Senator the Hon Amanda Vanstone
Minister for Family and Community Services
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Annual Report of the Department of Family and Community Services for the year 2001–02.

This report has been prepared in accordance with the requirements of section 63 of the Public Service Act 1999.

I am also required to give to you a report on the administrative operation of the social security law and the family assistance law under subsection 241(1) of the Social Security (Administration) Act 1999 and subsection 232(1) of the A New Tax System (Family Assistance) (Administration) Act 1999 as soon as practicable after 30 June each year.

This report also covers the performance of the Child Support Agency and provides relevant information as required by subsection 14(1) of the Child Support (Registration and Collection) Act 1988 and subsection 148(1) of the Child Support (Assessment) Act 1989.

This report includes information on the administration and operation of CRS Australia.

In presenting this report, I want to pay tribute to the work of every one of my colleagues throughout the department. They have made my first year as Secretary stimulating and satisfying but, more importantly, I believe they have made a real contribution to the quality of many lives in the Australian community.

Yours sincerely

Mark Sullivan
Secretary

2– October 2002
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In 2001–02, the Department of Family and Community Services (FaCS) was again at the centre of the Government’s social policy and welfare reform agenda.

I was honoured to join the department as Secretary in January 2002. The energy and talents of people in the department and its agencies impressed me straight away.

While public service medals awarded to Denise Swift and Barry Smith this year paid tribute to their personal efforts and two fine careers, they also reflected the obvious quality and commitment of all FaCS’s staff to their jobs.

I followed in the footsteps of Dr David Rosalky, who retired in December 2001 after running the department for three years. David led FaCS through rapid shifts in policy and public sector management and successfully steered the fledgling department to maturity.

Family and Community Services is one of the largest Commonwealth portfolios. The work it does has a major impact on society. It is responsible for a vast range of programs covering social security payments, housing support, youth and disability services, and child care and family assistance.

FaCS assists the great majority of Australian families with children and provides income support payments to over four million individuals at any given time.

Following the federal election in November 2001, the Government announced significant administrative changes to the portfolio. Senator the Hon Amanda Vanstone was reappointed as Minister for Family and Community Services.

The Hon Larry Anthony MP was given new responsibilities as the first ever federal Minister for Children and Youth Affairs. The Hon Ross Cameron MP was also appointed as Parliamentary Secretary to the Minister for Family and Community Services.

CRS Australia went to the Health and Ageing portfolio. However, as the major purchaser of its rehabilitation services, the department still has close links with CRS. As part of the consolidation of youth responsibilities, FaCS also welcomed the Youth Bureau from the Department of Education, Training and Youth Affairs.

The new arrangements demonstrated a renewed Government commitment to better outcomes for Australian families and communities. They also signalled a greater emphasis on improving the lives of young people and giving children the best possible start in life.
Helping to achieve these outcomes for government continues to be FaCS's core business. While it was incumbent on FaCS to respond quickly and effectively to the changed directions, we had to also remain focused on existing tasks.

These tasks included the effective delivery of services by the Child Support Agency and CRS Australia, which are crucial to FaCS's overall success.

While still part of FaCS, both organisations are semi-autonomous agencies. Given the special nature of their businesses, I have invited the two general managers to reflect on their activities over the past year (see pages 15 and 17). This year, management and accountability reporting on their operations is incorporated in the general body of this annual report.

Other important work was developing and implementing the Personal Support Programme—one of the first Australians Working Together measures to come on stream. Starting in July 2002, it helps the most disadvantaged people participate in their community. A network of 144 community-based and private organisations was selected to deliver the program from more than 600 sites around the country.

In the lead-up to a September 2002 start date, FaCS also worked closely with Centrelink on the Australians Working Together Personal Advisers initiative. This included pilot services in seven Centrelink sites in Adelaide and Brisbane.

During the year, ongoing welfare reform remained a major priority, especially in the area of disability. This was affirmed in the 2002–03 Budget, with proposals to changes for Disability Support Pension eligibility and a substantial boost to the number of rehabilitation, training, education and employment places for people with disabilities.

As with any major change, implementing disability reform is complex and challenging. Ultimately, however, we are confident it will lead to increased opportunities for people with a disability to take part more in community life and if at all possible, find and keep jobs.

The disability measures mirror the principles of the wider reform agenda. This involves substantial up-front investments in creating increased opportunities for people to participate in work and community life. It also means encouraging people on income support—including people with a disability—to become as active and self-reliant as they can.

At Budget time, the Treasurer released the Intergenerational Report. The report reinforces the need for careful planning now, so we are better prepared to meet the future challenges of an ageing population.

For FaCS, the report sets the framework for a very rich policy agenda over the next 20 to 30 years. It also highlights the importance of continuing our work in the areas of structural ageing, transgenerational welfare dependence, work and family and economic and social participation.

Apart from our policy role, we looked afresh in the past 12 months at our alliances with Centrelink and other service providers.
Given the separation of policy and operations and the size of our joint business, the alliance with Centrelink is challenging and demanding. While we do not always get our relationship perfectly right, ultimately we both need to ensure that government outcomes and client needs are properly met. This means recognising what Centrelink has to offer and involving them more in the policy loop. It also means asking Centrelink for assurances that FaCS is continuing to get value for money.

With recent moves away from a passive payment system to prevention and early intervention strategies to try and stop problems happening in the first place, the strength of our relationships with what I call our ‘true’ service deliverers is integral to successful welfare reform.

A priority is to have consistent, efficient and effective services delivered through more than 15,000 service provider outlets across Australia. The FaCS state and territory office network is playing a pivotal role in this. The imperative to perform well underpins the need for close day-to-day working relationships and a solid understanding of each other's business.

These relationships give the state and territory offices special insights into local community needs and this network provides valuable policy input. Drawing together Indigenous policy for the first time and outposting much of this function to FaCS's Darwin office is one way the department is making more use of state and territory office expertise in specific policy areas.

As the key interface with state and territory governments, the network is also helping to build better links between programs and services funded by both levels of government.

The amount of state and territory funding for disability services in particular, and the need for greater accountability and transparency, were major elements this year in extensive negotiations over the third Commonwealth, State and Territory Disability Agreement.

During the year, two important internal developments positioned FaCS to better manage its policy and administrative functions.

The FaCS Certified Agreement, which attracted a record number of ‘yes’ votes, represents an important piece of corporate history. Designed to improve overall performance, it also includes provisions that reflect some of the directions we are taking in our broader work.

The Agreement has family-friendly provisions to help staff balance their work and personal lives. It promotes health and well-being and offers cash payments towards the costs of healthy activities. It supports staff who contribute to their communities through volunteering. And it commits FaCS to developing a mature-age workforce strategy.

During the year, FaCS also developed a new Strategic Statement and its first Priority Plan was released in September 2002. These recognise that our success fundamentally depends on our performance, our organisational ‘health’ and the skills and abilities of our people. The Statement responds to a clear message from the Government that their social welfare agenda requires effective, high-quality policies and a whole-of-government approach.
The companion Priority Plan is a working document that pinpoints five key policy ‘drivers’ for FaCS in 2002–03. Not surprisingly, these are children and youth, welfare reform, structural ageing, implementation and service delivery policy, and Commonwealth–State relationships.

In the coming year, I look forward to working with every person in FaCS on these important issues.

Mark Sullivan
Secretary
Strategies for a fair and cohesive society

A commitment to a fair and cohesive Australian society drives our policy direction. Knowing that what we do has a powerful effect on many Australian lives, we seek to achieve three outcomes through our policies and outputs—stronger families, stronger communities, and economic and social participation.

The key strategies we adopt to achieve these goals are:

- prevention through capacity building and early intervention to reduce the incidence of economic marginalisation caused by financial and personal crises
- promoting independence, choice and self-reliance by fostering appropriate understanding, expectations and behaviours in the community
- maintaining a strong and sustainable social safety net, encompassing income support, accommodation and support services.

We reviewed our strategies during the year and developed a new Strategic Statement and Priorities Plan was released in September 2002. The main thrust will not change, but we will be putting greater emphasis on fostering self-reliance in the community.

What we spend and where

Total expenses in 2001–02 were $56.4 billion, around 8 per cent of Australia’s gross domestic product.

The expenses are closely linked to the demographic profile of our clients.

- Payments to families made up 19.3 per cent of total portfolio appropriations.
- Payments to people of workforce age (Newstart Allowance, Parenting Payment and Disability Support Pension) made up 29.6 per cent of appropriations.
- The Age Pension share of appropriations was 28.6 per cent.
Figure 1 shows the proportion of the Australian population who rely on income support (by age group).

Around 2.8 million 15–64 year olds received income support—20 per cent of all working-age Australians.

At all workforce ages, the proportion of the male population receiving income support never falls below 14 per cent. For females, it never falls below 18 per cent. This rises to 28 per cent of the total population on income support between the ages of 55 and 59. More than half of people going onto Age Pension are coming off a workforce-age payment.
Despite more than a decade of economic growth, welfare dependence is increasing among Australia’s working-age people. It is greatest among those aged 50 and over and among lone-parent families.

Economic and demographic trends that have driven this level of dependency include population ageing, continued high rates of marriage breakdown and structural change in the labour market. These trends will continue with long-term impacts on social expenditures and Disability Support Pension (DSP) in particular. At the moment, there are more people on DSP than there are on unemployment-related benefits. New evidence has emerged on the long periods that many parents are spending on income support during their working life.

The low level of economic participation of older Australians shown in Figure 2 has negative impacts on individuals, government and the economy now and into the future:

- For individuals, non-participation reduces their standard of living now and reduces the capacity to save and provide for their retirement in the future.
- For government, taxation receipts are reduced and social security payments are increased over the remainder of the individual’s life.
- The economy is operating below full capacity.
Keeping older people in paid work helps alleviate budget pressures as the population ages and provides for higher standards of health and living in retirement. The adequacy of retirement incomes for many Australians will rise with improving workforce participation.

But the demographic changes and burgeoning costs associated with an ageing population call for policy responses that focus more broadly than on the older population alone.

Self-reliance during working-age years benefits individuals and our society. Sustained periods of high welfare dependence carry high social costs, including inter-generational effects. FaCS is committed to developing a social support system that helps people to be self reliant and strong members of the community.

**Key areas of our work**

**Welfare reform**

Welfare reform is a major social policy priority of the Government. The main focus during 2001–02 was on moving a number of *Australians Working Together* (AWT) measures towards implementation. During 2001–02:

- **Consultative forums** in 43 locations during July and August 2001 looked at ways of making sure the AWT package could be delivered to maximum effect across Australia’s diverse regions, and how it could be enhanced to provide better support for working-age people in the future. We talked with a range of people from the community and welfare sectors, business, local government and others. A report was released on 14 May 2002—*Australians Working Together—Helping people move forward—Listening to the community: Report on the outcomes of the community consultations on Australians Working Together*.

- Centrelink recruited 456 **Personal Advisers** to provide extra help for income support recipients to get a job or participate as fully as possible in the community. Centrelink worked to reengineer its service delivery procedures to better support the participation focus of welfare reform.

- The **Personal Support Programme** (PSP) was developed after extensive consultations with community organisations and service providers. PSP replaced the Community Support Programme in July 2002. Centrelink will refer people with significant non-vocational employment barriers to the program. They will get direct help or be linked with other government or community organisations that provide the sorts of help they need. A network of 144 community and private organisations, selected through competitive tender, will provide specialist support services from more than 600 sites nationwide.

- We developed a **participation pack** to help parents assess the financial advantages of returning to employment or study to make them more competitive in the labour market. A considerable effort went into putting AWT measures into practice in the **disability field**, covering new work capacity assessment and new disability employment places. And **Indigenous** communities will have better access to Centrelink services from September 2002. For example local Indigenous people will staff three remote area service centres in Napranum, Laverton and Halls Creek.
Disabilities

The incidence of disability in Australia is significant and increasing. About 17 per cent of Australians of workforce age and 54 per cent of those aged 65 years and over have a disability.

Employment support services for people with disabilities are provided through the framework of the Commonwealth, State and Territory Disability Agreement. The Disability Employment Assistance Program helps jobseekers with disabilities find work by providing a range of services. Australians Working Together has increased the focus on the work capacity of people with disabilities and on identifying early interventions to help them maximise their economic and social participation.

FaCS works with other Commonwealth agencies to implement the Commonwealth Disability Strategy and helps communities get involved in developing policy advice through advisory bodies such as the National Disability Advisory Council.

We provide income support for people with a physical, intellectual or psychiatric impairment—and their carers—through a range of payments, including Newstart Allowance, Disability Support Pension, Carer Payment and Carer Allowance. The number of Australians receiving the Disability Support Pension continues to grow. This growth is of policy concern, and recent Budget measures have sought to address the growth. The number of people receiving Carer Payment and Carer Allowance also continues to grow.

Older Australians

Structural ageing is beginning to affect the portfolio’s outcomes as the first of the ‘baby boomers’ turn 55. Structural ageing refers to the increase in the proportion of older people in the population, which reflects the combined impact of an increase in the actual number of older people and falling fertility.

We continued to assess the impact of structural ageing on the rising cost of income support payments, which is driven by the rapid growth in the number of older working-age people leaving the workforce. As part of the 2001–02 Budget, the Government announced its ‘Acknowledging Older Australians’ package to recognise the contribution of older people in building Australian society.

Families

The rapidly changing structure of families is having an effect on policy development. The forms that families take in Australia may have changed in recent decades, but they continue to play the key role in nurturing children. People are marrying or partnering later, having children later and having fewer children. This has an impact on choices, fertility and, eventually, the size of the workforce.

More than 40 per cent of marriages end in divorce, and there is a higher rate of breakdown for second marriages and de facto relationships. Some 20 per cent of children are raised in households where no adult has paid work. The increased risks of poverty and poorer health, education and employment outcomes for the next generation are clear.
A whole-of-government approach will work best in delivering our family policies. We have taken the lead to build a network of Commonwealth agencies, ministerial advisory councils, non-government organisations, and state and territory government agencies to develop a shared research and policy agenda.

**Youth Pathways Taskforce**

The Youth Pathways Taskforce’s brief was to find ways of helping young people make a successful transition from school to independent life. We were heavily involved in developing some ‘joined-up’ approaches to the task—where government agencies work cooperatively to the same end.

With Centrelink and the Department of Education, Science and Training and the Department of Employment and Workplace Relations, we developed the Youth Servicing Strategy. Centrelink is putting the strategy to work to make service delivery to young jobseekers and students nationally consistent.

We were a driving force behind a joint declaration of commitment by the Commonwealth, state and territory governments to working collaboratively to provide education, training, employment and community services for young people. Ministers endorsed the ‘Stepping Forward’ declaration in July 2002.

**OECD's Thematic Review of Early Childhood Education and Care**

Work and family policies are our main lever to support family formation, fertility choices and superior early childhood experience. This is why we took part in the OECD’s Thematic Review of Early Childhood Education and Care. In response to the review, and in partnership with other departments, governments and external partners, we are working to knit policies on early childhood development and work–family balance with policies on labour force participation and self-reliance, health, education, housing and service delivery. That way, we can provide a more coherent approach to helping families.

**Family Law Pathways Advisory Group**

We have been working with the Attorney-General’s Department to support the work of the Family Law Pathways Advisory Group. The group identified ways to improve outcomes for families who have to deal with the legal and social security system after family breakdown. We are a member of an interdepartmental taskforce considering the 28 recommendations the group made in its report, *Out of the Maze*, to simplify the family law system. For our part, we have reviewed the special needs of separating parents and are looking to bolster support for families under pressure during early child-rearing years.

**Commonwealth–State Working Group on Youth**

We established a Commonwealth–State Working Group on Youth to focus services for children and young people at risk. The group has made good progress in two priority areas: redeveloping the Youth Protocol, arrangements for a national approach to help young people without support; and getting the Transition to Independent Living Allowance ready to start in March 2003, so that young people have a better start when they leave state care.
Families portal

We developed a national web site—the families portal at www.families.gov.au—so that families can find government information and services in one place without having to know first which agency to go to. The site links to more than 1000 information sources on the range of Commonwealth sites. It went live in September 2001, and we are continually building content and refining accessibility. More content from state, territory and local government and the community sector is planned, building on the current federal focus.

Youth portal

Our new national youth web site—the youth portal at www.youth.gov.au—makes a huge amount of information available online about Commonwealth Government services, programs, research, policies, events and publications for and about young people aged 12 to 25 years. The portal links to more than 5000 different Commonwealth resources. It went live in July 2001 and was officially launched in April 2002 during National Youth Week. In the Hitwise ranking of all 375 Commonwealth Government web sites visited by Australian Internet users, the youth portal is consistently ranked in the top 150.

Community strengthening

Policies that strengthen communities are responding to the changing dynamics of Australian society. Globalisation, technology and industry restructuring are drivers of—for example—increasing numbers of young people moving from regional, rural and remote areas to larger regional centres or capital cities for jobs and education. Some communities are facing loss of employment opportunities and population decline as a result of industry restructuring, while other areas are growing at a fast rate.

The demographic and socioeconomic profiles of Indigenous communities differ again. As a result of high fertility and high mortality rates, the Indigenous population is younger, with a median age of 20 compared to 35 for the total population.

Research shows that communities with strong leadership, social networks, a volunteering ethos and a strong sense of community spirit are best equipped to deal with the impact of social and economic change.

We base our work to build stronger communities on early intervention and prevention, with a focus on community capacity-building. Recent research in this area includes a meta-analysis of the impact of community-based prevention and early intervention action and the identification and analysis of indicators of community strength.

Volunteers

Strong social partnerships and a strong volunteer sector are keys to community strength and cohesion. Through the International Year of Volunteers FaCS has taken a leading role in activities to highlight and celebrate the important role volunteers make in Australian communities. Special initiatives for the year included:

- grants to nearly 2100 community organisations to support and celebrate their volunteers
financial assistance to volunteer organisations to buy equipment
- eight grants to peak volunteer organisations to help build community capacity through volunteering
- celebration of each monthly International Year of Volunteers theme in a range of locations across Australia.

Community Business Partnership
The Prime Minister’s Community Business Partnership aims to encourage and facilitate practical partnerships between business and the communities of which they are a part and to develop and promote a culture of corporate social responsibility in Australia.

The members of the partnership are drawn from both the corporate and community sectors and have wide-ranging experience in the business world and not-for-profit arena.

Initiatives undertaken to achieve aims include developing a triple bottom-line reporting framework for Australia and the Prime Minister’s Awards for Excellence in Partnerships.

Stronger Families and Communities Strategy
The Stronger Families and Communities Strategy uses an early intervention and prevention approach to help families and communities take advantage of opportunities and deal with issues before they become serious problems.

Since January 2001 we funded 403 projects under the Strategy worth a total of $56.2 million. In addition the Strategy funds a range of workshops and other activities. Three examples are:
- a leadership development project in Tumut, NSW, that targets non-traditional leaders such as young people and Indigenous people
- support for a tremendously successful urban renewal project in Bridgewater and Gagebrook, Tasmania, to mentor other communities around the country
- employment of a family worker to build parenting skills in Hackham West, South Australia.

A new national web site—the community portal at www.community.gov.au—has given communities and community organisations better online access to a wealth of relevant information. The portal links to more than 1800 sites, spanning all levels of government as well as the spectrum of non-government, academic and community organisations. An average hit-rate of 46 000 a month confirms its value as a resource for communities.
Community portal

Housing

Housing is a basic need, integral to people's lives. Well-located housing, affordable and appropriate to people's requirements, can provide stability for families, and promote independence and good health. Housing is also critical to economic and social participation: it provides a base from which people can pursue employment opportunities and participate more fully in their communities.

For most Australians, an affordable rent or mortgage is critical to how they live. Interest rates at or near historical lows have made housing more affordable. A large proportion (70 per cent) of Australians either own or are buying their own home. For people on income support or receiving more than the base rate of Family Tax Benefit this proportion is significantly lower at 40 per cent. Around 26 per cent of income support recipients are in private rental accommodation (mostly receiving Rent Assistance); about 23 per cent live rent-free and around 8 per cent are in public housing.

We continue to focus on the multiple needs that people requiring housing often face, including homelessness, by delivering emergency housing services and rental assistance as well as exploring other community-focused solutions.

Commonwealth–State Housing Agreement

The Commonwealth–State Housing Agreement grants around $1 billion a year to states and territories to help people find affordable housing when the private sector cannot meet their needs. Last year, around 346 000 households found accommodation and nearly 360 000 houses were made available through public housing.

The Minister for Family and Community Services and state and territory housing ministers are working towards a new agreement to operate from July 2003. Options for community development and renewal of public housing estates, for supporting wider outcomes in health,
education and labour market reform, and for stimulating private sector investment in the supply of low-cost housing are being considered as part of the next agreement.

**Indigenous housing**

Improving Indigenous housing is a major concern for FaCS. We received more money this year to help improve life in rural and remote areas. The extra money is going to the Aboriginal Rental Housing Program (ARHP) administered by FaCS under the Commonwealth–State Housing Agreement. ARHP funding used is for building and buying housing and providing essential health-related housing infrastructure, such as water and sewerage. It is also used to maintain and upgrade housing stock, and to boost Indigenous communities’ capacity to manage housing (for example, through training in asset and tenancy management).

**Service delivery**

To achieve our social policy outcomes, we need to be sure that income support payments and support services are effectively delivered. So we need successful relationships with and between the wide range of service providers who deliver those payments and services. These include Centrelink, the Child Support Agency, CRS Australia, other Commonwealth agencies, other tiers of government and almost 15,000 non-government service delivery outlets. Funding arrangements with these organisations include purchasing contracts, joint ventures, purchaser–provider arrangements, service level agreements, collaborations, grants and subsidies.

**Working with Centrelink**

A key relationship is the business alliance we have with Centrelink, the major delivery agent for the portfolio. We continue to develop a more business-like relationship and strengthen the alliance.

**Consultation**

Consultation is important in helping us design appropriate policy and delivery mechanisms. Our involvement in developing the *Australians Working Together* package showed us just how important it is to consult at the local level with clients, potential clients and community organisations. Community organisations in particular gave us practical advice on how we might make the initiatives work.

**Experience**

We draw on our practical experience as a policy department responsible for managing a large number of the Government’s social policy programs. We have considerable experience with a wide range of delivery models. The appropriate model for a particular set of circumstances—and hence the right relationship between us and the service provider—will vary according to factors such as the services being sought, the client group, the nature of the service provider and whether government has any additional or complementary objectives. The network of state and territory FaCS offices continues to be an essential element of that experience and in building relationships with service deliverers around Australia.
The Child Support Agency (CSA) helps over 1.2 million separated parents meet annual child support responsibilities of some $1.6 billion a year.

With around 2600 people located in 16 major metropolitan areas and 22 regional service centres supported by community information and visiting services to suburban, regional and rural Australia, the CSA is a large business operation. Our focus is to deliver high quality service within the community to support parents’ self-reliance and optimise voluntary child support payments.

As General Manager of CSA for the past six years, I have had the pleasure of leading our continuing efforts to improve services for parents and outcomes for families and the community, while at the same time building links and cooperation across the social support, taxation and family law systems. This is a complex and challenging task where success has been achieved through the dedication and commitment of all the CSA's people.

2001–02 was a particularly challenging and rewarding year for CSA. Our key performance results were:

- Just over $1.45 billion in child support was transferred between separated parents; $814.2 million of this was transferred directly between parents.
- Over 600,000 parents (49.4 per cent of all those registered with CSA) now meet their child support responsibilities by transferring payment directly with little CSA involvement.
- Client satisfaction has increased for new clients where we have invested in a new approach to support greater self-reliance.
- 67 per cent of new clients registering with CSA in 2001–02 have indicated the desire to make direct child support payments.
- Cooperation across government and with community organisations has been strengthened. Tangible outcomes include joint information products to support separated parents, such as Parenting from a distance and My family is separating—what now?, and new services that are being piloted and evaluated, including the Supporting Parents Referral Service.
- Improvements have been realised at an overall lower cost to the community.

The year was marked by some significant changes, including the roll-out of new telephony support and the installation of a new IT system, Cuba. Implementation of Cuba (named after the Roman Goddess for the protection of children) was the biggest change undertaken by the Child Support Agency since it began operations in 1988. Careful planning helped to minimise impacts on our people and parents. We ensured that payment transfers were given highest priority so that parents were not financially disadvantaged, but there is no doubt some parents have experienced delays in receiving information or having changes processed. We are sorry for any inconvenience caused by these changes and promise this is a short-term transition that will deliver improved
services for parents and support for our people. Since the implementation of Cuba in early March 2002, we have worked especially hard to maintain quality services and I take my hat off to the CSA’s people for their efforts under difficult circumstances.

Our service delivery model continues to be refined to better match client needs with our service response (ranging from individualised case management to support to develop and maintain parental self-reliance).

Support for staff is based on helping them meet parents’ different needs. Our priority last year was to help team leaders support our client service officers. 2001–02 also saw the introduction of a new broadbanded structure. The primary aim of broadbanding is to increase organisational capability by rewarding people for the attainment of higher levels of capability.

Both external and internal feedback confirmed that our efforts across the board are reaping rewards. The results of our corporate health survey show that staff perceptions improved markedly. Recognition from the Australia Quality Council in the prestigious Australian Business Excellence Awards was a highlight of the year. The rigorous assessment provided feedback on what we are doing well but also shows us where further improvements can be made.

Most recently the Child Support Agency scooped the pool at the Australian Public Service Commission’s Service Charter—Awards for Excellence. These awards recognised the integration of the Child Support Agency client service charter into our service delivery outcomes and culture, our online service delivery and our services to clients in rural, remote and regional Australia.

In the year ahead we will continue efforts to improve client satisfaction by matching parents’ needs and services. We will continue to build partnerships across government, particularly in the family law system and with community organisations to deliver system-wide improvements to help separated parents. Supporting our people and managing our workloads will also be a priority to ensure we have the confidence that our service is the best it can be.

