020
* On 11 June 2020, we provided a submission to the inquiry into the Scheme’s workforce.

**The Joint Select Committee on Implementation of the National Redress Scheme**

* On 7 February 2020, 26 February 2020, 19 March 2020, 15 April 2020, and 29 May 2020, we attended hearings for the inquiry into the implementation of the National Redress Scheme
* The Committee tabled its interim report on 30 April 2020.

**Other Parliamentary Inquiries**

* On 6 September 2019, we provided a submission to the Senate Select Committee inquiry into Jobs for the Future in Regional Areas. The Committee tabled its final report on 4 December 2019
* On 30 October 2019, we provided a submission to the Joint Committee of Public Accounts and Audit inquiry into Efficiency and Effectiveness. We attended a hearing on 15 November 2019
* On 18 December 2019, we provided a submission to the Joint Select Committee inquiry into Australia’s Family Law System. We attended a hearing on 14 February 2020
* On 18 February 2020, we tabled the Government response in the Senate for the former  
  Joint Standing Committee inquiry into the oversight of the implementation of redress related recommendations of the *Royal Commission into Institutional Response to Child Sexual Abuse*. The tabling of the Government response in the House of Representatives occurred  
  on 24 February 2020
* On 5 March 2020, we tabled the Government response for the House of Representatives Select Committee inquiry into Intergenerational Welfare Dependence
* On 13 March 2020, we attended a hearing for the Senate Economics Legislative Committee inquiry into the National Consumer Credit Protection Amendment (Small Amount Credit)
* On 30 April 2020 and 2 June 2020, we attended hearings for the Senate Select Committee  
  on COVID-19 inquiry. We provided a submission to the inquiry on 12 May 2020
* On 30 June 2020, we provided a submission to the House Standing Committee on Indigenous Affairs inquiry into food prices and food security in remote communities.

For further information on the department’s submissions, responses to questions on notice, and transcripts of the hearings, go to aph.gov.au

##### Chapter 4.3

# Managing our people

#### Overview

We implemented a range of strategies and initiatives in 2019–20 to continue to develop our workforce capability in line with current and emerging Government priorities, and to foster an inclusive culture that reflects the diversity of the Australian community.

We adapted quickly to support our people through the response to COVID-19. Key actions undertaken included:

* ensuring all departmental workplaces were compliant with physical distancing requirements
* establishing a new contact centre for Services Australia within the Enid Lyons Building at Tuggeranong, Canberra
* redeploying staff as part of the whole of APS response to COVID-19
* acquiring IT equipment to support remote working and designing targeted advice for managers to support employee health and wellbeing
* facilitating home-based work arrangements, including ongoing support for employees who were health vulnerable or who live with someone who was health vulnerable.

#### Effectiveness in managing and developing staff

**Workforce planning**

Our *Workforce Strategy 2019–22* (the Workforce Strategy) is a core element of our planning framework. The Workforce Strategy identifies the overarching principles which guide how we manage our current and future workforce capability and culture, and incorporates our workplace behaviours (action orientated, builders of cooperative relationships, curious, and decisive). Each year, the Workforce Strategy is reviewed, and priority initiatives are adjusted. For 2019–20, thirteen priority initiatives were identified under five key themes: capability, leadership, inclusion, adaptability and wellbeing.

The senior executive used regular workforce reporting and analysis, including the 2019 APS Employee Census results, workforce trend analysis, and workforce data (provided through an online Executive Dashboard) as evidence to inform workforce decisions.

**Leadership and capability development**

In response to physical distancing requirements, our face-to-face learning and development programs were adapted to suit self-paced online learning where possible, resulting in an increase of eLearning programs from 69 to 100 between 1 April and 30 June 2020.

Staff completed a total of 7,942 eLearning courses in 2019–20. Additionally, staff accessed 45,335 high-quality, video tutorials through LinkedIn Learning. Staff have demonstrated a willingness to adapt their learning to different delivery models and we continue to develop flexible learning options to meet current and emerging needs.

We continued to invest in growing capable leaders and provided high-value learning opportunities to our APS staff. In 2019–20, 26 staff participated in a range of highly regarded leadership and management programs including the Jawun APS Secondment Program, the Sir Roland Wilson and Pat Turner Scholarships, and the Australian and New Zealand School of Government (ANZSOG) Executive Masters of Public Administration Program.

Senior Executive Service (SES) employees attended targeted SES development programs including Indigenous Cultural Awareness Training, Australian Public Service Commission (APSC) SES Leadership Development and, SES Orientation, the ANZSOG Executive Fellows Program, the ANZSOG Executive Masters of Public Administration, and the Australian Institute of Company Directors course. Senior leaders also participated in a 360-degree feedback assessment process where they were assessed against SES leadership capabilities.

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

#### Workplace diversity

We continue to support a diverse and inclusive workplace. Our  
*Diversity and Inclusion Strategy 2019–2021* outlines how we will foster inclusion across the department to ensure all employees are treated equitably and respectfully.

The *Diversity and Inclusion Strategy 2019–2021* guides the development of key diversity and inclusion action plans within the department that build on our existing framework and commitment to diversity and inclusion.

We strive to provide a work environment for all staff to thrive and succeed through the following objectives:

* inclusive culture that celebrates diversity
* engage diversity through our people
* improved capability
* leadership that drives cultural change.

To support our staff and ensure ongoing engagement with internal and external programs and policies, we have established the following staff diversity committees, each supported by executive diversity champions and a diversity network:

* Culturally and Linguistically Diverse (CALD) Network Committee
* Aboriginal and Torres Strait Islander Staff National Committee
* Disability and Carers Committee
* Pride Committee (LGBTIQ).

Diversity committees regularly collaborate to ensure inclusion and representation of all staff, including those who experience intersectional diversity.

We also maintain memberships with the following diversity organisations:

* Australian Network on Disability (Gold membership)
* Diversity Council of Australia
* Pride in Diversity.

In 2019–20, 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.

**Culturally and Linguistically Diverse**

The CALD Network and CALD Network Committee has been established as part of our *Diversity and Inclusion Strategy 2019–2021* to support staff from CALD backgrounds by representing their interests, perspectives, and concerns. The Committee also provides strategic advice to the department to enable, encourage, and deploy diverse experiences to our work environment.

**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, service delivery, and capability development.

As at 30 June 2020, six per cent of our employees (143 staff) identified as being Aboriginal and/or Torres Strait Islander.

Our *Reconciliation Action Plan 2017–2020* and our *Aboriginal and Torres Strait Islander Workforce Strategy* 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. This includes 10 participants in the Indigenous Apprenticeships Program, coordinated by Services Australia and our department-specific Indigenous Internship Program.

Support for Aboriginal and Torres Strait Islander staff and their supervisors is provided through our Indigenous Liaison Officer, who coordinates initiatives from our *Reconciliation Action Plan 2017-2020* and *Aboriginal and Torres Strait Islander Workforce Strategy.*

Our Indigenous Champion, a role performed at the deputy secretary level, provides senior leadership support 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.

The Aboriginal and Torres Strait Islander Staff National Committee represents the interests, perspectives, and concerns of Aboriginal and Torres Strait Islander Staff through, advocacy and engagement and by providing advice on issues that impact staff. The Aboriginal and Torres Strait Islander Staff National Committee provides input into our *Reconciliation Action Plan 2017–2020* and our *Aboriginal and Torres Strait Islander Workforce Strategy.*

**Employment of people with disability**

Increasing employment outcomes for people with disability continues to be a priority. In total,  
6.8 per cent of our staff identified as a person with disability as at 30 June 2020 (160 staff).

Our *Diversity and Inclusion Strategy 2019–2021* 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 in which we had four interns.  
We also apply APS RecruitAbility to all our recruitment processes.

In July 2019, we recruited six data analyst trainees through our Autism@Work program in partnership with Dandelion.

Having the right supports in place to help people with disability enter the workforce and develop their careers is a key element of our mission to improve the wellbeing of individuals and families in Australian communities. We provide support and guidance to employees with disability and their managers through:

* dedicated Disability and Inclusion Advisers
* centralised funding to provide reasonable adjustment for employees with disability
* specialised training for managers of staff with disability, including those with intellectual disability.

Our Disability and Carers Committee represents the interests, perspectives, and concerns of staff with disability and those that are carers. The Disability and Carers Network is open to anyone interested in disability issues and provides input and recommendations to the Disability and Carers Committee.

Our Disability Champion, a role performed at the deputy secretary level, drives workforce initiatives for employees with disability. Our Disability Champion is a member of the APS Disability Champions Network and the Australian Network on Disability.

**Support for lesbian, gay, bisexual, transgender, intersex and queer staff**

In the 2019 APS Employee Census, 5.7 per cent (118) of respondents identified as lesbian, gay, bisexual, transgender, intersex and/or queer (LGBTIQ). We have an established Pride Committee and Network, as well as champions to support LGBTIQ staff and their allies at work.

We participate in the Australian Workplace Equality Index, a national benchmark for LGBTIQ workplace inclusion. In 2019–20, we achieved Silver employer status.

Our Pride Committee works to ensure all employees are valued for their differences, all policy and programs created by the department are inclusive of LGBTIQ people in Australia, and we strive to lead the APS in LGBTIQ social policy. While the Pride Committee and departmental documentation may refer specifically to LGBTIQ, the Pride Committee represents all people of diverse sexualities and gender even if they are not specifically identified in the LGBTIQ acronym.

The Pride Network is open to all staff, including allies of LGBTIQ staff. The Pride Network receives regular information about issues relevant to gender and sexual orientation. Membership of the  
Pride Network is confidential and open to both Allies and LGBTIQ staff.

**Figure 4.3.1 Diversity in our people**

**This illustration identifies the diversity of our people.
Disability Employment Levels DSS 6.8 per cent APS 4 per cent.
Female SES DSS 56.5 percent APS 47.2 per cent.
Indigenous Employment Levels DSS 6 per cent APS 3.5 per cent.
Employment ages over 55 DSS 18.3 per cent APS 19.5 per cent.**

**Department of Social Services figures as at 30 June 2020.  
APS figures as at 31 December 2019 (sourced from the Australian Public Service Employment Database).**

#### Graduate Development Program

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

In 2020, we recruited a cohort of 74 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.

In 2020, members of the graduate cohort were seconded to Services Australia as part of the response to COVID-19 enabling them to experience direct service delivery to Australians.

#### Workplace arrangements

**Enterprise agreement**

The *Department of Social Services Enterprise Agreement 2018 to 2021* commenced on  
21 January 2019 and covers non-SES employees. The agreement has a nominal expiry date  
of 21 January 2022.

**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 2020, we had 21 Individual Flexibility Arrangements in place.

**Performance pay**

Performance payments were not made to departmental employees in 2019–20.

**Secretary remuneration**

The Secretary is remunerated under the *Remuneration Tribunal  
(Departmental Secretaries – Classification Structure and Terms and Conditions) Determination 2020*, which is made under Division 4 of Part II of the *Remuneration Tribunal Act 1973.*

**Senior Executive Service remuneration**

The Secretary reviews SES remuneration annually, after completion of the annual performance cycle. When determining salary progression outcomes for an individual SES employee’s performance, the Secretary considers factors including organisational performance, relevant remuneration data, and the size and complexity of the role.

As at 30 June 2020, 70 SES employees were remunerated through a section 24(1) determination. This includes SES employees on temporary transfer, secondment, or leave.

**Common law contracts**

The department does not use common law contracts to employ staff.

**Non-salary benefits to employees**

The *Department of Social Services Enterprise Agreement 2018 to 2021* 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:

* sustaining a low number of workers’ compensation claims submitted in 2019–20
* maintaining a low number of accepted workers’ compensation claims in 2019–20
* no psychological injury claims accepted in 2019–20
* maintaining a decrease in our Comcare workers’ compensation premium rate for a fifth consecutive year from 2.1 per cent of payroll in 2015–16 to 0.47 per cent for 2020–21.

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

Other initiatives implemented in 2019–20 to ensure the health, safety, and welfare of our workers include:

* working with our managers to support ill or injured employees through our early intervention program, to help them remain at work or return to work safely
* refreshing our Work Health and Safety Management Arrangements which provide a framework for reducing the risk and incidence of workplace injury, illness, and bullying
* promoting and encouraging employees to access the services of our Employee Assistance Program to support positive physical and mental health and wellbeing
* delivering mental health e-learning and promoting additional external mental health resources
* promoting tailored mental and physical wellbeing messages through the launch of ‘Mental Health and Wellness Mondays’
* delivering targeted mental health training for managers through Lifeline’s ‘The Working Mind for Managers’ program
* 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.

As a result of COVID-19, we also:

* established a dedicated intranet page to provide up-to-date guidance and information for staff
* increased the frequency of cleaning at all sites, including a focus on high touch point areas such as kitchens, door handles and hand-rails, meeting rooms, tables, and printers
* implemented physical distancing measures by reconfiguring workstations and placing signage on all meeting/training/conference rooms and offices mandating reduced maximum capacity to achieve both the 1.5m and 4m2 requirements
* removed excess furniture from meeting rooms, breakout, and common areas
* displayed digital signage throughout the office to promote how staff can exercise physical distancing and hygiene practices
* installed hand sanitiser stations at main entry and exit points and distributed hygiene packs throughout work areas
* provided services through the Employee Assistance Program, provided mental health resources to staff and implemented a dedicated mental health first aid information line for staff.

**Notifiable incidents**

In 2019–20, there were three notifiable incidents 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**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2019–20  $ million | 2018–19  $ million | Change  $ million |
| Revenue from the Australian Government | 411.9 | 420.5 | (8.6) |
| Other revenue | 54.2 | 77.8 | (23.6) |
| **Total income** | **466.1** | **498.3** | **(32.2)** |
| Employee benefits | 288.5 | 287.8 | 0.7 |
| Suppliers | 146.3 | 188.4 | (42.1) |
| Other expenses | 88.0 | 98.2 | (10.2) |
| **Total expenses** | **522.8** | **574.4** | **(51.6)** |
| **Deficit attributed to the Australian Government** | **(56.7)** | **(76.1)** | **19.4** |
| Add back non-appropriated depreciation and amortisation expense | 73.2 | 95.9 | (22.7) |
| Less principal repayments – leased assets | (20.8) | - | (20.8) |
| **Surplus attributed to the department** | **(4.3)** | **19.8** | **(24.1)** |
| Financial assets A | 91.0 | 99.5 | (8.5) |
| Non-financial assets B | 583.9 | 229.8 | 354.1 |
| Liabilities C | 668.5 | 166.2 | 502.3 |
| **Net assets (A+B-C)** | **6.4** | **163.1** | **(156.7)** |

**Table 4.4.2: Trends in administered finances**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2019–20 $ million | 2018–19 $ million | Change $ million |
| Recoveries | 226.4 | 54.2 | 172.2 |
| Interest | 53.5 | 71.8 | (18.3) |
| Other revenue | 76.0 | 9.9 | 66.1 |
| **Total revenue** | **355.9** | **135.9** | **220.0** |
| Suppliers | 128.2 | 229.4 | (101.2) |
| Subsidies | 118.2 | 126.4 | (8.2) |
| Personal benefits | 129,233.0 | 110,804.4 | 18,428.6 |
| Grants | 2,723.5 | 2,425.8 | 297.7 |
| Payments to corporate Commonwealth entities | 8,302.7 | 5,305.0 | 2,997.7 |
| Other expenses | 463.9 | 248.2 | 215.7 |
| **Total expenses** | **140,969.5** | **119,139.2** | **21,830.3** |
| Financial assets | 6,398.4 | 7,495.6 | (1,097.2) |
| Liabilities | 8,866.1 | 6,632.6 | 2,233.5 |

#### 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 2019–20, 88 new consultancy contracts were entered into involving total actual expenditure of $26.6 million. In addition, 51 ongoing consultancy contracts were active during the period, involving total actual expenditure of $9.7 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. Further information on the value of contracts and consultancies is available on the AusTender website. To view the value of contracts and consultancies, go to 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 2019–20**

|  |  |  |
| --- | --- | --- |
|  | Number | Expenditure  ($ million, GST incl.) |
| New consultancies let | 88 | 26.6 |
| Ongoing consultancies active | 51 | 9.7 |
| **Total** | **139** | **36.3** |

**Table 4.4.4: Total expenditure on new and ongoing consultancy contracts 2017–18 to 2019–20**

|  |  |  |
| --- | --- | --- |
| Expenditure ($ million, GST incl.) | | |
| 2019–20 | 2018–19 | 2017–18 |
| 36.3 | 24.1 | 21.0 |

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 2019–20, 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 2019–20, 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

We support small business participation in the Commonwealth Government procurement market. Further information on Small and Medium Enterprises (SMEs) and Small Enterprise participation statistics is available on the Department of Finance’s website. To view SME and Small Enterprise participation statistics, go to 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.

We recognise the importance of ensuring 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. To view the results, go to treasury.gov.au

#### Grants administration

We manage programs through effective design, implementation, ongoing monitoring, and evaluation to support achieving intended outcomes for the Australian community. This is supported by our Grants Management Office which works in partnership with policy areas to support best practice in planning, designing, and selecting grant recipients. In the 2019–20 financial year, 10,163 grants were administered specific to the department, across 136 programs to a value of $997.7 million (excluding fee for service arrangements).

The Community Grants Hub (the Hub) administers grants for the department, as well as providing shared services grants administration for nine external client agencies.

* Department of Health
* Department of Agriculture, Water and the Environment
* Department of Veterans' Affairs
* Department of the Prime Minister and Cabinet
* National Indigenous Australians Agency
* Attorney-General's Department
* Department of Education, Skills and Employment
* National Disability Insurance Agency
* Department of Home Affairs.

In the 2019–20 financial year, the Hub administered 44,141 funding arrangements across  
715 programs, totalling $10.3 billion (excluding fee for service funding arrangements) for these agencies and the department.

Information on grants awarded by the Department of Social Services during 2019–20, is available  
at [grants.gov.au](http://www.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

Part 5

Financial Statements

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# INDEPENDENT AUDITOR’S REPORT

# To the Minister for Families and Social Services Opinion

In my opinion, the financial statements of the Department of Social Services (the Entity) for the year ended  
30 June 2020:

1. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
2. present fairly the financial position of the Entity as at 30 June 2020 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2020 and for the year then ended:

* Statement by the Secretary and Chief Finance Officer;
* Statement of Comprehensive Income;
* Statement of Financial Position;
* Statement of Changes in Equity;
* Cash Flow Statement;
* Administered Schedule of Comprehensive Income;
* Administered Schedule of Assets and Liabilities;
* Administered Reconciliation Schedule;
* Administered Cash Flow Statement; and
* Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.



Auditor

-

General for Australia

# Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key audit matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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# Key audit matter Validity of grants expenses

## *Refer to Note 2.1B ‘Grants’*

I focused on this area as there are a large number of grants programs with differing legislative and policy requirements which make the management of grant processes complex. This has the potential to impact the validity of grant expenses. Further, to manage the grants program and depending on the type of grant, the Entity has implemented manual compliance processes including risk management processes at the commencement and during the life cycle of the grants program.

For the year ended 30 June 2020 the grants expenses were $2.7 billion.

# How the audit addressed the matter

The audit procedures undertaken to address this matter included:

* evaluating the information technology controls specifically access controls, change management, approvals and delegations for grants and payment processing;
* assessing manual controls supporting grants management, focusing on risk management and compliance processes; and
* examining supporting documentation for a sample of grant agreements to assess the validity of expenditure amounts.

# Key audit matter

# Accuracy and occurrence of personal benefits expense

## *Refer to Note 2.1C ‘Personal Benefits’*

I focused on this area as the accuracy and occurrence of personal benefits expense is dependent on the correct self-disclosure of personal circumstances by a large number of diverse recipients. The accuracy of personal benefits expense is also reliant on a complex information technology system for the processing of a high volume of payments across numerous personal benefit types with varying conditions for determining payment amount.

The complexity of the personal benefits expense was increased due to the rapid implementation of stimulus measures in response to the COVID-19 pandemic where a range of normal payment eligibility requirements were either expanded, relaxed or waived. The additional measures comprised the coronavirus supplement, economic support payments, and a range of related initiatives.

|  |  |
| --- | --- |
| **Key audit matter** Valuation of personal benefits provisions, personal benefits receivables and contingent liabilities *Refer to Overview, Note 4.3A ‘Personal Benefits and Other Provisions’, Note 4.1B ‘Receivables’ and*  *Note 7.1 ‘Contingent Assets and Liabilities’* | **How the audit addressed the matter**  The audit procedures undertaken to address this matter included:   * evaluating the appropriateness of management’s processes to assess whether judgements and assumptions used in the estimation models remain appropriate; |

Personal benefits expense increased by $18 billion from the previous year to $129.2 billion for the year 30 June 2020 and this was mainly due to the COVID-19 stimulus measures.

# How the audit addressed the matter

The audit procedures undertaken to address this matter included:

* assessing the internal controls in place over the personal benefits payments, focusing on processes for monitoring compliance with requirements to disclose accurate personal information;
* assessing the information technology controls, specifically access controls to personal circumstances data and controls designed to prevent and detect unauthorised changes to the information technology environment; and
* recalculating a sample of personal benefits payments made to recipients, based on relevant legislation and personal circumstances data held by the Australian Government.

I focused on this area as the valuation of the provisions and receivables involve estimation models which require significant judgements and assumptions including, but not limited to: new budget measures affecting benefit programs timing of payments; personal circumstances of recipients; and the economic environment. The accuracy and completeness of the source data used by the actuary in developing the estimation of the provisions and receivables is also a key component of the valuation process.

The complexity of these valuations was increased due to uncertainty associated with estimating the impact of the COVID-19 pandemic on future cash flow estimates used in the Entity’s valuation models.

I also focused on the appropriate accounting and disclosure of the impacts of the Income Compliance Program in view of the Government’s decision relating to the program which used averaged income data to calculate an individual’s personal benefits debt that was then included in personal benefits receivables. The Government made a decision to refund $741.6 million and zeroed $1.013 billion of debts owing at year-end relating to this program. The Government decision to repay or zero debts covered debts raised using income averaging since 1 July 2015. Debts raised prior to 1 July 2015 using income averaging can be reviewed and assessed on a case by case basis if requested by the individual. I therefore focused on whether these potential debt repayments and zeroing had been appropriately accounted for and disclosed by the Entity.

As at 30 June 2020 the provisions totalled $4.7 billion and the receivables totalled $4.7 billion

* assessing the work undertaken by the Entity’s actuary;
* assessing the accuracy and completeness of data used in the estimation models;
* evaluating the accounting and disclosures relating to the Income Compliance Program for consistency with data extracted from the debt management system, and the Government’s decision to refund debt paid and zero unpaid debt at year-end by raising a personal benefits payable and impairment allowance for the full debt; and
* evaluating the Entity’s assessment that an unquantifiable contingency existed as 30 June 2020 and the appropriateness of the associated disclosure.

**Accountable Authority’s responsibility for the financial statements**

As the Accountable Authority of the Entity, the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act)for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretarydetermines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretaryis responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity’s operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

# Auditor’s responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

* identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
* obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control;
* evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
* conclude on the appropriateness of the Accountable Authority’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
* evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Grant Heir

Auditor-General

Canberra

18 September 2020

Department of Social Services

**Statement by the Secretary and Chief Finance Officer**

In our opinion, the financial statements for the year ended 30 June 2020 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Social Services (the department) will be able to pay its debts as and when they fall due.

****

|  |  |
| --- | --- |
| Kathryn Campbell AO CSC  Secretary  18 September 2020 | Andrew Harvey  Chief Finance Officer  18 September 2020 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
|  | **Notes** | **$'000** |  | $'000 |  | $'000 |
| **NET COST OF SERVICES** |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |
| Employee benefits | 1.1A | **288,486** |  | 287,835 |  | 280,634 |
| Suppliers | 1.1B | **146,343** |  | 188,363 |  | 183,015 |
| Depreciation and amortisation | 3.2A | **73,225** |  | 95,906 |  | 78,883 |
| Finance costs | 1.1C | **8,487** |  | 17 |  | 8,647 |
| Impairment loss on financial instruments |  | **41** |  | 24 |  | - |
| Write-down and impairment of other assets | 3.2A | **1,083** |  | 1,837 |  | - |
| Payments for service delivery |  | **152** |  | 151 |  | - |
| Other expenses |  | **5,041** |  | 239 |  | 500 |
| **Total expenses** |  | **522,858** |  | 574,372 |  | 551,679 |
|  |  |  |  |  |  |  |
| **Own-Source Income** |  |  |  |  |  |  |
| **Own-source revenue** |  |  |  |  |  |  |
| Revenue from contracts with customers | 1.2A | **49,598** |  | 56,570 |  | 37,569 |
| Resources received free of charge | 1.2B | **1,612** |  | 18,576 |  | 1,470 |
| Rental income | 1.2C | **2,198** |  | 1,948 |  | - |
| Other revenue |  | **101** |  | 15 |  | - |
| **Total own-source revenue** |  | **53,509** |  | 77,109 |  | 39,039 |
|  |  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |  |
| Gains from sale of assets | 1.2D | **2** |  | 172 |  | - |
| Other gains | 1.2E | **697** |  | 511 |  | - |
| **Total gains** |  | **699** |  | 683 |  | - |
| **Total own-source income** |  | **54,208** |  | 77,792 |  | 39,039 |
|  |  |  |  |  |  |  |
| **Net cost of services** |  | **(468,650)** |  | (496,580) |  | (512,640) |
|  |  |  |  |  |  |  |
| Revenue from Government |  | **411,945** |  | 420,522 |  | 433,757 |
| **Deficit** |  | **(56,705)** |  | (76,058) |  | (78,883) |
|  |  |  |  |  |  |  |
| **OTHER COMPREHENSIVE (LOSS) / INCOME** |  |  |  |  |  |  |
| **Items not subject to subsequent  reclassification to net cost of services** |  |  |  |  |  |  |
| Changes in asset revaluation reserve |  | **(8)** |  | 3,221 |  | - |
| **Total other comprehensive (loss) / income** |  | **(8)** |  | 3,221 |  | - |
|  |  |  |  |  |  |  |
| **Total comprehensive loss** | 5.3 | **(56,713)** |  | (72,837) |  | (78,883) |

The above statement should be read in conjunction with the accompanying notes.