I would like to again acknowledge the effort, dedication and commitment of our people during a particularly difficult year. They are the heart that keeps the engine humming. Our commitment to separated parents and the community will continue unabated.

Catherine Argall
General Manager
The past year marked 60 years of operation for CRS Australia. Events across the country gave staff, clients and customers the opportunity to celebrate their achievements and successes. The drivers for CRS Australia are the same today as they were then, with the primary one being an intense belief in every person’s ability.

In 2001–02, CRS Australia helped over 30,000 Australians with disabilities and injuries to access or re-enter the workforce. Fifty-seven per cent of all clients completing their program achieved durable employment outcomes.

The year’s survey results showed that 95 per cent of clients were satisfied with CRS Australia’s services and 60 per cent rated our services as excellent. We also received feedback on potential areas for improved performance. These are addressed as part of our 2002–03 business plans.

The year also saw a complete change in the executive group. Alan Law, General Manager for five years, left in April 2002. Alan made an outstanding contribution, leading the organisation very effectively through enormous change. We also said goodbye to two very experienced and valued senior managers—Deputy General Manager, David Kenny and Chief Financial Officer, Steve Sheehan.

With the election came the announcement that CRS Australia would become a business unit of the Health and Ageing portfolio. Arrangements put in place ensured a smooth and successful transition to the new portfolio on 1 July 2002.

During the year CRS Australia played an important role in the Government’s welfare reform agenda through the development and design of the new work capacity assessments, which commenced in September 2002.

With significant increases in rehabilitation programs announced in the Budget, planning is well under way to identify areas of need and to establish the necessary infrastructure.

Referrals early in the financial year were lower than planned. The trend was detected early and by November we were back on track. However, the reductions affected our overall operational performance with fewer than planned client outcomes over the year.

The coming year will see the finalisation of the Assessment and Contestability Trial evaluation, with a planned report going to the Government on contestability for Commonwealth rehabilitation programs. In that climate, the management challenge will be to keep staff focused on our core business of supporting clients as they progress along their pathways to increased participation.
The management of a large network of professionals has been a new experience for me. I am impressed by the commitment of our staff to quality, innovation and good outcomes for clients. To hear clients’ stories about how we’ve helped them, and how their lives are so much better, gives us the inspiration to continue providing quality services with our underlying values of ‘We care, we listen, we get it right’.

Margaret Carmody
Acting General Manager
Changes to the portfolio

Our portfolio's responsibilities changed under the Administrative Arrangements Order of 26 November 2001, as amended on 20 December 2001. Youth affairs came to us from the former Department of Education, Training and Youth Affairs. CRS Australia became part of the Department of Health and Ageing with effect from 1 July 2002.

We report on the resources and performance of youth affairs and CRS Australia in this annual report.

Portfolio structure

At 30 June 2002, the Family and Community Services portfolio consisted of FaCS, Centrelink and the Australian Institute of Family Studies (Figure 4). FaCS* incorporates the Child Support Agency and, until 30 June 2002, CRS Australia. The resources needed to support the operations of the Social Security Appeals Tribunal are also provided through FaCS.

The Department of Family and Community Services

FaCS is the principal policy formulation and advising body in the portfolio. FaCS is responsible for:

- putting to work the Government’s social support policies for families, working-age people and those who are retired
- managing the delivery of services for people with disabilities, families with children, community support (excluding the Home and Community Care program), family relationships and welfare housing.

The Child Support Agency promotes parental responsibility for the costs of raising their children and provides services to help parents pay child support.

CRS Australia provides rehabilitation programs to eligible people with injuries, disabilities or health conditions to help them find and keep work. Rehabilitation is the process of restoring function and independence to people with a disability, injury or health condition and through the coordinated use of medical, physical, psychological, social, educational and vocational measures.

* FaCS without Child Support Agency (and until 30 June 2002, CRS Australia) is known as FaCS core.
Social Security Appeals Tribunal

The Social Security Appeals Tribunal (SSAT) considers appeals lodged by people about decisions made under a number of enactments, especially the social security law and the family assistance law. The tribunal must aim to provide a mechanism of review that is fair, just, economical, informal and quick. The Executive Director of the tribunal provides an annual report to the Minister for Family and Community Services on the tribunal’s operations.

Administrative arrangements of long standing exist between FaCS and the tribunal that allow the tribunal to benefit from FaCS’s infrastructure. Information on staff required to support the operations of the tribunal is included in this report along with other relevant management information. Funding for the tribunal is included in the price of the departmental outputs.

The portfolio agencies

Centrelink

Centrelink is a service delivery organisation, responsible for providing information, products and services to the Australian community. The Chairman of the Board of Centrelink must provide an annual report on Centrelink operations to the responsible minister, who is the Minister for Family and Community Services.

Australian Institute of Family Studies

The Australian Institute of Family Studies (AIFS) is an independent statutory authority that promotes the identification and understanding of factors affecting marital and family stability in Australia. AIFS must prepare an annual report to the Parliament.
Figure 3  Portfolio structure at 30 June 2002

Minister for Family and Community Services
Senator the Hon Amanda Vanstone

Minister for Children and Youth Affairs
The Hon Larry Anthony MP

Parliamentary Secretary for Family and Community Services
The Hon Ross Cameron MP

Centrelink
Outcome:
Effective delivery of Commonwealth services to eligible clients

Department of Family and Community Services
Outcome 1: Stronger Families
Outcome 2: Stronger Communities
Outcome 3: Economic and Social Participation

Social Security Appeals Tribunal

Child Support Agency

The Australian Institute of Family Studies
Outcome:
To inform governments, policy makers, and other stakeholders on factors influencing how families function

CRS Australia
This is an overview of our financial performance for 2001–02. FaCS’s financial statements, both departmental and administered, are in Volume two of this report. The resource summary of our price of outputs and administered programs can be found under each outcome summary in Volume two, Part one.

Operating results

Departmental

Operating surplus
FaCS generated an operating surplus for 2001–02 of $35.1 million. This surplus mainly arises from CRS Australia business operations ($10 million) and advance payments to Centrelink for services not yet delivered ($25.5 million).

Centrelink experienced delays in implementing a number of Budget measures because of delays in legislation or for other extensions to start-up processes for example more extensive consultations. These delays affected some of the processes associated with international agreements with New Zealand, Germany, Spain and the Netherlands, various Australians Working Together initiatives and a risk-profiling measure.

Operating revenue increased
Total operating revenue was $2287.7 million, up $101.4 million from 2000–01. It consists of government appropriations of $2246.1 million and revenue from other independent sources, mainly sales of goods and services ($32.6 million) and interest ($4.3 million).

- Appropriation revenue increased by $104.2 million because of new funding to implement 2001–02 Budget measures. The funding of Australians Working Together measures accounted for $72 million of this increase.
Operating expenses increased
Between 2000–01 and 2001–02 total operating expenses increased by $106.4 million to $2252.4 million.

- Employee expenses increased by $11.6 million due to:
  - increases in staff numbers to implement new Budget measures
  - a 4.8% pay increase as a result of a new certified agreement for FaCS core.

- Other expenses increased by $94.8 million, mainly because of an increase in payments to Centrelink for new Budget measures.

Administered
FaCS administered programs of $56.4 billion in 2001–02 on behalf of the Government.

<table>
<thead>
<tr>
<th>Table 1 Actual administered expenses</th>
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<tbody>
<tr>
<td>Subsidies</td>
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<tr>
<td>Personal benefits</td>
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<td>Grants</td>
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<td>Suppliers</td>
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<tr>
<td>Write down of assets</td>
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<tr>
<td>Interest</td>
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<td>Foreign exchange losses</td>
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<tr>
<td>Other</td>
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<tr>
<td><strong>Total administered expenses</strong></td>
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Suppliers’ expense increased by $22.3 million as a result of the movement of administered items to FaCS from the former Department of Education, Training and Youth Affairs (DETYA).

There was a $345.7 million increase in the write down of assets, primarily the result of an increase in the provision for doubtful debts for the Student Financial Supplement Scheme. The increase in the provision flowed from the completion of an actuarial review of the likelihood of student financial debts being repaid.

Balance sheet

Departmental

Net asset position improved
Our net asset position increased to $58.7 million, up $28.0 million from 2000–01.
Total assets increased
Our total assets increased by $16.4 million, mainly because of the recognition of a prepayment to Centrelink for services not yet delivered ($25.5 million). Amounts owed to us reduced by $13.3 million, due to the recognition of an over-payment to Centrelink in the previous year caused by an over-estimation of client numbers.

Intangible assets increased by $6.2 million, mainly a result of capitalisation of costs associated with the introduction of Cuba, a new business system for the Child Support Agency.

Cash balances increased by $9.9 million to $95.1 million. Cash in bank accounts represents funds set aside for future asset replacement and the payment of liabilities (mainly to employees) as and when they fall due.

Total liabilities decreased
Our total liabilities decreased by $11.6 million when we repaid funds for an over-payment to Centrelink last year for an over-estimation of client numbers.

Employee provisions are our main liability, a result of accruing leave entitlements to staff. This liability increased by $3.5 million as salaries increased after a new certified agreement, and as staff numbers increased owing to Budget measures and the transfer of staff from DETYA for the youth affairs function.

Figure 4  Comparison of departmental financial position

1 From balance sheet in the financial statements.
Administered

Total assets decreased by $170.8 million

Total administered assets decreased by $170.8 million to $1881.6 million, mainly because of an increase in the provision for doubtful debts across administered items. The actuarial review of the Student Financial Supplement Scheme attributed an increase of $456.2 million for the provision for doubtful debts. A review of the doubtful debts provisioning policy for income support over-payments accounted for a $27.7 million increase in doubtful debt provisions for personal benefits.

Total administered liabilities increased by $23.9 million to $2400.6 million. Personal benefits payable increased due to an increase in the number of days between payment dates and 30 June 2002. Loans decreased due to a reduction in the amount owing to the Commonwealth Bank for Student Financial Supplement Scheme loans.

Figure 5  Administered assets and liabilities
The Child Support Agency helps parents who do not live together meet their responsibility for supporting their children financially.

By 30 June 2002, over 1.2 million Australian parents were registered with us, translating to 667,957 actual child support cases. Our 2,600 staff in 16 metropolitan sites and 22 regional centres delivered services to them.

We can confidently claim to be a world leader in assessing and transferring child support—we’ve won awards this year to prove it:

- The Australia Quality Council presented us with an award for progress towards business excellence.
- We won two gold and one silver medal at the Service Charter Awards for Excellence for our service delivery, including:
  - excellence in integrating our service charter into core service delivery outcomes and organisational culture
  - excellence in service delivery to rural, remote and regional Australians
  - excellence in service charters driving online service delivery.

We transferred just over $1.45 billion between parents for the benefit of children in 2001–02. Around $814.2 million was transferred through private payments and $636.4 million through our collections.

Our clients are becoming more self-reliant—private collect performance is now at 49.4%, exceeding our 48% target. The collection rate since scheme inception for CSA-collect cases is now almost 88 per cent. The total collection rate (which includes private collection cases) is over 93 per cent.

For our clients:

- We put to work a new IT system, Cuba, to improve operational efficiency, staff productivity and client satisfaction. Regrettably, the installation caused some delays in processing changes and getting information out to some parents. We’ve worked hard to fix these short-term problems, and Cuba is now living up to its potential to deliver quality outcomes for our clients.
- We set up a national telephone system to improve our client support. For example, it gives individually case-managed clients direct access to their case officers.
We now also ask our clients to register with us by telephone rather than by completing a form in the Centrelink office. Early indications are that direct phone registration has improved parents' satisfaction with the service they receive.

We entered into a joint initiative with Centrelink, the Family Court of Australia and the Federal Magistrates Service to help separating families navigate their way through the family law system.

We launched nationally the Supporting Parents Referral Service and a joint project with Relationships Australia on primary dispute resolution.

Working with FaCS and Centrelink, we contributed to the Family Law Pathways Advisory Group Report recommendations. We continue to seek to influence *Australians Working Together* based on our knowledge of separated parents’ needs.

We provided impetus for a package of legislative reforms that:
- support second families who have an additional reason for changing the child support assessment formula
- make changes to the Family Tax Benefit and Child Care Benefit income tests
- introduce departure prohibition orders to prevent non-resident parents from leaving Australia when they have persistently failed to meet their child support obligations.

For our staff:

- Our new broadband staffing structure has continued to improve organisational capability and reduce staff turnover (it is now at less than 12 per cent). We are confident that improved service and client satisfaction will flow from this investment.
- Training programs for team leaders will strengthen their ability to support their staff in delivering quality client service.
- An independent survey of our staff (by Corporate Health Index) showed significant improvements in their performance against key indicators over the past 18 months. The greatest improvement was associated with business priorities.
CRS Australia
Achievements and challenges

CRS Australia is the leading national provider of vocational rehabilitation services in Australia. Our main business is helping people with a disability, injury or health condition enter or remain in the workforce. We provide services to eligible clients each year as well as to a range of commercial and other government clients.

- We provided services to FaCS under our service level agreement within budget and with performance broadly meeting outcomes required. Performance continues to reflect effective cost control, providing value for money to government.
- In 2001–02 we provided services to more than 30,000 FaCS clients (including over 17,000 new clients) with more than 6,000 clients engaged in ongoing employment.
- 95 per cent of our clients were satisfied with CRS services. A new complaint handling system, a better 1800 number contact system and continuous improvement strategies focused on client support have helped us achieve this standard.
- CRS Australia played a key role in the Assessment and Contestability Trial. What we learnt has informed FaCS policy on assessment of work capacity of people with a disability. We provided FaCS and Centrelink with expert technical input during the trial’s development and implementation. The interim external evaluation report found a high level of consistency in our assessment decisions and a high level of client satisfaction.
- We achieved accreditation following the external audit for FaCS’s Disability Service Standards certification.
- Services we provided to government also included:
  - career counselling services to more than 6,000 Centrelink customers—for the Department of Education, Science and Training
  - work capacity assessments of 1800 students with high-level disability making the transition from school to alternative placements—for the NSW Department of Ageing, Disability and Home Care
— assessment of work capacity and vocational rehabilitation services to more than 500 veterans for the Department of Veterans’ Affairs, through the Military Compensation Rehabilitation Scheme and Vietnam Vocational Rehabilitation Scheme.
Centrelink is the primary agency for delivering the department's income support payments and a wide range of related human services. The Business Partnership Agreement (BPA) between FaCS and Centrelink is a significant purchasing agreement. Our relationship with Centrelink puts the emphasis on improving delivery of policy outcomes and services for the Government and Australian community.

At its core, the strategic alliance between FaCS and Centrelink is based on purchaser–provider responsibilities arising from various legislated accountabilities.

The 'alliance' aspect of the relationship is about the broader way FaCS and Centrelink relate, where we recognise that each agency has its own set of business drivers and to this extent is operating independently within the portfolio.

But we also recognise that each organisation's capabilities contribute to the synergy created in the alliance. An important aspect of the strategic alliance is the emphasis on business assurance and the development of assurance-related performance indicators. This is a way of reducing the risk that we at FaCS become too focused on the day-to-day management processes within Centrelink.

**Key performance indicators**

FaCS and Centrelink are working to redevelop the key performance indicators (KPIs) of Centrelink’s performance. The new KPIs will be more relevant to our relationship and simpler to understand. They will provide focus for Centrelink on its role in achieving FaCS’s policy outcomes.

In particular, the KPIs will:

- draw clear links between FaCS's policy outcomes and Centrelink's contribution through service delivery
- assess how successful Centrelink is in meeting its part of those outcomes
- complement the development of a new funding model.
Business assurance

Accuracy of income support payments is at the heart of our business. The Secretary of FaCS and the CEO of Centrelink have signed off on the Business Assurance Framework, which defines payment correctness and covers ways of making sure it happens. A rolling program of random samples, which measure payment accuracy using the agreed definitions, will start on 1 July 2002. This will provide continuous information on the performance within the portfolio.

New funding model

During 2001–02, the Government accepted basic principles for a new funding model for Centrelink. The new model will substantially improve the link between the funding provided to Centrelink for the services it provides and the outcomes sought by Centrelink’s major purchasing departments.
In the two years since they began, Family Tax Benefit and Child Care Benefit have provided around $23 billion to help families with the costs of bringing up their children.

The new system of family assistance is fairer and simpler than the previous system—12 different payments have been reduced to three, clients have more choice in the way they receive payments, and assistance is more transparent and easier to claim.

Child Care Benefit
More families use approved child care because it has become more affordable since the introduction of Child Care Benefit. The benefit helped about 486,000 fee reduction families pay part of their fees. The cost to families of child care decreased 10.2 per cent between July 2000 and March 2002. Now about 721,000 children use more than 500,000 child care places.

Family Tax Benefit
In June 2002 more than 1.8 million families with more than 3.5 million children were receiving Family Tax Benefit as fortnightly instalments, at an average of around $5700 per year. In July 2002, there were 73,892 more families receiving the payment fortnightly than in July 2000. Around 97,100 families received it through the tax system in 2000–01.

Administrative challenges met
We faced quite a challenge in putting stage 2 of the new family assistance system into practice after July 2001. Families’ income estimates had to be reconciled with their actual income for their payments to be verified—an enormous exercise in terms of technology and communication across different agencies’ databases, as well as in the volume of clients assessed.

An outcome of this reconciliation process was that some families were found to be overpaid because they had underestimated their income. As 2000–01 was a transition year for the new family payments, the Government decided to waive the first $1000 of the Family Tax Benefit
and Child Care Benefit overpayments in recognition of the extra help some families needed in adjusting to the new arrangements. The $1000 waiver eliminated approximately 70 per cent of Family Tax Benefit debt and 95 per cent of Child Care Benefit debts that were incurred in 2000–01. Flexible repayment arrangements were also available to customers who still had some debts to repay after the waiver.

Child care services, partners in the delivery of Child Care Benefit, initially had difficulty administering the new payment system, especially in the lodgement of their quarterly statements. We worked with the Family Assistance Office and the Child Care Benefit Reference Group, made up of industry representatives, to reduce the administrative workload.

The rate of lodgement has dramatically increased and is now at an acceptable level. We are continuing to look at ways of streamlining the administration of the payment for services.

During 2001–02, we teamed with Centrelink to include Child Care Benefit in the Edge Expert System for the Family Assistance Office. The Edge System applies relevant legislative and policy rules to assess a customer’s entitlement to family assistance payments. It has been tested and piloted, and a staged rollout began in July 2002.
FAMILIES
Children and families
FaCS continued to help parents give their children the best possible start in life.

- More than 1.8 million families received an average of around $5700 in Family Tax Benefit in fortnightly instalments this year. Child Care Benefit helped about 486 000 (fee reduction) families pay part of their fees.

- 403 community-based projects are providing assistance to families and young children under our Stronger Families and Communities Strategy.

- Our quality assurance schemes for much of the child care industry are improving the standard of child care.

- Under our Stronger Families and Communities Strategy, we are spending $65 million for families that did not have access to standard child care, or where existing services did not meet their needs—most of it for 7770 new in-home care places. In-home care helps many families such as those who work shifts, live in rural and remote locations or where a child or parent is ill or has a disability.

  **In-home care**—a mother of three small children was diagnosed with a brain tumour. The father was struggling to help care for his children, run his business and be with his wife during her treatment. Because the mother was unable to care for her children a carer worked in their home during the day. This enabled the children and the mother to be together and the father to operate the business.

- In over 400 outlets run by non-government agencies across Australia, we fund support to families through relationship counselling, education, family therapy, skills training and other specific professional services.

  **Beenleigh Families Now**—Beenleigh Families Now is a community-based service operating an information and support centre for families. Its program is a shared initiative of Centrelink and Lutheran Community Care to offer a child minding service for Centrelink customers, a referral service and skills-based education to families on parenting, relationships and budgeting.

- Around 108 000 families had children attend playgroups supported by state playgroups associations with Commonwealth funding, and a range of other parenting supports are provided through home visiting and other programs.
Support for young Australians
Our Reconnect program gave help to homeless young people or young people at risk of homelessness and their families. Youth Activities Services and Family Liaison Workers helped over 112,000 young people and around 8,000 families before their problems escalated. The Job Placement, Employment and Training (JPET) scheme helped homeless and at risk young people aged 15 to 21 get into education, training or employment.

JPET in action—In April 2001, Centacare in Newcastle, NSW, sponsored four JPET clients to participate in the Youth Achievement Australia (YAA) Program, giving them the opportunity to learn about operating a business. The group manufactured and marketed candle kits, selling the product via the Internet and local businesses. They won the Hunter Trade Fair Market Award and the Hunter Region Outstanding Performance Award. In December, YAA awarded the young JPET clients the National Award for Special Performance—a wonderful achievement, as JPET clients are among the most severely disadvantaged members of the community.
International involvement
Achievements and challenges

Australia is one of the world’s great migration experiments, and we live in a world where people are more likely to spend their work and retirement years in more than one country. More than one in five Australians were born overseas, and more than 800,000 Australians live and work in another country.

This makes it important that all countries pay their fair share of retirement costs—whether these are met through contributory or taxpayer-funded pension schemes. FaCS develops policies, maintains relationships and negotiates international agreements that achieve this outcome.

At June 2002:
- Australia was paying pensions to 55,869 former residents now living overseas at an annual cost of about $350 million.
- Other countries paid 327,568 pensions to Australian residents, at an annual value of $1.23 billion.

Changes for Australian pensioners moving overseas
At present, someone who has lived in Australia for at least 25 years before retiring can take their full Age Pension with them if they go to live overseas. (If they have lived in Australia for less than 25 years their pension rate is reduced pro-rata.) Legislation before Parliament will increase this requirement to 30 years, except for countries where Australia has a social security agreement. This brings Australian arrangements more into line with arrangements in other countries.

Income support for refugees on temporary visas
We extended access to Special Benefit and family assistance to cover people holding temporary humanitarian visas under two new subclasses of migration regulation, created in October 2001.

International agreements
We updated our existing social security agreements with New Zealand, Canada, The Netherlands, Portugal and Spain. The last three were scheduled for implementation in 1 January 2002. Delayed processes within those countries means that implementation of all five
agreements will now occur in 2002–03, alongside new agreements with Germany and the United States of America.

**Technical and training assistance**

Our expertise is in constant demand from countries seeking to reform their social protection systems, particularly in our region. In 2001–02 we worked extensively with government agencies in Vietnam, Indonesia and China and provided specific consultancy services to the Hong Kong Social Welfare Department and an Asian Development Bank project in Tajikistan. We also continued to contribute to training activities undertaken by the International Social Security Association (ISSA).

We hosted 52 delegations visiting from 17 countries, discussing topics including welfare reform, services to people with disabilities, retirement income policies, community development and family relationships support.

**International policy analysis**

Our involvement in international organisations and forums broadens our knowledge of alternative policies and programs and enriches our policy development processes. For example, through our relationships with the OECD, ISSA and the Six Countries group (the social security agencies in the United States, Canada, New Zealand, Ireland, the United Kingdom and Australia), we participate in policy debates, share experiences, explore sources of comparative information and share high-quality cross-national data.

Our senior officer working as part of Australia’s delegation to the OECD in Paris is central to this involvement, arranging closer ties with key international organisations and enabling participation in conferences, forums and networks.
FaCS has undertaken several initiatives to improve how community input influences our policy and operations. These initiatives involve either how we organise ourselves or how we do our business.

**Indigenous Policy Unit and North Australia Office**

FaCS created the Indigenous Policy Unit and North Australia Office to sharpen the focus of Indigenous policy development across the whole department. Locating the office in Darwin puts our policy developers in the same place as many of the Indigenous people and communities affected by our policies.

With New South Wales as the lead state (see below) for Indigenous issues, we can also ensure that urban Indigenous perspectives are included in our policy and program development.

Our objective in working this way with Indigenous people is to make sure our policies and programs are culturally appropriate and responsive to their needs.

The North Australia office is part of our state and territory office network. Its job is to facilitate and promote policy and research in the whole north Australia area. The office manages program delivery for the Northern Territory, east Kimberley and Central Desert regions, working in partnership with the South Australian Office on the Pitjantatjara Homelands and the Queensland office in North Queensland. The North Australia Office also takes the lead on issues affecting people living in remote or isolated areas.

**A locally responsive business model**

The principles of our business model—integration, partnership, situational advantage and outcome focus—provide us with the framework to ensure well-rounded policy development and implementation, while maintaining a focus on locally responsive solutions. These principles underlie our efforts to reach out to the community—for example, by introducing the Lead State initiative.
Lead states

State and territory offices have access to a wealth of information gleaned from their work with communities. Through community feedback, they are often aware of early instances of policy failure, risks for implementation, gaps, overlaps and duplication. They also understand how our policies relate to those of state and territory governments, and can identify opportunities for working with partners outside the department.

One of our challenges has been to use this awareness to improve policy development and implementation. We set up a mechanism called Lead States to do just that. Under this model, a single state or territory office becomes a focal point for specific programs or initiatives from a local perspective, and takes the lead in developing and consolidating responses, advising business owners or testing policy options. For example, New South Wales is the lead state for Indigenous issues. South Australia is the lead state for housing and homelessness.
WORKING WITH INDIGENOUS COMMUNITIES

The Cape York Family Income Management project, funded under the Stronger Families and Communities Strategy, is a good example of how government, communities and businesses can work in partnership to make a difference in the lives of Indigenous families.

The project helps families in Aurukun, Coen and Mossman Gorge make the most of their income as a group to improve living standards and achieve other goals. Eighteen local people are training as family facilitators to help people manage their money and negotiate family agreements.

Within a couple of weeks of the first project office opening in Aurukun in May 2002, financial assessments had been made for more than 50 families. Forty-three of them registered to start a savings plan. One couple has already achieved their first savings goal—a headstone for their son’s grave. This achievement so inspired the family that now seven members are saving for a car.

Community representatives, the Cape York Partnerships Office, Westpac Bank and four Commonwealth and state departments are overseeing the project.
Social policy research
Achievements and challenges

Contracted research

The findings of research and evaluation are critical to making good social policy. FaCS is amassing a strong evidence base to build policies to benefit Australian individuals, families and communities.