Refer to Note 8.4A for explanations of major variances to the Original Budget. Where necessary, the Original Budget has been reclassified and presented on a consistent basis with the corresponding financial statement item.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
|  | **Notes** | **$'000** |  | $'000 |  | $'000 |
| **ASSETS** |  |  |  |  |  |  |
| **Financial Assets** |  |  |  |  |  |  |
| Cash and cash equivalents |  | **5,334** |  | 9,313 |  | 6,602 |
| Trade and other receivables | 3.1A | **85,636** |  | 90,225 |  | 69,086 |
| **Total financial assets** |  | **90,970** |  | 99,538 |  | 75,688 |
|  |  |  |  |  |  |  |
| **Non-Financial Assets1** |  |  |  |  |  |  |
| Leasehold improvements | 3.2A | **581,359** |  | 52,265 |  | 44,349 |
| Property, plant and equipment | 3.2A | **1,485** |  | 27,711 |  | 22,123 |
| Intangibles | 3.2A | **62** |  | 123,980 |  | 83,707 |
| Prepayments |  | **1,042** |  | 25,819 |  | 28,149 |
| **Total non-financial assets** |  | **583,948** |  | 229,775 |  | 178,328 |
|  |  |  |  |  |  |  |
| Assets held for sale | 3.2A | **-** |  | 50 |  | - |
| **Total assets** |  | **674,918** |  | 329,363 |  | 254,016 |
|  |  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |  |
| **Payables** |  |  |  |  |  |  |
| Suppliers | 3.3A | **20,406** |  | 23,707 |  | 30,086 |
| Other payables | 3.3B | **7,255** |  | 45,574 |  | 32,593 |
| **Total payables** |  | **27,661** |  | 69,281 |  | 62,679 |
|  |  |  |  |  |  |  |
| **Interest Bearing Liabilities1** |  |  |  |  |  |  |
| Leases | 3.4A | **548,847** |  | - |  | - |
|  |  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |  |
| Employee provisions | 6.1A | **91,691** |  | 96,172 |  | 90,203 |
| Other provisions | 3.5A | **273** |  | 743 |  | 1,087 |
| **Total provisions** |  | **91,964** |  | 96,915 |  | 91,290 |
| **Total liabilities** |  | **668,472** |  | 166,196 |  | 153,969 |
| **Net assets** |  | **6,446** |  | 163,167 |  | 100,047 |
|  |  |  |  |  |  |  |
| **EQUITY** |  |  |  |  |  |  |
| Contributed equity |  | **331,165** |  | 467,376 |  | 500,849 |
| Asset revaluation reserve |  | **75,605** |  | 75,613 |  | 72,393 |
| Accumulated deficit |  | **(400,324)** |  | (379,822) |  | (473,195) |
| **Total equity** |  | **6,446** |  | 163,167 |  | 100,047 |

The above statement should be read in conjunction with the accompanying notes.

Refer to Note 8.4A for explanations of major variances to the Original Budget.

1. From 1 July 2019, right-of-use assets are included in the Leasehold improvements and Property, plant and equipment line items and lease liabilities are included in the Leases line item in accordance with AASB 16 *Leases* (refer to Overview).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
| **CONTRIBUTED EQUITY** | **Notes** | **$'000** |  | $'000 |  | $'000 |
| **Opening balance** |  |  |  |  |  |  |
| Balance carried forward from previous period |  | **467,376** |  | 433,961 |  | 472,491 |
| **Transactions with owners** |  |  |  |  |  |  |
| Equity injection - Appropriations |  | **5,764** |  | 21,469 |  | 10,845 |
| Departmental capital budget |  | **2,664** |  | 17,063 |  | 17,513 |
| Restructuring | 8.2A | **(144,639)** |  | (5,117) |  | - |
| **Total transactions with owners** |  | **(136,211)** |  | 33,415 |  | 28,358 |
| **Closing balance as at 30 June** |  | **331,165** |  | 467,376 |  | 500,849 |
|  |  |  |  |  |  |  |
| **ASSET REVALUATION RESERVE** |  |  |  |  |  |  |
| **Opening balance** |  |  |  |  |  |  |
| Balance carried forward from previous period |  | **75,613** |  | 72,392 |  | 72,393 |
| **Comprehensive (loss) / income** |  |  |  |  |  |  |
| Other comprehensive (loss) / income |  | **(8)** |  | 3,221 |  | - |
| **Total comprehensive (loss) / income** |  | **(8)** |  | 3,221 |  | - |
| **Closing balance as at 30 June** |  | **75,605** |  | 75,613 |  | 72,393 |
|  |  |  |  |  |  |  |
| **ACCUMULATED DEFICIT** |  |  |  |  |  |  |
| **Opening balance** |  |  |  |  |  |  |
| Balance carried forward from previous period |  | **(379,822)** |  | (303,764) |  | (394,312) |
| Adjustment on initial application of AASB 16 |  | **36,203** |  | - |  | - |
| **Adjusted opening balance** |  | **(343,619)** |  | (303,764) |  | (394,312) |
| **Comprehensive loss** |  |  |  |  |  |  |
| Deficit for the period |  | **(56,705)** |  | (76,058) |  | (78,883) |
| **Total comprehensive loss** |  | **(56,705)** |  | (76,058) |  | (78,883) |
| **Closing balance as at 30 June** |  | **(400,324)** |  | (379,822) |  | (473,195) |
|  |  |  |  |  |  |  |
| **TOTAL EQUITY** |  |  |  |  |  |  |
| **Opening balance** |  |  |  |  |  |  |
| Balance carried forward from the previous period |  | **163,167** |  | 202,589 |  | 150,572 |
| Adjustment on initial application of AASB 16 |  | **36,203** |  | - |  | - |
| Comprehensive loss for the period |  | **(56,713)** |  | (72,837) |  | (78,883) |
| Transactions with owners |  | **(136,211)** |  | 33,415 |  | 28,358 |
| **Closing balance as at 30 June** |  | **6,446** |  | 163,167 |  | 100,047 |

The above statement should be read in conjunction with the accompanying notes.

Refer to Note 8.4A for explanations of major variances to the Original Budget.

Accounting Policy

Equity Injections

Amounts appropriated and designated as 'equity injections' for a financial year (less any formal reductions) and Departmental Capital Budgets are recognised directly in Contributed Equity in that financial year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government entity under a restructure of administrative arrangements are adjusted at their book value directly against Contributed Equity.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
|  |  | **$'000** |  | $'000 |  | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |  |
| Appropriations |  | **469,833** |  | 479,809 |  | 435,579 |
| Rendering of services |  | **54,716** |  | 57,870 |  | 37,569 |
| GST received |  | **17,947** |  | 20,297 |  | - |
| Other |  | **11,976** |  | 11,739 |  | - |
| **Total cash received** |  | **554,472** |  | 569,715 |  | 473,148 |
|  |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Employees |  | **292,953** |  | 288,883 |  | 284,784 |
| Suppliers |  | **158,612** |  | 209,879 |  | 188,364 |
| Interest payments on lease liabilities |  | **8,484** |  | - |  | - |
| Payments for service delivery |  | **152** |  | 151 |  | - |
| Other cash expense |  | **5,000** |  | - |  | - |
| Section 74 receipts transferred to Official Public Account |  | **70,578** |  | 66,990 |  | - |
| **Total cash used** |  | **535,779** |  | 565,903 |  | 473,148 |
| **Net cash from operating activities** |  | **18,693** |  | 3,812 |  | - |
|  |  |  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |  |
| Proceeds from sales of property, plant and equipment |  | **3** |  | 299 |  | - |
|  |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Purchase of property, plant and equipment |  | **1,607** |  | 14,590 |  | 11,694 |
| Purchase of intangibles |  | **10,750** |  | 25,558 |  | 16,664 |
| **Total cash used** |  | **12,357** |  | 40,148 |  | 28,358 |
| **Net cash used by investing activities** |  | **(12,354)** |  | (39,849) |  | (28,358) |
|  |  |  |  |  |  |  |
| **FINANCING ACTIVITIES** |  |  |  |  |  |  |
| **Cash received** |  |  |  |  |  |  |
| Appropriations - Equity injections |  | **6,894** |  | 24,021 |  | 10,845 |
| Appropriations - Departmental capital budget |  | **3,576** |  | 14,727 |  | 17,513 |
| **Total cash received** |  | **10,470** |  | 38,748 |  | 28,358 |
|  |  |  |  |  |  |  |
| **Cash used** |  |  |  |  |  |  |
| Principal payments of lease liabilities |  | **20,788** |  | - |  | - |
| **Net cash used by financing activities** |  | **(10,318)** |  | 38,748 |  | 28,358 |
|  |  |  |  |  |  |  |
| **Net (decrease) / increase in cash held** |  | **(3,979)** |  | 2,711 |  | - |
| Cash and cash equivalents at the beginning of the reporting period |  | **9,313** |  | 6,602 |  | 6,602 |
| **Cash and cash equivalents at the end of the reporting period** |  | **5,334** |  | 9,313 |  | 6,602 |

The above statement should be read in conjunction with the accompanying notes.

Refer to Note 8.4A for explanations of major variances to the Original Budget. Where necessary, the Original Budget information has been reclassified and presented on a consistent basis with the corresponding financial statement item.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
|  | **Notes** | **$'000** |  | $'000 |  | $'000 |
| **NET COST OF SERVICES** |  |  |  |  |  |  |
| **Expenses** |  |  |  |  |  |  |
| Suppliers | 2.1A | **128,156** |  | 229,419 |  | 471,303 |
| Subsidies |  | **118,229** |  | 126,378 |  | 119,427 |
| Grants | 2.1B | **2,723,514** |  | 2,425,806 |  | 1,827,956 |
| Personal benefits | 2.1C | **129,233,013** |  | 110,804,402 |  | 114,528,360 |
| Write-down and impairment of other assets | 2.1D | **447,102** |  | 241,755 |  | 688,889 |
| Payments to National Disability Insurance Agency |  | **8,302,651** |  | 5,304,982 |  | 8,385,691 |
| Fair value loss |  | **8,302** |  | - |  | - |
| Other expenses | 2.1E | **8,546** |  | 6,377 |  | 253,790 |
| **Total expenses** |  | **140,969,513** |  | 119,139,119 |  | 126,275,416 |
|  |  |  |  |  |  |  |
| **Income** |  |  |  |  |  |  |
| **Revenue** |  |  |  |  |  |  |
| **Non-taxation revenue** |  |  |  |  |  |  |
| Recoveries | 2.2A | **226,408** |  | 54,195 |  | - |
| Interest |  | **53,454** |  | 71,780 |  | 48,237 |
| Rendering of services |  | **17,539** |  | - |  | - |
| Special accounts revenue |  | **12,091** |  | 8,190 |  | - |
| Dividends |  | **3,775** |  | - |  | - |
| Competitive neutrality revenue |  | **1,998** |  | - |  | - |
| Other revenue |  | **40,591** |  | 1,751 |  | 730,335 |
| **Total non-taxation revenue** |  | **355,856** |  | 135,916 |  | 778,572 |
| **Total revenue** |  | **355,856** |  | 135,916 |  | 778,572 |
|  |  |  |  |  |  |  |
| **Gains** |  |  |  |  |  |  |
| Write back of impairment allowance | 2.2B | **58** |  | 304,800 |  | - |
| Fair value gains | 2.2C | **220,612** |  | 74,146 |  | - |
| **Total gains** |  | **220,670** |  | 378,946 |  | - |
| **Total income** |  | **576,526** |  | 514,862 |  | 778,572 |
|  |  |  |  |  |  |  |
| **Net cost of services** |  | **(140,392,987)** |  | (118,624,257) |  | (125,496,844) |
|  |  |  |  |  |  |  |
| **Deficit** |  | **(140,392,987)** |  | (118,624,257) |  | (125,496,844) |
|  |  |  |  |  |  |  |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |  |  |  |
| **Items not subject to subsequent reclassification to net cost of services** | |  |  |  |  |  |
| Changes in asset revaluation reserve |  | **(1,437,928)** |  | 700,142 |  | - |
| **Total other comprehensive income** |  | **(1,437,928)** |  | 700,142 |  | - |
|  |  |  |  |  |  |  |
| **Total comprehensive loss** |  | **(141,830,915)** |  | (117,924,115) |  | (125,496,844) |

The above schedule should be read in conjunction with the accompanying notes.

Refer to Note 8.4B for explanations of major variances to the Original Budget.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |  | Original Budget 2020 |
|  | **Notes** | **$'000** |  | $'000 |  | $'000 |
| **ASSETS** |  |  |  |  |  |  |
| **Financial Assets** |  |  |  |  |  |  |
| Cash and cash equivalents | 4.1A | **518,528** |  | 412,483 |  | 401,515 |
| Receivables | 4.1B | **4,706,346** |  | 4,550,616 |  | 4,354,800 |
| Investments | 4.1C | **1,173,527** |  | 2,532,466 |  | 1,875,897 |
| **Total financial assets** |  | **6,398,401** |  | 7,495,565 |  | 6,632,212 |
|  |  |  |  |  |  |  |
| **Total assets administered on behalf of Government** |  | **6,398,401** |  | 7,495,565 |  | 6,632,212 |
|  |  |  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |  |  |
| **Payables** |  |  |  |  |  |  |
| Suppliers |  | **98,706** |  | 185,120 |  | 44,154 |
| Subsidies |  | **88,621** |  | 86,512 |  | 51,588 |
| Personal benefits | 4.2A | **3,886,824** |  | 2,262,729 |  | 2,482,241 |
| Grants | 4.2B | **53,174** |  | 44,249 |  | 34,623 |
| Other payables |  | **6,000** |  | 3,695 |  | 81,085 |
| **Total payables** |  | **4,133,325** |  | 2,582,305 |  | 2,693,691 |
|  |  |  |  |  |  |  |
| **Provisions** |  |  |  |  |  |  |
| Personal benefits and other provisions | 4.3A | **4,732,782** |  | 4,050,253 |  | 4,097,920 |
| **Total provisions** |  | **4,732,782** |  | 4,050,253 |  | 4,097,920 |
|  |  |  |  |  |  |  |
| **Total liabilities administered on behalf of Government** |  | **8,866,107** |  | 6,632,558 |  | 6,791,611 |
|  |  |  |  |  |  |  |
| **Net (liabilities) / assets** |  | **(2,467,706)** |  | 863,007 |  | (159,399) |

The above schedule should be read in conjunction with the accompanying notes.

Refer to Note 8.4B for explanations of major variances to the Original Budget. Where necessary, the Original Budget information has been reclassified and presented on a consistent basis with the corresponding financial statement item.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
|  |  |  |  |
| **Opening assets less liabilities as at 1 July** | **863,007** |  | (162,306) |
| Adjustment for initial application of AASB 9 | **-** |  | (4,479) |
| **Adjusted opening balance** | **863,007** |  | (166,785) |
|  |  |  |  |
| **Net cost of services** |  |  |  |
| Income | **576,526** |  | 514,862 |
| Expenses |  |  |  |
| Payments to entities other than corporate Commonwealth entities | **(132,666,862)** |  | (113,834,137) |
| Payments to corporate Commonwealth entities | **(8,302,651)** |  | (5,304,982) |
|  |  |  |  |
| **Other comprehensive income** |  |  |  |
| Revaluations transferred to reserves | **(1,437,928)** |  | 700,142 |
|  |  |  |  |
| **Transfers (to) / from the Australian Government** |  |  |  |
| Appropriation transfers from Official Public Account |  |  |  |
| Annual appropriations |  |  |  |
| Payments to entities other than corporate Commonwealth entities | **2,794,019** |  | 2,593,676 |
| Payments to National Disability Insurance Agency | **1,413,257** |  | 1,477,674 |
| Payments to National Disability Insurance Agency for reimbursement |  |  |  |
| of goods and services | **6,968,250** |  | 3,735,082 |
| Special appropriations |  |  |  |
| Payments to individuals and entities other than corporate |  |  |  |
| Commonwealth entities1 | **127,336,468** |  | 111,140,429 |
| Special accounts |  |  |  |
| Payments to individuals and entities other than corporate |  |  |  |
| Commonwealth entities1, 2 | **509,900** |  | 447,168 |
|  |  |  |  |
| Appropriation transfers to Official Public Account |  |  |  |
| Transfers to Official Public Account | **(463,808)** |  | (292,156) |
|  |  |  |  |
| Restructuring (net) | **84,104** |  | - |
| Net withholdings of personal benefit overpayments through equity | **(146,048)** |  | (147,988) |
| Other non-reportable items recognised | **4,060** |  | 22 |
| **Closing assets less liabilities as at 30 June** | **(2,467,706)** |  | 863,007 |

The above schedule should be read in conjunction with the accompanying notes.

1. The department made a voluntary accounting policy change in accordance with AASB 108.29 in relation to the presentation of the annual credit to the Social and Community Services Pay Equity Special Account with the annual credit disclosed separately from other special appropriations. The change is applied retrospectively.

2. Amounts relate to section 6 of the *Social and Community Services Pay Equity Special Account Act 2012* credited directly to the Social and Community Services Pay Equity Special Account.

Accounting Policy

*Administered Cash Transfers to and from the Official Public Account*

Revenue collected by the department for use by the Australian Government rather than the department is reported as administered revenue. Collections are transferred to the Official Public Account which is maintained by the Department of Finance. Cash is drawn from the Official Public Account by the department to make payments under Parliamentary appropriation on behalf of the Australian Government. These transfers to and from the Official Public Account are adjustments to the administered cash held by the department on behalf of the Australian Government and reported as such in the administered cash flow statement and in the administered reconciliation schedule.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2020** |  | 2019 |
|  | **Notes** | **$'000** |  | $'000 |
| **OPERATING ACTIVITIES** |  |  |  |  |
| **Cash received** |  |  |  |  |
| Interest |  | **2,562** |  | 1,620 |
| Special accounts |  | **11,694** |  | 7,538 |
| GST received |  | **237,233** |  | 212,851 |
| Personal benefits recoveries |  | **699,248** |  | 798,904 |
| Rendering of services |  | **9,595** |  | - |
| Other |  | **143,050** |  | 21,113 |
| **Total cash received** |  | **1,103,382** |  | 1,042,026 |
|  |  |  |  |  |
| **Cash used** |  |  |  |  |
| Grants |  | **2,932,726** |  | 2,684,786 |
| Subsidies |  | **116,120** |  | 78,764 |
| Personal benefits |  | **127,825,558** |  | 111,700,745 |
| Suppliers |  | **146,968** |  | 224,996 |
| Payments to National Disability Insurance Agency |  | **8,381,805** |  | 5,212,756 |
| Other |  | **8,542** |  | 23,032 |
| **Total cash used** |  | **139,411,719** |  | 119,925,079 |
| **Net cash used by operating activities** |  | **(138,308,337)** |  | (118,883,053) |
|  |  |  |  |  |
| **INVESTING ACTIVITIES** |  |  |  |  |
| **Cash received** |  |  |  |  |
| Repayments of advances and loans |  | **67,252** |  | 57,473 |
| **Total cash received** |  | **67,252** |  | 57,473 |
|  |  |  |  |  |
| **Cash used** |  |  |  |  |
| Advances and loans made |  | **210,956** |  | 208,121 |
| **Total cash used** |  | **210,956** |  | 208,121 |
| **Net cash used by investing activities** |  | **(143,704)** |  | (150,648) |
|  |  |  |  |  |
| **Net decrease in cash held** |  | **(138,452,041)** |  | (119,033,701) |
|  |  |  |  |  |
| **Cash from Official Public Account:** |  |  |  |  |
| Appropriations |  | **139,021,894** |  | 119,394,029 |
| **Total cash from official public account** |  | **139,021,894** |  | 119,394,029 |
|  |  |  |  |  |
| **Cash to Official Public Account:** |  |  |  |  |
| Appropriations |  | **(463,808)** |  | (292,156) |
| **Total cash to official public account** |  | **(463,808)** |  | (292,156) |
|  |  |  |  |  |
| Cash and cash equivalents at the beginning of the reporting period |  | **412,483** |  | 344,311 |
| **Cash and cash equivalents at the end of the reporting period** | 4.1A | **518,528** |  | 412,483 |

The above schedule should be read in conjunction with the accompanying notes.

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Overview

Objectives of the department

The department is an Australian Government controlled, not-for-profit entity. The mission of the department is to improve the wellbeing of individuals and families in Australian communities. The purpose of the department is to work in partnership with government and non-government organisations to achieve our mission through the effective development, management and delivery, of payments, policies, programs and services.

Our purpose reflects four outcomes in which we seek to assist people: Social Security; Families and Communities; Disability and Carers; and Housing.

The Basis of Preparation

The financial statements are general purpose financial statements as required by section 42 of the   
*Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The financial statements have been prepared in accordance with:

*Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities that are reported at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Comparative Figures Amendment for 2019 Financial Year

Certain comparative amounts have been reclassified to conform with the 2020 financial year’s reporting presentation. Further details are provided in the relevant note disclosures.

In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, paragraph 29, the department made a voluntary accounting policy change in relation to the presentation of the annual credit to the Social and Community Services Pay Equity Special Account which is disclosed separately from other special appropriations.

As the special account is increased by a legislated amount, this is considered to be a statutory credit. The new presentation ensures the annual credit is clearly identifiable and traceable between the notes in which it is disclosed. The credit to the special account is separately disclosed in the Administered Reconciliation Schedule and Note 5.2 Administered Special Accounts, and no longer shown in Note 5.1C Special Appropriations. The change has been applied retrospectively with the 2019 financial year amended to reflect a consistent disclosure.

Taxation

The department is exempt from all forms of taxation except Fringe Benefits Tax and GST.

Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Overview (continued)

Income Compliance Program

The Income Compliance Program commenced operation on 1 July 2015. During the 2020 financial year, the Australian Government accepted that averaged employment income data from the Australian Taxation Office (ATO) was not, of itself, a sufficient basis at law on which to determine debts. The Government announced that debts determined as part of the Income Compliance Program that were wholly or partially determined on the basis of averaged employment income data from the ATO will not be recovered, and that payments made against such debts will be refunded.

Personal Benefits Receivable and Personal Benefits Impairment Allowance

At 30 June 2020, debts of $1.013 billion had been identified to be zeroed and are recorded in the personal benefits receivable balance with an equal personal benefits impairment allowance (Note 4.1B). As the debts were already partly impaired, the 2020 impairment expense of $0.550 billion is lower than the full impairment allowance   
(Note 2.1D).

Personal Benefits Payable

The refund of repayments received on the debts of $0.742 billion is included in the personal benefits expense   
(Note 2.1C) and payable balance (Note 4.2A). This is higher than the initial estimate of $0.721 billion through the processing of final payments. Refer also to Events after the Reporting Period.

Contingency for other income averaged debt

The Australian Government has acknowledged that averaged employment income data from the ATO is not, of itself, a sufficient basis on which to determine a debt. Any debt determined on this basis before 1 July 2015 (the commencement of the Income Compliance Program) will be reviewed and reassessed on a case by case basis if requested by the affected individual. Refer to Note 7.1.

The 30 June 2020 closing balance is summarised below:

|  |  |
| --- | --- |
| **Financial Statement** | **$’000** |
| Note 4.1B: Personal Benefits Receivable | 1,012,888 |
| Note 4.1B: Personal Benefits Impairment Loss Allowance | (1,012,888) |
| Note 2.1D: Write down and impairment of Other Assets | 550,000 |
|  |  |
| Note 2.1C: Personal Benefits Expense | 741,588 |
| Note 4.2A: Personal Benefits Payable | 741,588 |

Impacts from the COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared a global pandemic as a result of the outbreak and spread of COVID-19. As a consequence, the Australian Government introduced a number of measures to support people who are materially affected by either the COVID-19 disease itself or are affected financially by restrictions put in place to minimise the transmission and impact of COVID-19. Measures administered by the department include the coronavirus supplement, the first of two economic support payments and a range of related initiatives, increasing the level of personal benefits paid during the 2020 financial year.

Risk and Assurance

To accelerate the speed at which income support was provided, a range of normal payment eligibility requirements were either expanded, relaxed or waived. To further support the rapid implementation of the COVID-19 payments, streamlined application measures were implemented. In addition, to cope with the additional demand, several thousand staff were brought in to assist Services Australia with processing tasks arising from the unprecedented demand.

Overview (continued)

While these actions have been essential to ensure timely delivery of support by Services Australia, there is potentially increased risk around the validity and accuracy of payments made through the introduction of streamlined and abridged processes as reflected in administered personal benefit expenses (Note 2.1C). To mitigate this risk, any material changes to the assurance control framework for administered payments as a result of COVID-19 have been subject to appropriate governance through change management and readiness assessments. Assurance activity is conducted by Services Australia to minimise the likelihood of processing and system errors and includes having an appropriate risk management plan for each program, assessing the sufficiency of controls in place and that they are operating effectively and that payment testing is undertaken.