We are funding three research organisations with a total of $1.5 million a year over four years to provide us with independent, high-quality research services.

- The Melbourne Institute of Applied Economic and Social Research (Melbourne Institute) has developed a package of more than 30 research projects around the labour market, family and communities, and the supply of and demand for income security.
- The Social Policy Research Centre (SPRC) at the University of NSW has 14 current projects researching social exclusion/inclusion, community-based programs and disabilities.
- The Social Policy Evaluation, Analysis and Research (SPEAR) Centre at the Australian National University completed five projects in 2001 and is undertaking seven projects in 2002 in social policy evaluation.

Longitudinal data initiatives

Many social policy measures depend on understanding the extent and dynamic nature of many variables (such as income, employment and family relationships) over time. Data derived over time—longitudinal data—are especially valuable in creating policy for prevention and early intervention, key FaCS strategies.

FaCS General Customer Survey

The General Customer Survey tracks a sample of the range of people as they move off or between payments over two years. It will tell us about, for example, the characteristics of people receiving payments and their attitudes to receiving them, the impact of payments on people’s circumstances, and factors affecting take-up of payments and services.
Household, Income and Labour Dynamics in Australia (HILDA) Study
The HILDA study will yield information we can use to develop policy about income, the labour market and family dynamics. The first survey year, up to January 2002, involved voluntary interviews with 7680 private households and 13 962 individuals.

Longitudinal Study of Australian Children (LSAC)
LSAC will produce a national dataset to inform our policy development on child care, family functioning, health and education. The Australian Institute of Family Studies (AIFS) is the lead organisation for the research consortium. A discussion paper was released in May 2002 explaining the study design and scope.

Longitudinal Study of Youth Allowance Customers
The final report of the Youth Allowance evaluation was released in May 2002. It included results of this year’s work on the third and final phase, tracking a group of eligible and non-eligible customers to assess the impact of changes to income support arrangements on participation in education, training and work.

Communication of research and evaluation
We use a range of ways to keep the public and the research community aware of the results of our research and evaluation. They include an annual journal of refereed articles, two series of research papers, a quarterly newsletter, fact sheets, a seminar series and a database. We also publish a framework document outlining our strategic approach.

Other important research relationships
- We are negotiating a memorandum of understanding with the Australian Bureau of Statistics (ABS) to reflect our collaborative working arrangements. The ABS is also making use of our Longitudinal Data Set—for example, in relation to mature-age clients and the quality of Indigenous identification in the dataset.
We fund **Australian Housing and Urban Research Ltd** (AHURI) jointly with state and territory governments. This year, 20 projects were approved within AHURI’s nine research themes: housing assistance, housing futures, innovation in housing provision, urban management and infrastructure, transforming communities, Indigenous housing, homelessness and marginal housing.

The **Australian Institute of Health and Welfare** (AIHW) provides us with data collection, data management and statistical classification services. Under a memorandum of understanding signed this year, we agreed to share information and to work towards a strategic approach to developing and managing welfare data.

In year four of a five-year contract, we funded the **Centre for Aboriginal Economic Policy Research** (CAEPR) at the Australian National University with $155 000 to research the social and economic circumstances of Indigenous peoples.

The University of Canberra’s **National Centre for Social and Economic Modelling** (NATSEM) has been funded to develop a tool for modelling the impacts of changes to tax, social security and other government programs. NATSEM helped us develop another model that allows users to change business rules and calculate the effect on levels of entitlement.
The Stronger Families and Communities Strategy is about building family and community capacity to solve local problems and take advantage of opportunities as they arise. By taking an early intervention and prevention approach, the Strategy can help families and communities deal with issues before they become serious problems.

The Strategy's achievements for 2001–02 include:

- 403 projects funded since January 2001 worth $56.2 million:
  - around 53 per cent in rural and regional areas
  - more than 22 per cent targeting Indigenous communities
- more than 70 new in-home child care services offering 2800 extra places—and another 5000 by 2004
- support for seven private providers to establish child care centres in rural areas, with more applications being considered
- $12.9 million in grants to more than 5000 organisations in over 4000 communities funded in 2001 to celebrate International Year of Volunteers.

Some outcomes

The Strategy has already made an impact on families and communities during the two years of its life so far. Examples of projects and other activities that build family capacity and networks include:

- The Ngaanyatjarra Project in Western Australia, undertaken in partnership with the Commonwealth Department of Health and Ageing and Western Mining, funds two people to build collaboration between all agencies providing services to families in the 11 communities scattered across this remote central desert region.
- The National Community Leadership Workshop provided development opportunities to more than 180 community leaders from across Australia under the Potential Leaders in Local Communities initiative.
- Rockhampton State High School introduced a No Dole program for school leavers. By the end of 2001, 100 per cent of students had signed up for the program and fewer than 9 per cent were still looking for work or study by the end of May 2002.
Challenges

New ways of working often throw up challenges along the way.

Working in partnership with communities, for example, disadvantaged communities in particular, takes time. It takes time for communities to identify their local needs and how best to meet them. And it takes time to develop solutions that will continue to support families and communities in the longer term.

We are working to streamline how we administer the Strategy to make it as easy as possible for families and communities to benefit from this program. This involves working collaboratively with a range of partners, including Commonwealth agencies and other levels of government and business, and it involves changing our own administrative processes to allow for a flexible response to family and community issues.

We use the knowledge we gain from administering the Strategy to improve its development and delivery.
INTERNATIONAL YEAR OF VOLUNTEERS

The International Year of Volunteers (IYV) in 2001 celebrated and recognised volunteers across Australia. The overwhelmingly positive response from the Australian community will provide a springboard for voluntary activity in years to come.

Overall, grants worth $12.9 million were provided to more than 5000 organisations.

Nearly 2200 organisations received funding under the IYV small grants program.

- St Vincent de Paul in Hobart used its grant to hold a Vinnies Youth Day to thank around 400 young volunteers who plan, organise and run the activities in its youth support program. The highlight of the day was a theatre performance where actors spontaneously recreated the audience’s volunteer stories, memories and perceptions, celebrating success and recognising achievement.

- In Canberra, the ACT Disabled Peoples Initiative used its grant to contribute to the Active Volunteers project, which recruits, trains and supports volunteers with disabilities.

In addition, more than 2800 organisations were funded to buy equipment to make the work of their volunteers easier, safer or more enjoyable.

- The Thornbury Greek Senior Citizens Club in Victoria bought cooking utensils, such as stockpots, cooking trays, a boiler, trolley and an urn. Volunteers at the club can now better cater for their 90 members.

- The Horizon Social Club of South Australia, which supports people with a mental illness, purchased computer equipment, enabling them to connect with the wider community.

The IYV Secretariat at FaCS received many letters of appreciation.

- ‘We spent your grant just in the nick of time! The radios that we bought with it got a serious workout at the fires in the Blue Mountains—I can vouch for it because I was there. We also went to Sussex Inlet and many of the other hotspots and being able to keep in direct contact so easily was marvellous! Thank you so much!’
  —Coal and Candle Volunteer Rural Fire Brigade, New South Wales

- ‘The splendid cake was made and decorated by one of our members. Following the cutting, small samples were distributed to everyone present. All were reluctant to leave and voted the afternoon a huge success.’
  —Longreach Meals on Wheels, on their function to celebrate 20 years of volunteer service

Other IYV initiatives included sponsorships and partnerships, research and communication activities such as community television and radio broadcasts, a range of merchandise, a telephone volunteer referral line, the International Year of Volunteers website, phone cards, stamps and $1 coin.
STRONGER FAMILIES AND COMMUNITIES STRATEGY

The Stronger Families and Communities Strategy is already making a difference across Australia with hundreds of projects developed, implemented and managed by people working within their local communities.

Tenants in a community housing estate in the New South Wales Hunter region, for example, can do accredited training and get work through a community-based cooperative that employs people from the community to do housing maintenance on the estate.

And young people in a regional Victorian community are taking active roles and developing their skills to become potential community leaders. They have been given opportunities to work in real life business situations, like working on local newspapers, organising local concerts and developing a radio program. Partnerships with local businesses, the commitment of local leaders and a willingness to invest in young people as valuable community resources have been the key ingredients in this community building approach.

Women in a remote Aboriginal community in the Northern Territory are accessing new services like cultural programs, sewing classes and support for young mothers including a crèche and meals on wheels. This Strategy project is helping women in the community to care for their families; it is improving community health by giving women the chance to learn about health issues and linking them with health services; and it is increasing cultural and social participation for women and their families in community life.
More and more Australians are relying on income support, with population ageing, high rates of relationship breakdown and structural changes in the labour market the main contributing factors. Many people of working age rely on income support for long periods. And Australia had the highest rate of growth of disability pensioners over the past decade and has one of the highest rates of jobless families among developed countries.

The Government has begun to take action to turn this situation around—to create a better social support system that is based on greater self-reliance, and that encourages and supports those who can take up paid work.

The *Australians Working Together* (AWT) reform package, announced in the 2001–02 Budget, will improve opportunities for many people to find work.

AWT reforms will be put in place progressively over coming years. But in 2001–02, we achieved a number of milestones:

- To refine the direction of welfare reform, we held consultative forums in 43 locations. Our report was released on 14 May 2002: *Australians Working Together—Helping people move forward—Listening to the community: Report on the outcomes of the community consultations on Australians Working Together*. We also put together an information kit for peak organisations and service providers that included brochures, fact sheets, a question-and-answer booklet, and a booklet for volunteer and community organisations.

- We completed a select tender process for providers under the *Personal Support Programme*, designed to give special help to people with problems such as homelessness, drug and alcohol addiction, mental illness and domestic violence. We judged as suitable 150 of the 1100 applications from 250 organisations. When the program is running, 144 organisations will deliver it from 600 sites across Australia—a significant increase in coverage over its predecessor, the Community Support Programme, which had 84 organisations and 323 sites.
We consulted widely with individuals, organisations and community groups, achieving a remarkably high level of support for the outcomes of the selection process. Another major achievement was the development of a leading-edge IT system that balances individualised service delivery with an outcome-based funding model.

- We began the process of recruiting the first 456 Personal Advisers who will provide extra help to income support recipients—parents with school-age children, Indigenous Australians, people with special needs and mature-age people—to get a job or participate as fully as possible in the community. We worked with Centrelink to ensure the advisers were trained before their start date of 20 September 2002.

- For Parenting Payment customers, we developed a participation pack that has information on the benefits of going back to work, ways to manage family and work responsibilities and tips about how to look for work or take on study, training or volunteer work. It also details the range of financial assistance and services available.

- We expanded the Assessment and Contestability Trial to include up to 500 more participants with disabilities who were eligible for Job Network Intensive Assistance from August 2001. We will use data from this trial to assist people with disabilities with the best form of employment assistance or rehabilitation.

- Stage 1 of the selection of providers to deliver additional disability employment places began in April 2002. Successful providers will be able to access approximately 5100 new disability employment assistance places. 11 000 rehabilitation places will also be provided to help parents and mature workers.

- Our new quality assurance system for disability employment and rehabilitation services began on 1 July 2002.
We announced that the first three remote area service centres would open in September 2002 in Napranum, Laverton and Halls Creek, providing these remote communities with direct access to Centrelink services.

We finalised draft legislation needed to implement AWT measures including the Working Credit, Literary and Numeracy Supplement, new participation requirements for parents with teenage children and mature-aged unemployed, and simplified income support payments for older people.

To manage all 26 AWT measures effectively, we established an interdepartmental committee structure. Membership of the various committees included representation from FaCS, the Department of Employment and Workplace Relations, the Department of Education, Science and Training and Centrelink. An innovative project management reporting system was established to inform the FaCS Departmental AWT steering committee of progress fortnightly.

Reform of disability payments will ensure that people are linked to the kinds of help they need to connect them to the labour market. Proposed reform of the Disability Support Pension has stimulated debate in the community, but the Government is committed to acting on the need for a sustainable and fair income support system for people who cannot work because of their disabilities.

Australians Working Together reforms will improve opportunities for many people to find work. The following case studies are possible scenarios when the measures become reality.
Greg, 47, was an unemployed teacher on Newstart Allowance. He’d been diagnosed as schizophrenic. His condition had stabilised and he was keen to work again but lacked experience and confidence in applying for jobs. He decided to apply for DSP, believing that his future work opportunities would be limited.

Centrelink referred Greg to a work capacity assessor for a detailed assessment of his ability to work and advice on the sorts of services that would help him find a job. He was assessed as being able to work part-time at full award wages (at least 15 hours a week) within the next two years with the assistance of vocational rehabilitation.

With the changes to the DSP eligibility criteria, Greg continued to receive Newstart Allowance rather than DSP. He was referred to a Personal Adviser and together they developed a strategy to help him overcome his barriers to work. These strategies were included in Greg’s Preparing for Work Agreement.

Greg was placed in a work trial. Twelve months later, he got a job teaching English to adult migrants at his local college.

DISABILITY SUPPORT PENSION

Changes to Disability Support Pension (DSP) announced in the 2001–02 Budget will see significantly more support and greater opportunities for people with disabilities, such as Greg, to participate in work and in the community. **Subject to the passage of legislation, people who apply for DSP on or after 1 July 2003 will need to meet new eligibility rules.**
John, 49, had been unemployed for 18 months after his small retail business failed. With the business went the family home. John was severely depressed, and the stress was beginning to take its toll on his relationship with his wife. Attempts to discuss their situation quickly escalated into angry and sometimes violent arguments. John's teenage children were becoming withdrawn and their school performance was suffering. John began having difficulty meeting Newstart Allowance activity test requirements.

John and his Personal Support Programme provider developed an action plan involving:

- ten one-to-one therapeutic consultations to treat depression and self-image
- support during withdrawal from anti-depressants
- relationship counselling sessions with his wife
- family therapy sessions
- six counselling sessions to tackle grief issues
- help to enrol in a further education course.

John’s progress was initially slow as he found it difficult to accept help. But once he got started, his self-esteem improved, with a positive impact on the family’s relationships. John's family supported his decision to return to education and he found some part-time work. He and his wife are now well on the way to rebuilding their future.
Claire is a sole parent whose daughter had just turned 13. Claire hadn’t worked since her daughter was born and she’d been getting Parenting Payment since her husband died five years ago.

Claire was called in to Centrelink for an interview with Jane, a Personal Adviser. Jane and Claire agreed on a plan to help Claire back to work. As part of the plan, Claire needed to do 150 hours of part-time activity over the following six months. She decided to study part time for a Certificate in Aged Care and do some voluntary work at a local nursing home. She did her study and volunteer work when her daughter was at school. Centrelink also helped her with study costs.

Soon after Claire finished studying, she got a part-time job at the nursing home where she’d been doing voluntary work.

Claire told Centrelink she’d be earning $640 a fortnight, but thought her hours might increase in about six months. The Centrelink officer explained how Claire could work and still keep some of her Parenting Payment, and that she would need to let Centrelink know when her earnings changed.

Because Claire did not have any income when she was studying, she built up 1000 working credits. This meant that she could keep all her Parenting Payment for two fortights after she started work. After she used all her working credits, she still got around $220 Parenting Payment each fortnight, as well as the $640 she earned.
Whole-of-government support for youth

FaCS is at the centre of a range of coordinated government efforts to attend to the problems and potential of young Australians.

- Two initiatives have boosted government capacity to support young people in their quest to become successful adults:
  - a new Ministry for Children and Youth Affairs was set up
  - the Youth Bureau was transferred to our portfolio from the former Department of Education, Training and Youth Affairs (DETYA).

We are picking up the challenge of providing the whole-of-government package of support, promotion and consultation.

- The Secretaries’ Advisory Group on Youth brings together senior representatives from eight Commonwealth agencies to advance youth issues across their portfolios. FaCS has had a lead role in the development of this approach.

- With the Department of Education, Science and Training, the Department of Employment and Workplace Relations and Centrelink, we developed the Youth Servicing Strategy, launched by Centrelink during National Youth Week in April 2002. The strategy aims to support and empower young Australians to achieve their independence and potential through education, training, employment and community life.

- We are ‘joining up’ more of our youth programs—for example, our innovative practice of resourcing Reconnect services to mentor other Reconnect services will be extended to other youth programs we administer, such as Job Placement, Employment and Training (JPET) and the Innovative and Collaborative Youth Servicing Pilots.

- For the first time, we and our state and territory government counterparts agreed to work on defining what role non-government organisations might play in the ‘Youth Protocol’—arrangements for case-managing unsupported young people.
Positive news on payments and programs

- The findings from the March 2002 Youth Allowance Evaluation Final Report are extremely positive and show that Youth Allowance is working. In 2001–02, about 400,000 young people received the allowance, helping them pursue their education or training goals.

- An evaluation of the JPET program highlighted how it is providing positive outcomes to young people who are homeless or at risk of becoming homeless.

- We set up 25 new Reconnect services to improve young people’s level of engagement with family, work, education, training and community. They included services in rural and Indigenous communities, and some specialising in substance abuse and working with culturally and linguistically diverse young people and families. At June 2002, 93 Reconnect services were funded Australia-wide, with seven more to come on line by July 2003.

Raising the profile of young people

- The popularity of the National Youth Media Awards has increased. The awards showcase young people’s achievements through the best examples of journalism that reflect the positive contribution they make to our country. We received more than 950 entries for the 2001 awards, a 25 per cent increase on last year.
National Youth Week 2002 won widespread support from young people, local government, community organisations, the media and the private sector. Around 2000 local activities and events were held around the country.

The national ‘Come and Try Day’ on 13 April 2002 involved around 90 communities and thousands of young people in youth development activities. The activities promoted personal development and stronger connection between young people and the community through relationships, participation and community service.

Ideas exchange

*the source* youth web site provides over 2000 links to information for young people in a modern and easy-to-navigate fashion. Feedback mechanisms help government to stay in touch. Initiatives such as *the source*, the National Youth Roundtable, the National Indigenous Youth Leadership Group and the Australian Forum of Youth Organisations give young people and government opportunities to exchange ideas on a range of issues.

We launched our youth portal as part of National Youth Week. The portal gives young people online access to government information for them and about them. It also allows them and their parents to interact with government online.
Organisational structure

Figure 6 shows FaCS’s structure at 30 June 2002, the responsibilities of FaCS senior executives, and the relationship between FaCS’s structure and the outcome and output structure.

FaCS’s organisational structure reflects its strategic themes with responsibilities divided across strategic outcomes. The State and Territory Office network takes advantage of its specialist expertise and locational advantages to help FaCS achieve its outcomes.

Four key departmental outputs are produced across FaCS. Three outputs cover policy and management of delivering administered outputs to the community.

The service delivery output links directly to the administered outputs or items in each output group. The Child Support Agency and CRS Australia were the main service delivery arms within FaCS in 2001–02. The remainder of the service delivery output is provided by Centrelink or other external organisations.
Figure 6  Organisational structure at 30 June 2002

Policy advice $91 825 000

Purchasing, funding and relationship management $102 850 000

Research and evaluation $32 075 000

Service delivery
CRS Australia $104 037 000
Centrelink $1 665 534 000
Other $249 828 000
Organisational structure
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<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Name</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>AHURI</td>
<td>Australian Institute of Health and Welfare</td>
</tr>
<tr>
<td>AIFS</td>
<td>Australian Institute of Family Studies</td>
</tr>
<tr>
<td>ARHP</td>
<td>Aboriginal Rental Housing Program</td>
</tr>
<tr>
<td>AWT</td>
<td>Australians Working Together</td>
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<tr>
<td>BPA</td>
<td>Business Partnership Agreement</td>
</tr>
<tr>
<td>CSA</td>
<td>Child Support Agency</td>
</tr>
<tr>
<td>DETYA</td>
<td>(former) Department of Employment, Training and Youth Affairs</td>
</tr>
<tr>
<td>DSP</td>
<td>Disability Support Pension</td>
</tr>
<tr>
<td>FaCS</td>
<td>Department of Family and Community Services</td>
</tr>
<tr>
<td>HILDA</td>
<td>Household, Income and Labour Dynamics in Australia Survey</td>
</tr>
<tr>
<td>ISSA</td>
<td>International Social Security Association</td>
</tr>
<tr>
<td>IYV</td>
<td>International Year of Volunteers</td>
</tr>
<tr>
<td>JPET</td>
<td>Job Placement, Employment and Training scheme</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>LSAC</td>
<td>Longitudinal Study of Australian Children</td>
</tr>
<tr>
<td>NATSEM</td>
<td>National Centre for Social and Economic Modelling</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PSP</td>
<td>Personal Support Programme</td>
</tr>
<tr>
<td>SSAT</td>
<td>Social Security Appeals Tribunal</td>
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A user’s guide

This year’s annual report of the Commonwealth Department of Family and Community Services—the fourth—has been split into two volumes for ease of access and readability.

It is a continuing challenge for the department to maintain a manageable publication size while ensuring mandatory requirements are met. This is a difficult task for a department that has appropriations of more than $56.4 billion to report.

**Volume one** is pitched at a strategic level, to give an overarching understanding of the department.

**Volume two** provides more detail, covering performance reporting, management and accountability, appendices and financial statements.

Each volume has its own contents page, and/or list of acronyms/glossary and index. A CD ROM of the full report is enclosed in **Volume one**. The enclosed CD is designed to launch automatically when inserted in a PC or Macintosh computer. If it fails to launch automatically, please access the README file located on the CD for instructions on how to access the report. The report also includes Adobe PDF files that require Adobe Acrobat Reader. Adobe Acrobat Reader can be downloaded free of charge from www.adobe.com.

The full report is also available online on the FaCS web site at www.facs.gov.au/annualreport. Our essential aim is for the report to meet the needs of our readers—Senators, Members and the public.

How to find out more

For inquiries about this report contact:
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Performance reporting framework

**Outcome 1 Stronger Families**
- Output Group 1.1 Family Assistance
- Output Group 1.2 Youth and Student Support
- Output Group 1.3 Child Support
- Output Group 1.4 Child Care Support

**Outcome 2 Stronger Communities**
- Output Group 2.1 Housing Support
- Output Group 2.2 Community Support

**Outcome 3 Economic and Social Participation**
- Output Group 3.1 Labour Market Assistance
- Output Group 3.2 Support for People with a Disability
- Output Group 3.3 Support for Carers
- Output Group 3.4 Support for the Aged
FaCS employs a holistic external reporting structure comprising:

- common effectiveness performance reporting categories for administered items and outputs
- quality, quantity and price indicators for outputs
- environmental statements for the three outcomes, Stronger Families, Stronger Communities and Economic and Social Participation, to set the context for the performance.

This structure meets the wider outcomes and outputs framework reporting requirements while providing clearer performance reporting in terms of FaCS business. Effectiveness in achieving outcomes through output performance is reported at the output group level or individual payment level, where relevant. Performance information is reported against the performance indicators published in the FaCS part of the 2001–02 Portfolio Budget Statement. This reporting is complemented by other relevant reporting, including the results of evaluation.

**Effectiveness**

Effectiveness performance indicators reflect the key strategies set out in FaCS’s Strategic Plan and the achievement of intermediate outcomes. This approach helps annual report users understand how the outputs, including services and payments, contribute to achieving outcomes through FaCS strategies.

Effectiveness is the extent to which planned outcomes are achieved. The effectiveness of the outputs within each output group is reported against a selection of the most relevant of the following indicators:
Outputs

For ease of reading, outputs are reported on in the order in which they appear in the financial and staffing resources summaries. They are not in priority order.

Departmental outputs

Four common 'departmental' outputs are reported for each of the ten output groups. Broadly, these outputs are the direct product of the policy, management and administrative functions of FaCS. The outputs are:

Policy advice

This output covers the provision of policy formulation and advising services in relation to the social policy agenda covered by the outcomes prescribed to FaCS. Underlying activities for this output include the application of research results, analysis of policy options, consultation with the community and other stakeholders on policy development and implementation, advice to the Minister, replies to ministerial correspondence, conferences, seminars, media releases, publications and other ad hoc advice related to social policy.
Purchasing, funding and relationship management
This output is the ongoing program management required to ensure that the ‘administered’ outputs in the relevant output group are delivered to the community in an effective and efficient manner in accordance with legislative and ministerial requirements. Activities include tender selection, contract and agreement management, quality assurance and monitoring of service standards and client appeals, performance monitoring and reporting, relationship management with the providers of the departmental ‘service delivery’ output and with other agencies and levels of government, and output or payment information dissemination.

Research and evaluation
This output is the research and evaluation services that focus on the achievement of prescribed outcomes. Activities include basic and applied research projects undertaken to support outputs and the management of research providers. It also encompasses systematic, objective assessment by evaluation of the appropriateness, effectiveness or efficiency of an intervention.

Service delivery
This output is the actual delivery of services to the community that directly relates to the various outputs in the relevant output group. Principal service delivery providers are the Child Support Agency, CRS Australia and Centrelink.

Quality of outputs
Quality indicators are provided for all outputs (but not for transfer payments). These indicators are reported under the following headings:

<table>
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<th>Table 2  External performance reporting framework—quality indicators</th>
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<tr>
<td><strong>Assurance</strong></td>
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<td></td>
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<tr>
<td><strong>Client rights and obligations</strong></td>
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<tr>
<td></td>
</tr>
<tr>
<td><strong>Access and choice</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Client satisfaction</strong></td>
</tr>
</tbody>
</table>

Quantity of outputs
Quantity indicators are provided for all outputs. Note that the ‘quantity’ for each service delivery output is the client numbers reported under the administered outputs and transfer payments to which the service delivery relates.
Price of outputs

The price paid for the outputs complements quality and quantity reporting. The price figures reported include the cost of all enabling outputs, corporate support, other overheads and accrued liabilities prescribed under FaCS’s output pricing model.