Estimation Uncertainty

The outbreak of COVID-19, and associated health responses, has significantly impacted economic conditions. Given the speed of change, and the uncertainty over timeframes and long-term consequences of COVID-19, it is difficult to estimate the full financial implications.

The department has assessed the impact of COVID-19 on the departmental balance sheet with particular focus on valuation of its property leases, employee provisions and receivable balances and has determined that there is no material impact.

The department has assessed that COVID-19 has impacted the administered receivables (Note 4.1B) and administered provisions (Note 4.3A). The department uses actuarial assessments to determine the value of receivables and provisions, and the impact of COVID-19 has been factored into those valuations. There are a number of sources of uncertainty that have impacted on the estimation of receivables including, but not limited to, the pausing of debt recovery activity until 3 October 2020 as a policy response to COVID-19, and the challenging repayment environment resulting from the economic conditions caused by COVID-19.

Some sources of uncertainty are expected to resolve themselves in the 2021 financial year as compliance and other measures are reintroduced however given the economic and fiscal outlook remains uncertain it is likely other sources of uncertainty will remain beyond the 2021 reporting period.

Events After the Reporting Period

Information Linkages and Capacity Building Program

During the 2021 financial year, the administrative and policy responsibility of the Information Linkages and Capacity Building Program will be transitioned from the National Disability Insurance Agency to the department.

Economic Stimulus

The department paid the Australian Government’s second household support payment in the order of $4 billion during July 2020 and continues to provide income support for individuals in response to the COVID-19 pandemic. The Australian Government’s economic stimulus payments will continue to evolve in line with the impacts of COVID-19.

Income Compliance Program

All debts raised through income averaging in the Income Compliance program were fully impaired at 30 June 2020. After balance date, a substituted administrative decision was or will be made that the debt values should be reduced to zero.

Overview (continued)

New and Future Australian Accounting Standards

AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-For-Profit Entities*

AASB 15 and AASB 1058 became effective 1 July 2019. AASB 15 establishes a comprehensive framework for determining whether; how much; and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and Interpretation 13 *Customer Loyalty Programmes*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

AASB 1058 is relevant in circumstances where AASB 15 does not apply. AASB 1058 replaces most of the   
not-for-profit (NFP) provisions of AASB 1004 *Contributions* and applies to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, and where volunteer services are received.

There are no material impacts to the financial statements as a result of the application of AASB 15 and   
AASB 1058.

AASB 16 *Leases*

AASB 16 became effective on 1 July 2019. This new standard has replaced AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lea*se.

AASB 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. The details of the changes in accounting policies, transitional provisions and adjustments are disclosed below and in the relevant notes to the financial statements.

Application of AASB 16 *Leases*

The department has adopted AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for 2019 is not restated and it is presented as previously reported under AASB 117 and related interpretations.

The department elected to apply the practical expedient on transition to base its lease classification on whether or not a contract was, or contains, a lease on its determination under AASB 117. That is, contracts entered into before the transition date that were not identified as leases under AASB 117, were not reassessed. The definition of a lease under AASB 16 was applied only to contracts entered into, or changed on or after, 1 July 2019.

The department applied the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

* Relied on previous assessments on whether leases are onerous as opposed to preparing an impairment review under AASB 136 *Impairment of Assets* as at the date of initial application; and
* Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the department previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership.

On adoption of AASB 16, the department recognised right-of-use assets and lease liabilities in relation to leases of office accommodation and motor vehicles, which had previously been classified as operating leases.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the department’s incremental borrowing rate as at 1 July 2019. The department’s incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 1.5 per cent.

The right-of-use assets were measured as follows:

* Office accommodation: measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or onerous amounts.
* Motor vehicles: measured at an amount equal to the lease liability.

Overview (continued)

Impact on transition

On transition to AASB 16, the department recognised additional right-of-use assets and additional lease liabilities, recognising the difference in retained earnings.

For additional lease disclosure, refer to accompanying Notes 1.1B, 1.1C, 1.2C, 3.2A, 3.3B and 3.4A.

The impact on transition is summarised below:

|  |  |
| --- | --- |
| **Impact on Transition to AASB 16** |  |
| **Departmental** | **1 July 2019** |
|  | **$'000** |
| Right-of-use assets - leasehold improvements | **576,985** |
| Right-of-use assets - property, plant and equipment | **293** |
| Lease liabilities | **576,303** |
| Retained earnings | **36,203** |
|  |  |
| **The following table reconciles the Departmental minimum lease commitments disclosed in the department's 30 June 2019 annual financial statements to the amount of lease liabilities recognised on  1 July 2019:** | |
|  |  |
|  | **1 July 2019** |
|  | **$'000** |
| Minimum operating lease commitment at 30 June 2019 | **369,937** |
| Less: GST commitment receivable | **(33,630)** |
| Less: short-term leases not recognised under AASB 16 | **(886)** |
| Less: low value leases not recognised under AASB 16 | **(1,127)** |
| Plus: effect of extension options reasonable certain to be exercised | **355,132** |
| **Undiscounted lease payments** | **689,426** |
| Less: effect of discounting using the incremental borrowing rate as at the date of initial application | **(113,123)** |
| **Lease liabilities recognised at 1 July 2019** | **576,303** |

1. Financial Performance
   1. Expenses

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 1.1A: Employee Benefits** |  |  |  |
| Wages and salaries | **199,304** |  | 190,651 |
| Leave and other entitlements | **41,840** |  | 51,556 |
| Superannuation: |  |  |  |
| Defined benefit plans | **23,787** |  | 23,450 |
| Defined contribution plans | **20,617** |  | 19,440 |
| Separation and redundancies | **2,938** |  | 2,738 |
| **Total employee benefits** | **288,486** |  | 287,835 |

Accounting Policy

Accounting policies for employee related expenses are contained in Section 6: People.

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 1.1B: Suppliers** |  |  |  |
| **Goods and services supplied or rendered** |  |  |  |
| Consultants and contractors | **83,253** |  | 76,607 |
| IT and communications1 | **28,960** |  | 45,566 |
| Building expenses | **6,645** |  | 6,966 |
| Travel and accommodation | **3,781** |  | 5,341 |
| Training | **3,092** |  | 3,345 |
| Recruitment | **1,404** |  | 1,872 |
| Motor vehicle expenses | **201** |  | 659 |
| Other | **15,260** |  | 12,060 |
| **Total goods and services supplied or rendered** | **142,596** |  | 152,416 |
|  |  |  |  |
| Goods supplied | **2,647** |  | 3,615 |
| Services rendered | **139,949** |  | 148,801 |
| **Total goods and services supplied or rendered** | **142,596** |  | 152,416 |
|  |  |  |  |
| **Other suppliers** |  |  |  |
| Operating lease rentals | **-** |  | 34,760 |
| Short-term leases | **2,194** |  | - |
| Low value leases | **188** |  | - |
| Workers' compensation expenses | **1,365** |  | 1,187 |
| **Total other suppliers** | **3,747** |  | 35,947 |
| **Total suppliers** | **146,343** |  | 188,363 |

The department has short-term lease commitments of $1.139 million as at 30 June 2020.

1. The department transferred corporate Information Technology (IT) services to Services Australia. Refer to   
   Note 8.2A.

Accounting Policy

Short-term leases and leases of low-value assets

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than $10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.1 Expenses (continued)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 1.1C: Finance Costs** |  |  |  |
| Unwinding of discount | **3** |  | 17 |
| Interest on lease liabilities | **8,484** |  | - |
| **Total finance costs** | **8,487** |  | 17 |

Accounting Policy

All borrowing costs are expensed as incurred.

* 1. Own-Source Revenue and Gains

|  |  |  |  |
| --- | --- | --- | --- |
| **Own-Source Revenue** |  |  |  |
|  |  |  |  |
| **Note 1.2A: Revenue from Contracts with Customers** |  |  |  |
| Rendering of services | **49,598** |  | 56,570 |

**Disaggregation of revenue from contracts with customers**

|  |  |  |  |
| --- | --- | --- | --- |
| Type of customer: |  |  |  |
| Australian Government entities (related parties) | **48,938** |  | 56,265 |
| Non-government entities | **660** |  | 305 |
|  | **49,598** |  | 56,570 |

Accounting Policy

Under the new income recognition model the department first determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are ‘sufficiently specific’. If an enforceable agreement exists and the promises are ‘sufficiently specific’ (to a transaction or part of a transaction), the department applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the department will consider whether AASB 1058 applies.

The department receives services revenue from the provision of IT services, including software development, and grants shared services to other Australian Government entities. These arrangements consist of both Memoranda of Understanding (MoU) and other contractual agreements. There are two main types of agreements for IT services, being MoUs for IT service management and service proposals for work that falls outside the standard support and maintenance provided in the agreement. The arrangements generally fall within the category of performance obligations satisfied over time and are recognised as services are delivered. The IT service function transferred to Services Australia during the 2020 financial year.

Grants shared services, provided through the Grants Hub, operate in accordance with partnership agreements that are provided on the basis of a package and revenue is recognised as services are delivered over time. Receivables for services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. An allowance is made when collectability of the debt is no longer probable.

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 1.2B: Resources Received Free of Charge** |  |  |  |
| Aged Care Gateway IT systems application development services1 | **-** |  | 17,106 |
| Remuneration of auditors | **1,470** |  | 1,470 |
| Other | **142** |  | - |
| **Total resources received free of charge** | **1,612** |  | 18,576 |

1. In the 2019 financial year, revenue of $17.106 million was reported as part of resources received free of charge. In the 2020 financial year, the Aged Care Gateway asset transferred to the Department of Health. Refer to Note 8.2A.

Accounting Policy

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

1.2 Own-Source Revenue and Gains (continued)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 1.2C: Rental Income** |  |  |  |
| Operating lease |  |  |  |
| Contingent rentals | **-** |  | 1,948 |
| Subleasing right-of-use assets | **2,198** |  | - |
| **Total rental income** | **2,198** |  | 1,948 |

The department, in its capacity as lessor, has one sub-lease arrangement (2019: one arrangement) and fixed memorandum of understanding agreements with Commonwealth agencies in three tenancies (2019: two tenancies).

|  |  |  |  |
| --- | --- | --- | --- |
| **Maturity analysis of operating lease income receivables:** |  |  |  |
| Within one year | **424** |  | 884 |
| One to two years | **145** |  | 368 |
| Two to three years | **146** |  | 4 |
| More than three years | **418** |  | 9 |
| **Total undiscounted lease payments receivable** | **1,133** |  | 1,265 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Gains** |  |  |  |
|  |  |  |  |
| **Note 1.2D: Gains from Sale of Assets** |  |  |  |
| Property, plant and equipment: |  |  |  |
| Proceeds from sale | **3** |  | 299 |
| Carrying value of assets sold | **(1)** |  | (127) |
| **Net gain from sale of assets** | **2** |  | 172 |

Accounting Policy

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 1.2E: Other Gains** |  |  |  |
| Reversal of makegood | **481** |  | 449 |
| Assets recognised | **4** |  | 45 |
| Other | **212** |  | 17 |
| **Total other gains** | **697** |  | 511 |

Accounting Policy

Contributions of Assets at No Cost

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government entity as a consequence of a restructuring of administrative arrangements (refer to Note 8.2A).

Revenue from Government

Amounts appropriated for departmental appropriations for the financial year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when gains control of the appropriation. Appropriations receivable are recognised at nominal amounts (refer to Note 3.1A).

2. Income and Expenses Administered on Behalf of Government

* 1. Administered – Expenses

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 2.1A: Suppliers** |  |  |  |
| **Goods and services supplied or rendered** |  |  |  |
| Settlement services | **-** |  | 103,545 |
| Consultants and contractors | **49,225** |  | 40,404 |
| Research services | **41,757** |  | 26,190 |
| Disability employment services | **18,633** |  | 17,007 |
| Advertising, legal and marketing costs | **8,126** |  | 8,041 |
| Other | **10,415** |  | 34,232 |
| **Total goods and services supplied or rendered** | **128,156** |  | 229,419 |
|  |  |  |  |
| Goods supplied | **1,079** |  | 25,275 |
| Services rendered | **127,077** |  | 204,144 |
| **Total goods and services supplied or rendered** | **128,156** |  | 229,419 |
|  |  |  |  |
| **Total suppliers** | **128,156** |  | 229,419 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 2.1B: Grants** |  |  |  |
| Public sector: |  |  |  |
| Australian Government entities | **323,164** |  | 169,935 |
| Local Governments | **5,865** |  | 7,627 |
| Private sector: |  |  |  |
| Non-profit organisations | **1,768,797** |  | 1,824,781 |
| External parties | **625,688** |  | 423,463 |
| **Total grants** | **2,723,514** |  | 2,425,806 |

Accounting Policy

Grants and Subsidies

administers grant and subsidy schemes on behalf of the Australian Government. These schemes include grants to local governments, non-government, not-for-profit organisations and other recipients for activities associated with community development and supporting individuals.

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 2.1C: Personal Benefits** |  |  |  |
| Direct: |  |  |  |
| Income Support for Seniors | **50,103,637** |  | 46,513,719 |
| Working Age Payments | **26,680,586** |  | 15,822,443 |
| Family Tax Benefit | **18,397,991** |  | 18,081,480 |
| Income Support for People with Disability | **17,781,052** |  | 16,740,242 |
| Income Support for Carers | **9,374,381** |  | 8,676,067 |
| Student Payments | **3,567,455** |  | 2,323,878 |
| Paid Parental Leave | **2,399,420** |  | 2,316,636 |
| Allowances and Concessions for Seniors | **378,767** |  | 92,558 |
| National Redress Scheme | **253,567** |  | - |
| Income Support for Vulnerable People | **150,685** |  | 102,553 |
| Child Payments | **105,601** |  | 103,820 |
| Other | **37,521** |  | 30,326 |
| Indirect | **2,350** |  | 680 |
| **Total personal benefits** | **129,233,013** |  | 110,804,402 |

2.1 Administered – Expenses (continued)

Accounting Policy

Personal Benefits

The department administers personal benefit payments that provide income support, family assistance and other entitlements to individuals on behalf of the Australian Government. Payments to recipients are determined in accordance with provisions under social security law and other legislation, including:

* *Social Security (Administration) Act 1999*;
* *A New Tax System (Family Assistance) (Administration) Act 1999*;
* *Student Assistance Act 1973*;
* *Paid Parental Leave Act 2010;* and
* *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*.

Payments made under social security law and other legislation are assessed, determined and paid by Services Australia and the Department of Veterans’ Affairs under delegation from the department. The department reports payments made by Services Australia and the Department of Veterans’ Affairs on behalf of the department.

The *Social Security (Administration) Act 1999* and the *A New Tax System (Family Assistance) (Administration)   
Act 1999* impose an obligation on recipients to disclose to Services Australia and the Department of Veterans’ Affairs information about financial and personalcircumstances that affect entitlement to payment. This is a necessary part of Services Australia and the Department of Veterans’ Affairs administration, whichacknowledges that, at the time certain information is required, only the recipient is in a position to provide thatinformation.

Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. Risks associated with relying on voluntary disclosure by recipients are mitigated by a comprehensive portfolio risk management plan, underpinned by compliance strategies, which have been built up over many years. The compliance framework has been designed to meet the requirements of social security legislation.

The compliance framework does not rely solely on information provided by recipients to determine their entitlement. A comprehensive risk management strategy minimises the potential for incorrect payment by subjecting recipients to a variety of review processes. If debts are identified, Services Australia seeks recovery in a lump sum or by instalments. While the risk management strategy is principally directed at minimising debts, the detection of underpayments will also result in an adjustment to their level of entitlement.

Personal benefits recoveries for overpayments made during the year are offset against personal benefit expenses.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 2.1D: Write-Down and Impairment of Other Assets** |  |  |  |
| Impairment of personal benefits receivable | **447,080** |  | 239,698 |
| Other | **22** |  | 2,057 |
| **Total write-down and impairment of other assets** | **447,102** |  | 241,755 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 2.1E: Other Expenses** |  |  |  |
| Other special accounts expense | **7,390** |  | 5,000 |
| Other | **1,156** |  | 1,377 |
| **Total other expenses** | **8,546** |  | 6,377 |

* 1. Administered – Income

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Revenue** |  |  |  |
|  |  |  |  |
| **Non-Taxation Revenue** |  |  |  |
|  |  |  |  |
| **Note 2.2A: Recoveries** |  |  |  |
| National Redress Scheme | **197,597** |  | - |
| Personal benefits recoveries | **8,789** |  | 37,744 |
| Other | **20,022** |  | 16,451 |
| **Total recoveries** | **226,408** |  | 54,195 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Gains** |  |  |  |
|  |  |  |  |
| **Note 2.2B: Write Back of Impairment Allowance** |  |  |  |
| Family Tax Benefit | **-** |  | 304,800 |
| Other | **58** |  | - |
| **Total write back of impairment allowance** | **58** |  | 304,800 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 2.2C: Fair Value Gains** |  |  |  |
| Loans | **220,612** |  | 74,146 |
| **Total fair value gains** | **220,612** |  | 74,146 |

Accounting Policy

Revenue

All administered revenues are revenues relating to ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

National Redress Scheme

The department is appropriated to make payments under the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* and then recovers these payments from the responsible participating institution.

Personal Benefits Recoveries

Personal benefits recoveries mainly relate to fees on the recovery of personal benefit payments, and are recognised on an accrual basis.

Interest

Interest revenue is recognised using the effective interest method.

Competitive neutrality revenue

Australian Hearing provides services on a for-profit basis and is subject to the Australian Government's competitive neutrality policy. Under competitive neutrality arrangements, Australian Hearing is required to make payroll tax and income tax equivalent payments to the Australian Government. These amounts are recognised in the administered financial statements and have been paid or are payable to the official public account.

Dividend revenue

The Australian Government owns 100 per cent of the issued share capital of Australian Hearing. Dividends from Australian Hearing are recognised in the administered financial statements and have been paid or are payable to the official public account.

1. Departmental Financial Position
   1. Financial Assets

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 3.1A: Trade and Other Receivables** |  |  |  |
| Goods and services receivables | **4,285** |  | 5,858 |
|  |  |  |  |
| **Appropriations receivables:** |  |  |  |
| For ordinary annual appropriation | **77,059** |  | 74,927 |
| For equity injection | **1,409** |  | 2,539 |
| For departmental capital budget | **1,424** |  | 2,336 |
| **Total appropriations receivables** | **79,892** |  | 79,802 |
|  |  |  |  |
| **Other receivables:** |  |  |  |
| GST receivable from the Australian Taxation Office | **1,374** |  | 3,342 |
| Other | **85** |  | 1,244 |
| **Total other receivables** | **1,459** |  | 4,586 |
| **Total trade and other receivables (gross)** | **85,636** |  | 90,246 |
|  |  |  |  |
| **Less impairment loss allowance** | **-** |  | (21) |
| **Total trade and other receivables (net)** | **85,636** |  | 90,225 |

During the 2020 financial year, credit terms for goods and services were within 30 days (2019: 30 days).

Accounting Policy

Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand and cash in special accounts.

Financial assets

Trade and other receivables are held for the purpose of collecting contractual cash flows. The cash flows are solely payments of principal and interest that are not provided at below-market interest rates and are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

* 1. Non-Financial Assets

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles** | | | | | |
|  | **Leasehold improvements** | **Property, plant & equipment** | **Computer software internally developed** | **Computer software purchased** | **Total** |
|  | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **As at 1 July 2019** |  |  |  |  |  |
| Gross book value | **52,378** | **28,153** | **258,566** | **44,713** | **383,810** |
| Accumulated depreciation, amortisation and impairment | **(113)** | **(392)** | **(146,868)** | **(32,431)** | **(179,804)** |
| **Net book value as at 1 July 2019** | **52,265** | **27,761** | **111,698** | **12,282** | **204,006** |
| Recognition of right of use asset on initial application of AASB 16 | **576,985** | **293** | **-** | **-** | **577,278** |
| **Adjusted total as at 1 July 2019** | **629,250** | **28,054** | **111,698** | **12,282** | **781,284** |
| Additions: |  |  |  |  |  |
| By purchase or internally developed | **323** | **1,301** | **10,750** | **-** | **12,374** |
| By purchase or internally developed - right-of-use | **634** | **226** | **-** | **-** | **860** |
| By recognition | **-** | **4** | **-** | **-** | **4** |
| Restructuring activities | **(127)** | **(19,215)** | **(102,061)** | **(8,451)** | **(129,854)** |
| Restructuring activities right-of-use assets | **(7,339)** | **(7)** | **-** | **-** | **(7,346)** |
| Impairments recognised in net cost of services | **-** | **-** | **(765)** | **(174)** | **(939)** |
| Depreciation and amortisation | **(7,188)** | **(8,533)** | **(19,411)** | **(3,799)** | **(38,931)** |
| Depreciation on right-of-use assets | **(34,088)** | **(206)** | **-** | **-** | **(34,294)** |
| Other movements of right-of-use assets | **(106)** | **(1)** | **-** | **-** | **(107)** |
| Reclassification | **-** | **-** | **(167)** | **167** | **-** |
| Disposals: |  |  |  |  |  |
| Disposals with proceeds | **-** | **(1)** | **-** | **-** | **(1)** |
| Disposals without proceeds | **-** | **(137)** | **-** | **(7)** | **(144)** |
| **Net book value as at 30 June 2020** | **581,359** | **1,485** | **44** | **18** | **582,906** |
|  |  |  |  |  |  |
| **Net book value as at 30 June 2020 represented by:** | | | | | |
| Gross book value | **620,630** | **1,805** | **809** | **86** | **623,330** |
| Accumulated depreciation, amortisation and impairment | **(39,271)** | **(320)** | **(765)** | **(68)** | **(40,424)** |
| **Net book value as at 30 June 2020** | **581,359** | **1,485** | **44** | **18** | **582,906** |
|  |  |  |  |  |  |
| Carrying amount of right-of-use assets | 536,086 | 305 | - | - | 536,391 |

In the 2020 financial year:

* no leasehold improvements were identified as impaired and written-down (2019: $0.547 million);
* no property, plant and equipment were identified as impaired and written-down (2019: $1.283 million);
* intangibles with a carrying amount of $0.939 million (2019: $0.007 million) was identified as impaired and written-down; and
* property, plant and equipment with a carrying amount of $0.001 million (2019: $0.127 million) was sold via independent contract auction houses Pickles and Allbids.

No property, plant and equipment is expected to be sold within the next 12 months (2019: $0.050 million).

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Contractual commitments for the acquisition of property, plant and equipment are payable as follows (GST inclusive):** |  |  |  |
| Within one year | **69** |  | 55 |
| **Total property, plant and equipment commitments** | **69** |  | 55 |

3.2 Non-Financial Assets (continued)

|  |
| --- |
| Accounting Policy  Acquisition of Assets  Assets are recorded at cost on acquisition except as otherwise stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.  Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amount at which these items were recognised in the transferor’s accounts immediately prior to the restructuring.  Asset Recognition Threshold  Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases of less than $2,000, which are expensed in the financial year of acquisition (other than where these assets form part of a group of similar items which are significant in total).  The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to makegood provisions in office accommodation leases reported by where an obligation to restore the property to its original or an agreed condition exists. These costs are included in the value of ’s leasehold improvements with a corresponding provision for the makegood recognised. Leasehold improvement assets have a recognition threshold of $10,000.  The department’s intangibles comprise purchased and internally developed software for internal use. Intangibles are capitalised when their gross values are greater than $50,000 for externally acquired software and $200,000 for internally developed software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.  *Lease Right of Use (ROU) Assets*  Lease ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for as separate asset classes in the department’s financial information management system. However, the lease ROU assets are included in the same non-financial asset category where the corresponding underlying assets would be presented if they were owned.  On initial adoption of AASB 16, the department has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.  Revaluations  The department did not measure any non-financial assets at fair value on a non-recurring basis as at  30 June 2020.  Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure the carrying amounts of assets do not differ materially from the assets’ fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.  Revaluation adjustments are made on a class by class basis. Any revaluation increment is credited to equity in the asset revaluation reserve except to the extent it reversed a previous revaluation decrement of the same asset class previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent these amounts reverse a previous revaluation increment for the class.  Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount. |

3.2 Non-Financial Assets (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Valuation Processes  The department engaged the services of Jones Lang LaSalle Public Sector Valuations to conduct a materiality assessment of all tangible non-financial assets at 30 June 2020, excluding lease ROU assets. This annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from their fair value. Intangible non-financial assets are carried at cost. Comprehensive valuations are carried out at least once every three years, with the last full detailed revaluation performed at 30 June 2019. Jones Lang LaSalle Public Sector Valuations has provided written assurance to that the models developed are in compliance with AASB 13 *Fair Value Measurement*.  The methods used to determine and substantiate the unobservable inputs are derived and evaluated as follows:   * Physical depreciation and obsolescence - assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost approach. Under the cost approach the estimated cost to replace the asset is calculated and adjusted to take into account physical depreciation and obsolescence. Physical depreciation and obsolescence is determined on the basis of professional judgement regarding physical, economic and external obsolescence factors relevant to the asset under consideration. * Leasehold improvement assets - the consumed economic benefit/asset obsolescence deduction is determined on the basis of the associated lease term.   *Depreciation*  Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives using, in all cases, the straight-line method of depreciation.  Software is amortised on a straight-line basis over its anticipated useful life.  Depreciation rates applying to each class of depreciable asset, excluding ROU assets, are based on the following estimated useful lives: | | | | |
|  |  | **2020** | 2019 |  |
|  | Leasehold improvements | **Lesser of 10 years or  lease term** | Lesser of 10 years or  lease term |  |
|  | Plant and equipment | **3 to 10 years** | 3 to 10 years |  |
|  | Artwork | **1 to 50 years** | 1 to 50 years |  |
|  | Software | **2 to 8 years** | 2 to 8 years |  |

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All non-financial assets were assessed by the department for impairment as at 30 June 2020. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Transfers

The department transfers assets between categories to ensure the nature and useful lives of assets are disclosed in accordance with departmental asset policy.

* 1. Payables

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 3.3A: Suppliers** |  |  |  |
| Trade creditors and accruals | **20,406** |  | 23,707 |
| **Total suppliers** | **20,406** |  | 23,707 |

During the 2020 financial year, settlement was usually made within 20 days. In response to COVID-19, from   
mid-April 2020, settlement was usually made within 7 days to assist the cash flow for Australian businesses   
(2019: 30 days).

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 3.3B: Other Payables** |  |  |  |
| Lease incentive | **-** |  | 27,199 |
| Operating leases straight-lining | **-** |  | 9,022 |
| Salaries and wages | **3,082** |  | 1,652 |
| Unearned income | **88** |  | 1,118 |
| Separations and redundancies | **-** |  | 1,082 |
| Superannuation | **789** |  | 314 |
| Other | **3,296** |  | 5,187 |
| **Total other payables** | **7,255** |  | 45,574 |

* 1. Interest Bearing Liabilities

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 3.4A: Leases** |  |  |  |
| Lease liabilities | **548,847** |  | - |

Total cash outflow for leases for the year ended 30 June 2020 was $29.272 million.

Accounting Policy

Refer to the Overview section for accounting policy on leases.

* 1. Other Provisions

|  |  |
| --- | --- |
| **Note 3.5A: Other Provisions** |  |
|  | **Provision for restoration** |
|  | **$'000** |
| **Carrying amount as at 1 July 2019** | **743** |
| Change in provisions held | **(478)** |
| Revaluation | **8** |
| **Closing balance as at 30 June 2020** | **273** |

The department has one agreement (2019: two agreements) which has a provision requiring restoration of the premises to the original or an agreed condition at the conclusion of the lease. The department has made a provision to reflect the present value of this obligation.

Accounting Judgements and Estimates

Makegood Provision

The fair value of makegood for leasehold improvements is based on estimated costs per square metre on a site by site basis and is included as a provision for makegood. The value of the provision for a property will depend on the rate and assessed cost of the makegood obligation applied to the premises. The department’s property management advisor has determined that not all property leases have a makegood obligation.

1. Assets and Liabilities Administered on Behalf of Government
   1. Administered – Financial Assets

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 4.1A: Cash and Cash Equivalents** |  |  |  |
| Cash in special accounts1 | **507,155** |  | 402,363 |
| Cash at bank | **11,373** |  | 10,120 |
| **Total cash and cash equivalents** | **518,528** |  | 412,483 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 4.1B: Receivables** |  |  |  |
| **Personal benefits:** |  |  |  |
| Working Age Payments | **2,112,660** |  | 2,259,163 |
| Family Tax Benefit | **1,990,316** |  | 1,697,897 |
| Student Payments | **430,664** |  | 443,397 |
| Income Support for People with Disability | **342,750** |  | 349,977 |
| Income Support for Carers | **252,613** |  | 249,476 |
| Income Support for Seniors | **226,947** |  | 217,052 |
| Other | **19,649** |  | 23,807 |
| **Total personal benefits** | **5,375,599** |  | 5,240,769 |
|  |  |  |  |
| **Advances and loans:** |  |  |  |
| Advance payments for personal benefits | **396,324** |  | 417,196 |
| Student Financial Supplement Scheme | **436,900** |  | 424,500 |
| Student Start-up Loan | **566,500** |  | 239,401 |
| Pension Loan Scheme | **41,788** |  | 26,194 |
| **Total advances and loans** | **1,441,512** |  | 1,107,291 |
|  |  |  |  |
| **Other receivables:** |  |  |  |
| National Redress Scheme | **144,588** |  | - |
| GST receivable from the Australian Taxation Office | **16,781** |  | 13,453 |
| Rendering of services | **9,341** |  | - |
| Other receivables | **1,373** |  | 24,929 |
| **Total other receivables (gross)** | **172,083** |  | 38,382 |
| **Total receivables** | **6,989,194** |  | 6,386,442 |
| **Less impairment loss allowance:** |  |  |  |
| Personal benefits | **(2,281,998)** |  | (1,834,918) |
| Other | **(850)** |  | (908) |
| **Total impairment loss allowance** | **(2,282,848)** |  | (1,835,826) |
| **Total receivables (net)** | **4,706,346** |  | 4,550,616 |

1. Special account cash balance details are disclosed in Note 5.2.

Significant Accounting Judgements and Estimates

Personal benefit payments

At any point in time, there are a number of benefit recipients who have received a benefit in excess of their entitlement and owe money to the Commonwealth. The Australian Government Actuary (AGA) has provided advice on the likely level of debt recovery. In providing this advice, the AGA gives consideration to past economic, policy and process changes that have impacted on repayments to date, the pausing of debt recovery activity as a policy response to COVID-19, and any potential changes that may impact on future repayment prospects. Each of these changes requires separate and collective consideration of the impact of the advice provided.

4.1 Administered – Financial Assets (continued)

Family Tax Benefit

At any point in time, there are a number of eligible recipients who have received a benefit in excess of their entitlement and owe money to the Commonwealth. The AGA has provided advice on the likely level of debt recovery, including the estimated impact of COVID-19. The deteriorating repayment prospects of recipients from economic impacts of COVID-19 is a source of estimation uncertainty in relation to the recovery of the Family Tax Benefit receivable.

The AGA also calculates the impairment allowance associated with the Family Tax Benefit receivable noting there are a number of uncertainties in the estimation process including, for the current financial period, the impacts of COVID-19. The allowance relies on periodic analysis of longitudinal unit record data to estimate the proportion of the outstanding non-lodger debt, which might be considered receivable, and the doubtful debt associated with each category of debt.

Student Financial Supplement Scheme

The Student Financial Supplement Scheme was a voluntary loan scheme for tertiary students to help cover their expenses while they studied. The Student Financial Supplement Scheme closed on 31 December 2003 and no new loans have been issued since this date. Existing Student Financial Supplement Scheme debts are collected through the tax system and voluntary repayments can also be made.

For the 2020 financial year, the department engaged the AGA to provide the fair value estimate of the Student Financial Supplement Scheme receivable as at 30 June 2020.

The methodology used by the AGA was changed in the 2020 financial year due to legislation changes effective   
1 July 2019 regarding student loan repayment rules. The development of a new model accessed student Higher Education Loan Program (HELP) debt information from the Department of Education, Skills and Employment, which was granted during the 2020 financial year. The new model generates individual cash flow profiles for all those who have an outstanding debt at the valuation date. The individual income projections are based on analysis of data provided by the ATO on the historical income distributions of those who have completed their study in the past and the Department of Education, Skills and Employment for Higher Education Loan Program (HELP) debt data.

The AGA have modelled individual cash flows by projecting forward expected future incomes for each individual and their associated compulsory repayment by year. The table of compulsory repayment thresholds was also projected, considering assumptions as to future Consumer Price Index (CPI) growth. As a result of COVID-19, key assumptions were amended including reducing debtor incomes and CPI growth rates. The resultant fair value decrease of the receivable of $12 million reflects $82 million due to movements in assumptions and an increase of $94 million due to a change in methodology.

Pension Loan Scheme

The Pension Loan Scheme is a voluntary reverse equity mortgage that offers older Australians an income stream to supplement their retirement. Older Australians can choose to increase the amount of their fortnightly pension by using their assets as security.

Information for new loan amounts, loan repayments and interest receipts for the Pension Loan Scheme is provided by Services Australia from their Debt Management Information System. To estimate the fair value of the receivable balance, the department adjusts the receivable to recognise the time value of the associated cash flows discounted by the average market interest rate for this type of loan.

Student Start-up Loan

The Student Start-up Loan is a voluntary loan that is available to full time students in receipt of Youth Allowance, Austudy or ABSTUDY. The scheme commenced on 1 January 2016 with students potentially eligible to take out two loans a year. The loan is only repaid once any HELP debts have been fully extinguished.

For the 2020 financial year, the department engaged the AGA to provide a fair value estimate for the Student   
Start-up Loan receivable as at 30 June 2020.

The methodology used by the AGA was changed in the 2020 financial year due to legislation changes on 1 July 2019 regarding student loan repayment rules. The development of a new model accessed student Higher Education Loan Program (HELP) debt information from the Department of Education, Skills and Employment, which was granted during the 2020 financial year. The new model generates individual cash flow profiles for all those who have an outstanding debt at the valuation date. The individual income projections are based on analysis of data provided by the ATO on the historical income distributions of those who have completed their study in the past and the Department of Education, Skills and Employment for Higher Education Loan Program (HELP) debt data.

The AGA have modelled individual cash flows by projecting forward expected future incomes for each individual and their associated compulsory repayment by year. The table of compulsory repayment thresholds was also projected, considering assumptions as to future CPI growth.

4.1 Administered – Financial Assets (continued)

Student Start-up Loan (continued)

The repayment cash flows were aggregated across all individuals to arrive at total repayments to determine the fair value of the receivable. As a result of COVID-19, key assumptions were amended including wage and CPI growth rates. The net increase of the receivable of $327 million reflects increases in new debt of $275 million and a change in methodology of $122 million, and a fair value decrease of $70 million from interest and deferral rates.

The resultant fair value of the receivable is derived by discounting the nominal value of projected cash flows using the yield curve for Commonwealth Government securities as at 30 June 2020 to arrive at a net value.

Personal benefits impairment loss allowance

The AGA changed their approach to estimating the Personal Benefits Doubtful Debt provision from previous years, undertaking an approach of modelling repayments directly, rather than outstanding balances, write-off’s and waivers. This change allowed direct incorporation of the impact of adjustments, including those relating to decisions to freeze the raising of debt, introduction of interest charges, increased receipts from the Broadening Debt Repayment Measure and low and middle income tax offsets. The AGA also considered the time value of money and policy and process changes, and in particular, the impact of COVID-19 and the 2019-20 summer bushfires on the timing of future repayments and ultimate recoverability of debts.

The net increase of the personal benefits impairment loss allowance of $447 million reflects an increase in impairment for family tax benefit of $227 million and income compliance program debt impairment of $550 million, offset by the reduction in personal benefits doubtful debt provision by $366 million, which includes a change in methodology in the order of $80 million.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 4.1C: Investments** |  |  |  |
| National Disability Insurance Agency1 | **1,088,470** |  | 2,531,071 |
| Hearing Australia1 | **83,662** |  | - |
| **Total investments in Commonwealth entities** | **1,172,132** |  | 2,531,071 |
| Other interests: |  |  |  |
| Unison Housing Limited2 | **1,395** |  | 1,395 |
| **Total other interests** | **1,395** |  | 1,395 |
| **Total investments** | **1,173,527** |  | 2,532,466 |

1. The Commonwealth has 100 per cent of the equity interest in the National Disability Insurance Agency and Hearing Australia.

2. The Commonwealth has an interest in a property occupied by Unison Housing Limited located in Melbourne. The principal activity of the entity is the provision of community housing facilities. The Commonwealth owns 31 per cent of the unimproved market value of the land and its investment in Unison Housing Limited is limited to an equity contribution of grant funding. The Commonwealth’s interest is not expected to be sold or fully realised within the   
next 12 months. For the 2019 financial year, Unison Housing Limited was revalued independently in accordance with   
AASB 13 *Fair Value Measurement*.

**Accounting Policy**

Administered Investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the whole of government level.

Administered investments other than those held for sale are classified as fair value through other comprehensive income and are measured at their fair value as at 30 June 2020. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

4.2 Administered – Payables

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 4.2A: Personal Benefits** |  |  |  |
| Working Age Payments | **1,646,202** |  | 377,778 |
| Income Support for Seniors | **980,460** |  | 910,609 |
| Income Support for People with Disability | **401,565** |  | 338,330 |
| Family Tax Benefit | **307,334** |  | 324,408 |
| Student Payments | **203,798** |  | 64,931 |
| Income Support for Carers | **279,959** |  | 182,072 |
| Paid Parental Leave | **44,919** |  | 58,956 |
| National Redress Scheme | **12,992** |  | - |
| Other | **9,595** |  | 5,645 |
| **Total personal benefits** | **3,886,824** |  | 2,262,729 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 4.2B: Grants** |  |  |  |
| Private sector: |  |  |  |
| Non-profit organisations | **31,292** |  | 22,468 |
| Other grants | **21,882** |  | 21,781 |
| **Total grants** | **53,174** |  | 44,249 |

During the 2020 financial year, settlement of supplier payables was usually made within 20 days. In response to COVID-19, from mid-April 2020, settlement was usually made within 7 days to assist the cash flow for Australian businesses (2019: 30 days). Settlement of grants payables was made according to the terms and conditions of each grant and usually within 30 days of performance or eligibility (2019: 30 days).

**Accounting Policy**

Administered payables are measured at fair value where possible. The carrying amounts of administered liabilities not measured at fair value are considered to be a reasonable approximation of their fair value.

Grants

Grant liabilities are recognised to the extent that required services have been performed or the eligibility criteria have been satisfied by the grantee, but payments due have not been made. Grant commitments are when the Australian Government enters into an agreement to make grant payments, but services have not yet been performed or criteria satisfied.

4.3 Administered – Other Provisions

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Note 4.3A: Personal Benefits and Other Provisions** | | | | | | |
|  |  |  |  |  |  |  |
|  | **Family Tax Benefit** | **Claims in Progress** | **Pension Bonus Scheme** | **National Redress Scheme** | **Other1** | **Total** |
|  | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Carrying amount as at 1 July 2019** | **3,752,300** | **120,293** | **155,000** | **-** | **22,660** | **4,050,253** |
| Provisions made | **3,477,862** | **137,785** | **-** | **37,624** | **8,579** | **3,661,850** |
| Provisions expired or settled | **(3,408,700)** | **(114,762)** | **(34,000)** | **-** | **(16,779)** | **(3,574,241)** |
| Changes in provision | **491,000** | **-** | **104,000** | **-** | **(80)** | **594,920** |
| **Closing balance as at 30 June 2020** | **4,312,462** | **143,316** | **225,000** | **37,624** | **14,380** | **4,732,782** |

1. Single Income Family Supplement and Schoolkids Bonus are disclosed in Other provisions.

Significant Accounting Judgements and Estimates

During the 2020 financial year, the department engaged the AGA to estimate the following provisions:

Family Tax Benefit

At any point in time, there are eligible recipients, entitled to receive the Family Tax Benefit, who have not yet received their full entitlement from Services Australia. The provision calculates the current financial year and earlier financial years’ liability for claims that have yet to be realised. The methodology considers the likely lodgement profiles associated with reconciliation top-ups, lump sum claims and supplement payments, including new measures.

Pension Bonus Scheme

The Pension Bonus Scheme provides a tax free lump sum payment to those who continue in employment and defer receiving the Age Pension. The future Pension Bonus Scheme liability relates to those who are currently registered and have not yet received a bonus payment or exited for some other reason.

The assumptions used by the AGA are based on historical experience and other factors which are considered reasonable, including actual average payments, claim rates and the period over which claims are expected to be made. These factors have been reviewed for the 2020 financial year, based on the behaviour of recipients up to 31 December 2019, and projected over the estimated remaining life of the scheme. The AGA has adopted the zero coupon bond rate as at 30 June 2020 (2020: 0.66 per cent, 2019: 1.01 per cent) as the discount rate to determine the present value of this long term provision.

As a result of COVID-19 key assumptions were amended including significantly higher claim rates, increase in the rates of customers applying for an age pension and lower rate of increase to average Pension Bonus Scheme payment.

During the 2020 financial year, the department made an estimate for the following provisions:

Claims in progress

During the 2020 financial year the department engaged the AGA to review the department’s methodology for estimating claims in progress. At any point in time, there are claims for personal benefits payments that have been submitted and are in the process of being assessed. While some of these claims are granted, others are determined not to be eligible for payment. Under current legislation, individuals may be eligible for payment from the date their claim was submitted (the date of effect). The provision calculates the estimated liability for claims as at balance date that have not been fully assessed as at that date. The methodology considers average payment amounts and the proportion of claims expected to be eligible for payment.

National Redress Scheme

The Commonwealth Government administers the National Redress Scheme and in this capacity makes monetary payments to survivors of child sexual abuse in accordance with the National Redress Scheme for Institutional Child Sexual Abuse Act 2018. As the National Redress Scheme operates on the basis that the responsible entity pays, the funds paid to the survivor are recovered from the responsible institution.

The provision represents the total monetary payment that is offered to survivors under the scheme that has not been accepted at the reporting date.

1. Funding

5.1 Appropriations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note 5.1A: Annual appropriations ('recoverable GST exclusive')** |  |  |  |  |  |
|  |  |  |  |  |  |
| **Annual Appropriations for 2020** |  |  |  |  |  |
|  | **Annual Appropriation** | **Adjustments to appropriation1** | **Total appropriation** | **Appropriation applied in 2020 (current and prior years)** | **Variance2** |
|  | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Departmental** |  |  |  |  |  |
| Ordinary annual services | **433,881** | **48,642** | **482,523** | **(473,813)** | **8,710** |
| Capital Budget3 | **17,085** | **(14,421)** | **2,664** | **(3,576)** | **(912)** |
| Other services |  |  |  |  |  |
| Equity Injections | **10,845** | **(5,081)** | **5,764** | **(6,894)** | **(1,130)** |
| **Total departmental** | **461,811** | **29,140** | **490,951** | **(484,283)** | **6,668** |
| **Administered** |  |  |  |  |  |
| Ordinary annual services |  |  |  |  |  |
| Administered items | **9,729,619** | **(83,335)** | **9,646,284** | **(9,523,826)** | **122,458** |
| Payments to corporate Commonwealth entities | **1,413,257** | **-** | **1,413,257** | **(1,413,257)** | **-** |
| **Total administered** | **11,142,876** | **(83,335)** | **11,059,541** | **(10,937,083)** | **122,458** |

1. Departmental adjustments are current year section 75 transfers of $41.438 million, including $14.421 million of departmental capital appropriation and $5.081 million of equity appropriation, which relates to the transfer of functions with the Department of Home Affairs and Services Australia and $70.578 million of section 74 receipts. The administered adjustments are section 75 transfers of $86.401 million which relates to the transfer of functions with the Department of Home Affairs and section 74 receipts of $3.066 million.
2. The departmental variance relates to the movement in cash and appropriation receivable between the current and prior financial year. The administered variance consists of   
   $232.509 million for the payment of prior year expense accruals during the 2020 financial year offset by $354.967 million that represents unspent available appropriations for administered items.
3. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5.1 Appropriations (continued)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 5.1A: Annual appropriations ('recoverable GST exclusive') (continued)** | | | | |  | |  |
| Annual Appropriations for 2019 |  |  |  |  | |  | |
|  | Annual Appropriation | Adjustments to appropriation1 | Total appropriation | Appropriation applied in 2019 (current and prior years) | | Variance2 | |
|  | $'000 | $'000 | $'000 | $'000 | | $'000 | |
| Departmental |  |  |  |  | |  | |
| Ordinary annual services | 382,665 | 105,631 | 488,296 | (477,098) | | 11,198 | |
| Capital Budget3 | 16,549 | 514 | 17,063 | (14,727) | | 2,336 | |
| Other services |  |  |  |  | |  | |
| Equity Injections | 21,469 | - | 21,469 | (24,021) | | (2,552) | |
| Total departmental | 420,683 | 106,145 | 526,828 | (515,846) | | 10,982 | |
| Administered |  |  |  |  | |  | |
| Ordinary annual services |  |  |  |  | |  | |
| Administered items | 8,251,410 | 1,403 | 8,252,813 | (6,113,732) | | 2,139,081 | |
| Payments to corporate Commonwealth entities | 1,477,674 | - | 1,477,674 | (1,477,674) | | - | |
| Total administered | 9,729,084 | 1,403 | 9,730,487 | (7,591,406) | | 2,139,081 | |

1. Departmental adjustments are current year section 75 transfers of $39.155 million, including $0.514 million of departmental capital appropriation, which relates to the transfer of functions with the Department of Health, the former Department of Education, the Department of the Prime Minister and Cabinet and the NDIS Quality and Safeguards Commission and $66.990 million of section 74 receipts. The administered adjustments are section 75 transfers of $0.126 million which relates to the transfer of the National Office for Child Safety functions to the Department of the Prime Minister and Cabinet and section 74 receipts of $1.529 million.
2. The departmental variance relates to the movement in cash and appropriation receivable between the current and prior financial year. The administered variance consists of   
   $206.030 million for the payment of prior year expense accruals during the 2019 financial year offset by $2,345.111 million that represents unspent available appropriations for administered items.
3. Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

5.1 Appropriations (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note 5.1B: Unspent annual appropriations ('recoverable GST exclusive')** | | | |  |  |
|  | **2020** | 2019 |
|  | **$'000** | $'000 |
| **Departmental** |  |  |
| *Appropriation Act (No. 1) 2018-19* | **-** | 69,635 |
| *Appropriation Act (No. 3) 2018-19*1 | **784** | 6,076 |
| *Appropriation Act (No. 1) 2019-20* | **43,051** | - |
| *Appropriation Act (No. 3) 2019-20* | **9,182** | - |
| *Supply Act (No. 1) 2019-20* | **24,825** | - |
| *Appropriation Act (No. 1) 2018-19 - Capital Budget (DCB) - Non Operating* | **-** | 2,336 |
| *Appropriation Act (No. 1) 2019-20 - Capital Budget (DCB) - Non Operating* | **1,424** | - |
| *Appropriation Act (No. 2) 2017-18- Non Operating - Equity Injection* | **-** | 194 |
| *Appropriation Act (No. 6) 2017-18- Non Operating - Equity Injection* | **-** | 280 |
| *Appropriation Act (No. 2) 2018-19- Non Operating - Equity Injection* | **-** | 2,065 |
| *Appropriation Act (No. 2) 2019-20 Non Operating - Equity Injection* | **1,273** | - |
| *Supply Act (No. 2) 2019-20- Non Operating - Equity Injection* | **136** | - |
| Cash and cash equivalents | **5,334** | 9,313 |
| **Total departmental** | **86,009** | 89,899 |
| **Administered** |  |  |
| *Appropriation Act (No. 1) 2016-17*3 | **-** | 224,555 |
| *Supply Act (No. 1) 2016-17*3 | **-** | 178 |
| *Appropriation Act (No. 1) 2017-18*2 | **698,882** | 727,904 |
| *Appropriation Act (No. 3) 2017-18* | **-** | 11,827 |
| *Appropriation Act (No. 1) 2018-19* | **1,998,890** | 2,231,088 |
| *Appropriation Act (No. 3) 2018-19* | **90,232** | 114,023 |
| *Appropriation Act (No. 1) 2019-20* | **97,986** | - |
| *Appropriation Act (No. 3) 2019-20* | **142,578** | - |
| *Appropriation Act (No. 5) 2019-20* | **59,949** | - |
| *Supply Act (No. 1) 2019-20* | **54,454** | - |
| **Total administered** | **3,142,971** | 3,309,575 |

1. The departmental ordinary annual services item includes a quarantine under section 51 of the PGPA Act of $0.784 million which was repealed on 1 July 2020.
2. The administered ordinary annual services item includes a quarantine under section 51 of the PGPA Act of $451.746 million which was repealed on 1 July 2020.
3. The 2016-17 Appropriation Acts automatically repealed on 1 July 2019.