Environmental statements

Environmental analysis is provided for each of the three outcomes. These statements provide high-level information about social conditions and trends relevant to family and community functioning and economic and social participation. These statements are based on a set of environmental indicators that can be used to assess the appropriateness of FaCS’s strategies for achieving the outcomes, and also to assess the long-term effectiveness of its activities. They are not indicators of results FaCS has achieved through providing outputs, but outline the context for those results.
**Outcome 1  I Stronger Families**

_Families, young people and students have access to financial assistance including assistance with child care costs and family support and child care services_

**Description**

This outcome reflects the Government’s commitment to support and strengthen families as the fundamental unit of society. FaCS will:

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

**Figure 1  Outputs contributing to Outcome 1**

- **Group 1.1** Family Assistance
- **Group 1.2** Youth and Student Support
- **Group 1.3** Child Support
- **Group 1.4** Child Care Support
Table 3  Outcome 1—Stronger Families

<table>
<thead>
<tr>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $’000</th>
</tr>
</thead>
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<tr>
<td><strong>Administered Expenses (including third party outputs)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Family Assistance</td>
<td>11 322 986</td>
<td>11 159 886</td>
<td>-163 100</td>
</tr>
<tr>
<td>1.2 Youth and Student Support</td>
<td>2 705 223</td>
<td>3 043 546</td>
<td>338 323</td>
</tr>
<tr>
<td>1.3 Child Support</td>
<td>847</td>
<td>79 995</td>
<td>79 148</td>
</tr>
<tr>
<td>1.4 Child Care Support</td>
<td>1 571 734</td>
<td>1 514 985</td>
<td>-56 749</td>
</tr>
<tr>
<td><strong>Items Applicable Across Outcome 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ex gratia payments and savings provisions for DVA pensioners</td>
<td>514</td>
<td>125</td>
<td>-389</td>
</tr>
<tr>
<td>National Secretariats (part component see also Outcomes 2 and 3)</td>
<td>674</td>
<td>366</td>
<td>-308</td>
</tr>
<tr>
<td>Payments to universities and other organisations for special studies and research (part component see also Outcome 3)</td>
<td>79</td>
<td>78</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>15 602 057</td>
<td>15 798 981</td>
<td>196 924</td>
</tr>
</tbody>
</table>

Price of Departmental Outputs

| Output Group 1.1 Family Assistance | 420 437 | 422 914 | 2 477 | 421 443 |
| Output Group 1.2 Youth and Student Support | 224 686 | 225 247 | 561 | 240 174 |
| Output Group 1.3 Child Support | 221 894 | 221 961 | 67 | 223 877 |
| Output Group 1.4 Child Care Support | 128 018 | 131 252 | 3 234 | 131 931 |
| **Revenue from Government (Appropriation) for Departmental Output Groups** | 995 035 | 1 001 374 | 6 339 | 1 017 425 |
| **Revenue from other sources** | 1 764 | 3 658 | 1 894 | 1 807 |
| **Total Price of Output Groups (Departmental)** | 996 799 | 1 005 032 | 8 233 | 1 019 232 |
| FaCS component<sup>c</sup> | 105 868 | 114 526 | 8 658 | 106 354 |
| Centrelink component | 671 036 | 667 147 | -3 889 | 687 992 |
| Child Support Agency component | 218 131 | 219 701 | 1 570 | 223 079 |
| **Non-appropriated expenses<sup>d</sup>** | 995 035 | 1 001 374 | 6 339 | 1 017 425 |
| **TOTAL FOR OUTCOME 1 (Total Price of Outputs and Administered Expenses)** | 17 593 891 | 17 805 387 | 211 496 | 18 188 712 |

Staffing Years (Number)

<table>
<thead>
<tr>
<th>2001–02</th>
<th>2002–03</th>
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</thead>
<tbody>
<tr>
<td>FaCS (including Child Support Agency and the Social Security Appeals Tribunal)</td>
<td>3 262</td>
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<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations (including section 32 transfer from DEST).

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal, but excludes the Child Support Agency which is shown separately.

<sup>d</sup> Non-appropriated expenses are expenses from sources other than annual or special appropriation (non-appropriated revenue).

For example, monies paid into the Child Support Trust Fund by non-custodial parents are non-appropriated revenue, while disbursements of those monies to custodial parents and allowances for bad debts are a non-appropriated expense.

In Outcome 1, these include the Child Support payments and transfers back to the Commonwealth in relation to the Student Financial Loan Scheme.
Key strategies and activities

The key strategies for strengthening families are:

- providing financial assistance to families
- improving family relationships with support and education, including measures aimed at preventing or reducing the incidence of domestic violence and child abuse
- ensuring children are financially supported after their parents separate through the administration of the Child Support Scheme by the Child Support Agency
- providing income support for young people undertaking education or training or seeking work and other support arrangements around young people's transitions to independence and adulthood
- confronting difficulties experienced by young people who are disconnected, or at risk of becoming disconnected, from their family, community, education and/or employment by working in partnership with federal and state/territory governments, business and community organisations
- providing support for quality child care and flexible child care services
- providing a focus for prevention and early intervention initiatives for vulnerable families and children
- continuing to develop and implement the families' aspects of the Stronger Families and Communities Strategy. While a number of the initiatives of the Stronger Families and Communities Strategy are administered under Outcome 1 and are reported on in Output 1.1, broader reporting on the Strategy and its achievements appears in Outcome 2
- working with other Commonwealth departments through the Task Force for Child Development, Health and Well-Being focusing on outcomes for young Australian children. Members of the Task Force include the departments of Prime Minister and Cabinet; the Treasury; Finance and Administration; Attorney-General's; Health and Ageing; Education, Science and Training; Immigration and Multicultural and Indigenous Affairs; and the Office of the Status of Women and the Aboriginal and Torres Strait Islander Commission.

Environmental indicators and analysis

Family formation

The size and make-up of Australian families is changing. Families that consist of a couple with dependent children are still the most numerous, but their proportion is reducing while the proportions of lone-parent families, couple-only families and single-person households are increasing. A number of factors contribute to these trends, including structural ageing of the population, the increasing trend of childlessness, a longer-term decline in marriage rates and high levels of divorce, separation and relationship instability. Also, the numbers of blended families and shared care arrangements for children of separated and divorced parents are increasing.
Despite these trends, around 80 per cent of children live in two-parent families and although cohabitation is increasing (of all marriages registered in 2000, 71 per cent of couples indicated they had cohabitated before marriage), marriage remains the dominant pathway to child-bearing.

The costs of marriage and relationship breakdown are borne by children, adults, families and communities over a long period. The number of marriages registered in 2001 (103,100), the lowest since 1978, is a 9 per cent decrease on 2000 and the largest annual decrease in the post-war era. The median age at marriage continued to rise in 2001. For first-time grooms the median age at marriage was 28.7 years, while for first-time brides the median age was 26.9 years. The proportion of people who will never marry is increasing. Two in five marriages are likely to end in divorce, affecting one in five children. In 2001 55,300 divorces were granted in Australia, the highest number of divorces granted in the last 20 years, and the median duration of marriage for divorcing couples has increased, from 10.2 years in 1980 to 11.8 years in 2001. Some 53,400 children were in families with parents who divorced in 2001. In nearly two-thirds of divorces involving children, the age of the youngest child was under 10 years. In relation to the incidence of dispute in family law cases, the Family Court of Australia reports less than 6 per cent of family law matters are judicially determined. For those young people who form families when they are very young, there are some risks. Divorce is more common among those who marry when they are under 20 years.

Fertility

Australia’s population is ageing, people are having fewer children and having them later in life. Although 249,600 children were born in Australia during 2000, our fertility rate has been declining over recent decades and in 2000 was 1.75 babies per woman. (A total fertility rate of 2.1 is needed for the population to replace itself.) While the current fertility rate is at a record low, it shares the longer-term trend of other developed nations, many of which have lower fertility rates than Australia. Around a quarter of Australian women are now likely to remain childless; mothers generally have fewer children; and those that do generally have them when they are older. Every year the average age of mothers giving birth in Australia increases. In 2000, it was 29.8 years—among the oldest in the world. The average age at first births is nearly 28 years. There are notable differences in fertility rates and age of parents at birth within the Australian population. For instance, Indigenous women and women in non-metropolitan Australia have higher fertility rates and are younger at first birth than the national average.

Work and family

Roles within families also continue to change, especially as women’s, and notably mothers’ participation in the paid workforce continues its long-term trend increase. Many families are combining family and work activities effectively; however, women continue to perform the majority of caring and other unpaid domestic work. In many cases, families have accessed the growth of part-time employment to help meet family and work commitments. Often, women in particular combine child caring responsibilities with part-time paid work, with the likelihood of working and number of hours worked increasing as the youngest child ages, particularly once
children reach school age. However, men are increasingly playing a greater role in the care of their children and are beginning to make adjustments to their working life to accommodate this.

Arrangements to help workers with family responsibilities have increased in workplaces over the past two decades. In 1999, 53 per cent of families with children under 12 years of age, and with at least one parent employed, used provisions aimed at helping workers to balance work and family responsibilities. The Women 2002 publication prepared by the Office of the Status of Women reports that at December 2001, 73 per cent of women covered by certified agreements had access to family/carer’s leave provisions, and 38 per cent had access to paid maternity leave provisions (these data refer only to agreements where the number of female employees is known).

Nonetheless, too many households do not have an adult in paid work—affecting one in six children in 2001 (17.1 per cent of all dependent children). At June 2002 59 per cent of two-parent families in Australia had both parents working, while 7 per cent of all couple families with dependent children under the age of 25 had no working adults. Growth in workless families has been largely due to increases in single parent families. In June 2002, 67 per cent (299 700) of families without work were single parent families. While financial resources do not guarantee family well-being, they are critical to the capacity of families to manage crises and periods of transition. FaCS provides means-tested income assistance to families with and without paid work and supports family members to prepare for and engage in paid work when opportunities arise. This reduces the risk of economic and social marginalisation in the future, limiting the risk and incidence of low incomes among families.

Child care

Around 486 000 families currently receive the Child Care Benefit as a fee reduction. Affordable access to good quality child care enables parents to balance work, family and community commitments. Demand for child care is growing, with the number of children in Commonwealth-approved child care services currently at around 721 000. The number of child care services is up by 2118 since June 1996 and the number of places for children is up by 193 534—that there are now more than 500 000 places across all service types.

In 1997 the Government launched a package of measures (The Seven Point Plan) designed to increase immunisation levels in children and to improve the timeliness of immunisation. From March 1998 to June 2002, the immunisation coverage rate of children aged 24 to 27 months increased from 64 per cent to 88 per cent. As part of this strategy, in 1998 Maternity Allowance was restructured to provide a lump-sum bonus (Maternity Immunisation Allowance) to parents for ensuring that their child’s immunisation coverage is complete up to two years of age. In 1998 eligibility for Childcare Assistance was also linked to the immunisation status of children and this continued when Child Care Benefit was introduced in July 2000.

Young people

The Government’s new Ministry for Children and Youth Affairs helps young people and their families access the skills and opportunities they need to develop independence and self-reliance. A wide range of social and economic factors affect these young people and their families.
Around 2.76 million young people aged 15 to 24 live in Australia. Young people are living with their parents longer. In total, about 75 per cent of young people are still living with their parents. ABS data show that the proportion of 20 to 24 year-olds living at home decreased from around 47 per cent in 1991 to about 46 per cent in 2001. During the same period, the proportion of 25 to 34 year-olds living at home increased from 10.7 per cent to 12.6 per cent.

Within an environment where they need higher qualifications to compete in the labour market, the vast majority of young Australians are in education, training or working, and many are combining education with work. In May 2002, over 69 per cent of 15 to 19 year-olds were in full-time education. Of those who were not in full-time education, most (nearly 73 per cent) were employed.

The proportion of young people aged 20 to 24 participating in full-time education was almost 25 per cent in May 2002 (an increase from 12.2 per cent in May 1992). Of those who were not in full-time education, 80 per cent were employed, the majority (almost 83 per cent) on a full-time basis. In 2001, the year 12 retention rate was 73.4 per cent for all students, compared with 36.3 per cent for Indigenous students. The year 12 retention rate for Indigenous students has increased in the past five years by over 7 per cent (it was 29.2 per cent in 1996).

Since May 1996, the youth population has increased by 3.6 per cent. The number of young people aged 15 to 24 who are employed has increased by 70,700 or 4.4 per cent.

Social justice and equity impact

Under Outcome 1, particular attention is paid to strengthening families so that they can give their children the best possible start in life. Policies and programs support and strengthen families through family assistance payments, quality child care and other early childhood services, and prevention and early intervention approaches. The needs of rural and regional areas, Indigenous people, people with a disability, people from culturally and linguistically diverse backgrounds, and women are given special attention.

Performance highlights and policy outlook

Drawing the threads of family policy together

Life for Australian families is changing and government policies need to recognise and respond to this. FaCS needs to understand how families are forming, and what decisions people are making about whether to have children, when and how many. There is a need to know why we are having fewer children—not enough to replace ourselves—and how this contributes to the ageing of our population.
FaCS established the Family Policy Branch in November 2001 in recognition of these issues and the need to anticipate other issues families may face in the future. The branch has a major role in developing a coherent approach to family policy, assessing and developing the knowledge base around contemporary Australian families, identifying priority areas for research and development and promoting integration of family policy with other FaCS policy and outcomes.

**Family Tax Benefit**

The new family assistance system, implemented in July 2000, has resulted in about $2 billion a year more assistance to help families with the costs of their children. Families now receive an average of almost $5700 a year in fortnightly Family Tax Benefit, which is over $1000 more a year than the average family assistance received under the previous system. This simpler and more generous system provides assistance to around 2 million families who care for over 3.5 million children, and it allows families greater choice in how they claim their assistance—as fortnightly instalments from Centrelink or through the tax system. The new system delivers payments to a greater number of families than the previous system. In July 2002, there were 73,892 more families receiving fortnightly Family Tax Benefit than in July 2000.

A number of innovative arrangements ensure families receive their actual Family Tax Benefit entitlement each financial year. For the first time, families were entitled to a top-up of assistance if they had overestimated their income for that year. For the financial year 2000–01 around 271,409 families received top-ups totalling $279 million. If they had been overpaid because of an underestimate of income they were asked to repay any excess payment.

Arrangements are in place to help families make more accurate estimates of income and to avoid overpayments. They can claim payment as a lump sum at the end of the year or can choose to estimate their family income towards the top of its likely range. A key transitional feature for Family Tax Benefit payments for the 2000–01 year was the waiver of up to $1000 of each overpayment resulting from mis-estimates of income or shared care. This measure recognised that some families needed extra help in the transition to the new payment arrangements and benefited 591,941 families.

**Families portal**

The families portal at www.families.gov.au is one of the 18 whole-of-government portals developed under the government portals framework. The portal enables people to quickly and seamlessly access online Commonwealth Government information and services for families with children without first having to know which agency web site they should try.

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1 At time of printing these figures were awaiting verification.
Family and Community Network Initiative

The Family and Community Network Initiative aims to improve access to information and services relevant to families and community organisations.

Up to 30 June 2002, a total of 68 community capacity-building and community networking projects were funded. An independent review of the initiative found that the majority of these projects are having positive impacts on communities, increasing social participation in community-based activities, increasing knowledge about government and other services, increasing skills levels and improving services in disadvantaged communities.

The Stronger Families and Communities Strategy

The Stronger Families and Communities Strategy performed strongly in 2001–02. Based around an early intervention and prevention approach, the Strategy provides opportunities for families and communities to build resilience and capacity to deal with problems before they develop.

A total of 403 projects representing expenditure of $17.9 million were funded—$7.7 million went to 165 family-related projects and $10.2 million to 238 community-related projects.

The family-related initiatives reported in Outcome 1 are:

- the Stronger Families Fund
- the Early Intervention Parenting and Relationship Support Initiative.

The community-related initiatives reported in Outcome 2 are:

- Can Do Community
- Local Solutions to Local Problems
- Potential Leadership in Local Communities
- National Skills Development for Volunteers.

Two other family-related elements of the Strategy are:

- the Greater Flexibility and Choice in Child Care initiative, reported in Output 1.4
- the Longitudinal Study of Australian Children.

Youth and students

In the area of youth and students a number of important events took place in 2001–02.

Public release in March 2002 of the Youth Allowance evaluation—final report marked the completion of a three-year evaluation of Youth Allowance. The results show that more students are receiving income support since the introduction of Youth Allowance on 1 July 1998 and there is a significant and sustained increase among under 18 year-old income support clients in full-time education and training.
This was followed shortly by the launch of the Youth Servicing Strategy by Centrelink during the National Youth Week (NYW) held in April 2002. FaCS, Centrelink and the Department of Education, Science and Training jointly developed the strategy.

Also during NYW, the Commonwealth youth portal at www.youth.gov.au was launched. The portal provides a single online access point to youth services and programs. Responding to another online initiative, record numbers of visitors were attracted to the NYW web site.

NYW, which gave millions of young people and the community an opportunity to celebrate and recognise the valuable contributions of young people, was also one of the highlights. So was the National Indigenous Youth Leadership Group and the National Youth Roundtable, where young people could talk with the Government directly about their own and their peers’ experiences and views on issues that affect their generation.

Transfer of the Youth Bureau from the former Department of Education, Training and Youth Affairs to FaCS has created a stronger policy focus on improving outcomes for all young Australians. Young people who are disconnected, or at risk of becoming disconnected, from their family, community, education or employment will remain the policy focus in the coming year, along with issues relating to young people’s transitions from school to further education, training or employment.

Child care support

Child care support has continued to strengthen families by allowing parents to participate more fully, both economically and socially, in the community.

The Family Day Care Quality Assurance system was launched in July 2001. This initiative will improve outcomes for children and parents by setting quality standards that are linked to government funding for services. All family day care schemes have registered to participate.

In September 2001 the Commonwealth Child Care Advisory Council reported to the Minister for Family and Community Services on the outcomes of its inquiry into the nature and demand for child care in 2001 and beyond. Following release of the Council’s report, Child Care: Beyond 2001, the Council undertook further work on the child care aspects of a national vision and strategies to promote the work of early childhood workers. The Council reported to the Minister for Children and Youth Affairs on these issues.

Affordability

The improved affordability of child care since the introduction of Child Care Benefit in July 2000 has resulted in more families using approved child care. The cost of child care had decreased by 10.2 per cent from July 2000 to March 2002. About 721 000 children now use more than 500 000 child care places. This improved affordability reflects the record expenditure for Child Care Benefit, with $1316 million spent on payments in 2001–02, an increase of $279 million since last year.
Child Care Benefit

Payment of Child Care Benefit as reduced fees is based on families' estimates of their taxable income. The process of reconciliation matches actual taxable income against estimates used during the year. Reconciliation also takes account of usage information sent to the Family Assistance Office by child care providers. Families are entitled to a top-up of Child Care Benefit if they received too little during the year, or they are asked to repay money they were not entitled to. The reconciliation process for families who used child care in the financial year 2000–01 is close to completion, with around 136,000 families receiving top-ups totalling around $23.2 million. A key feature for the transitional year of 2000–01 was that about 163,000 families who were overpaid because they had mis-estimated their income had their overpayments reduced by a tolerance waiver of $1000. Arrangements are in place to help families make more accurate estimates of income and to avoid overpayments in future.

Edge Expert System Project

Work continued on developing and testing the assessment of Family Tax Benefit entitlements using the Edge expert system for the Family Assistance Office. During 2001–02 Edge was extended to include Child Care Benefit. This is a joint FaCS–Centrelink project. The Edge system applies relevant legislative and policy rules to assess a client's entitlement to family assistance payments. The system has been tested and piloted extensively and a staged rollout is scheduled to begin in July 2002.

Child support

The Child Support Agency contributes to stronger families by promoting parents’ responsibility for children after separation. The Child Support Agency is responsible for delivering child support services to assist in the payment of child support. The Child Support Agency’s performance highlights include:

- successful deployment of a new computer system, Cuba, in March 2002, to improve operational efficiency, staff productivity and client satisfaction
- significant improvements in the collection of child support payments and strategies to improve parents’ independence
- an increase in child support transferred to just over $1.45 billion, and growth to where nearly half of all parents registered with the Child Support Agency collect their child support privately (49.4 per cent). For further information see Output group 1.3.
- building on strategies to support parents’ capacity and independence after separation
- acceptance of an Australian Business Excellence Award in May 2002
- acceptance of three awards at the Service Charter Awards for Excellence in June 2002, including two gold and a silver for:
  - excellence integrating service charter into core service delivery outcomes and organisational culture (gold award)
  - excellence in service delivery to rural, remote and regional Australians (gold award)
  - excellence in service charters driving online service delivery (silver award)
a continuing involvement in improving Family Law Pathways, one goal of which is an integrated family law system built into business planning for the Child Support Agency

the development of a post-separation counselling and support service to test the effectiveness of a referral and support mechanism for non-resident parents. This pilot has continued in 2001–02 and aims to encourage the continued involvement of both parents in the lives of their children.

the development of the brochure *My family is separating—what now?*, a joint initiative between the Child Support Agency, the Family Court of Australia, the Federal Magistrates Service and Centrelink. The brochure is designed as a single point of reference to help newly separated parents navigate their way through the government agencies to access the support and assistance they need. The final product will be available in September–October 2002.

**Budget measures**

- **Australians Working Together—more child care places**

  Additional funding for outside school hours child care places will provide for 5300 more children. Establishment grants are being provided to new outside school hours care services and Child Care Benefit to eligible parents. The new places will be targeted to areas of highest need, in particular rural and regional areas.

**Portfolio Additional Estimates Statements**

- **Stronger Families and Communities Strategy—early intervention, parenting and family relationship support**

  This measure expands parenting and family relationship support services and activities with a focus on prevention and early intervention. It enables FaCS to deliver family counselling services in rural and regional areas.

- **Child support: lower formula percentages for payers exercising contact with their children and lower ‘cap’ on payer income subject to child support formula assessment**

  Following the Senate's rejection of the changes, the expenditure for these measures was reversed in the Additional Estimates.

- **Family Tax Benefit and Child Care Benefit tolerance**

  This measure allows families who were overpaid Family Tax Benefit or Child Care Benefit for the 2000–01 tax year because they incorrectly estimated their income or shared care arrangements, to have the first $1000 of their overpayment waived. A separate $1000 waiver limit applies to Family Tax Benefit overpayments and to Child Care Benefit overpayments. The measure recognises that the first year of the new family assistance arrangements was one of transition and that some families needed extra help in adjusting to the new arrangements.

  Implementation date: applied to debts for the 2000–01 tax year.
Non-Budget measures

- Child Support: Family Tax Benefit shared care arrangements and Child Support Agency liability—recovery of child support from Family Tax Benefit

In cases where a person receives Family Tax Benefit for children for whom they owe child support, this measure allows the Child Support Registrar the discretion to direct the Family Assistance Office to pay some or all of that Family Tax Benefit to the Child Support Agency in order to discharge that individual’s child support debt.

Implementation date: 1 July 2002 and ongoing

- Child Support: Family Tax Benefit shared care arrangements and Child Support Agency liability—waiver of Family Tax Benefit entitlement

Under this provision a parent who has care of a child between 10 and 30 per cent of the time is permitted to waive his or her entitlement to Family Tax Benefit for that child. In such cases this allows the parent with the majority of care to receive the whole entitlement for the child.

Implementation date: 1 December 2001 and ongoing.

Evaluation

Evaluations completed:

- The Youth Allowance evaluation final report was released publicly in March 2002.
- The Family and Community Network Initiative evaluation will be available in September 2002.

Evaluations scheduled or in progress:

- First report of the Longitudinal Evaluation of the Reconnect Program will be publicly released in late 2002.
Output Group 1.1 I Family Assistance

Contribution to Outcome 1

Family Assistance contributes to Outcome 1 by:

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

Strategies

- Provide a system of financial assistance available to most families, with payments structured according to the number and ages of children in the household
- Recognise the additional needs of particular groups, including sole parents, single income couples and people caring for orphaned children
- Promote choice of delivery mechanisms so families can elect whether they receive their financial assistance as a transfer payment or through the tax system
- Contract non-government organisations to provide services such as family relationship education, skills training, counselling and mediation, adolescent mediation and family therapy, children’s contact services and financial counselling
- Provide funding in support of a range of parenting programs
- Provide leadership, community education and project funding to combat child exploitation, abuse and neglect
- The Stronger Families and Communities Strategy includes initiatives to strengthen families and improve parenting, including the Stronger Families Fund, Early Intervention Parenting, the Longitudinal Study of Australian Children and Greater Choice and Flexibility in Child Care.
Outputs under Output Group 1.1

Child abuse prevention

A range of activities seek to prevent child abuse, including support for home visiting and other parenting support, funding for the child protection clearinghouse and disseminating information on good parenting.

Family Adjustment Payment

Families can apply for payment under the Family Adjustment Payment scheme, introduced on 10 April 2000, if they can demonstrate that they were disadvantaged by the introduction of Family Tax Benefit Part B.

Family and Community Network Initiative

Seeks to improve access to information and services relevant to families and communities. Focuses on the development of networks of community projects and services in disadvantaged communities. Web site at www.community.gov.au is a one-stop shop for community information.

Grants to family relationship support organisations

Funds a wide range of activities that support families, including education, counselling, mediation and other support services for relationships between family members. Includes the delivery of specialised services for families experiencing domestic violence. The Commonwealth Financial Counselling Programme funds community organisations to provide free financial counselling to specific target groups. Other family support services assist community organisations to help families in crisis and aid parent-child relationships.

Indigenous parenting and family well-being

Promotes the importance of strong families among Aboriginal and Torres Strait Islander people while increasing parenting skills and participation in family life. This is achieved through funding community organisations to provide a variety of services including home visiting, family support, skills training and mentoring.

Services for families with children

A range of initiatives to help families with children develop their parenting skills, confidence and self-esteem. Services include funding for state and territory playgroup associations, funding for Aboriginal and Torres Strait Islander child care agencies and other family support services.
Family Law Pathways Advisory Group

The report of the Family Law Pathways Advisory Group—*Out of the maze, pathways to the future for families experiencing separation*—was released in July 2001. The Government has expressed broad support of the report and a task force has been established comprising key stakeholders, including FaCS, to develop a response.