5.1 Appropriations (continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | | | |
| **Note 5.1C: Special Appropriations ('Recoverable GST exclusive')** | | | | |
|  |  |  |  |  |
| **Authority** | **Type** | **Purpose** | **Appropriation applied** | |
| **2020** | 2019 |
| **$'000** | $'000 |
|  |  |  |  |  |
| *Social Security (Administration) Act 1999, Administered1, 2* | Unlimited Amount | To enable the payment of income support payments. Most of the amount relates to payments for Age Pension and Disability Support Pension. | **106,241,123** | 90,774,884 |
|  |  |  |  |  |
| *A New Tax System (Family Assistance) (Administration) Act 1999, Administered1, 2* | Unlimited Amount | To enable the payment of family income support payments. Most of the amount relates to payments for Family Tax Benefit and Schoolkids Bonus. | **18,055,843** | 17,631,905 |
|  |  |  |  |  |
| *Paid Parental Leave Act 2010, Administered2* | Unlimited Amount | To enable payments to working parents to enhance maternal and child health and shared caring responsibilities. | **2,414,060** | 2,335,090 |
|  |  |  |  |  |
| *Student Assistance Act 1973 - Section 55A (Administered)2* | Unlimited Amount | To enable payment of student assistance benefits for Isolated Children and the Aboriginal Study Assistance Scheme. | **420,016** | 350,525 |
|  |  |  |  |  |
| *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* | Unlimited Amount | An Act to establish the National Redress Scheme for Institutional Child Sexual Abuse, to provide redress for survivors of past institutional sexual abuse. | **205,307** | 18,032 |
|  |  |  |  |  |
| *Business Services Wage Assessment Tool Payment Scheme Act 2015 -- Section 99, Administered* | Limited Amount | An Act to establish the Business Services Wage Assessment Tool payment scheme for making payments in relation to the use of the Business Services Wage Assessment Tool. | **-** | 29,856 |
|  |  |  |  |  |
| *Public Governance, Performance and Accountability Act 2013 - Section 77, Administered* | Refund | To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment. | **119** | 137 |
|  |  |  |  |  |
| *Data-matching Program (Assistance and Tax) Act 1990* | Unlimited Amount | An Act to provide for the matching of data in relation to certain assistance and tax and to amend the *Privacy Act 1988*. | **-** | - |
|  |  |  |  |  |
| *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008* | Unlimited Amount | An Act to amend laws in order to provide economic security strategy payments, and for related purposes. | **-** | - |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **5.1. Appropriations (continued)** | | | | |
|  |  |  |  |  |
| **Note 5.1C: Special Appropriations ('Recoverable GST exclusive') (continued)** | | | | |
|  |  |  |  |  |
| **Authority** | **Type** | **Purpose** | **Appropriation applied** | |
| **2020** | 2019 |
| **$'000** | $'000 |
|  |  |  |  |  |
| *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments to Increase Assistance for Older Australians and Carers and Other Measures) Act 2006* | Unlimited Amount | An Act to amend the law relating to social security and veterans’ affairs, and for other purposes. | **-** | - |
|  |  |  |  |  |
| *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Act 2007* | Unlimited Amount | An Act to amend the law relating to social security and veterans’ affairs, and for other purposes. | **-** | - |
|  |  |  |  |  |
| *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008* | Unlimited Amount | An Act to amend the law relating to social security and veterans’ entitlements, and for other purposes. | **-** | - |
|  |  |  |  |  |
| *Clean Energy (Household Assistance Amendments) Act 2011* | Unlimited Amount | An Act to amend the law relating to social security, family assistance, veterans’ entitlements, military rehabilitation and compensation, farm household support and aged care, and for related purposes. | **-** | - |
|  |  |  |  |  |
| *Household Stimulus Package Act (No.2) 2009* | Unlimited Amount | An Act to amend laws in order to provide payments relating to the household stimulus package, and for other purposes. | **-** | - |
|  |  |  |  |  |
| **Total special appropriations applied** |  |  | **127,336,468** | 111,140,4293 |

1. The Department of Veterans’ Affairs spent money from the Consolidated Revenue Fund on behalf of the department against the special appropriations for *Social Security (Administration) Act 1999, Administered*; and *A New Tax System (Family Assistance) (Administration) Act 1999, Administered*.
2. The department received PGPA Act section 74 cash receipts from Services Australia for recovery of personal benefit overpayments. These amounts are included against the relevant special appropriation.
3. Amounts credited to the special account as a direct budget appropriation adjustment are not disclosed in Note 5.1C Special Appropriations applied. The department made a voluntary accounting policy change in accordance with AASB 108.29 in relation to the presentation of the annual credit to the Social and Community Services Pay Equity Special Account with the annual credit disclosed separately from other special appropriations. The change is applied retrospectively.

5.1 Appropriations (continued)

|  |  |  |
| --- | --- | --- |
| **Note 5.1D: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')** | | |
|  |  |  |
| **Departmental Disclosure by Agent** | | |
|  |  |  |
|  | **Attorney-General's Department1** | **Department of Home Affairs2** |
| **2020** | **$'000** | **$'000** |
| Total receipts | **250** | **426** |
| Total payments | **(250)** | **(426)** |

1. The department has third party drawing rights for the Courts and Legal Services program.

2. The department has third party drawing rights for the Department of Home Affairs annual appropriation for the National Security and Criminal Justice program.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Administered Disclosure by Agent** | | | | |
|  |  |  |  |  |
|  | **Attorney-General's Department1** | **Department of Veterans' Affairs2** | **Department of Home Affairs3** | **Department of the Prime Minister and Cabinet4** |
| **2020** | **$'000** | **$'000** | **$'000** | **$'000** |
| Total receipts | **219,584** | **15,356** | **190,495** | **-** |
| Total payments | **(227,149)** | **(15,356)** | **(190,694)** | **-** |
|  |  |  |  |  |
|  | Attorney-General's Department | Department of Veterans' Affairs | Department of Home Affairs | Department of the Prime Minister and Cabinet |
| 2019 | $'000 | $'000 | $'000 | $'000 |
| Total receipts | 184,091 | 9,880 | 5,772 | 365 |
| Total payments | (184,091) | (9,880) | (5,772) | (365) |
|  |  |  |  |  |
| 1. The department has third party drawing rights for the Attorney-General's Department annual appropriation for the Family Relationship Services, Justice Services and Indigenous Law and Justice programs. | | | | |
| 2. The department has third party drawing rights for the Department of Veterans' Affairs annual appropriation for the Veterans' Community Care and Support, Commemorative Activities, Veterans' Counselling and Other Health Services and Assistance and Other Compensation for Veterans and Dependants programs. | | | | |
| 3. The department has third party drawing rights for the Department of Home Affairs annual appropriation for the National Security and Criminal Justice, Multicultural Affairs and Citizenship and Refugee, Humanitarian, Settlement and Migrant Services programs. The department receipted wage supplementation recoveries made by the Department of Home Affairs related to the Social and Community Services Pay Equity Special Account. | | | | |
| 4. The department receipted wage supplementation recoveries initially paid by the Department of the Prime Minister and Cabinet for the Social and Community Services Pay Equity Special Account. | | | | |

5.2 Administered Special Accounts

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Social and Community Services Pay Equity Special Account4** | | **Services for Other Entities and Trust Moneys Special Account5** | | **National Disability Research Special Account 20166** | |
|  | **2020** | 2019 | **2020** | 2019 | **2020** | 2019 |
| **$'000** | $'000 | **$'000** | $'000 | **$'000** | $'000 |
| **Balance brought forward from previous period** | **400,407** | 329,095 | **397** | 7,265 | **1,559** | 2,561 |
| **Increases:** |  |  |  |  |  |  |
| s6 *Social and Community Services Pay Equity Special Account Act 20121, 2* | **509,900** | 447,168 | **-** | - | **-** | - |
| Other | **1,250** | 827 | **10,444** | 6,711 | **-** | - |
| **Total increase** | **511,150** | 447,995 | **10,444** | 6,711 | **-** | - |
| **Available for payments** | **911,557** | 777,090 | **10,841** | 13,976 | **1,559** | 2,561 |
| **Decreases:** |  |  |  |  |  |  |
| **Administered** |  |  |  |  |  |  |
| Payments made | **(410,537)** | (376,683) | **(5,689)** | (13,579) | **(576)** | (1,002) |
| **Total administered** | **(410,537)** | (376,683) | **(5,689)** | (13,579) | **(576)** | (1,002) |
| **Total decreases** | **(410,537)** | (376,683) | **(5,689)** | (13,579) | **(576)** | (1,002) |
| **Total balance carried to the next period3** | **501,020** | 400,407 | **5,152** | 397 | **983** | 1,559 |

1. Amounts credited to the special account as a direct budget appropriation adjustment are not disclosed in Note 5.1C Special Appropriations applied.
2. The department made a voluntary accounting policy change in accordance with AASB 108.29 in relation to the presentation of the annual credit to the Social and Community Services   
   Pay Equity Special Account with the annual credit disclosed separately from other special appropriations. The change is applied retrospectively.
3. The total balance carried to the next period is represented by cash held in the Official Public Account.

5.2 Administered Special Accounts (continued)

1. **Social and Community Services Pay Equity Special Account**

Appropriation: *Public Governance, Performance and Accountability Act 2013; section 80*

Establishing Instrument: *Social and Community Services Pay Equity Special Account Act 2012; section 5*

Purpose: To distribute the Commonwealth's contribution of its share of the equal remuneration order pay increases for social and community service sector workers in  
Commonwealth-funded programs.

This account was established on 8 November 2012 in accordance with the *Social and Community Services Pay Equity Special Account Act 2012.*

This account is non-interest bearing and the balance is held in the Official Public Account.

1. **Services for Other Entities and Trust Moneys Special Account**

Appropriation: *Public Governance, Performance and Accountability Act 2013; section 78*

Establishing Instrument: *Financial Management and Accountability Determination 2010/14*

Purpose: For the disbursement of amounts held on trust or otherwise for the benefit of a person other than the Commonwealth and for services relating to other governments and bodies that are not PGPA Act Agencies.

This account is non-interest bearing and the balance is held in the Official Public Account.

This Special Account consists of the following sub-accounts:

• National Framework

• National Campaign - Violence Against Women

• National Centre of Excellence

1. **National Disability Research Special Account 2016**

Appropriation: *Public Governance, Performance and Accountability Act 2013; section 78*

Establishing Instrument: *PGPA Act Determination (National Disability Research Special Account 2016) – Establishment*

Purpose: For expenditure on projects that relate to the National Disability Research Special Account 2016.

The National Disability Research Special Account was established on 23 August 2016. It replaced the National Disability Special Account which ceased on 1 October 2016. This   
account is non-interest bearing and the balance is held in the Official Public Account.

* 1. Net Cash Appropriation Arrangements

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
|  |  |  |  |
| **Total comprehensive loss attributable to the department** | **(56,713)** |  | (72,837) |
|  |  |  |  |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation | **38,931** |  | 95,906 |
| Plus: depreciation right-of-use assets | **34,294** |  | - |
| Less: principal repayments - leased assets | **(20,788)** |  | - |
| **Total comprehensive loss plus depreciation/amortisation expenses previously funded through revenue appropriations** | **(4,276)** |  | 23,069 |
|  |  |  |  |
| Changes in asset revaluation reserve | **8** |  | (3,221) |
| **Operating deficit attributable to the department** | **(4,268)** |  | 19,848 |

From the 2011 financial year, the Australian Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are appropriated in the period when cash payment for capital expenditure is required.

From the 2020 financial year, the inclusion of depreciation expenses related to right-of-use leased assets and the lease liability principal repayment amount reflects the cash impact from the implementation of AASB 16 *Leases.* There is no change in appropriation arrangements.

1. People

6.1 Employee Provisions

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 6.1A: Employee Provisions** |  |  |  |
| Leave and other entitlements | **91,691** |  | 96,172 |
| **Total employee provisions** | **91,691** |  | 96,172 |

Accounting Policy

Employee Benefits

Liabilities for ‘short-term employee benefits’ (as defined in AASB 119 *Employee Benefits*) and termination benefits due within 12 months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including ’s employer superannuation contribution rates to the extent the leave is likely to be taken during service rather than paid out on termination.

As at 30 June , the liability for long service leave and annual leave expected to be settled beyond 12 months of the balance date has been determined by reference to the work of the AGA. The estimate of the present value of the liability takes into account employee attrition rates, inflation, increases in salary through promotion and estimated salary increases.

Separation and Redundancy

Provisions are made for employee separation and redundancy benefit payments. The department recognises a provision for separation and redundancies when it has developed a detailed formal plan and has informed those employees affected that it will carry out the plan.

Superannuation

Staff of are members of the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, the Public Sector Superannuation accumulation plan or other superannuation funds.

The Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme are defined benefit schemes for the Australian Government. The Public Sector Superannuation accumulation plan is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and will be settled by the Australian Government in due course. This liability is reported in the Department of Finance’s administered schedules and disclosure notes.

The department makes employer contributions to each employee’s superannuation scheme at rates determined by an actuary and are deemed sufficient to meet the current cost to the Australian Government. accounts for the contributions as if these payments were contributions to defined contribution plans.

The liability for superannuation recognised at 30 June represents outstanding employer contributions for the financial year.

6.2 Key Management Personnel Remuneration

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly. The department has determined the key management personnel to be the members of the Executive Management Group, which generally comprises the Secretary and Deputy Secretaries. The note includes anyone acting in a key management personnel position who has demonstrated authority and responsibility over planning, directing and controlling the activities of the department, including both departmental and administered funded activities.

Key management personnel remuneration is:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$** |  | $ |
| Short-term employee benefits | **2,421,752** |  | 2,369,614 |
| Post-employment benefits | **364,041** |  | 360,160 |
| Other long-term employee benefits | **62,599** |  | 54,723 |
| Termination benefits | **369,408** |  | - |
| **Total key management personnel remuneration expenses** | **3,217,800** |  | 2,784,497 |

The total number of key management personnel (KMP) included in the above table is eight, being three substantive officers who held the position for the full year; three substantive officers who held the position for part of the year and two officers acting in a KMP position for part of the year (2019: 10 KMP, being three full year, five part-year and two acting).

There were no termination benefits paid in 2019.

The above key management personnel remuneration excludes the remuneration and other benefits of the Cabinet Ministers, Portfolio Ministers, Assistant Ministers and Presiding Officers. The Ministers' remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

* 1. Related Party Disclosures

**Related party relationships**

The department is an Australian Government controlled entity. Related parties to this entity are key management personnel, including the Cabinet Ministers, Portfolio Ministers, Assistant Ministers and Presiding Officers, as well as other Australian Government entities.

**Transactions with related parties**

Given the breadth of Australian Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period, the department has determined there are no related party transactions that require separate disclosure.

1. Managing Uncertainties
   1. Contingent Assets and Liabilities

**Departmental Contingencies**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **Guarantees** | |
|  |  | **2020** | 2019 |
|  |  | **$'000** | $'000 |
| **Contingent assets** |  |  |  |
| Balance from previous period |  | **150** | 1,198 |
| Asset reversed |  | **(150)** | - |
| Expired |  | **-** | (1,048) |
| **Total contingent assets** |  | **-** | 150 |

As at 30 June 2019, the department had a quantifiable contingent asset of $0.150 million in relation to one bank guarantee for the provision of logistics and letter services. As at 30 June 2020, the asset has been reversed as the likelihood of occurrence has been assessed as remote.

There are no quantifiable liabilities or unquantifiable contingent assets or liabilities (2019: nil).

**Administered Contingencies**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  | **Indemnities** | | **National Redress Scheme** | |
|  |  | **2020** | 2019 | **2020** | 2019 |
|  |  | **$'000** | $'000 | **$'000** | $'000 |
| **Contingent assets** |  |  |  |  |  |
| New contingent assets recognised |  | **-** | - | **59,690** | - |
| **Total contingent assets** |  | **-** | - | **59,690** | - |
|  |  |  |  |  |  |
| **Contingent liabilities** |  |  |  |  |  |
| Balance from previous period |  | **5,000** | - | **-** | - |
| New contingent liabilities recognised |  | **-** | 5,000 | **59,690** | - |
| Liability reversed |  | **(5,000)** | - | **-** | - |
| **Total contingent liabilities** |  | **-** | 5,000 | **59,690** | - |

**Quantifiable Contingencies**

As at 30 June 2019, the department had an administered quantifiable contingent liability of $5.000 million in relation to one contract with an indemnity clause associated with the Cashless Debit Card Trial. As at 30 June 2020, this liability has been reversed as the likelihood of occurrence has been assessed as remote.

The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* helps people who have experienced institutional child sexual abuse from participating institutions gain access to counselling and psychological services, a direct personal response from the responsible institution, and a monetary payment. To facilitate the timely provision of the payment and services to survivors, the department administers the scheme. In this capacity, the department makes the monetary payment to the survivor and then recovers the costs from the institution determined to be responsible for the abuse.

As at 30 June 2020, the department has an administered quantifiable contingent liability of $59.690 million in relation to applications made under the National Redress Scheme that have been referred to an independent decision maker for assessment. The amount is based on the number of applications and estimated payment values.

As at 30 June 2020, the department has a related administered quantifiable contingent asset of $59.690 million in relation to the probable recovery from responsible institutions of monetary payments that may be made to survivors under the National Redress Scheme.

7.1 Contingent Assets and Liabilities (continued)

**Unquantifiable Contingencies**

During the 2020 financial year, the department was involved in a number of cases before the Administrative Appeals Tribunal. These cases relate to appeals regarding income support payments under the social security legislation. It was not possible to estimate the amounts of any eventual payments that may be required in relation to these claims.

The department has considered the potential impact on the financial statements of debts raised on the basis of averaged ATO employment income data prior to the introduction of the Income Compliance Program. Different processes were used to raise debts prior to the Income Compliance Program. The department is unable to reliably estimate any amounts that may be due to individuals in relation to these debts following any future reassessment of the debts and has not included any provisioning in the financial statements beyond that normally provided for debt review (refer Note 4.1B Receivables). The department has assessed that it is unlikely to have a material exposure, but individuals may request a review of any debt, including debts relating to earned income that were raised prior to 2015, through multiple avenues including their Centrelink online account through MyGov.

There are no quantifiable or unquantifiable contingent assets (2019: nil).

Accounting Policy

Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are reported in the notes of disclosure. These items may arise from uncertainty as to the existence of an asset or liability or represent in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when the probability of settlement is greater than remote.

* 1. Financial Instruments

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 7.2A: Categories of Financial Instruments** |  |  |  |
| **Financial Assets** |  |  |  |
| **Financial assets measured at amortised cost** |  |  |  |
| Cash and cash equivalents | **5,334** |  | 9,313 |
| Trade and other receivables | **4,285** |  | 5,858 |
| **Total financial assets measured at amortised cost** | **9,619** |  | 15,171 |
| **Total financial assets** | **9,619** |  | 15,171 |
|  |  |  |  |
| **Financial Liabilities** |  |  |  |
| **Financial liabilities measured at amortised cost** |  |  |  |
| Trade creditors | **17,436** |  | 23,619 |
| **Total financial liabilities measured at amortised cost** | **17,436** |  | 23,619 |
| **Total financial liabilities** | **17,436** |  | 23,619 |

Accounting Policy

Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in the 2019 financial year, the department classifies its financial assets in the following categories:

a) financial assets at fair value through profit or loss;

b) financial assets at fair value through other comprehensive income; and

c) financial assets measured at amortised cost.

The classification depends on both the department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition.

Financial assets are recognised when the department becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and are derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

*Financial Assets at Amortised Cost*

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and

2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

*Effective Interest Method*

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

*Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)*

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

*Financial Assets at Fair Value Through Profit or Loss (FVTPL)*

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either does not meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

* 1. Financial Instruments (continued)

*Impairment of Financial Assets*

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12‐month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

An asset write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

*Financial liabilities*

Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities. Financial liabilities are recognised and derecognised upon ‘trade date’.

*Financial Liabilities at Fair Value Through Profit or Loss*

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

*Financial Liabilities at Amortised Cost*

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

* 1. Administered – Financial Instruments

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
|  |  |  |  |
| **Note 7.3A: Categories of Financial Instruments** |  |  |  |
| **Financial Assets** |  |  |  |
| **Financial assets at amortised cost** |  |  |  |
| Cash and cash equivalents | **518,528** |  | 412,483 |
| Other receivables | **8,744** |  | 24,021 |
| **Total financial assets at amortised cost** | **527,272** |  | 436,504 |
|  |  |  |  |
| **Financial assets at fair value through other comprehensive income** |  |  |  |
| Investments in Commonwealth entities and other interests | **1,173,527** |  | 2,532,466 |
| **Total financial assets at fair value through other comprehensive income** | **1,173,527** |  | 2,532,466 |
|  |  |  |  |
| **Financial assets at fair value through profit or loss (designated)** |  |  |  |
| Student Financial Supplement Scheme | **436,900** |  | 424,500 |
| Student Start-up Loan | **566,500** |  | 239,401 |
| Pension Loan Scheme | **41,788** |  | 26,194 |
| **Total financial assets at fair value through profit or loss (designated)** | **1,045,188** |  | 690,095 |
| **Total financial assets** | **2,745,987** |  | 3,659,065 |
|  |  |  |  |
| **Financial Liabilities** |  |  |  |
| **Financial liabilities measured at amortised cost** |  |  |  |
| Suppliers | **98,706** |  | 185,120 |
| Grants and subsidies | **141,795** |  | 130,761 |
| **Total financial liabilities measured at amortised cost** | **240,501** |  | 315,881 |
| **Total financial liabilities** | **240,501** |  | 315,881 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 7.3B: Net Gains or Losses on Financial Assets** |  |  |  |
| **Financial assets at amortised cost** |  |  |  |
| Impairment | **58** |  | 16 |
| **Net gains financial assets at amortised cost** | **58** |  | 16 |
|  |  |  |  |
| **Financial assets at fair value through profit or loss (designated)** |  |  |  |
| Change in fair value | **212,310** |  | 74,146 |
| **Net gains on financial assets at fair value through profit or loss (designated)** | **212,310** |  | 74,146 |
|  |  |  |  |
| **Net gains on financial assets** | **212,368** |  | 74,162 |

1. Other Information
   1. Aggregate Assets and Liabilities

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** |  | 2019 |
|  | **$'000** |  | $'000 |
| **Note 8.1A: Departmental - Aggregate Assets and Liabilities** |  |  |  |
| **Assets expected to be recovered in:** |  |  |  |
| No more than 12 months | **91,963** |  | 121,015 |
| More than 12 months | **582,955** |  | 208,348 |
| **Total assets** | **674,918** |  | 329,363 |
|  |  |  |  |
| **Liabilities expected to be settled in:** |  |  |  |
| No more than 12 months | **80,967** |  | 61,220 |
| More than 12 months | **587,505** |  | 104,976 |
| **Total liabilities** | **668,472** |  | 166,196 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 8.1B: Administered - Aggregate Assets and Liabilities** |  |  |  |
| **Assets expected to be recovered in:** |  |  |  |
| No more than 12 months | **4,217,083** |  | 4,315,005 |
| More than 12 months | **2,181,318** |  | 3,180,560 |
| **Total assets** | **6,398,401** |  | 7,495,565 |
|  |  |  |  |
| **Liabilities expected to be settled in:** |  |  |  |
| No more than 12 months | **8,467,806** |  | 6,334,643 |
| More than 12 months | **398,301** |  | 297,915 |
| **Total liabilities** | **8,866,107** |  | 6,632,558 |

* 1. Restructuring

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note 8.2A: Departmental Restructuring** | | | | | |
|  |  |  |  |  |  |
|  | **2020** | | | | 2019 |
|  | **Aged Care Gateway Information Technology Systems** | **Settlement Services** | **Information Technology Group** | **National Redress Scheme** |  |
|  | **Department of Health1** | **Department of Home Affairs2** | **Services Australia3** | **Services Australia4** | Total5 |
|  | **$'000** | **$'000** | **$'000** | **$'000** | $'000 |
| **FUNCTIONS ASSUMED** |  |  |  |  |  |
| **Assets recognised** |  |  |  |  |  |
| Appropriation receivable | **-** | **-** | **-** | **1,313** | 7,633 |
| **Total assets recognised** | **-** | **-** | **-** | **1,313** | 7,633 |
| **Liabilities recognised** |  |  |  |  |  |
| Suppliers | **-** | **-** | **-** | **(1,753)** | - |
| Employee provisions | **-** | **-** | **-** | **(1,448)** | (7,650) |
| **Total liabilities recognised** | **-** | **-** | **-** | **(3,201)** | (7,650) |
| **Net assets/(liabilities) recognised6** | **-** | **-** | **-** | **(1,888)** | (17) |
| **FUNCTIONS RELINQUISHED** |  |  |  |  |  |
| **Assets relinquished** |  |  |  |  |  |
| Appropriation receivable | **-** | **(3,574)** | **(8,297)** | **-** | (2,871) |
| Trade and other receivables | **-** | **(4)** | **(5,515)** |  | - |
| Land and buildings | **-** | **-** | **(7,347)** | **-** | (5,700) |
| Property, plant and equipment | **-** | **-** | **(19,341)** | **-** | (448) |
| Intangibles | **(35,278)** | **-** | **(75,234)** | **-** | - |
| Prepayments | **-** | **-** | **(11,343)** | **-** | (109) |
| **Total assets relinquished** | **(35,278)** | **(3,578)** | **(127,077)** | **-** | (9,128) |
| **Liabilities relinquished** |  |  |  |  |  |
| Suppliers | **-** | **468** | **-** | **-** | 709 |
| Other payables | **-** | **-** | **-** | **-** | 1,778 |
| Employee provisions | **-** | **3,204** | **8,367** | **-** | 1,211 |
| Lease liabilities | **-** | **-** | **7,421** | **-** | - |
| Revenue received in advance | **-** | **-** | **3,722** | **-** | - |
| Other provisions | **-** | **-** | **-** | **-** | 330 |
| **Total liabilities relinquished** | **-** | **3,672** | **19,510** | **-** | 4,028 |
| **Net (assets)/liabilities relinquished** | **(35,278)** | **94** | **(107,567)** | **-** | (5,100) |

1. The department transferred the Aged Care Gateway Information Technology systems application and development services to the Department of Health as a result of the 21 November 2019 agreement from the Minister for Finance to formally designate the transfer as a ‘Contribution by Owners’.
2. The Settlement Services function was relinquished by the department to the Department of Home Affairs as a result of the Administrative Arrangements Order issued on 29 May 2019.
3. The department transferred corporate IT services and their associated assets to Services Australia as a result of the Administrative Arrangements Order issued on 5 December 2019.
4. The National Redress Scheme function was assumed by the department from Services Australia as a result of the Administrative Arrangements Order issued on 5 December 2019. Expenses recognised by the department in the 2020 financial year were $14.704 million while expenses recognised by the losing entity were $19.528 million. Income recognised by the department in the 2020 financial year were $12.945 million while income recognised by the losing entity were $17.913 million.
5. The 2019 comparative is a combination of the following functions:

* The Budget Based Funded Programs were assumed by the department from the former Department of Education (2019: total assets recognised $0.104 million, total liabilities recognised $0.104 million).
* The Grants Administration Transition function was assumed by the department from the Department of Health for participation in the Community Grants Hub (2019: total assets recognised $7.529 million,   
  total liabilities recognised $7.546 million).
* The National Office for Child Safety function was relinquished by the department to the Department of the Prime Minister and Cabinet (2019: total assets relinquished $0.361 million, total liabilities relinquished $0.361 million).
* The establishment of the National Disability Insurance Scheme Quality and Safeguards Commission occurred during the 2019 financial year (2019: total assets relinquished $8.767 million, total liabilities relinquished $3.667 million).

1. In respect of functions assumed and relinquished, the net book values of assets and liabilities (with the exception of leave liability provision amounts) were transferred to the department for no consideration.

8.2 Restructuring (continued)

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 8.2B: Administered Restructuring** | | | |
|  |  |  |  |
|  | **2020** | | 2019 |
|  | **Settlement Services** | **Hearing Australia Investment** |  |
|  | **Department of Home Affairs1** | **Services Australia2** | Total |
|  | **$'000** | **$'000** | $'000 |
| **FUNCTIONS ASSUMED** |  |  |  |
| **Assets recognised** |  |  |  |
| Other investments | **-** | **78,989** | - |
| **Total assets recognised** | **-** | **78,989** | - |
| **Net assets assumed3** | **-** | **78,989** | - |
| **FUNCTIONS RELINQUISHED** |  |  |  |
| **Assets relinquished** |  |  |  |
| Receivables | **(1)** | **-** | - |
| **Total assets relinquished** | **(1)** | **-** | - |
| **Liabilities relinquished** |  |  |  |
| Suppliers payables | **2,079** | **-** | - |
| Grants payables | **74** | **-** | - |
| Other payables | **2,963** | **-** | - |
| **Total liabilities relinquished** | **5,116** | **-** | - |
| **Net liabilities relinquished** | **5,115** | **-** | - |

1. The Settlement Services function was relinquished by the department to the Department of Home Affairs during the 2020 financial year as a result of the Administrative Arrangements Order issued on 29 May 2019.
2. The net asset value of Hearing Australia transferred from Services Australia to the department following the Administrative Arrangement Orders of 5 December 2019. The transfer value reflects the administered investment in Hearing Australia, being the net assets of the entity for the Administered Investment value as at 30 June 2019. For the Administered Investment value as at 30 June 2020, refer to Note 4.1C.
3. In respect of functions assumed, the net book values of assets and liabilities were transferred to the department for no consideration.
   1. Breach of Section 83 of the Constitution

Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the *Commonwealth of Australia Constitution Act 1900* (“the Constitution”) provides that no amount may be paid out of the Consolidated Revenue Fund except under an appropriation by law.

In the 2020 financial year, the department identified payments that did not meet the statutory conditions for payment under Section 83, for payments made under the *Student Assistance Act 1973* and 14 instances of adjustments from administered to departmental appropriation within *Appropriation Act (No.1) 2019-20* to the value of $0.007 million.

The identified breaches under the *Student Assistance Act 1973* relate to payments of benefits under the ABSTUDY scheme and Assistance for Isolated Children scheme to persons who have not provided their tax file numbers. Payments were made to applicants who had not provided their tax file number as required by section 44A of the *Student Assistance Act 1973*. The value of these payments was $209.068 million for the 2020 financial year. No debts have been raised. Amendments to the *Student Assistance Act 1973* to address the Section 83 breaches are expected to be introduced before Parliament in the 2021 financial year.

As disclosed in Note 5.1C Special Appropriations, the department administers a significant volume of special appropriation payments, with the majority of these processed by Services Australia on its behalf. While payments are subject to rigorous review and compliance checking on an ongoing basis, a breach of Section 83 of the Constitution could occur. A debt is raised to recover overpayments to recipients, however not all overpayments will constitute a breach. For the purposes of comprehensive disclosure, all new debts raised for payments under legislation, where it has been assessed that there could be a breach, are disclosed as potential breaches. In the 2020 financial year, the department raised debts to recover overpayments and within this, there may be amounts that relate to potential breaches, as follows: *A New Tax System (Family Assistance) (Administration) Act 1999*, $1,352.339 million; *Paid Parental Leave Act 2010*, $0.085 million; *Social Security (Administration) Act 1999*, $746.161 million; and *Student Assistance Act 1973*, $7.215 million.

* 1. Explanations of Major Variances to Budget

The following major variance explanations between the Original Budget as presented in the 2019-20 Portfolio Budget Statements and the 2020 financial statements are presented in accordance with Australian Accounting Standards. The 2019-20 Portfolio Budget Statements contain the original financial statements’ budget estimates presented to Parliament in respect of the 2020 financial year. The information presented below should be read in the context of the following:

* The original 2019-20 Social Services Portfolio Budget Statements were prepared before the 2019 final outcome was known. As a consequence, the Statement of Financial Position and Statement of Changes in Equity opening balances were estimated and, in some cases, variances between the 2019 final outcome and Original Budget estimates (Budget) are a result of unanticipated movement in the prior financial year actual amounts;
* Variances attributable to factors which would not reasonably have been identifiable at the time of the Budget preparation, such as impairment of assets or impacts of Australian Government bond rate changes have not been included in the explanations;
* Major variances are those deemed relevant to an analysis of the department's performance and are not focused merely on numerical differences between the Budget and actual amounts;
* Variances relating to cash flows are a result of the factors explained for net cost of services, assets or liabilities variations. Unless otherwise individually significant, no additional commentary has been included; and
* The Budget is not audited.

**Note 8.4A: Departmental Major Budget Variances for 2020**

|  |  |
| --- | --- |
| **Explanations of major variances** | **Affected line items** |
| Total net cost of services was $43.990 million lower than the Budget as a result of:   * a reduction in operating lease expense due to the introduction of AASB 16 *Leases*; * the transfer of the Aged Care Gateway IT systems to the Department of Health and machinery of government transfer of corporate IT services to Services Australia that have as a result decreased depreciation and amortisation; and * Offset by the department providing additional corporate services to other departments beyond the original estimate that resulted in higher revenue.   Total assets were $420.902 million higher than the Budget as a result of an increase in right-of-use lease assets due to the introduction of AASB 16 *Leases*. This was offset by a decrease in non-financial assets through the machinery of government transfer of corporate IT services to Services Australia.  Total liabilities were $514.503 million higher than the Budget as a result of an increase in lease liabilities due to the introduction of AASB 16 *Leases*, offset by:   * variability that surrounds the estimates for the timing of payments to suppliers; * a reduction in lease incentive payables and operating leases straight-lining; and * a decrease in unearned income and leases through the machinery of government transfer of corporate IT services to Services Australia.   Total equity was $93.601 million lower than the Budget as a result of key items that were not known at the time of the Original Budget preparation that have had a material impact on the 30 June 2020 balances, including AASB 16 *Leases* implementation and machinery of government changes. | Suppliers  Depreciation and amortisation  Total own-source revenue  Leasehold improvements  Property, plant and equipment, Intangibles and prepayments  Leases  Supplier payables  Other payables  Other payables and Leases  Total equity |

8.4 Explanation of Major Variances to Budget (continued)

**Note 8.4B: Administered Major Budget Variances for 2020**

| Explanations of major variances | Affected line items |
| --- | --- |
| Total administered expenses were $14.694 billion higher than the original budget estimate (Budget) and this variance is mainly due to the following key drivers:   * Personal benefit expenses were higher than the Budget and mainly reflects the first payment of the $750 one-off Economic Stimulus Package and the $550 fortnightly coronavirus supplement payments, an increase in recipient numbers and an increase in average payment rates relating to the COVID-19 impact on the economy. * Grants expenses were higher than Budget reflecting higher than expected demand in grant payments, including for the Disability Employment Services program and payments made under the COVID-19 Community Support Package, and the increase in additional grants provided in relation to the bushfires which occurred during the 2020 financial year.   Administered income was $0.202 billion lower than the Budget mainly as a result of lower than expected National Redress Scheme revenue partially offset by the increase in fair value gains on the student loans.  Administered assets were $0.234 billion lower than the Budget mainly due to the decrease in the National Disability Insurance Scheme investment value. This is partially offset by greater than expected student loan balances reflecting the increase in fair value gain.  Administered liabilities were $2.074 billion higher than the Budget and this variance is mainly due to the following key drivers:   * Greater than expected personal benefit payables reflecting the recognition of Income Compliance program refunds and increased recipient numbers relating to COVID-19; and * Key assumptions have been amended to account for COVID-19 in actuarial assessments in the personal benefits and other provisions including higher claim rates. | Personal benefit expenses  Grants  Gains  Investments and Receivables  Personal benefit payables  Personal benefit and other provisions |

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##### Appendix A

# Resource statements

**Table A–1: Agency resource statement 2019–20**

|  |  | Actual available appropriation for 2019–20  $'000 | | Payments made  2019–20  $'000 | Balance remaining 2019–20  $'000 | |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | (a) | | (b) | (a)-(b) | |
| **Ordinary Annual Services**1 |  |  | |  |  | |
| Departmental appropriation2 |  | 561,989 | | 477,389 | 84,600 | |
| **Total** |  | **561,989** | | **477,389** | **84,600** | |
| Administered expenses |  |  | |  |  | |
| Outcome 1 |  | 93,789 | | 38,208 |  | |
| Outcome 2 |  | 805,469 | | 691,855 |  | |
| Outcome 3 |  | 11,486,516 | | 8,674,648 |  | |
| Outcome 4 |  | 281,024 | | 119,115 |  | |
| Payments to corporate Commonwealth entities3 |  | 1,413,257 | | 1,413,257 |  | |
| **Total** |  | **14,080,055** | | **10,937,083** |  | |
| Total ordinary annual services | **A** | **14,642,044** | | **11,414,472** |  | |
| **Other services4** |  |  | |  |  | |
| **Departmental non-operating** |  |  |  | |  | |
| Equity injections5 |  | 8,303 | 6,894 | | 1,409 | |
| **Total** |  | **8,303** | **6,894** | | **1,409** | |
| **Total other services** | **B** | **8,303** | **6,894** | | | **1,409** | |
| **Total available annual appropriations and payments** |  | **14,650,347** | **11,421,366** | | |  | |
| **Special appropriations** |  |  |  | | |  | |
| Social Security (Administration) Act 1999 |  |  | 106,241,123 | | |  | |
| A New Tax System (Family Assistance) (Administration) Act 1999 |  |  | 18,055,843 | | |  | |
| Paid Parental Leave Act 2010 |  |  | 2,414,060 | | |  | |
| Social and Community Services Pay Equity Special Account Act 2012 |  |  | - | | |  | |
| Student Assistance Act 1973 – Section 55A |  |  | 420,016 | | |  | |
| Business Services Wage Assessment Tool Payment Scheme Act 2015 – Section 99 |  |  | - | | |  | |
| National Redress Scheme for Institutional Child Sexual Abuse Act 2018 |  |  | 205,307 | | |  | |
| Public Governance, Performance and Accountability Act 2013 – Section 77 |  |  | 119 | | |  | |
| **Total special appropriations** | **C** |  | **127,336,468** | | |  | |

|  |  | Actual available appropriation for 2019–20  $'000 | Payments made  2019–20  $'000 | Balance remaining 2019–20  $'000 |
| --- | --- | --- | --- | --- |
|  |  | (a) | (b) | (a)-(b) |
| **Special Accounts** |  |  |  |  |
| Opening balance |  | 402,363 |  |  |
| Appropriation receipts6 |  | 513,890 |  |  |
| Non-appropriation receipts to Special Accounts |  | 7,704 |  |  |
| Payments made |  |  | 416,802 |  |
| **Total special accounts** | **D** | **923,957** | **416,802** | **507,155** |
| **Total resourcing and payments A+B+C+D** |  | **15,574,304** | **139,174,636** |  |
| Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or corporate Commonwealth entities through annual appropriations |  | 8,388,897 | 8,388,897 |  |
| Total net resourcing and payments for the department7 |  | **7,185,407** | **130,785,739** |  |
|  |  |  |  |  |
|  |  |  | 2019–20 | 2018–19 |
| Staffing resources (number) |  |  | 2,099 | 2,128 |

1. *Supply Act (No. 1) 2019-20, Appropriation Act (No. 1) 2019–20* and *Appropriation Act (No. 3) 2019–20*. This may also include prior year departmental appropriation, section 74 retained revenue receipts, section 75 transfers and repealed appropriations.
2. This item includes an amount of $16.843 million in 2019–20 for the departmental capital budget. For accounting purposes, this amount has been designated as ‘contributions by owners’.
3. ‘Corporate entities’ are corporate Commonwealth entities and Commonwealth companies as defined under the *Public Governance, Performance and Accountability Act 2013*.
4. *Appropriation Act (No. 2) 2019–20*.
5. The equity injections may also include prior year appropriation and repealed appropriations.
6. Appropriation receipts from DSS annual and special appropriations for 2019–20 are included above.
7. The actual available appropriation for 2019–20 does not include total special appropriations.

**Table A–2: Expenses and resources for Outcome 1: Social Security**

|  | Estimated actuala  2019–20 $'000 | Actual Expenses 2019–20  $'000 | Variation  2019–20  $'000 |
| --- | --- | --- | --- |
|  | (a) | (b) | (a)–(b) |
| **Program 1.1: Family Tax Benefit** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 18,070,909 | 18,621,625 | (550,716) |
| **Total for Program 1.1** | **18,070,909** | **18,621,625** | **(550,716)** |
| **Program 1.2: Child Payments** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 97,820 | 105,157 | (7,337) |
| **Total for Program 1.2** | **97,820** | **105,157** | **(7,337)** |
| **Program 1.3: Income Support for Vulnerable People** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 142,129 | 151,117 | (8,988) |
| **Total for Program 1.3** | **142,129** | **151,117** | **(8,988)** |
| **Program 1.4: Income Support for People in Special Circumstances** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 1,367 | 667 | 700 |
| Special Appropriations | 3,284 | 3,063 | 221 |
| **Total for Program 1.4** | **4,651** | **3,730** | **921** |
| **Program 1.5: Supplementary Payments and Support for Income Support Recipients** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 24,870 | 25,359 | (489) |
| **Total for Program 1.5** | **24,870** | **25,359** | **(489)** |
|  | | | |
| **Program 1.6: Income Support for Seniors** | | |  |
| Administered expenses |  |  |  |
| Special Appropriations | 50,155,810 | 50,133,912 | 21,898 |
| **Total for Program 1.6** | **50,155,810** | **50,133,912** | **21,898** |
| **Program 1.7: Allowances and Concessions for Seniors** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 369,220 | 378,734 | (9,514) |
| **Total for Program 1.7** | **369,220** | **378,734** | **(9,514)** |
| **Program 1.8: Income Support for People with Disability** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 17,781,418 | 17,781,051 | 367 |
| **Total for Program 1.8** | **17,781,418** | **17,781,051** | **367** |
| **Program 1.9: Income Support for Carers** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 2,800 | 1,406 | 1,394 |
| Special Appropriations | 9,445,073 | 9,375,816 | 69,257 |
| **Total for Program 1.9** | **9,447,873** | **9,377,222** | **70,651** |
| **Program 1.10: Working Age Payments** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 37,561 | 36,013 | 1,548 |
| Special Appropriations | 26,204,264 | 26,836,280 | (632,016) |
| **Total for Program 1.10** | **26,241,825** | **26,872,293** | **(630,468)** |
| **Program 1.11: Student Payments** | | | |
| Administered expenses |  |  |  |
| Special Appropriations | 3,516,712 | 3,617,377 | (100,665) |
| **Total for Program 1.11** | **3,516,712** | **3,617,377** | **(100,665)** |
| **Program 1.12: Program Support for Outcome 1** | | | |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 102,301 | 107,912 | (5,611) |
| Expenses not requiring appropriation in the Budget year | 9,686 | 17,574 | (7,888) |
| **Total for Program 1.12** | **111,987** | **125,486** | **(13,499)** |
| **Outcome 1 Totals by appropriation type** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 41,728 | 38,086 | 3,642 |
| Special Appropriations | 125,811,509 | 127,029,491 | (1,217,982) |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 102,301 | 107,912 | (5,611) |
| Expenses not requiring appropriation in the Budget year | 9,686 | 17,574 | (7,888) |
| **Total expenses for Outcome 1** | 125,965,224 | 127,193,063 | (1,227,839) |

a Represents estimated actual expenses for the 2019–20 financial year reported in the Economic and Fiscal Update July 2020.

b Departmental appropriation includes section 74 retained revenue receipts.

**Table A–3: Expenses and resources for Outcome 2: Families and Communities**

|  | Estimated  actuala 2019–20  $'000 | | Actual Expenses  2019–20  $'000 | Variation 2019–20  $'000 |
| --- | --- | --- | --- | --- |
|  | (a) | | (b) | (a)–(b) |
| **Program 2.1: Families and Communities** | | | | |
| Administered expenses |  | |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 712,627 | | 692,330 | 20,297 |
| Special Appropriations | 213,650 | | 255,277 | (41,627) |
| Special Accounts | 5,689 | | 5,689 | - |
| **Total for Program 2.1** | **931,996** | | **953,296** | **(21,300)** |
| **Program 2.2: Paid Parental Leave** |  | |  |  |
| Administered expenses |  | |  |  |
| Special Appropriations | 2,388,941 | | 2,399,563 | (10,622) |
| **Total for Program 2.2** | **2,388,941** | | **2,399,563** | **(10,622)** |
| **Program 2.3: Social and Community Services** | | | | |
| Administered expenses |  | |  |  |
| Special Accounts | 437,566 | | 411,920 | 25,646 |
| **Total for Program 2.3** | **437,566** | | **411,920** | **25,646** |
| **Program 2.4: Program Support for Outcome 2** | | | | |
| Departmental expenses |  |  | |  |
| Departmental appropriationb | 256,448 | | 202,334 | 54,114 |
| Expenses not requiring appropriation in the Budget year | 18,067 | | 32,951 | (14,884) |
| **Total for Program 2.4** | **274,515** | | **235,285** | **39,230** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Outcome 2 Totals by appropriation type** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services (Appropriation Act No. 1 and No. 3) | 712,627 | 692,330 | 20,297 |
| Special Appropriations | 2,602,591 | 2,654,840 | (52,249) |
| Special Accounts | 443,255 | 417,609 | 25,646 |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 256,448 | 202,334 | 54,114 |
| Expenses not requiring appropriation in the Budget year | 18,067 | 32,951 | (14,884) |
| **Total expenses for Outcome 2** | **4,032,988** | **4,000,064** | **32,924** |

a Represents estimated actual expenses for the 2019–20 financial year reported in the Economic and Fiscal Update July 2020.

b Departmental appropriation includes section 74 retained revenue receipts.

**Table A–4: Expenses and resources for Outcome 3: Disability and Carers**

|  | Estimated actuala 2019–20  $'000 | Actual Expenses 2019–20 $'000 | Variation 2019–20 $'000 |
| --- | --- | --- | --- |
|  | (a) | (b) | (a)–(b) |
| **Program 3.1: Disability Mental Health and Carers** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 1,519,323 | 1,501,020 | 18,303 |
| Special Appropriations | - | - | - |
| Special Accounts | 1,559 | 713 | 846 |
| **Total for Program 3.1** | **1,520,882** | **1,501,733** | **19,149** |
| **Program 3.2: National Disability Insurance Scheme** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 7,061,234 | 7,100,732 | (39,498) |
| Payments to corporate entities | 1,403,557 | 1,413,257 | (9,700) |
| **Total for Program 3.2** | **8,464,791** | **8,513,989** | **(49,198)** |
| **Program 3.3: Program Support for Outcome 3** | | | |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 119,940 | 116,905 | 3,035 |
| Expenses not requiring appropriation in the Budget year | 10,467 | 19,039 | (8,572) |
| **Total for Program 3.3** | **130,407** | **135,944** | **(5,537)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Outcome 3 Totals by appropriation type** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 8,580,557 | 8,601,752 | (21,195) |
| Payments to corporate entities | 1,403,557 | 1,413,257 | (9,700) |
| Special Appropriations | - | - | - |
| Special Accounts | 1,559 | 713 | 846 |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 119,940 | 116,905 | 3,035 |
| Expenses not requiring appropriation in the Budget year | 10,467 | 19,039 | (8,572) |
| **Total expenses for Outcome 3** | **10,116,080** | **10,151,666** | **(35,586)** |

a Represents estimated actual expenses for the 2019–20 financial year reported in the Economic and Fiscal Update July 2020.

b Departmental appropriation includes section 74 retained revenue receipts.

**Table A–5: Expenses and resources for Outcome 4: Housing**

|  | Estimated actuala 2019–20  $'000 | Actual Expenses 2019–20 $'000 | Variation 2019–20 $'000 |
| --- | --- | --- | --- |
|  | (a) | (b) | (a)–(b) |
| **Program 4.1: Housing and Homelessness** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 13,786 | 6,277 | 7,509 |
| **Total for Program 4.1** | **13,786** | **6,277** | **7,509** |
| **Program 4.2: Affordable Housing** |  |  |  |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 119,315 | 114,864 | 4,451 |
| **Total for Program 4.2** | **119,315** | **114,864** | **4,451** |
| **Program 4.3: Program Support for Outcome 4** | | | |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 17,512 | 22,482 | (4,970) |
| Expenses not requiring appropriation in the Budget year | 2,013 | 3,661 | (1,648) |
| **Total for Program 4.3** | **19,525** | **26,143** | **(6,618)** |
| **Outcome 4 Totals by appropriation type** | | | |
| Administered expenses |  |  |  |
| Ordinary Annual Services  (Appropriation Act No. 1 and No. 3) | 133,101 | 121,141 | 11,960 |
| Departmental expenses |  |  |  |
| Departmental appropriationb | 17,512 | 22,482 | (4,970) |
| Expenses not requiring appropriation in the Budget year | 2,013 | 3,661 | (1,648) |
| **Total expenses for Outcome 4** | **152,626** | **147,284** | **5,342** |

a Represents estimated actual expenses for the 2019–20 financial year reported in the Economic and Fiscal Update July 2020.

b Departmental appropriation includes section 74 retained revenue receipts.

##### Appendix B

# Advertising and market research

In 2019–20, the department conducted the following advertising campaigns:

* Stop it at the Start – the campaign aims to help break the cycle of violence by encouraging adults to reflect on their attitudes and talk with young people about respectful relationships and gender equality. It was jointly funded by the Australian and state and territory governments
* Help is Here – the campaign provides information on support services available to anyone affected by domestic and family violence, to help them access the support they need, when they need it.

For further information on the advertising campaigns, go to dss.gov.au

For further information on the reports on Australian Government advertising prepared by the Department of Finance, go to finance.gov.au

Tables B-1 to B-4 list payments of $14,000 or more (GST inclusive) to advertising agencies and market research, polling, direct mail and media advertising organisations, as required under section 311A of the *Commonwealth Electoral Act 1918*.

**Table B-1 Payments to advertising agencies in 2019-20**

|  |  |  |
| --- | --- | --- |
| Provider name | Service provided | Amount paid $ incl GST |
| 33 Creative Pty Ltd | Indigenous and creative communication services – Help is Here | 91,582 |
| 33 Creative Pty Ltd | Indigenous and creative communication services – Stop it at the Start, Phase 2 | 43,890 |
| Carbon Media Pty Ltd | Graphic design, video and photography, and editorial services – Disability Royal Commission | 176,899 |
| Clemenger BBDO (Melbourne) Pty Ltd | Creative pitch – Stop it at the Start, Phase 3 | 16,500 |
| Cre8ive Australasia Pty Ltd | Graphic design services – Signage | 17,160 |
| Cre8ive Australasia Pty Ltd | Graphic design services – Evidence Portal | 55,000 |
| Marmalade Melbourne Pty Ltd | Graphic design services – National Disability Information Gateway | 17,116 |
| Nation Creative Pty Ltd | Graphic design and editorial services – Carer Gateway | 29,486 |
| Nation Creative Pty Ltd | Graphic design and editorial services – Carer Gateway, Phase 2 | 118,597 |
| Ogilvy Australia Pty Ltd | CALD creative and communication services – Help is Here | 172,999 |
| Ogilvy Australia Pty Ltd | CALD creative and communication services – Stop it at the Start, Phase 2 | 43,021 |
| The Trustee for the BMF Unit Trust | Creative development – Help is Here | 877,094 |
| The Trustee for the BMF Unit Trust | Creative development – Stop it at the Start, Phase 2 | 108,690 |
| The Trustee for the BMF Unit Trust | Creative pitch – Stop it at the Start, Phase 3 | 16,500 |
| The Trustee for the BMF Unit Trust | Creative services – Stop it at the Start, Phase 1 and 2 | 95,647 |
| TOTAL |  | 1,880,181 |

**Table B-2 Payments to market research and polling organisations in 2019-20**

|  |  |  |
| --- | --- | --- |
| Provider name | Service provided | Amount paid $ (incl GST) |
| Australian Survey Research Group Pty Ltd | Market research – Try, Test and Learn | 81,811 |
| Colmar Brunton Pty Ltd | Data services – Longitudinal Study of Indigenous Children | 191,064 |
| Hall & Partners Pty Ltd | Market research – Help is Here | 205,507 |
| Hall & Partners Pty Ltd | Market research – Stop it at the Start, Phase 2 | 89,870 |
| Kantar Public Australia Pty Ltd | Market research – Help is Here | 274,350 |
| Kantar Public Australia Pty Ltd | Market research – National Disability Information Gateway | 154,880 |
| Kantar Public Australia Pty Ltd | Market research – Stop it at the Start, Phase 3 | 651,652 |
| Orima Research Pty Ltd | Market analysis – APS Employee Census | 24,000 |
| Orima Research Pty Ltd | Research services – National Disability Insurance Scheme Quality and Safeguards | 49,170 |
| Roy Morgan Research Ltd | Data services – Longitudinal Study of Indigenous Children | 947,883 |
| The Trustee for Essence Communications Trust | Market research – National Disability Information Gateway | 322,584 |
| Urbis Pty Ltd | Social policy research – Outcome Measurement Initiative | 473,122 |
| Urbis Pty Ltd | Social policy research – Outcome Measurement Initiative | 89,102 |
| Whereto Research Based Consulting Pty Ltd | Evaluation services – Technology Trials | 188,200 |
| Whereto Research Based Consulting Pty Ltd | Market research – Disability Royal Commission | 55,000 |
| Whereto Research Based Consulting Pty Ltd | Market research – National Disability Insurance Scheme | 328,664 |
| Whereto Research Based Consulting Pty Ltd | Social policy research – Domestic Violence Alert | 110,000 |
| Whereto Research Based Consulting Pty Ltd | Social policy research – National Centre and Adult Specialist Support | 269,500 |
| TOTAL |  | 4,506,359 |

**Table B-3 Payments to direct mail organisations in 2019-20**

|  |  |  |
| --- | --- | --- |
| Provider name | Service provided | Amount paid $ (incl GST) |
| National Mailing & Marketing Pty Ltd | Distribution, warehousing and related services | 255,528 |
| TOTAL |  | 255,528 |

**Table B-4 Payments to media advertising organisations in 2019-20**

|  |  |  |
| --- | --- | --- |
| Provider name | Service provided | Amount paid $ (incl GST) |
| Mediabrands Australia Pty Ltd | Advertising – AccessAbility Day 2019 | 32,507 |
| Mediabrands Australia Pty Ltd | Advertising – Carer Gateway | 44,872 |
| Mediabrands Australia Pty Ltd | Advertising – Cashless Debit Card | 188,196 |
| Mediabrands Australia Pty Ltd | Advertising – Help is Here | 6,138,683 |
| Mediabrands Australia Pty Ltd | Advertising – JobAccess | 22,080 |
| Mediabrands Australia Pty Ltd | Advertising – Promoting public consultations for the Tune Review of the NDIS Act | 33,884 |
| Mediabrands Australia Pty Ltd | Advertising – Recruitment | 31,320 |
| Mediabrands Australia Pty Ltd | Advertising – Stop it at the Start, Phase 2 | 1,331,877 |
| TOTAL |  | 7,823,419 |

**Appendix C**

# Ecologically sustainable development and environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires Commonwealth agencies to report against two core criteria:

* how the agency accords with and contributes to the principles of ecologically sustainable development
* the environmental performance of the agency, including the impact of its activities on the natural environment, how these are mitigated and how they will be further mitigated.