Stronger Families and Communities Strategy

Provides funding for community-based projects to strengthen families, support better parenting skills and provide more flexible child care.

National Illicit Drugs Strategy

Over four years, FaCS will distribute $11.3 million to state and territory governments to help the community and community groups to provide support to families with a young person coping with illicit drug use. Support provided includes parental support services, group support programs, telephone referral services, family counselling and Indigenous drug services.

Double Orphan Pension

A non-means tested payment for children with at least one deceased parent, who cannot have contact with the other (for example, because that parent is a long-term prisoner or their whereabouts are unknown).

Family Tax Benefit Part A

Helps families with the cost of raising dependent children. It is paid to families for children up to 21 years and for young people between 21 and 24 who are studying full-time (and not receiving Youth Allowance or a similar payment).

Family Tax Benefit Part B

Provides extra assistance for families with only one main income earner, particularly those with children under five. Paid to families for children aged up to 16 years and for children aged between 16 and 18 studying full-time.

Both payments are administered by the Family Assistance Office and are available either as fortnightly payments through Centrelink, or through the tax system.
Maternity Allowance

A one-off lump sum paid at around the time of a birth to help meet associated costs. Claimants must be eligible for Family Tax Benefit Part A within 13 weeks of the birth or, for adopted children, within 13 weeks of the child being entrusted into their care where the child was under 26 weeks of age at the date of placement.

Maternity Immunisation Allowance

A one-off lump sum paid for children fully immunised at 18 months, or after 18 months but before their second birthday. Also paid where a valid exemption exists. Claimants must have been paid Maternity Allowance for the child or be eligible for Family Tax Benefit Part A when the child meets the immunisation or exemption requirements.
## Financial and staffing resources summary

### Table 4  Output Group 1.1—Family Assistance

<table>
<thead>
<tr>
<th></th>
<th>(A) Budget&lt;sup&gt;a&lt;/sup&gt; 2001–02</th>
<th>(B) Actual 2001–02</th>
<th>VARIATION (COLUMN B MINUS COLUMN A)&lt;sup&gt;b&lt;/sup&gt;</th>
<th>(B) BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03</th>
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<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
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<td>Child Abuse prevention</td>
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<td>Family Adjustment Payment</td>
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<td>Family and community service network&lt;sup&gt;c&lt;/sup&gt;</td>
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<td>Family &amp; Youth Support (National Illicit Drugs Strategy) SPP</td>
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<td><strong>Special Appropriations</strong></td>
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<tr>
<td>Family Allowance (Social Security (Administration) Act 1999)&lt;sup&gt;d&lt;/sup&gt;</td>
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<td>Double Orphan Pension (Social Security (Administration) Act 1999)</td>
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<td>Family Tax Benefit (ANTS (Family Assistance) (Administration) Act 1999)&lt;sup&gt;e&lt;/sup&gt;</td>
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<td>10 927 703</td>
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<td>Maternity Allowance (ANTS (Family Assistance) (Administration) Act 1999)</td>
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<td>Purchasing, funding &amp; relationship management</td>
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<td>23 163</td>
<td>832</td>
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<td>6 262</td>
<td>2 242</td>
<td>3 950</td>
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<td>422 914</td>
<td>2 477</td>
<td>421 443</td>
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<td><strong>TOTAL FOR GROUP 1.1</strong></td>
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<td>FaCS (including the Social Security Appeals Tribunal)</td>
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<td>371</td>
<td></td>
<td></td>
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</table>

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<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> Family and Community Network Initiative will be transferred to Output Group 2.2 from 1 July 2002.

<sup>d</sup> Family Allowance and Family Tax Payment were replaced with Family Tax Benefit on 1 July 2001. Amounts reported in 2001–02 relate to recoveries of overpayments of Family Allowance and Family Tax Benefit made in prior years.

<sup>e</sup> Budget and actual expenses relate to fortnightly payments made by the Family Assistance Office through Centrelink. Claims can also be made through the taxation system and are accounted for in the estimates of the Australian Taxation Office.

<sup>f</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

Child abuse prevention

Effectiveness — Capacity

Awareness amongst practitioners and policy developers of child abuse prevention
FaCS funds the National Child Protection Clearinghouse to disseminate information on child protection activities and research to professionals and organisations in this field. The clearinghouse web site www.aifs.gov.au/nch/ had approximately 254 000 hits during the year and the child protect email discussion list averaged 411 members.

Confidence, self-esteem and parenting skills in parents which benefit the social, physical and emotional well-being of children
Research undertaken shows that 15 per cent of families with children under 5 years of age participate in playgroups.

Price
$3 489 000

Double Orphan Pension

Quantity
Number of clients receiving Double Orphan Pension — 1207 as at 30 June 2002

Price
$1 976 000

Family and Community Network Initiative

Effectiveness — Capacity
Community networking initiatives achieve identified objectives as assessed by increased access to relevant information and services
90 per cent of projects met all their objectives according to the program evaluation.

Quality — Access and choice
Number of web site hits — Average 48 000 a month
Quantity

Number of organisations involved in community networking initiatives — 600
Number of new community networking projects and one-off projects — 68

Price

$2 088 000

Commentary

Edith Cowan University completed an independent evaluation of the initiative in June 2002. It found the program is meeting its objectives and producing positive impacts as a result of skills development, volunteer work, community building projects and participation in community activities.

Research under way

Community strength indicators and measures project—phase 2: the Social and Economic Research Centre of the University of Queensland has been engaged to develop a set of measures and indicators of community strength.

Measuring and enhancing community capacity in outback New South Wales—the case of Broken Hill: FaCS is an industry partner with the University of Technology Sydney and Broken Hill Community Inc in a two-year Australian Research Council project to measure and analyse the formation of social capital.

Family Tax Benefit

Effectiveness — Take-up/coverage

Number and percentage of 16–24 year-olds not eligible for Youth Allowance who attract Family Tax Benefit Part A and average duration of payment

330 272 or 9.5 per cent of all young people for whom the fortnightly benefit was paid.

Average duration of payment — 638 days

Percentage of families entitled to Family Tax Benefit who claim and receive their entitlement within the two year period allowed for their claim

Around 2 million families claimed and received the benefit for the tax year 2000–01 by the cut off date of 30 June 2002. It is estimated that only a small percentage of families likely to be entitled have not claimed.
Quality—Access and choice

Percentage of clients choosing fortnightly payment compared with end of year lump sum through the taxation system

Data are not yet available on clients who received their assistance through the tax system for 2001–02. The following data are for 2000–01.

- Centrelink fortnightly payments: 1,960,569 clients (93 per cent)
- *Centrelink lump-sum payments: 40,319 clients (2 per cent)
- *taxation system lump sum payments: 97,118 clients (5 per cent).

* Clients who claimed assistance using more than one payment method during the year may be included in more than one of the above categories, for example a client may have received fortnightly payments from Centrelink for part of the year as well as a lump-sum payment through the taxation system. Figures are at 30 June 2002. Note: some late claims in June 2002 may be finalised after 30 June 2002.

Number of Family Tax Benefit entitlements waived by non resident parents—81

Quality—Assurance

Number and value of top-ups and overpayments created by the reconciliation process for 2000–01

- 271,409 top-ups, averaging $1,028 in value and totalling $279 million up to 30 June 2002¹
- 670,282 overpayments, averaging $871 in value and totalling $584 million (before application of the waiver) up to 30 June 2002
- 198,176 overpayments after application of the $1000 waiver. These averaged $1,145 in value and totalled $225 million up to 30 June 2002.

Number of clients benefiting from the $1000 waiver

591,941 clients (excluding 78,341 clients who already benefited from a small debt waiver that was applied to debts of less than $50)

Average amount waived

$533 (including a small debt waiver of debts less than $50)

$606 (excluding a small debt waiver of debts less than $50)

Percentage of Family Tax Benefit fortnightly payment claims finalised within 21 days of lodgement

394,118 (88.5 per cent), including reassessments for newborn and extra children.

¹ At the time of printing these figures were awaiting verification.
Quantity

Number of clients assisted fortnightly

Table 5  Family Tax Benefit—number of clients assisted fortnightly (as at 30 June 2002)

<table>
<thead>
<tr>
<th>PAYMENT</th>
<th>FAMILIES</th>
<th>CHILDREN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Tax Benefit Part A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum rate (with income support payment)</td>
<td>485 918</td>
<td>914 808</td>
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<tr>
<td>Maximum rate (without income support payment)</td>
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<tr>
<td>Broken rate</td>
<td>431 552</td>
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<tr>
<td>Base rate</td>
<td>708 709</td>
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<tr>
<td>Below base rate</td>
<td>34 233</td>
<td>76 496</td>
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<tr>
<td>With Rent Assistance</td>
<td>345 353</td>
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<tr>
<td>Family Tax Benefit Part B</td>
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<tr>
<td>Maximum rate (for sole parents)</td>
<td>570 695</td>
<td>965 168</td>
</tr>
<tr>
<td>Maximum rate (for couples)</td>
<td>300 358</td>
<td>638 782</td>
</tr>
<tr>
<td>Broken rate (for couples)</td>
<td>327 966</td>
<td>689 281</td>
</tr>
</tbody>
</table>

Note: Does not include clients claiming through tax system.

Price

$10 927 703

Commentary

Around 2 million families receive Family Tax Benefit to help with the costs of their dependent children. The vast majority of Australian families with children qualify.

Family Tax Benefit Part A clients receive an average of $172 a fortnight or $4479 a year. On 30 June 2002, the average estimated 2001–02 taxable income for Family Tax Benefit Part A families was $42 700, excluding sole parents receiving income support. Family Tax Benefit Part A makes up 9.5 per cent of clients’ average annual income including their family payment.

Family Tax Benefit Part B clients receive an average of $74 a fortnight or $1941 a year.

In February 2002, FaCS evaluated the Statement of Care pilots conducted with Indigenous families during 2000–01. The pilots tested an innovative and flexible way of maintaining entitlement to Family Tax Benefit. This accommodated traditional shared child raising practices, and gave children better outcomes from the payment.

The arrangements were shown to have considerable success with the majority of participants finding the arrangements ‘positive’ or ‘very positive’. Families agreed to make sure children always benefited from payments made on their behalf, and the process of coming to agreement improved and facilitated family unity.
Grants to Family Relationship Support organisations—Family Relationships Services

Cost

Average cost per session and per client:

Table 6 Family Relationships Services Program

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>NUMBER OF SESSIONS</th>
<th>AVERAGE COST PER SESSION ($)</th>
<th>NUMBER OF CLIENTS</th>
<th>AVERAGE COST PER CLIENT ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Relationship Counselling</td>
<td>214 786</td>
<td>111</td>
<td>95 103</td>
<td>255</td>
</tr>
<tr>
<td>Adolescent Mediation and Family Therapy</td>
<td>8 777</td>
<td>280</td>
<td>4 499</td>
<td>550</td>
</tr>
<tr>
<td>Family Relationship Education</td>
<td>10 081</td>
<td>280</td>
<td>4 499</td>
<td>550</td>
</tr>
<tr>
<td>Family Relationship Skills Training</td>
<td>1 561</td>
<td>941</td>
<td>2 563</td>
<td>232</td>
</tr>
<tr>
<td>Family Relationship Mediation</td>
<td>13 329</td>
<td>502</td>
<td>7 560</td>
<td>941</td>
</tr>
</tbody>
</table>

Note: Family Relationship Counselling is jointly funded by FaCS and the Attorney-General's Department. Family Relationship Mediation funding is appropriated to the Attorney-General's Department and is managed by FaCS on the Attorney-General's behalf. Some figures are estimates based on sample data.

Effectiveness—Capacity

Percentage of clients with positive outcomes—Around 76 per cent

Quality—Assurance

Percentage of service providers meeting Family Quality Information Strategy Tier 1 standards
At the end of 2001–02, 102 organisations funded through the Family Relationships Services Program were required to meet the quality standards contained in the approval requirements. Since 2000–01, a sample of half (51) of those organisations have been independently assessed for compliance with the standards. Of those, 49 were fully compliant or had agreed on a strategy and date to achieve full compliance. The remaining two organisations are no longer providing services under the program.

Quantity

Number of sessions provided—see Table 6
Number of clients—see Table 6
Grants to family relationship support organisations—Financial Counselling Programme

Cost
Average cost per client—$175

Quantity
Number of clients—12 350

Total price
$26 525 000

Indigenous Parenting and Family Well-being

Price
$1 938 000

Maternity Allowances

Effectiveness—Targeting
Number and percentage of clients paid Maternity Immunisation Allowance on the basis of medical and non-medical exemptions from the immunisation requirement
1.2 per cent of clients—370 clients paid after medical exemptions, 2203 paid after non-medical exemptions.

Quantity
Number of clients receiving:
Maternity Allowance—212 237 clients, 216 126 children
Maternity Immunisation Allowance—206 803 clients, 210 623 children

Price
$216 887 000
National Illicit Drugs Strategy

**Effectiveness — Capacity**

Percentage of people with positive outcomes as defined under the program and measured through the evaluation process conducted by each state and territory which will help measure:

- increased parents' knowledge of various illicit drugs and their effects on young people (pre and post assistance)
- increased awareness of other Council of Australian Governments’ National Illicit Drug Strategy measures and how to access appropriate services
- increased community perceptions that families are better equipped to cope with the young person's illicit drug use

Memorandums of understanding were signed with each state and territory government between October 2000 and April 2002 and most projects are at a very early stage of implementation. Although data are not yet available, states and territories will provide quantitative and qualitative data reports each year, with the first of these reports due by 31 July 2002.

**Price**

$4 738 000

**Commentary**

After extensive negotiations from July 1999 to April 2002, all state and territory governments have signed memorandums of understanding under the ‘Strengthening and Supporting Families Coping with Illicit Drug Use’ measure of the National Illicit Drug Strategy. States and territories are responsible for implementing programs under this measure.

**Services for families with children**

**Price**

$7 140 000

$361 000 — Services for families with children SPP
Stronger Families and Communities Strategy: families initiatives

Effectiveness — Capacity

Families and communities identify their own measures of effectiveness indicated via the numbers of invitations accepted to participate in planning sessions.

Of the projects that have reported, over 10,000 invitations were sent out by organisations managing projects to families and communities to participate in Stronger Families Fund and Early Intervention Parenting projects. Approximately 76 per cent of these invitations were accepted.

Family participation in communities increases as indicated by:

- number of stakeholders participating in activities:
  1256 stakeholders participated in Stronger Families Fund and Early Intervention Parenting project activities.

- new networks:
  344 new networks of families participated in communities under the Stronger Families Fund and Early Intervention Parenting projects.

Percentage of client families that achieve and retain a positive outcome as assessed by improvements in:

86 per cent of client families reported improvements in confidence and 86 per cent reported improvements in self-esteem under Stronger Families Fund and Early Intervention Parenting projects.

Approximately 9000 parents participated in projects to improve parenting skills under the Stronger Families Fund and Early Intervention Parenting projects. Results from the evaluations of these projects are not yet available, but it is expected that these will show an increase in parenting skills.

Effectiveness — Take-up/coverage

Increased awareness among families of prevention and early intervention services through the National Communication Campaign

A clearinghouse of evidence has been established and information has been disseminated to 700 organisations involved in Stronger Families Fund projects to increase awareness. Feedback is not yet available.

Quality — Access and choice

Location of services, access to information, and access for special needs and target groups

202 services are under way in areas of identified priority for Stronger Families Fund and Early Intervention Parenting projects. Fifty-three per cent of all strategy projects are located in rural and regional areas. Twenty-two per cent of projects direct assistance toward Indigenous families.
Services to be provided in areas of identified priority and targeting high-need groups

202 services under the Stronger Families Fund and Early Intervention Parenting projects have been provided in areas of identified priority, targeting high-need groups. These include multicultural and Indigenous groups, people with a disability, and teenage parents.

Quality—Client satisfaction

Mechanisms in place to monitor client feedback (satisfaction and complaints)

There were 91 mechanisms in place throughout the Stronger Families Fund and Early Intervention Parenting projects to monitor client feedback.

Quantity

The following numbers relate to the Stronger Families Fund and Early Intervention parenting projects that have reported under the Strategy.

<table>
<thead>
<tr>
<th>Table 7</th>
<th>Stronger Families Fund and Early Intervention parenting projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of information systems in place</td>
<td>106</td>
</tr>
<tr>
<td>Number of participants and affiliated organisations</td>
<td>699 participants in 165 projects</td>
</tr>
<tr>
<td>Number of people assisted</td>
<td>8936</td>
</tr>
<tr>
<td>Number of research projects undertaken</td>
<td>23</td>
</tr>
<tr>
<td>Number of services and programs provided</td>
<td>323</td>
</tr>
<tr>
<td>Number and range of resources and materials developed</td>
<td>125</td>
</tr>
<tr>
<td>Number of communication mechanisms/forums in place</td>
<td>177</td>
</tr>
</tbody>
</table>

Price

$7,676,000

Commentary

The Stronger Families and Communities Strategy (SFCS) has been operational for 18 months and is a new way for government in working with communities that helps them identify and work up their own project opportunities. The data on project activity have only recently started to become available, but results are already greatly exceeding expectations represented in the 2001–02 Portfolio Budget Statements. The formal evaluation of the Strategy has begun and the data emerging will be important in adding to the evidence base for strengthening families and communities in Australia.

The evidence base for the effectiveness of early intervention strategies in the Australian context is beginning to be built through the data being produced by SFCS projects seeking to strengthen families. These data are being collated through the Stronger Families Learning Exchange, recently established by the Australian Institute of Family Studies under the auspices of the Strategy.
Departmental outputs

Cost

**Ratio of departmental expense to administered expense**
For every dollar spent on administered items under Output Group 1.1 in 2001–02, 3.8 cents were spent on departmental outputs.

Policy advice

**Quality — Client satisfaction**

*Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice*

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two — Ministerial and parliamentary services.

**Quantity**

**Number of items to ministers**

332 ministerial submissions and other written briefings or advice; 1085 ministerial replies to correspondence completed.

**Price**

$18,979,000

Purchasing, funding and relationship management

**Quality — Assurance**

*FaCS ensures that service providers meet terms and conditions of funding*

Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers

Although the Australian Taxation Office (ATO) and the Health Insurance Commission (HIC) played an active role in family payment delivery in 2001–02 as part of the Family Assistance Office (FAO), Centrelink continued to be the main provider of family payments. Centrelink delivered these payments in compliance with the terms and conditions of the Business Partnership Agreement with FaCS.

Business agreements that meet legislative, government policy and departmental requirements have been developed with Centrelink, the ATO and the HIC to deliver the FAO program and payments.
Quantity

**Number of business agreements under management** — 3

**Number of contracts/service agreements under management**

Details of projects funded under the Stronger Families and Communities Strategy are in Output Group 2.2.

FaCS had in place around 300 family relationships contracts/service agreements during 2001–02. Of these, approximately 85 per cent were with individual community-based organisations to provide services to clients on behalf of FaCS.

**Number of service providers under management**

Details of projects funded under the Stronger Families and Communities Strategy are in Output Group 2.2.

During 2001–02, approximately 250 community-based organisations were contracted to provide services for clients on FaCS’s behalf. In addition, around 40 contracts/service agreements were held with individual organisations to provide services to FaCS to support family relationship-related projects.

Price

$23 163 000

Research and evaluation

**Quality—assurance**

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development.

There was a consistently high standard of research and evaluation during 2001–02. It was timely, objective and methodologically sound.

Quantity

**Major pieces of research and evaluation completed** — 1

Price

$6 262 000

Service delivery

**Quality—Access and choice**

**A fair percentage of FAO sites are located in rural and regional areas**

More than half of all FAO sites are located in rural and regional areas.
Percentage of FAO clients who visit a Health Insurance Commission, ATO, Centrelink FAO sites

Because the client service focus differs slightly between the FAO partner agencies, it is not possible to provide directly comparable data on client volumes handled by each agency. However, the following data provide an indication of the relative FAO client activity managed by the ATO, HIC and Centrelink.

During 2001–02, there were 5517 visits to ATOaccess sites and 1361 claim forms lodged for Family Tax Benefit. In addition, 333 650 claims were lodged with the ATO for payment of Family Tax Benefit as a lump sum through the tax system. The bulk of these were lodged electronically.

Over the same period 86 719 clients made enquiries about family assistance at Medicare offices, and 83 389 claim forms relating to all family payments were lodged through Medicare offices.

During the year 342 896 new claims were lodged through Centrelink offices for Family Tax Benefit. Centrelink did not separately record the number of visits to their customer service centres in respect of family payment matters.

Quality—Assurance

Service providers deliver services to the timeliness and accuracy standards agreed with FaCS

Services were delivered as agreed. FAO control mechanisms are in place to limit residual risk of incorrect payment.

Quality—Client rights and obligations

Percentage of reviews and appeals for Family Tax Benefit where the original decision is affirmed

<table>
<thead>
<tr>
<th>PAYMENT TYPE</th>
<th>AUTHORISED REVIEW OFFICERS</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>ADMINISTRATIVE APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
<td>PERCENTAGE CHANGED</td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Double Orphan Pension (DOP)</td>
<td>13</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>Family Allowance*</td>
<td>1246</td>
<td>34</td>
<td>297</td>
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<tr>
<td>Family Tax Benefit Part A</td>
<td>1876</td>
<td>22</td>
<td>315</td>
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<tr>
<td>Family Tax Benefit Part B</td>
<td>257</td>
<td>11</td>
<td>50</td>
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<tr>
<td>Family Tax Benefit</td>
<td>794</td>
<td>19</td>
<td>47</td>
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<tr>
<td>Family Tax Payment</td>
<td>248</td>
<td>24</td>
<td>44</td>
</tr>
<tr>
<td>Maternity Allowance</td>
<td>162</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Maternity Immunisation Allowance</td>
<td>51</td>
<td>41</td>
<td>0</td>
</tr>
</tbody>
</table>

*Note: Figures for Family Allowance include reviews relating to the former Additional Family Payment, which ceased to exist on 1 January 1996.
Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 88,474 Family Assistance reviews were completed. These included 37,800 Family Allowance and 50,674 Family Tax Benefit reviews. Some 8397 downward variations resulted in fortnightly savings of $976,503 and 1195 upward variations resulted in fortnightly increases of $55,107. The 41,365 debts totalled $37,829,444. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Number and value of child support debts recovered from an individual’s entitlement to Family Tax Benefit

Data not yet available as the measure’s date of effect is not until the 2002–03 tax year.

Quality—Client satisfaction

Low number of complaints relating to FAO service delivery

9030 complaints received

Quantity

Number of FAO sites across Australia

558 sites: 312 Centrelink customer service centres, 226 Medicare office sites and 20 ATOaccess sites

Price

$363,638,000—Centrelink

$10,872,000—Other

Commentary

The FAO is a joint venture between FaCS, Centrelink, the ATO and the HIC. The FAO is located in all Centrelink customer service centres, Medicare Offices and ATOaccess sites.

The FAO delivers Family Tax Benefit (Parts A and B), Child Care Benefit, Maternity Allowance and Maternity Immunisation Allowance. At any FAO site clients are able to collect information and make enquiries, lodge claim forms for all FAO-related payments, notify a change of their circumstances, make appointments with FAO staff, discuss how changes in income may affect their entitlements and obtain information to help choose the best payment option for them. A dedicated FAO call centre is available to handle ongoing client enquiries about their payments.
Performance summary

Providing financial assistance to families is a key component in the Government’s commitment to helping parents maintain and build strong families.

Family Tax Benefit represents a major improvement in assistance to families. Introduced as a component of tax reform changes on 1 July 2000, it has meant that around 2 million families have benefited. Those benefits comprise more generous income testing arrangements that allow more families to receive maximum levels of assistance, and provide financial incentives to earn other income. The amount of assistance has also increased to an average of $5700 per year for fortnightly clients.

Families are entitled to a top-up of assistance if they are found after the end of the financial year to have overestimated their income for that year. If they have been overpaid because of an underestimate of income they are asked to repay any excess payment. For the financial year 2000–01 around 271,409 families received top-ups totalling $279 million.\(^2\)

Arrangements are also in place to help families make more accurate estimates of income and to avoid overpayments. They can claim payment as a lump sum at the end of the year or can choose to estimate their family income towards the top of its likely range. A key transitional feature for FTB payments for the 2000–01 year was the waiver of up to $1000 of each FTB overpayment resulting from mis-estimates of income or shared care. This measure recognised that some families needed extra help in the transition to the new payment arrangements and benefited 591,941 families.

The Family and Community Network Initiative funded 68 projects to build the capacity of communities and community organisations. Projects focus on achieving better outcomes using networks. One project, WAYCOOL, improved outcomes for ‘at risk’ youth in the Wellington local government area by developing and implementing training modules for the target group, in collaboration with local service providers who have an interest in youth. WAYCOOL has so far positively affected the lives of 57 participants and their families, and at the community level made a positive impact on attitudes, behaviours and life options for local youth. Courses have had significant Indigenous participation and completion rates.

Ongoing implementation of the Stronger Families and Communities Strategy is reported against Output 2.2.

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2 At the time of printing these figures were still to be verified.
Contribution to Outcome 1

Youth and Student Support contributes to Outcome 1 by:

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

Strategies

- Provide income support through Youth Allowance to young people to assist them complete their education and make the transition to employment
- Provide income support through Austudy Payment for students aged 25 and older to assist them complete their education and improve their competitiveness in the labour market
- Manage Reconnect, an early intervention program for young people at risk of homelessness, and their families
- Manage the Youth Activities Services program, which assists young people aged 11 to 16 who live in disadvantaged areas and are at risk
- Manage the Family Liaison Workers program, which works within Youth Activities Services and assists young people and their families deal with family conflict
- Manage the Green Corps program, which provides young people aged between 17 and 20 years with the opportunity to volunteer to work on environmental and heritage conservation projects
- Manage the Job Placement, Employment and Training program, which provides assistance to young people aged between 15 and 21 to overcome a range of personal barriers which prevent them from participating effectively in employment, education or training
- Manage the Targeted Youth Assistance Initiatives, which is a group of initiatives designed to improve the provision of information and referral services to isolated young people; encourage the development and delivery of innovative, community-based servicing responses to the needs of young people in transition; and assist the integration of young offenders into mainstream community life
Implement ‘Simple Service Solutions’ and the ‘Youth Servicing Strategy’ to ensure all young Australians obtain the information and services they need, in a timely and joined up manner, to move ahead on their pathways to greater independence.