#### How the department accords with and contributes to environmentally sustainable development

We do not administer any legislation that has a direct impact on ecologically sustainable development. The principles relating to scientific certainty and biological diversity are generally of limited application to our activities.

Our operations fall into five categories of environmental impact:

* electricity/gas consumption
* water use
* waste generation
* paper use
* transportation.

We continue to improve our collection and monitoring of data on energy use, water consumption, and waste management in all National Office buildings. We also assess the effectiveness of current processes through our procurement policy and the Green Lease Schedule to property leases.

#### Measures taken to minimise the effect of activities on the environment

The following tables provide quantitative information on measures taken to minimise the effect of activities on the environment and environmental performance data on our energy and waste production.

**Table C–1: Energy, waste and water efficiency measures and monitoring mechanisms**

|  |  |
| --- | --- |
| Measures taken | Mechanisms for monitoring and review |
| **Energy** |  |
| The following departmental offices have Green Lease Schedules in place:   * Centennial Plaza (levels 8 and 9), Sydney * Jacana House (levels 2 and 3), Darwin * National Office, Enid Lyons Building, 71 Athllon Drive, Tuggeranong * Aviation House (levels 5 – 8), Phillip. | Conduct annual National Australian Built Environment Rating System (NABERS) assessments to ensure energy consumption is minimised. |
| Building Management Committee meetings are conducted as required under the Green Lease Schedule. | Continue to conduct Building Management Committee meetings. |
| Continue to reduce electricity through use of efficient lighting solutions, including sensor lighting and fit-out designs that take advantage of natural light. | Careful consideration of fit-out design. |
| We participated in Earth Hour 2020. | Continue to participate in Earth Hour each year. |
| **Waste** |  |
| Some initiatives promoted throughout our leased office portfolio include:   * reducing storage requirements as a result of our Electronic Document and Records Management System and the digitisation of records * digital signage promoting correct waste management behaviours displayed on monitors through tenancies * bin signage updated throughout Canberra sites to support improved waste management. | Regularly monitor the amount of waste removed from Canberra based sites.  Continue to examine new ways of reducing waste to landfill. |

**Table C–2:** **Environmental performance indicators**

|  |  |  |  |
| --- | --- | --- | --- |
| Performance measure | Indicator | 2019–20 | 2018–19 |
| **Energy efficiency** |  |  |  |
| Total consumption of energy in buildings | Electricity consumption (kWh) | 2,510,556 | 2,993,150 |
| Total consumption of energy in vehicles | Diesel (L) | 9,855 | 16,258 |
|  | E10 (Biofuel) (L) | 2,848 | 3,524 |
|  | Unleaded petrol (L) | 9,369 | 10,082 |
| Total vehicle distance travelled | Motor vehicle distance travelled (km) | 270,408 | 389,042 |
| Total air travel distance | Air travel distance (km) | 6,159,048 | 10,125,387 |
| **Waste** |  |  |  |
| Office paper waste production (National) | Waste-paper to recycling facilities (tonnes) | 149 | 165.8 |
| Commingled recycling (including cardboard but excluding office paper) (Canberra Sites – sole tenant) | Commingled waste to recycling facilities (tonnes) | 21 | 16.82 |
| Landfill (Canberra Sites – sole tenant) | Landfill waste to ACT landfill (tonnes) | 65 | 82 |

##### Appendix D

# Compliance with the *Carer Recognition Act 2010*

The Australian Government recognises the exceptional contribution made by unpaid carers through the *Carer Recognition Act 2010*. The *Carer Recognition Act 2010* stipulates that carers should have the same rights, choices, and opportunities as other Australians.

*Subsection 7(1) — Each public service agency is to take all practicable measures to ensure that its employees and agents have an awareness and understanding of the Statement for Australia’s Carers.*

We promote staff awareness and understanding of the *Carer Recognition Act 2010* and the Statement for Australia’s Carers through our intranet and other departmental resources.

We inform the general public about the statement on Carer Gateway. For further information, go to [carergateway.gov.au](https://www.carergateway.gov.au/). We also fund Carers Australia to coordinate and manage National Carers Week activities each October. These activities raise the awareness of carers and their role and inform carers about available services and assistance.

*Subsection 7(2) — Each public service agency’s internal human resources policies, so far as they may significantly affect an employee’s caring role, are to be developed having due regard to the Statement for Australia’s Carers.*

Our human resources policies comply with the principles contained in the statement.

Our Enterprise Agreement includes carer’s leave entitlements. Staff have access to health and diversity rooms to help manage unforeseen caring responsibilities. Staff can access free counselling arranged through the Employee Assistance Program.

Our intranet also provides employees and managers with information about carers’ entitlements and internal and external resources.

*Subsection 8(1) — Each public service care agency is to take all practicable measures to ensure that it, and its employees and agents, take action to reflect the principles of the Statement for Australia’s Carers in developing, implementing, providing or evaluating care supports.*

Our standard funding agreement terms and conditions oblige funding recipients to comply with relevant laws, Australian Government policies, codes of ethics, regulations, or industry standards relevant to the activity.

*Subsection 8(2) — Each public service care agency is to consult carers, or bodies that represent carers, when developing or evaluating care supports.*

The Sector Working Group is a group of sector subject matter experts, brought together in June 2018 to provide advice relating to operational aspects of the Carer Gateway’s implementation. The group met five times, most recently in July 2019 to discuss the decommissioning of Commonwealth-funded carer programs, and the safe transition of carers onto the new Carer Gateway services.

From July 2019, new online supports became available through the Carer Gateway website. For further information, go to carergateway.gov.au. These new supports include free phone counselling, online peer support, self-guided coaching, and practical educational resources to improve carer wellbeing, skills, and knowledge.

From April 2020, a new national network of Carer Gateway service providers commenced providing access to individually tailored services for all carers. Supports include carer needs assessment, advice and support planning, counselling, peer support, financial support packages assisting carers to access employment, education, respite and transport, and online self-guided coaching.

We will undertake further consultation with carers and key stakeholders as the implementation and evaluation of Carer Gateway progresses.

##### Appendix E

# Disability reporting

The *National Disability Strategy 2010–2020* is Australia’s overarching framework for disability reform. It acts to ensure the principles underpinning the *United Nations Convention on the Rights of Persons with Disabilities* are incorporated into Australia’s policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for the implementation of the strategy through biennial progress reporting. For progress reports, go to [dss.gov.au](http://www.dss.gov.au). Disability reporting is included in the Australian Public Service Commission’s State of the Service reports and the *APS Statistical Bulletin*. To access these reports, go to apsc.gov.au

##### Appendix F

# Digital reporting tool data — non-corporate Commonwealth entities

**Table F-1 PGPA Rule Section 17AD(da) — Executive Remuneration —** **Information about remuneration for key management personnel**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Short‑term benefits | | | Post‑employment benefits | Other long‑term benefits | | Termination benefits | Total remuneration | |
| Name | Position title | $  Base salary1 | $ Bonuses | $  Other benefits and allowances2 | $  Superannuation contributions3 | $  Long service leave4 | $  Other long‑term benefits | $ | $ | |
| Kathryn Campbell | Secretary | 677,371 | - | 52,823 | 101,294 | 19,430 | - | - | 850,918 | |
| Margaret McKinnon | Deputy Secretary5 | 186,574 | - | 21,570 | 34,188 | 6,024 | - | 369,408 | 617,764 | |
| Elizabeth Hefren-Webb | Deputy Secretary | 351,776 | - | 33,754 | 63,255 | 10,506 | - | - | 459,291 | |
| Nathan Williamson | Deputy Secretary | 394,820 | - | 33,754 | 63,255 | 10,506 | - | - | 502,335 | |
| Michael Lye | Deputy Secretary5 | 146,709 | - | 17,888 | 27,332 | 4,670 | - | - | 196,599 | |
| Catherine Rule | Deputy Secretary5 | 135,719 | - | 10,531 | 24,365 | 3,874 | - | - | 174,489 | |
| Adrian Hudson | Acting Deputy Secretary5 | 169,411 | - | 10,242 | 25,012 | 3,768 | - | - | 208,433 | |
| Shane Bennett | Acting Deputy Secretary5 | 168,421 | - | 10,389 | 25,340 | 3,821 | - | - | 207,971 | |
| **Total** | | **2,230,801** | - | **190,951** | **364,041** | **62,599** | - | **369,408** | **3,217,800** | |
| 1. Base salary is calculated as total cash salary paid during the financial year, less amounts paid for annual leave and long service leave, with an adjustment for accruals at the beginning and end of the year. | | | | | | | | | |
| 1. Other benefits and allowances comprise executive vehicle allowances and annual leave expenses. Annual leave expense is calculated on an accrual basis as  20 workings days per year based on the point in time substantive salary. | | | | | | | | | |
| 1. Superannuation is calculated as actual superannuation contributions made during the year, with an adjustment for accruals at the beginning and end of the year. | | | | | | | | | |
| 1. Long service leave is calculated on an accrual basis as nine calendar days leave per financial year based on the point in time substantive salary. | | | | | | | | | |
| 1. The officer occupied a Deputy Secretary position for part of the year. The remuneration is the amount calculated for that period. | | | | | | | | | |

**Table F-2 17AD (da) — Executive Remuneration — Information about remuneration for senior executives**

|  |  | Short‑term benefits | | | Post‑employment benefits | Other long‑term benefits | | Termination benefits | Total remuneration |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Total remuneration bands | Number of senior executives | **$**  **Average base salary** | **$ Average bonuses** | **$**  **Average other benefits and allowances** | **$**  **Average superannuation contributions** | **$ Average long service leave** | **$**  **Average other long‑term benefits** | **$**  **Average termination benefits** | **$**  **Average total remuneration** |
| $0–$220,000 | 34 | 92,124 | - | 11,262 | 17,349 | 2,915 | - | - | 123,650 |
| $220,001–$245,000 | 10 | 182,047 | - | 19,728 | 31,225 | 5,593 | - | - | 238,592 |
| $245,001–$270,000 | 20 | 192,272 | - | 21,822 | 35,467 | 5,966 | - | - | 255,527 |
| $270,001–$295,000 | 10 | 210,957 | - | 21,807 | 38,800 | 6,532 | - | - | 278,095 |
| $295,001–$320,000 | 3 | 217,386 | - | 20,723 | 39,748 | 5,968 | - | 21,863 | 305,687 |
| $320,001–$345,000 | 6 | 238,090 | - | 27,036 | 44,801 | 7,258 | - | 19,566 | 336,751 |
| $345,001–$370,000 | 2 | 267,270 | - | 24,408 | 49,701 | 8,119 | - | - | 349,497 |
| $370,001–$395,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $395,001–$420,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $420,001–$445,000 | 1 | 215,617 | - | 22,660 | 42,296 | 6,616 | - | 156,489 | 443,678 |
| $445,001–$470,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $470,001–$495,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $495,001 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:

* Includes 16 individuals who acted in an SES position continuously for three months (90 days) or more
* Includes individuals who were promoted into SES positions within the financial year
* Remuneration has been adjusted for SES who have been on secondment out to only include the period of time at the Department of Social Services only.

**Table F-3 17AD (da) — Executive Remuneration—Information about remuneration for other highly paid staff**

|  |  | Short‑term benefits | | | Post‑employment benefits | Other long‑term benefits | | Termination benefits | Total remuneration |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Total remuneration bands | $  Number of other highly paid staff | $  Average base salary | $  Average bonuses | $  Average other benefits and allowances | $  Average superannuation contributions | $  Average long service leave | $  Average other long‑term benefits | $  Average termination benefits | $  Average total remuneration |
| $225,001 - $245,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $245,001 - $270,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $270,001 - $295,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $295,001 - $320,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $320,001 - $345,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $345,001 - $370,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $370,001 - $395,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $395,001 - $420,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $420,001 - $445,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $445,001 - $470,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $470,001 - $495,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| $495,001 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Note:

* No employees qualify for reporting in this table. All non-SES employees had remunerations below $220,000 threshold.

**Table F-4 17AE (1)(aa)(i) – (iii) — Accountable Authority details of Accountable Authority during the reporting period Current Report Period (2019–20)**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Period as the accountable authority or member within the reporting period | |
| Name | Position title/Position held | Date of commencement | Date of cessation |
| Kathryn Campbell | Secretary | 01/07/2019 | 04/07/2019 |
| Michael Lye | Acting Secretary | 05/07/2019 | 05/07/2019 |
| Kathryn Campbell | Secretary | 06/07/2019 | 18/07/2019 |
| Michael Lye | Acting Secretary | 19/07/2019 | 19/07/2019 |
| Kathryn Campbell | Secretary | 20/07/2019 | 28/07/2019 |
| Michael Lye | Acting Secretary | 29/07/2019 | 29/07/2019 |
| Kathryn Campbell | Secretary | 30/07/2019 | 23/08/2019 |
| Michael Lye | Acting Secretary | 24/08/2019 | 01/09/2019 |
| Kathryn Campbell | Secretary | 02/09/2019 | 23/09/2019 |
| Nathan Williamson | Acting Secretary | 24/09/2019 | 24/09/2019 |
| Kathryn Campbell | Secretary | 25/09/2019 | 25/09/2019 |
| Nathan Williamson | Acting Secretary | 26/09/2019 | 27/09/2019 |
| Kathryn Campbell | Secretary | 28/09/2019 | 31/10/2019 |
| Nathan Williamson | Acting Secretary | 01/11/2019 | 01/11/2019 |
| Kathryn Campbell | Secretary | 02/11/2019 | 18/12/2019 |
| Elizabeth Hefren-Webb | Acting Secretary | 19/12/2019 | 20/12/2019 |
| Nathan Williamson | Acting Secretary | 21/12/2019 | 02/02/2020 |
| Kathryn Campbell | Secretary | 03/02/2020 | 30/06/2020 |

**Table F-5 17AG (4)(aa) — Management of Human Resources all Ongoing Employees Current Report Period (2019–20)**

|  | Male | | | | Female | | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | | Full-time | Part-time | | Total Female | Full-time | Part-time | Total Indeterminate |  |
| NSW | 53 | 3 | 56 | | 77 | 27 | | 104 | - | - | - | 160 |
| Qld | 20 | 1 | 21 | | 69 | 21 | | 90 | - | - | - | 111 |
| SA | 13 | 2 | | 15 | 51 | 10 | | 61 | - | - | - | 76 |
| Tas | 12 | 1 | | 13 | 22 | 17 | | 39 | - | - | - | 52 |
| Vic | 38 | 6 | | 44 | 74 | | 27 | 101 | - | - | - | 145 |
| WA | 15 | 4 | | 19 | 37 | | 18 | 55 | - | - | - | 74 |
| ACT | 456 | 28 | | 484 | 933 | | 247 | 1,180 | - | - | - | 1,664 |
| NT | 5 | 0 | | 5 | 28 | | 4 | 32 | - | - | - | 37 |
| Overseas | 0 | 0 | | 0 | 0 | | 0 | 0 | - | - | - | 0 |
| Total | **612** | **45** | | **657** | **1,291** | | **371** | **1,662** | - | - | - | **2,319** |

**Table F-6 17AG (4)(aa) — Management of Human Resources all Non-Ongoing Employees Current Report Period (2019–20)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| NSW | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| Qld | 0 | 0 | 0 | 2 | 1 | 3 | - | - | - | 3 |
| SA | 4 | 0 | 4 | 4 | 0 | 4 | - | - | - | 8 |
| Tas | 0 | 0 | 0 | 2 | 0 | 2 | - | - | - | 2 |
| Vic | 0 | 0 | 0 | 3 | 0 | 3 | - | - | - | 3 |
| WA | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| ACT | 6 | 2 | 8 | 16 | 6 | 22 | - | - | - | 30 |
| NT | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| External Territories | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Overseas | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **10** | **2** | **12** | **28** | **7** | **35** | - | - | - | **47** |

**Table F-7 17AG (4)(aa) — Management of Human Resources all Ongoing Employees Previous Report Period (2018–19)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-Time | Total Male | Full-time | Part-Time | Total Female | Full-time | Part- Time | Total Indeterminate |  |
| NSW | 54 | 5 | 59 | 78 | 33 | 111 | - | - | - | 170 |
| Qld | 24 | 2 | 26 | 65 | 21 | 86 | - | - | - | 112 |
| SA | 14 | 0 | 14 | 45 | 12 | 57 | - | - | - | 71 |
| Tas | 9 | 1 | 10 | 27 | 15 | 42 | - | - | - | 52 |
| Vic | 38 | 4 | 42 | 75 | 35 | 110 | - | - | - | 152 |
| WA | 16 | 4 | 20 | 38 | 19 | 57 | - | - | - | 77 |
| ACT | 589 | 33 | 622 | 934 | 293 | 1,227 | - | - | - | 1,849 |
| NT | 7 | 0 | 7 | 25 | 5 | 30 | - | - | - | 37 |
| External Territories | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Overseas | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **751** | **49** | **800** | **1,287** | **433** | **1,720** | **-** | **-** | **-** | **2,520** |

**Table F-8 17AG (4)(aa) — Management of Human Resources all Non-Ongoing Employees Previous Report Period (2018–19)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| NSW | 1 | 0 | 1 | 4 | 1 | 5 | - | - | - | 6 |
| Qld | 2 | 0 | 2 | 4 | 2 | 6 | - | - | - | 8 |
| SA | 0 | 0 | 0 | 3 | 1 | 4 | - | - | - | 4 |
| Tas | 0 | 0 | 0 | 4 | 0 | 4 | - | - | - | 4 |
| Vic | 0 | 1 | 1 | 5 | 0 | 5 | - | - | - | 6 |
| WA | 0 | 0 | 0 | 4 | 0 | 4 | - | - | - | 4 |
| ACT | 10 | 1 | 11 | 16 | 6 | 22 | - | - | - | 33 |
| NT | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| External Territories | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Overseas | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **13** | **2** | **15** | **41** | **10** | **51** | - | - | - | **66** |

**Table F-9 17AG (4)(b)(i) – (iv) Australian Public Service Act Ongoing Employees Current Report Period (2019–20)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| Secretary\* | - | - | - | - | - | - | - | - | - |  |
| SES 3 | 3 | 0 | 3 | 2 | 0 | 2 | - | - | - | 5 |
| SES 2 | 11 | 0 | 11 | 5 | 1 | 6 | - | - | - | 17 |
| SES 1 | 23 | 0 | 23 | 40 | 0 | 40 | - | - | - | 63 |
| EL 2 | 88 | 1 | 89 | 165 | 16 | 181 | - | - | - | 270 |
| EL 1 | 168 | 20 | 188 | 319 | 116 | 435 | - | - | - | 623 |
| Senior Public Affairs Officer | 0 | 0 | 0 | 10 | 1 | 11 | - | - | - | 11 |
| Public Affairs Officer Grade 3 | 4 | 0 | 4 | 18 | 6 | 24 | - | - | - | 28 |
| Public Affairs Officer Grade 2 | 2 | 0 | 2 | 9 | 5 | 14 | - | - | - | 16 |
| Public Affairs Officer Grade 1 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Principal Legal Officer | 2 | 0 | 2 | 5 | 3 | 8 | - | - | - | 10 |
| Senior Legal Officer | 0 | 1 | 1 | 7 | 2 | 9 | - | - | - | 10 |
| Legal Officer | 2 | 0 | 2 | 7 | 1 | 8 | - | - | - | 10 |
| APS 6 | 150 | 11 | 161 | 336 | 125 | 461 | - | - | - | 622 |
| APS 5 | 106 | 9 | 115 | 215 | 62 | 277 | - | - | - | 392 |
| APS 4 | 27 | 0 | 27 | 88 | 27 | 115 | - | - | - | 142 |
| APS 3 | 24 | 0 | 24 | 65 | 3 | 68 | - | - | - | 92 |
| APS 2 | 2 | 1 | 3 | 0 | 1 | 1 | - | - | - | 4 |
| APS 1 | 0 | 2 | 2 | 0 | 2 | 2 | - | - | - | 4 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **612** | **45** | **657** | **1,291** | **371** | **1,662** | - | - | - | **2,319** |

\*The Secretary has been excluded from staffing figures for 2019–20 as a non-APS employee.

**Table F-10 17AG (4)(b)(i) – (iv) — Australian Public Service Act Non-Ongoing Employees Current Report Period (2019–20)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| SES 3 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| SES 2 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| SES 1 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| EL 2 | 1 | 2 | 3 | 2 | 0 | 2 | - | - | - | 5 |
| EL 1 | 2 | 0 | 2 | 1 | 2 | 3 | - | - | - | 5 |
| Public Affairs Officer Grade 3 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Public Affairs Officer Grade 2 | 0 | 0 | 0 | 2 | 0 | 2 | - | - | - | 2 |
| APS 6 | 2 | 0 | 2 | 4 | 3 | 7 | - | - | - | 9 |
| APS 5 | 2 | 0 | 2 | 8 | 1 | 9 | - | - | - | 11 |
| APS 4 | 3 | 0 | 3 | 10 | 1 | 11 | - | - | - | 14 |
| APS 3 | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| APS 2 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| APS 1 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **10** | **2** | **12** | **28** | **7** | **35** | **-** | **-** | **-** | **47** |

**Table F-11 17AG (4)(b)(i) – (iv) — Australian Public Service Act Ongoing Employees Previous Report Period (2018–19)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| Secretary | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| SES 3 | 2 | 0 | 2 | 2 | 0 | 2 | - | - | - | 4 |
| SES 2 | 14 | 0 | 14 | 5 | 0 | 5 | - | - | - | 19 |
| SES 1 | 27 | 0 | 27 | 32 | 3 | 35 | - | - | - | 62 |
| EL 2 | 106 | 3 | 109 | 141 | 26 | 167 | - | - | - | 276 |
| EL 1 | 222 | 17 | 239 | 327 | 114 | 441 | - | - | - | 680 |
| Senior Public Affairs Officer | 0 | 0 | 0 | 8 | 2 | 10 | - | - | - | 10 |
| Public Affairs Officer Grade 3 | 4 | 0 | 4 | 12 | 5 | 17 | - | - | - | 21 |
| Public Affairs Officer Grade 2 | 2 | 0 | 2 | 8 | 5 | 13 | - | - | - | 15 |
| Public Affairs Officer Grade 1 | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| Principal Legal Officer | 1 | 1 | 2 | 6 | 2 | 8 | - | - | - | 10 |
| Senior Legal Officer | 1 | 1 | 2 | 7 | 4 | 11 | - | - | - | 13 |
| Legal Officer | 0 | 0 | 0 | 9 | 1 | 10 | - | - | - | 10 |
| APS 6 | 182 | 12 | 194 | 347 | 172 | 519 | - | - | - | 713 |
| APS 5 | 130 | 10 | 140 | 228 | 72 | 300 | - | - | - | 440 |
| APS 4 | 27 | 0 | 27 | 110 | 23 | 133 | - | - | - | 160 |
| APS 3 | 30 | 1 | 31 | 42 | 1 | 43 | - | - | - | 74 |
| APS 2 | 3 | 1 | 4 | 1 | 1 | 2 | - | - | - | 6 |
| APS 1 | 0 | 3 | 3 | 0 | 2 | 2 | - | - | - | 5 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **751** | **49** | **800** | **1,287** | **433** | **1,720** | - | - | - | **2,520** |

**Table F-12 17AG (4)(b)(i) – (iv) — Australian Public Service Act Non-Ongoing Employees Previous Report Period (2018–19)**

|  | Male | | | Female | | | Indeterminate | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Male | Full-time | Part-time | Total Female | Full-time | Part-time | Total Indeterminate |  |
| SES 3 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| SES 2 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| SES 1 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| EL 2 | 0 | 1 | 1 | 2 | 2 | 4 | - | - | - | 5 |
| EL 1 | 4 | 0 | 4 | 1 | 3 | 4 | - | - | - | 8 |
| Public Affairs Officer Grade 3 | 0 | 0 | 0 | 1 | 0 | 1 |  |  |  | 1 |
| Public Affairs Officer Grade 2 | 0 | 0 | 0 | 1 | 0 | 1 | - | - | - | 1 |
| APS 6 | 2 | 0 | 2 | 6 | 1 | 7 | - | - | - | 9 |
| APS 5 | 2 | 1 | 3 | 16 | 2 | 18 | - | - | - | 21 |
| APS 4 | 2 | 0 | 2 | 14 | 1 | 15 | - | - | - | 17 |
| APS 3 | 3 | 0 | 3 | 0 | 1 | 1 | - | - | - | 4 |
| APS 2 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| APS 1 | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | - | - | - | 0 |
| Total | **13** | **2** | **15** | **41** | **10** | **51** | - | - | - | **66** |

**Table F-13 17AG (4)(b)(i) – (iii) — Australian Public Service Act Employees by full-time and part-time Status Current Report Period (2019–20)**

|  | Ongoing | | | Non-Ongoing | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Ongoing | Full-time | Part-time | Total Non-Ongoing |  |
| Secretary\* | - | - | - | - | - | - | - |
| SES 3 | 5 | 0 | 5 | 0 | 0 | 0 | 5 |
| SES 2 | 16 | 1 | 17 | 0 | 0 | 0 | 17 |
| SES 1 | 63 | 0 | 63 | 0 | 0 | 0 | 63 |
| EL 2 | 253 | 17 | 270 | 3 | 2 | 5 | 275 |
| EL 1 | 487 | 136 | 623 | 3 | 2 | 5 | 628 |
| Senior Public Affairs Officer | 10 | 1 | 11 | 0 | 0 | 0 | 11 |
| Public Affairs Officer Grade 3 | 22 | 6 | 28 | 0 | 0 | 0 | 28 |
| Public Affairs Officer Grade 2 | 11 | 5 | 16 | 2 | 0 | 2 | 18 |
| Public Affairs Officer Grade 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Legal Officer | 7 | 3 | 10 | 0 | 0 | 0 | 10 |
| Senior Legal Officer | 7 | 3 | 10 | 0 | 0 | 0 | 10 |
| Legal Officer | 9 | 1 | 10 | 0 | 0 | 0 | 10 |
| APS 6 | 486 | 136 | 622 | 6 | 3 | 9 | 631 |
| APS 5 | 321 | 71 | 392 | 10 | 1 | 11 | 403 |
| APS 4 | 115 | 27 | 142 | 13 | 1 | 14 | 156 |
| APS 3 | 89 | 3 | 92 | 1 | 0 | 1 | 93 |
| APS 2 | 2 | 2 | 4 | 0 | 0 | 0 | 4 |
| APS 1 | 0 | 4 | 4 | 0 | 0 | 0 | 4 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | **1,903** | **416** | **2,319** | **38** | **9** | **47** | **2,366** |

\*The Secretary has been excluded from staffing figures for 2019–20 as a non-APS employee.

**Table F-14 17AG (4)(b)(i) – (iii) — Australian Public Service Act Employees by full-time and part-time Status Previous Report Period (2018–19)**

|  | Ongoing | | | Non-Ongoing | | | Total |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Full-time | Part-time | Total Ongoing | Full-time | Part-time | Total Non-Ongoing |  |
| Secretary | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| SES 3 | 4 | 0 | 4 | 0 | 0 | 0 | 4 |
| SES 2 | 19 | 0 | 19 | 0 | 0 | 0 | 19 |
| SES 1 | 59 | 3 | 62 | 0 | 0 | 0 | 62 |
| EL 2 | 247 | 29 | 276 | 2 | 3 | 5 | 281 |
| EL 1 | 549 | 131 | 680 | 5 | 3 | 8 | 688 |
| Senior Public Affairs Officer | 8 | 2 | 10 | 0 | 0 | 0 | 10 |
| Public Affairs Officer Grade 3 | 16 | 5 | 21 | 1 | 0 | 1 | 22 |
| Public Affairs Officer Grade 2 | 10 | 5 | 15 | 1 | 0 | 1 | 16 |
| Public Affairs Officer Grade 1 | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| Principal Legal Officer | 7 | 3 | 10 | 0 | 0 | 0 | 10 |
| Senior Legal Officer | 8 | 5 | 13 | 0 | 0 | 0 | 13 |
| Legal Officer | 9 | 1 | 10 | 0 | 0 | 0 | 10 |
| APS 6 | 529 | 184 | 713 | 8 | 1 | 9 | 722 |
| APS 5 | 358 | 82 | 440 | 18 | 3 | 21 | 461 |
| APS 4 | 137 | 23 | 160 | 16 | 1 | 17 | 177 |
| APS 3 | 72 | 2 | 74 | 3 | 1 | 4 | 78 |
| APS 2 | 4 | 2 | 6 | 0 | 0 | 0 | 6 |
| APS 1 | 0 | 5 | 5 | 0 | 0 | 0 | 5 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | **2,038** | **482** | **2,520** | **54** | **12** | **66** | **2,586** |

**Table F-15 17AG (4)(b)(v) — Australian Public Service Act Employment type by location Current Report Period (2019–20)**

|  | Ongoing | Non-Ongoing | Total |
| --- | --- | --- | --- |
| NSW | 160 | 1 | 161 |
| Qld | 111 | 3 | 114 |
| SA | 76 | 8 | 84 |
| Tas | 52 | 2 | 54 |
| Vic | 145 | 3 | 148 |
| WA | 74 | - | 74 |
| ACT | 1664 | 30 | 1,694 |
| NT | 37 | - | 37 |
| External Territories | - | - | - |
| Overseas | - | - | - |
| Total | **2,319** | **47** | **2,366** |

**Table F-16 17AG (4)(b)(v) — Australian Public Service Act Employment type by location Previous Report Period (2018–19)**

|  | Ongoing | Non-Ongoing | Total |
| --- | --- | --- | --- |
| NSW | 170 | 6 | 176 |
| Qld | 112 | 8 | 120 |
| SA | 71 | 4 | 75 |
| Tas | 52 | 4 | 56 |
| Vic | 152 | 6 | 158 |
| WA | 77 | 4 | 81 |
| ACT | 1,849 | 33 | 1,882 |
| NT | 37 | 1 | 38 |
| External Territories | - | - | - |
| Overseas | - | - | - |
| Total | **2,520** | **66** | **2,586** |

**Table F-17 17AG (4)(b)(vi) — Australian Public Service Act Indigenous Employment Current Report Period (2019–20)**

|  | Total |
| --- | --- |
| Ongoing | 142 |
| Non-Ongoing | 1 |
| **Total** | **143** |

**Table F-18 17AG (4)(b)(vi) — Australian Public Service Act Indigenous Employment Previous Report Period  
(2018–19)**

|  | Total |
| --- | --- |
| Ongoing | 130 |
| Non-Ongoing | 0 |
| **Total** | **130** |

**Table F-19 17AG (4)(c)(i) — Employment Arrangements of SES and Non-SES employees.** **Australian Public Service Act Employment arrangements Current Report Period (2019–20)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | SES | Non-SES | Total |
| *Department of Social Services Enterprise Agreement 2018 to 2020* | - | 2,275 | 2,275 |
| Individual Flexibility Agreements (IFA) | - | 21 | 21 |
| Section 24(1) determinations | 70 | - | 70 |
| **Total** | **70** | **2,296** | **2,366** |

Note:

* Excludes the Secretary who is not employed under any of the identified employment arrangements above. Employees acting as SES on 30 June 2020 have been reported as covered by the *Department of Social Services Enterprise Agreement 2018 to 2021* (Enterprise Agreement).
* Staff on IFAs are still covered by the Enterprise Agreement.

**Table F-20 17AG (4)(c)(ii) — Australian Public Service Act Employment salary ranges by classification level (Minimum/Maximum) Current Report Period (2019–20)**

|  | $  Minimum Salary | $  Maximum Salary |
| --- | --- | --- |
| SES 3 | 354,000 | - |
| SES 2 | 268,200 | 305,000 |
| SES 1 | 201,100 | 241,900 |
| EL 2 | 125,028 | 160,000 |
| EL 1 | 106,077 | 132,955 |
| APS 6 | 85,137 | 112,376 |
| APS 5 | 77,728 | 84,215 |
| APS 4 | 70,775 | 76,589 |
| APS 3 | 50,836 | 67,781 |
| APS 2 | 60,151 | 60,151 |
| APS 1 | 51,757 | 51,757 |
| Other | - | - |
| Total | - | - |

**Table F-21 17AG (4)(d)(iii) – (iv) — Australian Public Service Act Employment Performance Pay by classification level Current Report Period (2019–20)**

|  | Number of employees receiving performance pay | $  Aggregated (sum total) of all payments made | $  Average of all payments made | $  Minimum payment made | $  Maximum payment made |
| --- | --- | --- | --- | --- | --- |
| SES 3 | 0 | 0 | 0 | 0 | 0 |
| SES 2 | 0 | 0 | 0 | 0 | 0 |
| SES 1 | 0 | 0 | 0 | 0 | 0 |
| EL 2 | 0 | 0 | 0 | 0 | 0 |
| EL 1 | 0 | 0 | 0 | 0 | 0 |
| APS 6 | 0 | 0 | 0 | 0 | 0 |
| APS 5 | 0 | 0 | 0 | 0 | 0 |
| APS 4 | 0 | 0 | 0 | 0 | 0 |
| APS 3 | 0 | 0 | 0 | 0 | 0 |
| APS 2 | 0 | 0 | 0 | 0 | 0 |
| APS 1 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

Note:

* The Department does not pay any performance pay.

**Table F-22 17AG (7)(a)(i) – (iv) — Consultants Number and expenditure on Consultants Current Report Period  
(2019-20)**

|  |  |
| --- | --- |
|  | Total |
| No. of new contracts entered into during the period | 88 |
| Total actual expenditure during the period on new contracts (inc. $GST) in $ millions | 26.6 |
| No. of ongoing contracts engaging consultants that were entered into during a previous period | 51 |
| Total actual expenditure during the period on ongoing contracts (inc. $GST) in $ millions | 9.7 |

**Table F-23 17AJ (e) – (g) Aids to Access details Current Report Period (2019–20)**

|  |  |
| --- | --- |
| **Annual Report Contact Officer**  **(Title/Position held)** | Branch Manager,  Government and Executive Services Branch,  Department of Social Services |
| **Contact Phone Number** | 1300 653 007  or International +61 0 6146 0001 |
| **Contact Email** | annual.report@dss.gov.au |
| **Entity Website (URL)** | dss.gov.au/annualreport |

##### Appendix G

# Glossary of abbreviations and acronyms

#### Abbreviations and conventions

AAO Administrative Arrangement Orders

AASB Australian Accounting Standards Board

ABS Australian Bureau of Statistics

AIC Assistance for Isolated Children

AIFS Australian Institute of Family Studies

AFIS Assistance for Isolated Children

ANAO Australian National Audit Office

ANROWS Australia’s National Research Organisation for Women’s Safety

ANZSOG Australia and New Zealand School of Government

AO Order of Australia

AP Age Pension

APS Australian Public Service

APSC Australian Public Service Commission

AS/NZS Australian/New Zealand International Standard

ATSICPP Aboriginal and Torres Strait Islander Child Placement Principle

BCAP Building Capacity in Australian Parents

CALD Culturally and Linguistically Diverse

CFCA Child Family Community Australia

COAG Council of Australian Governments

COVID-19 Coronavirus disease/ Coronavirus pandemic

CA Carer Allowance

CP Carer Payment

CPA Certified Practising Accountant

CRPD *Convention on the Rights of Persons with Disabilities*

CSC Conspicuous Service Cross

CSS Child Support Scheme

DES Disability Employment Services

DEX DSS Data Exchange

DOP Double Orphan Pension

DSP Disability Support Pension

DSS Department of Social Services

EL Executive Level

ES Energy Supplement for Commonwealth Seniors Health Card Holders

FaC Families and Children

FCSI Families and Communities Service Improvement

FTB Family Tax Benefit

FVOCI Financial Assets at Fair Value Through Other Comprehensive Income

FVTPL Financial Assets at Fair Value Through Profit or Loss

GST Goods and Services Tax

ICSS Integrated Carer Support Service

IPS Individual Placement and Support

ISO International Standards Organisation

IT Information Technology

JP JobSeeker Payment

LGBTIQ lesbian, gay, bisexual, transgender, intersex and queer

MP Member of Parliament

NAIDOC National Aboriginal and Islanders Day Observance Committee

NCAR National Community Awareness Raising

NCAS National Community Attitudes towards Violence against Women Survey

NDIA National Disability Insurance Agency

NDIS National Disability Insurance Scheme

NDIS Commission NDIS Quality and Safeguards Commission

NHHA National Housing and Homelessness Agreement

NOCS National Office of Child Safety

NRAS National Rental Affordability Scheme

PAES Portfolio Additional Estimates Statements

PBS Portfolio Budget Statements

PGPA *Public Governance, Performance and Accountability Act 2013*

PP Parenting Payment

PPM Post Placement Monitoring

PUSC Payments under Special Circumstances

RA Rent Assistance

RSS Random Sample Survey

RTO Refundable Tax Offsets

SB Special Benefit

SBP Stillborn Baby Payment

SCOREs Standard Client/Community Outcomes Reporting

SDF Sector Development Fund

SEPT Supporting Expecting and Parenting Teens initiative

SES Senior Executive Service

SIH Survey of Income and Housing

SMEs Small and Medium Enterprises

TIA Towards independent Adulthood

TTY Teletypewriter

UA Utilities Allowance

XP Cross Program

XPRA Cross Program Rent Assistance

YA Youth Allowance

**Abbreviations and conventions**

— Nil

na Not available

N/A Not Applicable

N/P Not Provided

$m $ million

$b $ billion

Note: figures in tables and generally in text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.

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# Compliance index

#### List of requirements

Below is the table set out in Schedule 2 of the PGPA Rule. Section 17AJ(d) requires this table be included in entities’ annual reports as an aid of access.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| PGPA Rule Reference | Part of Report | Description | Requirement | |
| **17AD(g)** | **Letter of transmittal** | |  | |
| 17AI | vi | A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report. | Mandatory | |
| **17AD(h)** | **Aids to access** | |  | |
| 17AJ(a) | ii-iii | Table of contents. | Mandatory | |
| 17AJ(b) | 234 | Alphabetical index. | Mandatory | |
| 17AJ(c) | 223-225 | Glossary of abbreviations and acronyms. | Mandatory | |
| 17AJ(d) | 227-235 | List of requirements. | Mandatory | |
| 17AJ(e) | Inside front cover, 222 | Details of contact officer. | Mandatory | |
| 17AJ(f) | Inside front cover, 222 | Entity’s website address. | Mandatory | |
| 17AJ(g) | Inside front cover, 222 | Electronic address of report. | Mandatory | |
| **17AD(a)** | **Review by accountable authority** | |  | |
| 17AD(a) | 1-3 | A review by the accountable authority of the entity. | Mandatory | |
| **17AD(b)** | **Overview of the entity** | | | |
| 17AE(1)(a)(i) | 5-6 | A description of the role and functions of the entity. | Mandatory | |
| 17AE(1)(a)(ii) | 6-8 | A description of the organisational structure of the entity. | Mandatory | |
| 17AE(1)(a)(iii) | iv-v | A description of the outcomes and programmes administered by the entity. | Mandatory | |
| 17AE(1)(a)(iv) | 5 | A description of the purposes of the entity as included in corporate plan. | Mandatory | |
| 17AE(1)(aa)(i) | 207 | Name of the accountable authority or each member of the accountable authority | Mandatory | |
| 17AE(1)(aa)(ii) | 207 | Position title of the accountable authority or each member of the accountable authority | Mandatory | |
| 17AE(1)(aa)(iii) | 207 | Period as the accountable authority or member of the accountable authority within the reporting period | Mandatory | |
| 17AE(1)(b) | 10-13 | An outline of the structure of the portfolio of the entity. | Portfolio departments – mandatory | |
| 17AE(2) | 13 | Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statements, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change. | If applicable, Mandatory | |
| **17AD(c)** | **Report on the Performance of the entity** | |  | |
|  | ***Annual performance Statements*** | |  | |
| 17AD(c)(i); 16F | 14-92 | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule. | Mandatory | |
| ***17AD(c)(ii)*** | ***Report on Financial Performance*** | | | |
| 17AF(1)(a) | 121-178 | A discussion and analysis of the entity’s financial performance. | Mandatory | |
| 17AF(1)(b) | 180-191 | A table summarising the total resources and total payments of the entity. | Mandatory | |
| 17AF(2) | N/A | If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity’s future operation or financial results. | If applicable, Mandatory. | |
| **17AD(d)** | **Management and Accountability** | | | |
|  | ***Corporate Governance*** | | | |
| 17AG(2)(a) | vi, 103-104 | Information on compliance with section 10 (fraud systems) | Mandatory | |
| 17AG(2)(b)(i) | vi | A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared. | Mandatory | |
| 17AG(2)(b)(ii) | vi | A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place. | Mandatory | |
| 17AG(2)(b)(iii) | vi | A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity. | Mandatory | |
| 17AG(2)(c) | 99-105 | An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance. | Mandatory | |
| 17AG(2)(d) – (e) | N/A | A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non‑compliance with Finance law and action taken to remedy non‑compliance. | If applicable, Mandatory | |
|  | ***Audit Committee*** | | | |
| 17AG(2A)(a) | 99 | A direct electronic address of the charter determining the functions of the entity’s audit committee. | Mandatory | |
| 17AG(2A)(b) | 100 | The name of each member of the entity’s audit committee. | Mandatory | |
| 17AG(2A)(c) | 100 | The qualifications, knowledge, skills or experience of each member of the entity’s audit committee. | Mandatory | |
| 17AG(2A)(d) | 100 | Information about the attendance of each member of the entity’s audit committee at committee meetings. | Mandatory | |
| 17AG(2A)(e) | 100 | The remuneration of each member of the entity’s audit committee. | Mandatory | |
|  | ***External Scrutiny*** | | | |
| 17AG(3) | 106-109 | Information on the most significant developments in external scrutiny and the entity’s response to the scrutiny. | Mandatory | |
| 17AG(3)(a) | 106-109 | Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity. | If applicable, Mandatory | |
| 17AG(3)(b) | 106-109 | Information on any reports on operations of the entity by the Auditor‑General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman. | If applicable, Mandatory | |
| 17AG(3)(c) | N/A | Information on any capability reviews on the entity that were released during the period. | If applicable, Mandatory | |
|  | ***Management of Human Resources*** | | | |
| 17AG(4)(a) | 110-111 | An assessment of the entity’s effectiveness in managing and developing employees to achieve entity objectives. | Mandatory | |
| 17AG(4)(aa) | 208-211 | Statistics on the entity’s employees on an ongoing and non‑ongoing basis, including the following:  (a) statistics on full‑time employees  (b) statistics on part‑time employees  (c) statistics on gender  (d) statistics on staff location | Mandatory | |
| 17AG(4)(b) | 112, 113, 208-219 | Statistics on the entity’s APS employees on an ongoing and non‑ongoing basis; including the following:   * Statistics on staffing classification level * Statistics on full‑time employees * Statistics on part‑time employees * Statistics on gender * Statistics on staff location * Statistics on employees who identify as Indigenous. | Mandatory | |
| 17AG(4)(c) | 114-115, 219 | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the *Public Service Act 1999*. | Mandatory | |
| 17AG(4)(c)(i) | 114, 219 | Information on the number of SES and non‑SES employees covered by agreements etc identified in paragraph 17AG(4)(c). | Mandatory | |
| 17AG(4)(c)(ii) | 220 | The salary ranges available for APS employees by classification level. | Mandatory | |
| 17AG(4)(c)(iii) | 115 | A description of non‑salary benefits provided to employees. | Mandatory | |
| 17AG(4)(d)(i) | 114, 221 | Information on the number of employees at each classification level who received performance pay. | If applicable, Mandatory | |
| 17AG(4)(d)(ii) | N/A | Information on aggregate amounts of performance pay at each classification level. | If applicable, Mandatory | |
| 17AG(4)(d)(iii) | N/A | Information on the average amount of performance payment, and range of such payments, at each classification level. | If applicable, Mandatory | |
| 17AG(4)(d)(iv) | N/A | Information on aggregate amount of performance payments. | If applicable, Mandatory | |
|  | ***Assets Management*** | |  | |
| 17AG(5) | 118 | An assessment of effectiveness of assets management where asset management is a significant part of the entity’s activities | If applicable, Mandatory | |
|  | ***Purchasing*** | |  | |
| 17AG(6) | 119 | An assessment of entity performance against the *Commonwealth Procurement Rules*. | Mandatory | |
|  | ***Consultants*** | |  | |
| 17AG(7)(a) | 118-119, 222 | A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). | Mandatory | |
| 17AG(7)(b) | 118-119, 222 | A statement that “*During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of $[specified million]*”. | Mandatory | |
| 17AG(7)(c) | 118 | A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged. | Mandatory | |
| 17AG(7)(d) | 118 | A statement that “*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.*” | Mandatory | |
|  | ***Australian National Audit Office Access Clauses*** | |  | |
| 17AG(8) | N/A | If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor‑General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract. | If applicable, Mandatory | |
|  | ***Exempt contracts*** | |  |
| 17AG(9) | N/A | If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters. | If applicable, Mandatory |
|  | ***Small business*** | |  |
| 17AG(10)(a) | 119-120 | A statement that *“[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”* | Mandatory |
| 17AG(10)(b) | 119-120 | An outline of the ways in which the procurement practices of the entity support small and medium enterprises. | Mandatory |
| 17AG(10)(c) | 119-120 | If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “*[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website*.” | If applicable, Mandatory |
|  | ***Financial Statements*** | |  |
| 17AD(e) | 122-178 | Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act. | Mandatory |
|  | ***Executive Remuneration*** | |  |
| 17AD(da) | 202-206 | Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2‑3 of the Rule. | Mandatory |
| **17AD(f)** | **Other Mandatory Information** | | |
| 17AH(1)(a)(i) | 192-195 | If the entity conducted advertising campaigns, a statement that *“During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”* | If applicable, Mandatory |
| 17AH(1)(a)(ii) | N/A | If the entity did not conduct advertising campaigns, a statement to that effect. | If applicable, Mandatory |
| 17AH(1)(b) | 120 | A statement that *“Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”* | If applicable, Mandatory |
| 17AH(1)(c) | 201 | Outline of mechanisms of disability reporting, including reference to website for further information. | Mandatory |
| 17AH(1)(d) | 105 | Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found. | Mandatory |
| 17AH(1)(e) | N/A | Correction of material errors in previous annual report | If applicable, Mandatory |
| 17AH(2) | 94-97 115-116 196-198 199-201 | Information required by other legislation | Mandatory |

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1. An income unit comprises a single person (with or without dependent children) or a couple (with or without dependent children). [↑](#footnote-ref-1)
2. An income unit comprises a single person (with or without dependent children) or a couple (with or without dependent children). [↑](#footnote-ref-2)
3. The number of communities has been sourced though the Data Exchange (DEX) and the number of Indigenous sites from the publicly available program guidelines. For information on DEX visit <https://dex.dss.gov.au/> [↑](#footnote-ref-3)
4. This figure is not comparable with previous years as organisations have continued to transition to the new way in which information is now reported through DEX. There has been no change in service delivery, any changes in outlets is due to how DEX data is captured and reported by service providers. Data not recorded in DEX is no longer reported. [↑](#footnote-ref-4)
5. This data has been sourced though the Data Exchange. [↑](#footnote-ref-5)
6. This figure is not comparable with previous years as organisations have continued to transition to the new way in which information is now reported through DEX. There has been no change in service delivery, any changes in outlets is due to how DEX data is captured and reported by service providers. Data not recorded in DEX is no longer reported. [↑](#footnote-ref-6)
7. This data has been sourced though the Data Exchange. [↑](#footnote-ref-7)
8. Commonwealth Rent Assistance recipients are considered to be in rental stress if rent is more than 30 per cent of income. [↑](#footnote-ref-8)
9. NRAS households may receive Commonwealth Rent Assistance. This is included in gross income as the amount of Commonwealth Rent Assistance received is not separately identified. [↑](#footnote-ref-9)
10. Results for the 2018–19 NRAS year (1 May 2018 to 30 April 2019) are reported, as full occupancy and payment data for 2019–20 were not available at time of publication. [↑](#footnote-ref-10)
11. The figures provided represent a snapshot of the Scheme operations between 1 July 2019 and 30 June 2020. These include outcomes provided to people who applied for redress in first year of the Scheme’s operation. [↑](#footnote-ref-11)
12. This represents the number of new applications received between 1 July 2019 and 30 June 2020. Some of these applications are currently being assessed by the Scheme. [↑](#footnote-ref-12)
13. Finalised is the definition given to an application which has been accepted and paid (including nil payments). [↑](#footnote-ref-13)
14. An outcome is where applications have reached the stage just before payment and contact is made with the applicant to advise them of their outcome and provide them with an acceptance letter. [↑](#footnote-ref-14)