Implement Transition to Independent Living Allowance, which provides a one-off payment to assist young people with costs associated with the transition to independent living. This initiative commences in March 2003.

Implement the Mentor Marketplace, which helps young people to stay connected to family, education, training and the workplace by complementing existing mentoring programs being run primarily by the community sector and initiating new mentoring opportunities.

Work in partnership with other stakeholders, including community, federal and state/territory organisations, in confronting difficulties experienced by young people who are disconnected, or at risk of becoming disconnected, from their family, community, education and/or employment.

Create opportunities for and promote the active engagement and greater participation of young people in community activities.

Raise the profile and positive image of young people in the community.

**Outputs under Output Group 1.2**

**Components of the Strategic Intervention Program—National Illicit Drugs Strategy**

Funding is allocated to state and territory governments to implement measures to help the community and community groups provide support to families with a young person coping with illicit drug use. Further information on this is reported in Output 1.1.

**Green Corps**

Provides young people aged between 17 and 20 years of age with the opportunity to demonstrate their commitment to preserve and restore Australia’s environment and heritage. A voluntary, transitional youth development scheme designed to provide participants with personal and skill development and improved connections with their community. This program was transferred from the former Department of Education, Training and Youth Affairs.

**Job Placement, Employment and Training Program (JPET)**

Offers ongoing support and referral services to assist young people to overcome barriers preventing them from maintaining stable accommodation and entering into full-time education, training or employment. This program was transferred from the former Department of Education, Training and Youth Affairs.
Reconnect Program

An early intervention program improving the level of engagement in family, work, education and the community of young people who are homeless, or at risk of homelessness, and their families.

Targeted Youth Assistance Program

Provides information and referral services to isolated young people; develops and delivers innovative, community-based servicing responses to the needs of young people in transition, as identified by the Prime Minister's Youth Pathways Action Plan Taskforce; and assists the integration of young offenders into mainstream community life. This is undertaken by contracting with a mixture of community organisations, local and state/territory governments to deliver services on the Commonwealth’s behalf. This program was transferred from the former Department of Education, Training and Youth Affairs.

Family Liaison Worker Program

Provides practical support and guidance to young people aged 11 to 16 and their families to help them deal with difficulties such as family conflict and lack of communication, and refer them to specialist services as required.

Youth Activities Services Program

Provides innovative structured activities and positive peer support programs after school, over the weekend and during vacations for young people aged 11 to 16 in disadvantaged areas.

Austudy payment

Is available to eligible students aged 25 years and over who are undertaking full-time study or training.

Fares Allowance

Reimburses travel costs incurred by eligible tertiary students receiving Youth Allowance, Austudy payment or Pensioner Education Supplement who live away from home to study.

Student Financial Supplement Scheme

Gives students the option of increasing their income while studying. Students surrender $1 of income support for $2 of fully repayable loan that is repaid on an income contingent basis. The scheme helps remove financial barriers to participation in education.

Youth Allowance

Is available to eligible young people who are studying, seeking or preparing for paid employment.
## Financial and staffing resources summary

### Table 9 Output Group 1.2—Youth and Student Support

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET$'000 2001–02</th>
<th>(B) ACTUAL $'000 2001–02</th>
<th>VARIATION (COLUMN B MINUS COLUMN A)$'000</th>
<th>(B) BUDGET$'000 2002–03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Components of the Strategic Intervention Program</td>
<td>29</td>
<td>29</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Green Corps</td>
<td>9 208</td>
<td>8 913</td>
<td>−295</td>
<td>23 037</td>
</tr>
<tr>
<td>Job Placement, Employment and Training Program</td>
<td>11 861</td>
<td>11 807</td>
<td>−54</td>
<td>18 471</td>
</tr>
<tr>
<td>Mentor Marketplace</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>802</td>
</tr>
<tr>
<td>Reconnect (Youth homelessness early intervention)</td>
<td>20 244</td>
<td>18 970</td>
<td>−1 274</td>
<td>19 244</td>
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<tr>
<td>Targeted Youth Assistance Program</td>
<td>4 478</td>
<td>1 222</td>
<td>−3 256</td>
<td>2 000</td>
</tr>
<tr>
<td>Youth Activities Services</td>
<td>6 601</td>
<td>6 600</td>
<td>−1</td>
<td>6 730</td>
</tr>
<tr>
<td>Transition to Independent Living Allowance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>897</td>
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<tr>
<td>Special Appropriations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austudy Payments (Social Security (Administration) Act 1999)</td>
<td>265 261</td>
<td>280 794</td>
<td>15 533</td>
<td>271 919</td>
</tr>
<tr>
<td>Fares Allowance (Social Security (Administration) Act 1999)</td>
<td>1 095</td>
<td>525</td>
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<td>1 095</td>
</tr>
<tr>
<td>Student Financial Supplement Scheme (Social Security (Administration) Act 1999)</td>
<td>159 233</td>
<td>500 967</td>
<td>341 734</td>
<td>159 119</td>
</tr>
<tr>
<td>Youth Allowance (Social Security (Administration) Act 1999)</td>
<td>2 227 213</td>
<td>2 213 719</td>
<td>−13 494</td>
<td>2 289 089</td>
</tr>
<tr>
<td>Total Administered Expenses</td>
<td>2 705 223</td>
<td>3 043 546</td>
<td>338 884</td>
<td>3 032 577</td>
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</table>

### Price of Departmental Outputs

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET$'000 2001–02</th>
<th>(B) ACTUAL $'000 2001–02</th>
<th>VARIATION (COLUMN B MINUS COLUMN A)$'000</th>
<th>(B) BUDGET$'000 2002–03</th>
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<tbody>
<tr>
<td>Policy advice</td>
<td>5 048</td>
<td>3 140</td>
<td>−1 908</td>
<td>4 962</td>
</tr>
<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>4 687</td>
<td>9 248</td>
<td>4 561</td>
<td>4 608</td>
</tr>
<tr>
<td>Research and evaluation</td>
<td>2 284</td>
<td>916</td>
<td>−1 368</td>
<td>2 245</td>
</tr>
<tr>
<td>Service delivery (Centrelink)</td>
<td>211 459</td>
<td>210 736</td>
<td>−723</td>
<td>226 799</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>1 208</td>
<td>1 208</td>
<td>0</td>
<td>1 560</td>
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</table>

### Revenue from Government ( Appropriation) for Departmental Output Groups

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET$'000 2001–02</th>
<th>(B) ACTUAL $'000 2001–02</th>
<th>VARIATION (COLUMN B MINUS COLUMN A)$'000</th>
<th>(B) BUDGET$'000 2002–03</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaCS component</td>
<td>13 227</td>
<td>14 511</td>
<td>1 284</td>
<td>13 375</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>211 459</td>
<td>210 736</td>
<td>−723</td>
<td>226 799</td>
</tr>
<tr>
<td>TOTAL FOR GROUP 1.2</td>
<td>2 929 909</td>
<td>3 268 793</td>
<td>338 884</td>
<td>3 032 577</td>
</tr>
</tbody>
</table>

### Staffing Years (Number)

<table>
<thead>
<tr>
<th></th>
<th>2001–02</th>
<th>2002–03</th>
</tr>
</thead>
<tbody>
<tr>
<td>FACS (including the Social Security Appeals Tribunal)</td>
<td>102</td>
<td>102</td>
</tr>
</tbody>
</table>

---

a Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations (including section 32 transfer from DEST).
b Budget prior to additional estimates.
c FaCS includes the Social Security Appeals Tribunal.
Performance information

Austudy Payment

Effectiveness — Adequacy

Maximum weekly payments to recipients, as a percentage of Male Total Average Weekly Earnings

<table>
<thead>
<tr>
<th></th>
<th>AUSTUDY PAYMENT RATE PER WEEK ($)</th>
<th>PERCENTAGE OF MTAWE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, no children</td>
<td>150.85</td>
<td>18.3</td>
</tr>
<tr>
<td>Single, with children</td>
<td>197.65</td>
<td>24.0</td>
</tr>
<tr>
<td>Partnered, no children</td>
<td>165.65</td>
<td>20.1</td>
</tr>
<tr>
<td>Partnered, with children</td>
<td>150.85</td>
<td>18.3</td>
</tr>
</tbody>
</table>

Maximum weekly payments to recipients — index of real value

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single no children</td>
<td>100</td>
<td>98</td>
<td>100</td>
<td>101</td>
</tr>
<tr>
<td>Couple no children</td>
<td>100</td>
<td>98</td>
<td>100</td>
<td>101</td>
</tr>
<tr>
<td>Single with children 1 child under 5 years</td>
<td>100</td>
<td>98</td>
<td>107</td>
<td>109</td>
</tr>
<tr>
<td>Couple with children 1 child under 5 years</td>
<td>100</td>
<td>98</td>
<td>110</td>
<td>112</td>
</tr>
</tbody>
</table>

Quantity

Number of clients assisted at 30 June 2002 — 41 007

Price

$280 794 000
Fares Allowance

**Quantity**

**Number of clients assisted**—3492

**Price**

$525 000

Green Corps

**Effectiveness — Capacity**

**Post-Green Corps outcomes**

The number of participants continuing ongoing education or training after completing the Green Corps program is 57 per cent for rounds 20 and 22, and 65 per cent overall for rounds 14 to 22. (Round 22 ended in December 2001. Data for current rounds are not yet available.)

**Quality — Access and choice**

**Retention rate**

80 per cent of participants complete the Green Corps program.

**Quality — Client satisfaction**

**Participant satisfaction**

91 per cent satisfaction for the most recent rounds, and 92 per cent over the life of the program.

**Quantity**

**Number of projects funded**—180

**Number of young people participating**—1800

**Price**

$8 913 000

Job Placement, Employment and Training Program (JPET)

**Effectiveness — Capacity**

**Number of young people assisted to enter employment, work placement and accommodation under JPET**

136 providers were funded, delivering services to 15 595 young Australians. Indications from providers are that the program helped 5600 young people enter employment and work placement, and 4373 with accommodation.
**Quantity**

**Number of young people assisted**—15,595

Of this figure, 1,575 young people were from culturally or linguistically diverse backgrounds and 1,766 identified as being Indigenous.

**Price**

$11,807,000

**Commentary**

An independent evaluation of JPET was undertaken by Consulting Insights. Results showed JPET as cost-effective and successful in helping young people with multiple barriers to employment and training regain stable lifestyles. The *JPET—back on track* evaluation report shows that:

- access to safe accommodation increased from 58 per cent on entry to 80 per cent on exit and 85 per cent at six months post-exit
- participation in education and training increased from 20 per cent at entry to 47 per cent on exit and 43 per cent at six months post-exit
- employment levels improved from 1 per cent of clients participating on entry to 27 per cent on exit.

**Reconnect Program**

**Effectiveness—Early intervention**

**Percentage of clients with a positive change in their overall situation**

Of the 85 per cent of total Reconnect participants who consented to participate in a Reconnect data collection, some 77 per cent reported an improvement in their overall situation at the end of their Reconnect support period.

<table>
<thead>
<tr>
<th>Table 13</th>
<th>Reconnect—percentage of clients with an improved level of engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved engagement with:</td>
<td>Family</td>
</tr>
<tr>
<td>Percentage:</td>
<td>64</td>
</tr>
</tbody>
</table>
Quantity

**Number of people assisted** — 5,804

Of these, 3,159 young people were assisted through individual casework (current and closed cases) and 2,645 through participation in groups.

<table>
<thead>
<tr>
<th>Table 14</th>
<th>Reconnect — numbers assisted through individual casework (closed cases only)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Young people only</td>
</tr>
<tr>
<td>459</td>
<td>734</td>
</tr>
</tbody>
</table>

Price

$18,970,000

Commentary

By the end of June 2002, FaCS had approved the establishment of 93 Reconnect services. Of these, 89 are operational with the remaining services expected to be operational from July 2002. When fully operational, Reconnect will provide 100 services with 7,000 young people and 5,000 parents being assisted per year.

The evaluation of the Reconnect Program is now in train, covering all states and territories and focusing on the 89 Reconnect services in operation. The evaluation has so far revealed that almost 70 per cent of young people reported an improvement in their relationship with their families. Reconnect services appear to have enhanced their local networks and improved community capacity for early intervention. Most services are operating effectively. The evaluation is expected to be finalised in 2003.

Student Financial Supplement Scheme

Quantity

**Number of existing clients assisted**

38,636 clients at 30 June 2002. Of these, 24,394 were Youth Allowance clients and Austudy payment clients, 7,509 were Pensioner Education Supplement clients and the remaining were ABSTUDY clients.

Price

$500,967,000

Commentary

An actuary review of the likelihood of student financial debts being repaid was completed. There was a $295.6 million increase in the write down of assets, primarily the result of an increase in the provision for doubtful debts.
Targeted Youth Assistance Program

Effectiveness—Targeting

Percentage of individual contractual milestones achieved
Targeted Youth Assistance Program providers achieved their contracted performance milestones to the satisfaction of FaCS in 95 per cent of all cases during the 2001–02 financial year.

Price
$1 222 000

Youth Activity Services/Family Liaison Workers

Effectiveness—Capacity

Percentage of young people with positive outcomes as identified by Youth Activity Services through self evaluation
Data are unavailable for 2001–02 because of delays in automating data collection for the Youth Activity Service/Family Liaison Worker programs. Data will be available in future financial years.

Percentage of young people and their families in Youth Activity Services programs completing the program
Data are unavailable for 2001–02 because of delays in automating data collection for the Youth Activity Service/Family Liaison Worker programs. Data will be available in future financial years.

Quantity

Number of people assisted
Young people only—112 927
Young people and their families—121 782

Price
$6 600 000

Commentary
FaCS’s July 2001 Report of Youth Activities Services and Family Liaison Workers Good Practice Forums highlighted 26 good practice stories on the valuable work being undertaken in communities by Youth Activities Services/Family Liaison Worker projects.
Youth Allowance

Effectiveness—Adequacy

Maximum weekly payments to recipients—index of real value

<table>
<thead>
<tr>
<th>Table 15 Youth Allowance—maximum weekly payments to recipients—index of real value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1999</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>Single under 18</td>
</tr>
<tr>
<td>At home</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Away from Home</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>With Rent Assistance</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Single 18</td>
</tr>
<tr>
<td>At home</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Away from Home</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>With Rent Assistance</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Single with children</td>
</tr>
<tr>
<td>1 child under 5 year</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>With Rent Assistance</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Couple 21 with children</td>
</tr>
<tr>
<td>1 child under 5 years</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>With Rent Assistance</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>Couple over 21 no children</td>
</tr>
<tr>
<td>100</td>
</tr>
<tr>
<td>With Rent Assistance</td>
</tr>
<tr>
<td>100</td>
</tr>
</tbody>
</table>
Ratios of minimum wages to single rates

**Table 16  Youth Allowance (YA)—ratios of minimum wages to single rates**

<table>
<thead>
<tr>
<th>AGE</th>
<th>MIN AWARD WAGE PW ($)</th>
<th>AT HOME RATE YA Rate PW ($)</th>
<th>RATIO</th>
<th>AWAY FROM HOME RATE YA Rate PW ($)</th>
<th>RATIO</th>
<th>SINGLE WITH CHILD RATE YA Rate PW ($)</th>
<th>RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>172.56</td>
<td>82.55</td>
<td>2.1:1</td>
<td>150.85</td>
<td>1.1:1</td>
<td>197.65</td>
<td>0.9:1</td>
</tr>
<tr>
<td>16</td>
<td>215.70</td>
<td>82.55</td>
<td>2.6:1</td>
<td>150.85</td>
<td>1.4:1</td>
<td>197.65</td>
<td>1.1:1</td>
</tr>
<tr>
<td>17</td>
<td>258.84</td>
<td>82.55</td>
<td>3.1:1</td>
<td>150.85</td>
<td>1.7:1</td>
<td>197.65</td>
<td>1.3:1</td>
</tr>
<tr>
<td>18</td>
<td>301.98</td>
<td>99.30</td>
<td>3.0:1</td>
<td>150.85</td>
<td>2.0:1</td>
<td>197.65</td>
<td>1.5:1</td>
</tr>
<tr>
<td>19</td>
<td>345.12</td>
<td>99.30</td>
<td>3.5:1</td>
<td>150.85</td>
<td>2.3:1</td>
<td>197.65</td>
<td>1.7:1</td>
</tr>
<tr>
<td>20</td>
<td>388.26</td>
<td>99.30</td>
<td>3.9:1</td>
<td>150.85</td>
<td>2.6:1</td>
<td>197.65</td>
<td>2.0:1</td>
</tr>
<tr>
<td>21+</td>
<td>431.40</td>
<td>99.30</td>
<td>4.3:1</td>
<td>150.85</td>
<td>2.9:1</td>
<td>197.65</td>
<td>2.2:1</td>
</tr>
</tbody>
</table>

Maximum weekly payments to recipients as a percentage of male total average weekly earnings (MTAWE)

**Table 17  Youth Allowance—maximum weekly payments to recipients as a percentage of male total average weekly earnings (MTAWE)**

<table>
<thead>
<tr>
<th>YOUTH ALLOWANCE RATE PER WEEK ($)</th>
<th>PERCENTAGE OF MTAWE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, under 18, at home</td>
<td>82.55</td>
</tr>
<tr>
<td>Single, under 18, away from home</td>
<td>150.85</td>
</tr>
<tr>
<td>Single, over 18, at home</td>
<td>99.30</td>
</tr>
<tr>
<td>Single, under 18, away from home</td>
<td>150.85</td>
</tr>
<tr>
<td>Single, with children</td>
<td>197.65</td>
</tr>
<tr>
<td>Partnered, no children</td>
<td>150.85</td>
</tr>
<tr>
<td>Partnered, with children</td>
<td>165.85</td>
</tr>
</tbody>
</table>

Effectiveness—Independence

**Number and percentage of Youth Allowance clients who achieved independence through workforce participation**

74 344 Youth Allowance clients were assessed as independent in June 2002 because of previous workforce participation. They represented 18.7 per cent of all Youth Allowance clients and 51.1 per cent of all independent clients. Of these clients, 63 641 (85.6 per cent) achieved independent status through minimum earnings, 6025 (8.1 per cent) through full-time work, 4678 (6.3 per cent) through part-time work and 651 (0.9 per cent) through a special safety net criteria.
**Number and percentage of Youth Allowance clients undertaking full-time or part-time study/training**

At 30 June 2002, 308,192 (77.9 per cent) Youth Allowance clients studied full-time. In addition, 19,620 Youth Allowance clients undertook part-time study to complement their job search activities. This group represented 2.2 per cent of non full-time students receiving Youth Allowance and indicated full-time and part-time students collectively represent 78.4 per cent of all Youth Allowance clients. Over 2001–02, the proportion of clients studying full-time remained steady.

**Number and percentage undertaking solely job search**

At 30 June 2002, 51,195 Youth Allowance clients undertook solely job search, representing 12.9 per cent of the total Youth Allowance population and 58.6 per cent of Youth Allowance non full-time students. Over 2001–02, the number and proportion of Youth Allowance clients undertaking job search remained steady.

**Effectiveness — Take-up/coverage**

**Number and percentage of 16–24 years old receiving Youth Allowance or another FaCS income support payment**

Comparing income support data with ABS data presents definitional problems, and there are differences in the applicable published age cohorts. However, administrative data suggests that Youth Allowance clients represent around 31.9 per cent (395,496 of 1,237,700) of the population ‘potentially eligible’ for Youth Allowance or another income support payment.\(^1\)

**Percentage of clients compared with the notionally eligible population**

Due to definitional issues, ABS statistics for those who are not in the labour force or those who are unemployed are not appropriate measures of the estimated potentially eligible non full-time student Youth Allowance population. Further, the total number of full-time students the ABS reports is an inappropriate measure of potentially eligible Youth Allowance students, as it does not account for dependency criteria and levels of parental income.

ABS (Labour Force Report 6203.0) reported that Australia had 2,486,000 people aged 16 to 24. Of these, 40.1 per cent (997,500) undertook full-time study.

<table>
<thead>
<tr>
<th>Table 18 Percentage and number of Youth Allowance clients compared with notionally eligible population</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AGE</strong></td>
</tr>
<tr>
<td>Not in the labour force</td>
</tr>
<tr>
<td>Unemployed</td>
</tr>
<tr>
<td>Full-time students</td>
</tr>
</tbody>
</table>

\(^1\) The potentially eligible population refers to all those aged 16 to 20 except non full-time students who are full-time workers (as defined by the ABS), and full-time students aged 21 to 24.
Effectiveness—Targeting

Percentage of clients on a part rate of payment due to the parental means test
At 30 June 2002, Centrelink assessed 249,944 Youth Allowance clients as dependent and subject to the parental means test. Of these, 41,288 (16.5 per cent) received a reduced rate due to their parents’ means. This figure includes 5,753 (2.3 per cent) who received a reduced rate under the Family Actual Means Test.

Percentage of clients with private earnings
In the fortnight ending 28 June 2002, 17.5 per cent (15,270) of Youth Allowance non full-time students had private earnings. In the same fortnight, 30.1 per cent (105,277) of full-time students had private earnings. Of these, the majority (94,391) were Youth Allowance full-time students (representing 30.6 per cent of all Youth Allowance full-time students) and 10,886 were Austudy payment clients (representing 26.5 per cent of Austudy payment clients).

The average percentage of total income from private earnings
At 30 June 2002, private earnings accounted for 98.7 per cent of the total income of non full-time student Youth Allowance clients. In the same fortnight, 96.1 per cent of the total income of Youth Allowance full-time students were private earnings and 87.9 per cent of the total income for Austudy payment clients were private earnings.

Percentage of clients on a part rate of payment due to the personal means test
In the fortnight ending 30 June 2002, 15.2 per cent (13,307) of Youth Allowance non full-time students and 7.6 per cent (26,698) of full-time students received a reduced rate because of private earnings. Of the latter, the majority (22,653) were Youth Allowance full-time students (7.4 per cent of all Youth Allowance full-time students) and 4045 were Austudy payment clients (representing 9.9 per cent of Austudy payment clients).

Quantity
Number of Youth Allowance clients assisted—395,496
Number and percentage of clients paid supplementary payments—Rent Assistance
73,720 (23.9 per cent) of full-time students
18,215 (20.8 per cent) of non full-time students

Price
$2,213,719,000
Commentary

The Youth Allowance Evaluation—Final Report, released publicly in March 2002, found that Youth Allowance is achieving the objectives the Government set. The results of the evaluation are based on research from the Australian Council for Educational Research using quantitative data from a range of sources, including a three-year Youth Allowance Longitudinal Survey conducted by Wallis Consulting Group.

The results show that more students are receiving income support since the introduction of Youth Allowance on 1 July 1998 and there is a significant and sustained increase among under-18 year-old income support clients in full-time education and training. Youth Allowance supports early school leavers to return to study at about twice the rate of those who are not on Youth Allowance. The extension of Rent Assistance to full-time students who need to live away from home has had an impact on encouraging young people to undertake further studies. More than 78 000 recipients currently claim Rent Assistance, nearly three-quarters of them being full-time students.

Departmental outputs

Cost

Ratio of departmental expense to administered expense
For every dollar spent on administered items under Output Group 1.2 in 2001–02, 7.4 cents were spent on departmental outputs.

Policy advice

Quality—Client satisfaction
Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice
Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity

Number of items to ministers
271 ministerial submissions and other written briefings or advice prepared; 768 ministerial replies to correspondence completed.

Price
$3 140 000
Purchasing, funding and relationship management

Quality—Assurance

FaCS ensures that service providers meet terms and conditions of funding

In the Youth and Students Specification, Centrelink and FaCS agreed Centrelink would deliver programs and services for young people on its behalf. Mechanisms common across most payment types for the monitoring of performance are defined in the FaCS–Centrelink Business Partnership Agreement.

The Reconnect Program ensures that funding agreements are met by requiring service provider to submit a range of reports to FaCS, including quarterly financial reports, annual audited reports and annual self-evaluation reports. Client data must be entered onto the system by service providers in a timely manner. Each Reconnect service must also be independently evaluated during a three-year funding agreement by a consultant appointed by FaCS.

Formal guidelines apply to the JPET program and regional youth officers complete annual quality assurance reports on service providers. Management information to ensure quality and value for money is gathered through the JPET Internet product and through tri-annual reporting arrangements by the community organisations according to the terms of the funding agreement.

For the Green Corps Program, regional youth officers annually monitor 50 per cent of the project sites and assist in the acquittal process of each funding round. The Department of Employment and Workplace Relations surveys participant outcomes and satisfaction on behalf of FaCS, along with the quality of the training given.

Service agreements/contracts that meet legislative, government policy and FaCS requirements are in place with all service providers

FaCS and Centrelink signed a revised Business Partnership Agreement on 31 July 2001, whereby Centrelink undertook to deliver programs and services for young people on FaCS’s behalf.

Services provided through the Reconnect Program are delivered in partnership with community organisations that have funding agreements with FaCS. Services provided by the Youth Activities Services Program and associated Family Liaison Worker Program are also delivered through service agreements with community organisations.

Services provided through the JPET Program are delivered in partnership with community organisations under funding agreements with FaCS.

Services provided through the Green Corps Program are delivered by one national provider with a funding agreement with FaCS.

FaCS has an agreement with the Commonwealth Bank of Australia for the provision of the Student Financial Supplement Scheme under the terms of the Social Security Act 1991. This contract was renegotiated for a further two years from January 2001.
Quantity

Number of contracts/service agreements under management — 361 plus Centrelink and the Commonwealth Bank of Australia

Number of service providers under management
- Reconnect: 89 service providers
- Youth Activities Services/Family Liaison Workers: 98 service providers
- JPET: 136 service providers
- Green Corps: 1 service provider delivering services across 180 project sites
- Targeted Youth Assistance Program: 35 service providers.

Price

$9,248,000

Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Research and evaluation during 2001–02 was of a consistently high standard. It met timelines and terms of reference and was methodologically sound.

Quantity

Major pieces of research and evaluation completed — 2

Price

$916,000

Service delivery

Quality—Assurance

Percentage of service level agreements in which performance is not delivered to the specific standard

Centrelink delivers services to standards agreed with FaCS.

The Business Partnership Agreement with Centrelink sets out key result areas and performance measures that apply to income support payments. Centrelink monitors performance against agreed standards for the delivery of services.
Number of reviews and appeals

<table>
<thead>
<tr>
<th>PAYMENT TYPE</th>
<th>AUTHORISED REVIEW OFFICERS</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>ADMINISTRATIVE APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
<td>PERCENTAGE CHANGED</td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Austudy Payment</td>
<td>531</td>
<td>28</td>
<td>133</td>
</tr>
<tr>
<td>Fares Allowance</td>
<td>3</td>
<td>33</td>
<td>0</td>
</tr>
<tr>
<td>Student Financial Supplement Scheme</td>
<td>9</td>
<td>22</td>
<td>3</td>
</tr>
<tr>
<td>Youth Allowance</td>
<td>3843</td>
<td>40</td>
<td>529</td>
</tr>
<tr>
<td>Independent Homeless Rate</td>
<td>201</td>
<td>18</td>
<td>37</td>
</tr>
<tr>
<td>Youth Training Allowance</td>
<td>21</td>
<td>9</td>
<td>3</td>
</tr>
</tbody>
</table>

Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 348 893 Youth Allowance and Austudy Payment reviews were completed. Some 29 338 downward variations resulted in fortnightly savings of $6 166 977 and 3632 upward variations resulted in fortnightly increases of $186 729. The 51 889 debts totalled $64 659 255. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Price

- $210 736 000—Centrelink
- $1 208 000—Other

Performance summary

2001 was the third full academic year in which Youth Allowance and Austudy Payments were available to eligible young people and students. Since the introduction of Youth Allowance, there has been an increase in the number and proportion of full-time students accessing income support. Within the total population of 16 to 24 year-olds, the number of students studying full-time has increased, while the number of young people in job search activities has declined.
FaCS has been working with other Commonwealth agencies and state and territory governments through the Secretaries’ Advisory Group on Youth, the Ministerial Council on Education, Employment, Training and Youth Affairs and the Community and Disability Services Ministers’ Council, which has resulted in progress of various initiatives pursued as part of the Government’s ongoing response to the *Footprints to the Future* report. The report, developed by the Prime Minister’s Youth Pathways Action Plan Taskforce and released publicly in May 2001, focuses on strengthening pathways for young people from school to further education, work and independence.
Output Group 1.3  | Child Support

Contribution to Outcome 1

Child Support contributes to strengthening families by promoting parents’ responsibility for the financial support of children, through the provision of services to assist in the payment of child support.

Strategies

- Influence a whole-of-government approach
- Build a community focus
- Encourage and support parental responsibility
- Streamline agency service delivery
- Increase organisational capability and productivity
- Guarantee transparent and accountable service.
## Financial and staffing resources summary

### Table 21 Output Group 1.3—Child Support

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET(^a) 2001–02 $'000</th>
<th>(B) ACTUAL 2001–02 $'000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $'000</th>
<th>(B) BUDGET(^b) 2002–03 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support Agency—payments to cover cheque dishonours, incorrect maintenance payments and refunds of overpayments(^c)</td>
<td>802</td>
<td>2 047</td>
<td>1 245</td>
<td>1 675</td>
</tr>
<tr>
<td><strong>Special Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child Support (Registration and Collection) Act 1988—payments to cover shortfalls in the Child Support Trust Account(^d)</td>
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<td>381</td>
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<td>Research and evaluation</td>
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### Staffing Years (Number)

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\(^a\) Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

\(^b\) Budget prior to additional estimates.

\(^c\) Estimated expenses for this item reflects the budgeted outlays by government (net expenses). Actual expenses disclose the total transactions on these accounts (gross expenses). There was $2.512m returned to the CRF for this item.

\(^d\) Estimated expenses for these items reflect the budgeted outlays by government (net expenses). Actual expenses disclose the total transactions on these accounts (gross expenses). There was $79.03m returned to the CRF for this item.

\(^e\) Estimated expenses for these items reflect the budgeted outlays by government (net expenses). Actual expenses disclose the total transactions on these accounts (gross expenses). There was $0.27m returned to the CRF for this item.

\(^f\) FaCS includes the Social Security Appeals Tribunal, but excludes the Child Support Agency which is shown separately.
Performance information

Child support

Effectiveness—Adequacy
Total amount of child support transferred between parents and average value of child support liability

Amount transferred — just over $1.45 million, including child support parents transferred directly, and child support the Child Support Agency collected.

Average annual liability —

\[\begin{align*}
&\text{stage 1 case: $2823^1} \\
&\text{case assessed under the child support formula: $3282^1}
\end{align*}\]

Effectiveness—Independence
Child support collection rate (Child Support Agency collect and private collect cases)
The collection rate measures dollars collected (including private payments) as a percentage of liabilities raised since the Child Support Scheme began in 1988.

Total collection — more than 93.5 per cent

Collection rate for Child Support Agency — collect clients (where the Child Support Agency assesses and collects the liability): 87.7 per cent (Figure 2).

Figure 2 Child support—total credits applied to total liabilities

![Graph showing credit applied to total liabilities]

- 1999–00 results (per cent) 85.3 85.4 85.6 85.6 85.8 85.8 85.8 85.9 86 86.1 86.3 86.3
- 2000–01 results (per cent) 86.4 86.6 86.8 87 87.1 87.2 87.2 87.3 87.3 87.4 87.5 87.5
- 2001–02 results (per cent) 87.5 87.7 87.9 88 88.1 88.1 88.1 88 88 88.2 87.9 87.7

1 This figure is an average annual liability for 2000–01. The equivalent figure for 2001–02 is currently not available.
The initiatives of the Child Support Agency to encourage payers to meet their responsibilities have resulted in a reduction in the amount of debt as a percentage of all liabilities. In 2000–01 debt was equivalent to 12.5 per cent of all liabilities and in 2001–02 it represented 12.3 per cent of all liabilities.

**Percentage of private collect cases to total cases (Child Support Agency collect and private collect cases)**

More than 1.2 million parents are registered with the Child Support Agency with 49.4 per cent of these choosing to transfer child support privately in 2001–02 compared with 47.7 per cent in 2000–01. Strategies that build parents’ capabilities to manage their child support responsibilities, including tailored service and product support, are clearly enhancing parental choice and self-reliance.

**Figure 3** Child support—percentage of private collect cases to total cases

![Graph showing percentage of private collect cases to total cases](image)

**Effectiveness—Targeting**

**Reduction in Family Tax Benefit outlays as a result of child support obligations being met**

$423 million (estimated)

**Commentary**

The performance indicators for the Child Support Agency showed a general improvement from 2000–01. Collection and transfer rates have improved and the Child Support Agency continues to support parental choice and self-reliance.
Departmental outputs

Cost

Cost per dollar transferred between parents — 14.8 cents

Cost per case — $334

Policy advice

Quality — client satisfaction

Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two — Ministerial and parliamentary services.

Quantity

Number of items to ministers

69 ministerial submissions and other written briefings or advice were prepared and 1131 ministerial replies to correspondence completed. These figures include work on child support issues by the Child Support Agency in addition to other FaCS branches.

Price

$381 000

Purchasing, funding and relationship management

Quality — Assurance

FaCS ensures that service providers meet terms and conditions of funding

As part of FaCS, the Child Support Agency follows the department’s purchasing, funding and relationship management guidelines.

Service agreements/contracts that meet legislative, government policy and FaCS’s requirements are in place with all service providers

All service providers have agreements and/or contracts with the Child Support Agency that meet the guidelines of the department.

Price

$133 000
Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Child Support Agency research and evaluation during 2001–02 was of a consistently high standard. It met timelines and terms of reference, was methodologically sound and focused on supporting the business including scheme demographics, client satisfaction and client perceptions of service.

Quantity

Major pieces of research and evaluation completed — 5

For further information on the Child Support Agency's management and accountability see the performance summary at the end of this Output Group and the relevant sections in Part two of this annual report.

Price

$33 000

Child support services

Quality—Assurance

Stakeholder confidence in child support services

The Child Support Agency established and maintained connections at all levels to improve services to clients and stakeholder confidence in administration of the Child Support Scheme.

- Members of Parliament and their staff were briefed during the year; these briefings were well received. The volume of ministerial correspondence remained stable in the 2001–02 year.

- Outreach and community information session programs were conducted in regional and metropolitan centres, often involving local members of Parliament. These sessions provide better access for parents to information about the Child Support Scheme and the Child Support Agency, as well as other community support services. Members of Parliament are very positive about the operation of these sessions.

- Representatives from parent groups, other government departments and legal bodies continued to consult through Registrar Advisory Panels and the Legal Liaison Group. These formal forums facilitate the participation of key stakeholders in the administration of the Child Support Scheme in Australia.
Quality—Client satisfaction

Client satisfaction and professionalism indicators from Child Support Agency surveys

The Child Support Agency conducted a professionalism survey in February 2002. Results remained stable within the past 12 months and attributes relating to staff’s personal characteristics (that is, polite, helpful, sincere and being able to listen) were rated well by Child Support Agency clients. This indicates a high level of satisfaction with the client service provided. Responses from new clients were positive, with increases in satisfaction across all 20 attributes of staff professionalism. Between 70 and 95 per cent of new clients are satisfied or very satisfied with the service they receive.

The Child Support Agency commissioned external qualitative research providing detailed information to define quality client service. The *Qualitative Analysis of Client Perceptions of Service* was released in August 2001 and is being used to identify areas where the delivery of quality client service can be improved in the Child Support Agency.

Quantity

Number of cases managed

667,957 cases as at 30 June 2002, representing over 1.2 million parents. This is an increase in caseload of 9 per cent from 30 June 2001.

Price

$219,701,000—Child Support Agency

$1,714,000—Centrelink

Summary of departmental outputs

The Child Support Agency worked with a number of stakeholders in a variety of forums to increase confidence in the delivery of child support services. Outreach, community information sessions, briefs to members of Parliament and their staff, ministerial correspondence and the Registrar Advisory Panels all served to increase stakeholder awareness, understanding and cooperation.

Client satisfaction was measured in 2001-02 through the professionalism survey and *The Qualitative Analysis of Client Perceptions of Service*. Based on the results of these surveys the Child Support Agency continues to improve client service.
Performance summary—Child Support Agency

The following presents information on the performance of the Child Support Agency that is additional to the report on administered items and departmental outputs.

Role

The Child Support Agency helps parents to meet their responsibility for the financial support of their children after separation, and administers the Child Support Scheme. The Child Support Agency provides the ‘service delivery’ output under Output Group 1.3. It is a semi-autonomous arm of FaCS.

Overall performance

- The transfer of Child Support payments related to 667,957 active cases and involved more than 1.2 million parents and over 1 million children.

Figure 4 Growth in Child Support Agency active caseload

- Just over $1.45 billion was transferred for the benefit of children and the Child Support Agency collection rate reached 87.7 per cent.
- The Child Support Agency focused on helping parents to move to greater levels of self-reliance; 49.4 per cent of clients now collect child support privately.
- The Child Support Agency’s business priorities were significantly advanced and community partnerships were further developed and expanded.
The challenges

Challenge 1: Influence a whole-of-government approach

Objective: to provide leadership when working with other government agencies to develop whole-of-government solutions in child support and related areas

Outcome: a simpler and better integrated approach to child support across agencies

Family Law Pathways Advisory Group
The report of the Family Law Pathways Advisory Group—Out of the Maze, Pathways to the Future for Families Experiencing Separation—has been broadly endorsed by the Government. The Child Support Agency is a member of the cross-agency taskforce preparing a detailed response to the report, and is translating the aspirations for an integrated family law system into its business planning.

Cooperation with family courts
The Child Support Agency liaised with the Family Court and the Federal Magistrates Service to improve understanding of child support issues and service delivery to common clients. The Family Court of Australia and Western Australia are involved in Child Support Agency community information sessions. Regional initiatives such as coordination of child support court lists, staff and information exchanges, joint product development and liaison with the Federal Magistrates Service provided a more streamlined approach to child support court matters.

The Family Court included the Child Support Agency in consultations about amendments to family law rules that affect the Child Support Agency.

National Child Support Legal Liaison Group
The Child Support Agency continued to sponsor the National Child Support Legal Liaison Group. This group comprises representatives of FaCS, the Attorney-General’s Department, the Law Council of Australia’s Family Law Section, the Family Court of Australia, Legal Aid Commissions and Community Legal Centres. Regional legal liaison groups also operated with representatives from the registries of the Family Court and the Federal Magistrates Service, community legal centres, state and territory Legal Aid commissions, and the various state and territory law societies.

These meetings provided the Child Support Agency with valuable input towards clarifying legislation and administration.

Legislative reform of the Child Support Scheme
The Child Support Legislation Amendment Act 2001 received Royal Assent on 30 June 2001 and reforms were implemented from 1 July 2001.
Measures introduced by the legislation to improve the operation of the Child Support Scheme included:

- support for second families with an additional reason for changing a formula assessment for parents who have income derived from a second job, regular overtime or other additional income source which is earned for the benefit of children from a subsequent family (began 1 July 2001)

- further support for second families with changes to the Family Tax Benefit and Child Care Benefit income tests to take into account 100 per cent of child support liabilities paid (began 1 July 2001)

- support for resident parents with a measure to allow child support debts to be recovered from the non-resident parent’s share of the Family Tax Benefit for the children for whom they have a child support debt (began 1 July 2002)

- introduction of Departure Prohibition Orders to prevent non-resident parents from leaving Australia when they have persistently failed to meet their child support obligations (began 1 July 2001).

Technical impediments to enforcement of collection of debts also have been removed with the amendment of the Family Law Rules in March 2002.

**Challenge 2: Build a community focus**

*Objective:* to work with the community in shaping and implementing child support systems

*Outcome:* community service providers and family networks support and assist families in resolving their child support issues

**Supporting parents in the workplace**

The Child Support Agency is developing a model for building productive relationships with employers and community services to provide support for separated parents in the workplace. The initiative delivers services to rural and remote communities where the selected employer is the main source of employment in the community.

Results from pilot programs indicate that, following workplace service delivery, separated parents are more likely to contact the Child Support Agency, they are more likely to access local community services for financial, emotional, relationship and legal support, that they had a better understanding of their options and would welcome more sessions from the Child Support Agency in their workplace.
Community information sessions

The Child Support Agency delivered 71 community information sessions throughout Australia—a 75 per cent increase on the previous year's 40. Some 2700 people attended.

Fifty sessions were conducted in rural and regional areas. At each of these locations an extended client interview service gave clients an opportunity to discuss their individual case with a Child Support Agency officer.

The Child Support Agency responded to 44 requests from community service providers to conduct information sessions for staff and mutual clients, with 1400 people participating.

Community services directory

Around 300 more community service providers who can help parents after separation were listed in the Child Support Agency community services directory, boosting the number to more than 2300. These services are primarily provided by non-profit community organisations and they offer a wide variety of services. Parents and community services have direct access through the Child Support Agency's Internet site.

‘Back on Track’: supporting separated and repartnered families

As a demonstration of the Child Support Agency's commitment to partnerships with the community, the Child Support Agency sponsored development of an education resource for community services that work with separated and repartnered parents. Back on Track: finding a way through separation and repartnering was developed through a partnership between the Child Support Agency and a consortium of community service providers. It is a practical and flexible resource that covers parenting, relationships, financial matters and legal issues.

The Child Support Agency has distributed 8000 copies free to community service providers. An April 2002 evaluation identified that providers rated the resource as excellent in meeting their requirements. More than 700 parents around the country have benefited from services using the resource.

Outreach activities

The Child Support Agency continues to visit Centrelink offices for face-to-face interviews with mutual clients. More than 1200 parents were interviewed in over 300 visits to 89 Centrelink offices. This service is particularly valuable in rural and regional areas, which account for 69 per cent of all interviews. Nearly 400 more parents were interviewed at their homes or at mutually agreed locations.

In conjunction with these visits the Child Support Agency visited almost 500 community organisations to share and distribute information about the Child Support Scheme.
Challenge 3: Encourage and support parental responsibility

Objective: to encourage parents to accept their child support responsibilities

Outcome: parents accept their responsibilities with minimal government involvement

The Child Support Agency’s continuing emphasis on supporting parents to build their capacity to manage their child support responsibilities more independently is succeeding, with 49.4 per cent of parents having private collection arrangements by June 2002. Just over $1.45 billion was transferred between parents for the benefit of children in 2001–02, comprising $814.2 million through private payments transferred and $636.4 million through Child Support Agency collections.

Key to this success has been the segmentation of parents into three streams—New Clients, Collection Support and Debt Management Services—which has enhanced our ability to assess client needs and tailor an appropriate level of support.

Figure 5  Growth in Child Support Agency transfers

The Child Support Agency has a wide range of products and services to encourage and support parental responsibility, including:

- electronic service delivery through www.csa.gov.au
- electronic submission of forms
- appointments online
- self-help tools.

For more information, see Part two—Information strategies and technology management.
Supporting Parents Referral Service
The Child Support Agency developed a program of a post-separation counselling and support to refer non-resident parents to community and government programs such as parenting skills training, relationship management programs, counselling and mediation, peer support and legal and financial counselling.

Two delivery models are being piloted: face-to-face advisers and telephone (Men's Line Australia.) The face-to-face pilot began in July 2001. The telephone-based pilot began in December 2001. Both will be evaluated at the end of the 12-month pilot period.

Supporting financial management
The Child Support Agency has customised a widely used financial planning product for clients. The free Guide to Managing Your Money provides parents with a step-by-step guide and practical examples of how to budget, gain control of their money and plan ahead financially. The Child Support Agency has distributed over 150 000 copies through community service providers. It is also available on the Child Support Agency web site along with a 'living expenses calculator'.

Primary dispute resolution
The Child Support Agency and Relationships Australia (Tasmania) are working together as part of the Attorney-General's Department's Primary Dispute Resolution Partnerships Project.

A pilot to deliver a new approach to client service and to develop and test a self-assessment tool for parents ran between January and June 2002. Child Support Agency staff offer parents an opportunity to discuss their separation issues with Relationships Australia. Overall clients responded positively to this service and even those who declined were appreciative of having the option to speak to a counsellor.

Men's Line Australia liaison pilot
The Child Support Agency provided Men's Line Australia counsellors with a liaison officer to help resolve child support issues, and training for their staff to enhance their knowledge of the Child Support Scheme and the Child Support Agency. As a result of this pilot, the Child Support Agency is developing an information/training kit for training other community service providers.

Challenge 4: Streamline agency service delivery

Objective: to optimise cost-effective service delivery

Outcome: Child Support Agency administration represents world’s best practice in the field of child support administration

The Child Support Agency continues to improve the quality of interaction with parents through improving skills in relationship management and ensuring that all aspects of the business work to deliver quality outcomes. The integrated service delivery model was modified in 2001–02 to further refine and streamline agency service delivery.
**Integrated service delivery model**

*Figure 6  Child Support Agency—integrated service delivery model*

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**Australian Business Excellence Awards**

The Child Support Agency was presented with an Australian Business Excellence award in May 2002, in recognition of the progress towards business excellence. Feedback from this award will be used to further improve and operational efficiency, staff productivity and client satisfaction.

**Direct phone registration**

The Child Support Agency has implemented direct phone registration. Clients are now requested to phone the Child Support Agency to register rather than complete a form in the Centrelink office. Currently 90 per cent of child support applications are lodged through Centrelink by mutual clients who are applying for Centrelink assistance.

Direct phone registration is a response to the Child Support Agency’s early intervention research, which highlights the importance of the Child Support Agency contacting both parents close to the time of separation to establish child support arrangements that will lead to the best possible outcome for the children. With direct phone registration, parents can now contact the Child Support Agency at a time that is convenient to them and CSA staff can collect complete accurate registration details while dealing with any issues specific to the parents’ needs.

Early indications are that direct phone registration has improved the efficiency and effectiveness of the Child Support Agency registration process for parents, the Child Support Agency and Centrelink staff.
Challenge 5: Increase organisational capability and productivity

*Objective: all Child Support Agency people have the capability, commitment and resources to deliver child support outcomes efficiently*

*Outcome: the Child Support Agency achieves the right balance between the interest of the organisation and the interests of its people*

For detailed information on the Child Support Agency’s human resources policies and practices, see the Child Support Agency section in Part two—Enabling our people.

**Awards for communication**

The Child Support Agency received three awards at the 2001 Public Relations Institute of Australia State Awards for Excellence:

- winner in the Employee/Member Category for its new intranet site, C3
- highly commended in the Employee/Member Category with its national staff newsletter, SnapShot
- commended in the Multimedia Communication Category for its display at the 2000 Australian Council of Social Service (ACOSS) Congress.

**Introducing a new IT system—Cuba**

The Child Support Agency successfully implemented its new IT system, Cuba, in March 2002.

The successful implementation was a result of careful planning, including the development of contingency plans and strong communication change management strategies, across the Child Support Agency. For more information, see the Child Support Agency's section in Part two—Information strategies and technology management.

Challenge 6: Guarantee transparent and accountable service

*Objective: to ensure complete accountability and best value quality services by continually measuring and monitoring performance*

*Outcome: ministers, government and the community consider the Child Support Agency provides a valuable service to the community*

See ‘Quality’ indicators in the Performance information under ‘Child support services’, above.

**Service Charter Awards**

The Child Support Agency accepted three awards at the Service Charter Awards for Excellence in June 2002, including two gold and silver for:

- excellence integrating service charter into core service delivery outcomes and organisational culture (gold award)
excellence in service delivery to rural, remote and regional Australians (gold award)
excellence in service charters driving online service delivery (silver award).

Change of assessment
Child Support Agency clients with special circumstances and meeting specific requirements can apply to have the formula assessment for making their child support payments varied (stage two cases.) The Child Support Agency received 31,319 change of assessment applications in 2001–02 relating to 24,224 cases. This represents 3.9 per cent of all those eligible for a formula assessment (based on an active assessment caseload of 626,706 as at 30 June 2002).

Of the 31,919 applications, 17,170 resulted in varied assessments, while 7,071 remained unchanged. Out of the total applications 49.7 per cent were from payers and 47.9 per cent from payees. The Child Support Registrar generated the balance of variations.

The Child Support Registrar can initiate a change of assessment where special circumstances exist. In 2001–02, the registrar examined 954 cases and initiated 280 change of assessment applications. As at 30 June 2002, 231 applications were finalised resulting in an increase of $1,366,210 in child support payable. A further 49 cases were pending hearing and 339 cases were still under inquiry.

Child Support Scheme facts and figures
This is a publication produced annually by the partners to the Child Support Scheme: FaCS, the Child Support Agency and the Attorney-General’s Department. It will provide a concise statistical and information overview of the Child Support Scheme and the Child Support Agency to 30 June 2002. It updates information on Child Support Agency performance against key performance indicators, and on caseload, clients and staff.

Management and accountability
For information on Child Support Agency’s management and accountability, see the relevant sections in Part two of this annual report.
Output Group 1.4  I  Child Care Support

Contribution to Outcome 1

Child Care Support contributes to Outcome 1 by:

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

Strategies

- Manage policy development and planning for the ongoing administration of Child Care Benefit, including annual reconciliation of parents' entitlements against actual taxable income and child care usage
- Work closely and communicate effectively with the child care sector to ensure that payments and procedures are administered efficiently
- Build and expand on established communication systems to provide information to families and consult with service providers. Provide ongoing information and training to support the administration and delivery of child care support, particularly Child Care Benefit
- Improve the quality and timeliness of data and the consistency of data collection across the states and territories, and federal agencies, for policy evaluation and future policy development
- Develop options for improving the availability and flexibility of child care to better meet the needs of families, particularly in rural and regional communities
- Implement the measures contained in the Greater Flexibility and Choice in Child Care element of the Stronger Families and Communities Strategy
- Provide support for implementing changes to the Quality Improvement and Accreditation System, implementing Family Day Care Quality Assurance and developing options for quality assurance in outside school hours care
- Expand the role of child care in contributing to family support.
Outputs under Output Group 1.4

Child Care Benefit

Reduces the child care fees of eligible families using approved child care services or registered carers. Assistance provided is proportionally higher for lower income families.

Child care for eligible parents undergoing training

The Jobs, Education and Training (JET) program helps sole parents, carers, widowed people or low-income parents re-enter the workforce by providing access to affordable child care. Child care costs for participants can be fully funded. Assistance is provided through the JET child care network.

Support for child care

Centre-based long day care
Provides quality all day or part-time care for children predominantly of working families. Some centres provide care for limited numbers of primary school children before and after school, and during school holidays.

Family day care
A network of caregivers who provide care and developmental activities in their own homes for other people’s children.

Flexible and innovative services
Flexible child care can combine standard models of care with occasional care, mobile multi-purpose centres, on-farm care, in-home care and/or overnight care. It can meet the needs of families living in rural and regional areas who may experience difficulty in finding suitable child care.

Greater Flexibility and Choice in Child Care
This Stronger Families and Communities Strategy element is designed to help families find the right mix between their work, community and parenting roles. The measures include:
- in-home care
- encouraging private providers to set up child care centres in rural or regional areas
- quality assurance systems for family day care and outside school hours care
- enabling other providers, including private operators, to run Commonwealth-funded outside school hours care and family day care services.
**In-home care**
Where an approved carer provides care in the child's home. Families eligible for in-home care include families where the parent/s or child has an illness/disability, families in rural or remote areas and parents working shift work or non-standard hours, families with multiple births (more than two) and/or more than two children under school age, or with a breastfeeding mother working from home.

**Outside school hours care and vacation care**
Provides care for primary school children before and/or after school and during vacation time. Some services provide care on ‘pupil free’ days during term, and some provide vacation care.

**Occasional care services**
Provide short periods of care for children under school age.

**Multifunctional services**
Provide services in rural, regional or isolated communities that do not have a large enough population to support individual services.

**Multifunctional Aboriginal children's services**
Provide flexible child care services to meet the social and developmental needs of Aboriginal and Torres Strait Islander children.

**Registered care**
A form of care provided by a registered carer, for example individuals such as grandparents, relatives, friends, and nannies.

**Other payments and services**

- **Disadvantaged Area Subsidy**: to eligible community-based long day care centres or outside school hour care services as recurrent grants to assist with general operational costs

- **Disk Incentive Payment Scheme**: a one-off $1500 grant (paid in two instalments) to approved child care services to encourage wider use of computer technology. Claims needed to be lodged by 28 June 2002.

- **Private provider incentives for long day care centres**: to establish child care centres in rural and regional communities where parents need below school aged care and no centre-based care exists

- **Special Needs Subsidy Scheme**: provides funds to approved child care centres so they can include children with high ongoing support needs into mainstream programs. This includes children with diagnosed disabilities, children undergoing continuing assessment for disabilities, or developmental delay, and refugee children who have been subject to torture and trauma.
- **Special Services Program:** provides funds to support agencies and sections of the child care industry that target specific groups of children with additional needs. These include Aboriginal and Torres Strait Islander children, children from culturally and linguistically diverse backgrounds, Australian South Sea Islander children, children with disabilities, children of parents with disabilities, or children living in rural and remote locations.

- **Supplementary Services Program:** supports approved child care services that include children with additional needs in their programs. This includes children from culturally and linguistically diverse backgrounds and children with a disability.
### Table 22  Output Group 1.4—Child Care Support

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<td>Child care for eligible parents undergoing training</td>
<td>10 363</td>
<td>11 067</td>
<td>704</td>
<td>14 037</td>
</tr>
<tr>
<td>Support for Child Care SPP</td>
<td>11 155</td>
<td>9 045</td>
<td>−2 110</td>
<td>10 296</td>
</tr>
<tr>
<td><strong>Special Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childcare Benefit <em>(ANTS (Family Assistance) (Administration) Act 1999)</em></td>
<td>1 366 160</td>
<td>1 315 912</td>
<td>−50 248</td>
<td>1 480 183</td>
</tr>
<tr>
<td>Childcare Rebate <em>(Childcare Rebate Act 1993)</em></td>
<td>85</td>
<td>63</td>
<td>−22</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>1 571 734</td>
<td>1 514 985</td>
<td>−56 749</td>
<td>1 686 331</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy advice</td>
<td>3 424</td>
<td>11 950</td>
<td>8 526</td>
<td>3 575</td>
</tr>
<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>23 110</td>
<td>15 846</td>
<td>−7 264</td>
<td>24 132</td>
</tr>
<tr>
<td>Research and evaluation</td>
<td>1 997</td>
<td>4 306</td>
<td>2 309</td>
<td>2 086</td>
</tr>
<tr>
<td>Service delivery (Centrelink)</td>
<td>91 396</td>
<td>91 059</td>
<td>−337</td>
<td>93 836</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>8 091</td>
<td>8 091</td>
<td>0</td>
<td>8 302</td>
</tr>
<tr>
<td><strong>Revenue from Government (Appropriation) for Departmental Output Groups</strong></td>
<td>128 018</td>
<td>131 252</td>
<td>−3 234</td>
<td>131 931</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>36 622</td>
<td>40 193</td>
<td>3 571</td>
<td>38 095</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>91 396</td>
<td>91 059</td>
<td>−337</td>
<td>93 836</td>
</tr>
<tr>
<td><strong>TOTAL FOR GROUP 1.4</strong></td>
<td>1 699 752</td>
<td>1 646 237</td>
<td>−53 515</td>
<td>1 818 262</td>
</tr>
<tr>
<td><strong>Staffing Years (Number)</strong></td>
<td>246</td>
<td>246</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

Child Care Benefit

Effectiveness—Affordability

Child care out of pocket costs as a proportion of weekly disposable income before and after child care subsidies

For a low-income family with two children in full-time centre-based care, government assistance now covers around 72 per cent of the average fee in long day care centres and around 82 per cent of the average fee in family day care. For a middle-income family (earning around $45,000 a year), government assistance covers around 60 per cent of the average fee in full-time long day care (up from 58 per cent last year) and 69 per cent in full-time family day care (up from 67 per cent last year)\(^1\).

Figure 7  Child care gap fees as a proportion of weekly disposable income before and after Child Care Benefit—one child in care

![Graph showing child care gap fees as a proportion of weekly disposable income before and after Child Care Benefit](image)

Note: Based on May 2002 full-time long day fees from FaCS’s 2002 census of child care services.

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\(^1\) Fees are based on preliminary data from the 2002 Census of Child Care Services and hence may be subject to change.
**Figure 8** Child care gap fees as a proportion of weekly disposable income before and after Child Care Benefit—two children in care

![Chart showing the proportion of weekly disposable income spent on child care before and after Child Care Benefit.](chart)

*Note: Based on May 2002 full-time long day fees from FaCS’s 2002 census of child care services.*

**Proportion of families claiming**

In the December 2001 quarter, around 13 per cent of families claimed minimum rates of Child Care Benefit, 38 per cent of families claimed maximum rates of Child Care Benefit, and 49 per cent claimed partial rates of Child Care Benefit (excludes families who were lump-sum claimants, or whose rate type was unknown).

**Effectiveness—Independence**

**Percentage of Commonwealth-funded childcare used for:**

- Work related purposes: 91 per cent
- Non-work related purposes: 9 per cent

**Quantity**

**Number of calls to the Child Care Access Hotline** — 43,797

**Number of child care places available** — 500,027 (as at June 2002)

**Number of eligible approved services funded** — 10,050 (as at June 2002)

**Number of families and children using approved Commonwealth-funded child care services** — 508,117 families (720,179 children) in the June 2002 quarter

**Number of families claiming Child Care Benefit**

In the December 2001 quarter, around 486,300 families had claimed Child Care Benefit as a fee reduction. A further 23,100 families used care and did not claim Child Care Benefit as a fee reduction but were potential lump-sum claimants.
Price
$1 315 912 000

Commentary
The number of children using child care has continued to increase, with a record number of families now receiving Child Care Benefit as a fee reduction, 41,900 more than last year. Places have also increased over the financial year with a small increase in the total number of services Australia-wide.

Child care for eligible parents undergoing training

Effectiveness—Take-up/coverage
Percentage of Jobs, Education and Training places requested that were found
—98 per cent

Quantity
Number of clients assisted through Jobs, Education and Training to access child care while undergoing training, education or employment

JET provided assistance to 18,352* children in 2001–02.

*Note: statistics were not provided by the Northern Territory for five months, nor by the Australian Capital Territory for seven months.

Price
$11 067 000

Support for child care

Effectiveness—Independence
Stronger Families and Communities Strategy—greater flexibility in child care assisting families to fulfil work and family responsibilities through alternative child care arrangements as assessed by increases in the number of places for: In-home care, Sick care and Rural care.

Information on the number of places available under the Greater Flexibility and Choice in Child Care element of the Stronger Families and Communities Strategy is shown below.

Effectiveness—Take-up/coverage
Percentage of demand for child care places that is met nationally, in rural areas, remote areas and metropolitan areas

The old child care data gathering system is no longer available. A new one is being developed. It is expected that more up to date data will be available in 2002–03.
Ratio of child care places in urban areas to places required

The level of demand met in urban areas is estimated to be 127.8 per cent, a small decrease from the previous year’s estimate.

Effectiveness—Targeting

Number of children with additional needs using Commonwealth-approved child care services by target group

FaCS supports children with additional needs through the Supplementary Services Program, the Special Needs Subsidy Scheme, and the Special Services Program.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>NUMBER OF CHILDREN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child with disability</td>
<td>13 000</td>
</tr>
<tr>
<td>Parent with a disability</td>
<td>3 500</td>
</tr>
<tr>
<td>Referred because child at risk</td>
<td>2 300</td>
</tr>
<tr>
<td>Aboriginal or Torres Strait Islander</td>
<td>9 900</td>
</tr>
<tr>
<td>Culturally or linguistically diverse background</td>
<td>61 700</td>
</tr>
<tr>
<td><strong>Total children identified with additional needs</strong></td>
<td><strong>89 200</strong></td>
</tr>
</tbody>
</table>

Notes:
— Some of these children may be in more than one category.
— Figures represent only those children identified by child care services as having additional needs.
Source: Data from 1999 Census of Child Care Services.

Table 23  Support for child care—number of below school aged child care places provided in rural and remote areas compared to estimated number of places required to meet work-related demand

<table>
<thead>
<tr>
<th>PLACES PROVIDED</th>
<th>PLACES REQUIRED</th>
<th>PERCENTAGE OF DEMAND MET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote</td>
<td>5 525 6 085 6 462</td>
<td>8 030 7 271 7 656</td>
</tr>
<tr>
<td>Rural</td>
<td>51 694 52 668 55 288</td>
<td>60 111 56 029 58 911</td>
</tr>
</tbody>
</table>

Note: December 2000 supply data most recent available.
Quality—Access and choice

Number of Indigenous-specific services — 260

Number of services specifically targeted to rural and remote areas — 2063
(at 5 April 2002)

Improved flexibility in child care—improved access and choice for shift workers, families working non standard hours, those with a sick child or who live in rural areas without access

There has been improved flexibility in child care through implementation of the Greater Flexibility and Choice in Child Care element of the Stronger Families and Communities Strategy. Under this Strategy there has been a growth in the establishment of child care centres in rural and remote communities where there has been a high demand for long day care but no centre-based care to meet this need. New in-home care services, where children can be cared for in their own home by an approved child care worker, has reduced the number of families who have difficulty accessing mainstream child care services.

Quality—Assurance

Percentage of centres accredited under the Quality Improvement and Accreditation System (QIAS)

Table 25 Support for Child Care—percentage of centres accredited under the Quality Improvement and Accreditation System (QIAS)

<table>
<thead>
<tr>
<th>STATUS</th>
<th>NUMBER OF CENTRES</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accredited with 3 years between validation visits</td>
<td>3 189</td>
<td>77.4</td>
</tr>
<tr>
<td>Accredited with 2 years between validation visits</td>
<td>163</td>
<td>3.9</td>
</tr>
<tr>
<td>Accredited with 1 year between validation visits</td>
<td>448</td>
<td>10.9</td>
</tr>
<tr>
<td>New centres</td>
<td>217</td>
<td>5.3</td>
</tr>
<tr>
<td>Unaccredited</td>
<td>101</td>
<td>2.5</td>
</tr>
<tr>
<td>Total</td>
<td>4 118</td>
<td>100</td>
</tr>
</tbody>
</table>

Note: The figures are as at November 2001 when the last accreditation decisions were made under the ‘old’ QIAS.

Stronger Families and Communities Strategy—development of a quality assurance scheme for the family day care and outside school hours sectors

From July 2001, family day care schemes are required to participate in a quality assurance system that was developed in consultation with the sector. Schemes must demonstrate satisfactory practices against six quality elements as well as commitment to continuous improvement in order to be accredited and to maintain approval for Child Care Benefit.
Approximately 330 schemes have registered with the National Childcare Accreditation Council (NCAC) to participate in the quality assurance system. FaCS expects that by July 2003 around 184 schemes will have completed and submitted their self-study reports in readiness for validation and accreditation. The remainder of the schemes are due to submit their self-study reports by December 2003.

A quality assurance system for out of school hours care is under development in consultation with the sector, with the aim to begin implementation from July 2003.

**Quantity**

**Number of children with a disability assisted into mainstream services**

As at 30 June 2002 there were 4422 children accessing mainstream child care services through the support of the Special Needs Subsidy Scheme.

**Stronger Families and Communities Strategy (Private Provider Initiative)—number of new child care centres in rural areas that received establishment subsidy, set up and equipment grants.**

6 (plus another 8 with in-principle approval)

**Stronger Families and Communities Strategy—number of new places for sick care arrangements**

This is incorporated in information on the in-home care initiative shown above.

**Price**

$178,121,000

$9,045,000—Support for Child Care Specific Purpose Payment

**Commentary**

KPMG examined the cost-effectiveness of four approaches for implementing quality assurance for outside school hours care. Consultation was undertaken with sector representatives and other stakeholders including state/territory governments and peak bodies to explore and identify resource implications for each approach and to identify a preferred option.

**Departmental outputs**

**Cost**

**Ratio of departmental expense to administered expense**

For every dollar spent on administered items under Output Group 1.4 in 2001–02, 8.7 cents were spent on departmental outputs.
Policy advice

Quality—Client satisfaction

Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity

Number of items to ministers

299 ministerial submissions and other written briefings or advice prepared; 413 ministerial replies to correspondence completed.

Price

$11,950,000

Purchasing, funding and relationship management

Quality—Assurance

FaCS ensures that service providers meet terms and conditions of funding

Service agreements/contracts that meet legislative, government policy and FaCS requirements are in place with all service providers

In 2001–02 FaCS had separate service agreements in place with Centrelink, the Health Insurance Commission (HIC) and the Australian Tax Office (ATO) for the delivery of Child Care Benefit.

FaCS ensured that service providers met the terms and conditions of funding. Service agreements and contracts met legislative, government policy, and departmental requirements.

Quantity

Number of contracts/service agreements under management—3 service agreements

As at June 2002, FaCS had in place 2661 funding agreements with child care providers under a range of child care support programs.

Price

$15,846,000
Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Research and evaluation during 2001–02 was of a high standard. It met timelines and terms of reference and the results confirmed that sound methodology was used.

Quantity

Major pieces of research and evaluation completed — 1

Price

$4 306 000

Service delivery

Quality—Assurance

Service providers deliver services to the standards agreed with FaCS

The agreements between FaCS and Centrelink, FaCS and the Health Insurance Commission, and FaCS and the Australian Tax Office include the provision of regular performance and management information reports to FaCS. These reports enable FaCS to evaluate both the quality of service provided and the level of compliance with the agreements. Many of the difficulties encountered last year in obtaining reports on time, in order to measure standards and targets, have been overcome. The lodgement and reporting cycle is now working well.

Quality—Client rights and obligations

Number of reviews and appeals

<table>
<thead>
<tr>
<th>Table 26</th>
<th>Reviews and appeals—Output Group 1.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYMENT TYPE</td>
<td>AUTHORISED REVIEW OFFICERS</td>
</tr>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Child Care Benefit (CCB)</td>
<td>143</td>
</tr>
</tbody>
</table>
Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 1103 child care service operator reviews were completed. Some 22 downward variations resulted in fortnightly savings of $7851 and there were no upward variations. The 221 debts totalled $3 085 845. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Quantity

Number of Child Care Benefit claims processed by Family Assistance Office

The Family Assistance Office processed 317 804 new Child Care Benefit claims for approved and registered care.

Price

$91 059 000—Centrelink

$8 091 000—Other

Performance summary

Child care is an integral part of the Stronger Families outcome as it helps children to learn and develop and parents to balance work and family commitments. Families can access assistance more easily since the introduction of Child Care Benefit and the creation of the Family Assistance Office network. Child care services provide resources for parents such as information, education and links to other services, supporting them in better parenting.

The introduction of Child Care Benefit significantly improved affordability of child care. Since July 2000 child care costs have come down 10.2 per cent (ABS CPI statistics March 2002). Families are now spending less disposable income on child care.

Consequently, many more families now use Commonwealth-funded approved child care. From September quarter 2000 to September quarter 2001 the number of children using child care increased by 11 per cent from 642 000 to more than 721 000.

FaCS and Centrelink continued to work cooperatively with child care services and peak organisations on issues relating to administration of Child Care Benefit, specifically through the operation of the Child Care Benefit Reference Group.

Some unfinished work associated with the previous Childcare Assistance scheme, which was on hold while Child Care Benefit was implemented, was finalised during the reconciliation process this year.
From October 2001, clients’ conditional entitlements were reviewed under the reconciliation process, which compares Child Care Benefit received with the amount entitled according to actual taxable income and hours of child care used. Putting the reconciliation process in place required an enormous amount of work in terms of both technological development and communicating information between many government agencies and child care service providers. Around 560,000 Child Care Benefit clients had their entitlement reconciled during the 2001–02 financial year.

To control expenditure on the Special Needs Subsidy Scheme (SNSS), a cap was introduced from 15 April 2002. SNSS was introduced in 1997 to help children with ongoing high support needs to access quality child care. The scheme has proved very popular, with annual expenditure growing from a $10 million allocation in 1997 to over $20 million in 2001–02 and with more than 4600 children receiving assistance. From the introduction of the cap, new applications are being placed on a waiting list in order of receipt. After 1 July 2002, new applications may be approved as funds become available when children leave the scheme.

A revised Quality Improvement and Accreditation System for long day centres was implemented in March 2002. A Family Day Care Quality Assurance system was launched in July 2001, with the first Family Day Care schemes undertaking validation for accreditation in July 2002.

Implementation of the Greater Flexibility and Choice in Child Care element of the Stronger Families and Communities Strategy continued successfully, with strong interest from families and child care services in the availability of in-home child care.
The community has access to affordable housing, community support and services, and assistance in emergencies

Description

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

- encourage the development of community capacity for self-help
- help to ameliorate the effects of pressures on and within communities
- provide housing assistance that links with broader community support to encourage participation
- facilitate partnerships between business, community groups and governments to achieve well targeted and tailored solutions to strengthen communities.

Figure 9  Outputs contributing to Outcome 2
## Financial and staffing resources summary

### Table 27  Outcome 2—Stronger Communities

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>(B) BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Housing Support</td>
<td>1 197 489</td>
<td>1 196 733</td>
<td>–756</td>
<td>1 199 996</td>
</tr>
<tr>
<td>2.2 Community Support</td>
<td>229 033</td>
<td>216 108</td>
<td>–12 925</td>
<td>276 858</td>
</tr>
<tr>
<td><strong>Items Applicable Across Outcome 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Secretariats (part component see also Outcomes 1 and 3)</td>
<td>674</td>
<td>350</td>
<td>–324</td>
<td>682</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>1 427 196</td>
<td>1 413 191</td>
<td>–14 005</td>
<td>1 477 536</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 2.1 Housing Support</td>
<td>6 022</td>
<td>6 680</td>
<td>658</td>
<td>6 386</td>
</tr>
<tr>
<td>Output Group 2.2 Community Support</td>
<td>42 117</td>
<td>45 107</td>
<td>2 990</td>
<td>49 720</td>
</tr>
<tr>
<td>Revenue from government (Appropriation) for departmental output groups</td>
<td>48 139</td>
<td>51 787</td>
<td>3 648</td>
<td>56 106</td>
</tr>
<tr>
<td>Revenue from other sources</td>
<td>550</td>
<td>691</td>
<td>141</td>
<td>565</td>
</tr>
<tr>
<td><strong>Total Price of Output Groups (Departmental)</strong></td>
<td>48 689</td>
<td>52 477</td>
<td>3 788</td>
<td>56 671</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>40 891</td>
<td>44 554</td>
<td>3 663</td>
<td>42 798</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>7 248</td>
<td>7 233</td>
<td>–15</td>
<td>13 249</td>
</tr>
<tr>
<td><strong>Non-appropriated expenses&lt;sup&gt;d&lt;/sup&gt;</strong></td>
<td>48 139</td>
<td>51 787</td>
<td>3 648</td>
<td>56 047</td>
</tr>
<tr>
<td><strong>TOTAL FOR OUTCOME 2 (Total Price of Outputs and Administered Expenses)</strong></td>
<td>1 524 024</td>
<td>1 517 455</td>
<td>–6 569</td>
<td>1 590 254</td>
</tr>
<tr>
<td><strong>Staffing Years (Number)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including the Social Security Appeals Tribunal)</td>
<td>341</td>
<td>342</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal.

<sup>d</sup> Non-appropriated expenses are expenses from sources other than annual or special appropriation (non-appropriated revenue). For example, monies paid into the Child Support Trust Fund by non-custodial parents are non-appropriated revenue, while disbursements of those monies to custodial parents and allowances for bad debts are a non-appropriated expense.

In Outcome 2, these include the National Housing Research Trust Fund.
Key strategies and activities

The key strategies for strengthening communities are:

- providing community-based and housing assistance, including public and community housing, rental assistance, supported accommodation, crisis and emergency support, support for volunteering, and support for people affected by problem gambling
- building the capacity of communities to find local solutions to local problems
- strengthening the responsiveness of FaCS’s programs to communities’ needs, aspirations and concerns.

Key activities that underpin the strategies are:

- developing and implementing the Stronger Families and Communities Strategy
- developing policies to build community capacity
- ensuring initiatives improve the living standards and self-help capacity of Indigenous and other culturally and linguistically diverse communities
- operating effective state and territory offices to work in local communities and to support FaCS’s strategic outcomes
- providing a range of other community support services, including emergency relief, concessions and allowances, and support for volunteering
- developing housing assistance policy
- providing assistance to people affected by homelessness or needing other crisis support, through the Supported Accommodation Assistance Program and other mechanisms
- implementing action research projects under the National Homelessness Strategy to prevent, and provide early intervention responses to, homelessness
- developing policy-relevant housing research by funding the Australian Housing and Urban Research Institute
- providing housing assistance to Indigenous people, particularly those living in rural and remote areas
- providing Rent Assistance
- providing direct deduction services to clients to help them manage their finances
- developing a national response to problem gambling.

Environmental indicators and analysis

The Government’s policies and programs to build strong communities are implemented in a diverse social and economic environment. This diversity is reflected in patterns of income, housing, accommodation, social and economic participation, community function, volunteer participation and relationships between government, community and business.
Geographic analysis of community function

The landscape of Australian society is changing significantly. Social and economic changes are placing some Australian families and communities under stress. Increasing numbers of young people are moving to urban locations to take up employment and education, and older residents are moving to centres with improved access to services. In cities, outer urban areas of dormitory suburbs and gentrified inner-city neighbourhoods now provide limited services, local jobs and support networks.

The demographic and socioeconomic profiles of Indigenous communities are different from other Australian communities, and within the Indigenous population there are differences between those who live in urban and non-urban areas. Due to high fertility and high mortality rates, the Indigenous population is increasingly becoming younger, with a median age of 20 compared with 35 years for the total Australian population. Indigenous people are also becoming more urbanised, with around 72 per cent living in locations of more than 1000 people.

The Stronger Families and Communities Strategy embraces a collaborative and community capacity building approach to the development and maintenance of strong communities who can respond effectively to the impact of change.

Communities with below average or low income

Community building is an effective way of ensuring equitable access for communities with below average incomes to a full range of services, and delivering programs to them that are appropriate for their location or cultural context.

Patterns of income distribution assist FaCS with planning and policy development. Incomes in capital cities tend to be higher than those in non-metropolitan areas. Disparities in income tend to be greater in capital cities. Variations by state/territory are also evident.

FaCS is making better use of research to identify areas of disadvantage more effectively, and will target its planning to increase opportunities for economic and social development.

Level of voluntary service in the community

Volunteering is an important indicator of community strength and capacity and level of social participation. Volunteering rates in Australia are increasing, with around 4.4 million people volunteering their services. More young people are volunteering—up from 17 per cent in 1995 to 27 per cent in 2000—as are people aged over 55. Volunteers provide much needed services in their communities and FaCS is helping these networks become more efficient and sustainable.
Support for Indigenous communities

FaCS and the Aboriginal and Torres Strait Islander Commission (ATSIC) are developing opportunities for further partnerships through the Community Development Employment Projects scheme. Under the scheme, Indigenous communities are funded to provide employment creation and community development opportunities.

The Buddy Program aims to help Indigenous people with disabilities in remote communities obtain employment. The program involves a partnership between FaCS, ATSIC, Centrelink and scheme participants. Able-bodied participants provide on-the-job support for people with disabilities, including training and identifying necessary workplace modifications.

Trials are being conducted in Indulkana, South Australia, Oenpelli and Maningrida in the Northern Territory, and the Port Hedland region of Western Australia. The results of the trials will help to determine whether the initiative may be provided in other remote locations.

Homelessness

Community perceptions of the number of homeless people in Australia largely focus on people living on the streets. However, people experiencing homelessness may not have conventional accommodation (‘sleeping rough’); may move frequently from one form of temporary shelter to another, such as emergency accommodation, youth refuges and staying with friends; or may stay in accommodation that falls below a minimum community standard, such as some boarding houses and caravan parks.

Unemployment, income, levels of housing supply and affordability, as well as the incidence of relationship breakdown, domestic violence and family violence, substance abuse, gambling addictions and mental illness affect levels of homelessness.

Accommodation

The 1999 Australian Housing Survey shows that the majority of Australian households owned their home either with or without a mortgage (31 per cent and 39 per cent respectively). A further 20 per cent were renting privately, 5 per cent were in public housing and 2 per cent were living rent-free. The overall level of home ownership is unchanged since 1994.

Centrelink administrative data show that almost one-third of all single people or couples receiving income support payments or more than the base rate of Family Tax Benefit share with others, often in informal arrangements with family members.

The data show that approximately 40 per cent of single people and couples either own or are purchasing their home. A further 26 per cent are in private rental (mostly receiving Rent Assistance) and 8 per cent are in public housing. A total of 23 per cent are either living rent-free or did not provide evidence of their housing costs. For example, three-quarters of all Youth Allowance recipients are in this situation, generally living with family members.
Housing affordability

Figure 10  Housing affordability index

The index (prepared by the Commonwealth Bank and the Housing Industry Association) shows housing affordability fell by 6.2 per cent in the year to March 2002. However, housing affordability is still above the March 2000 level, following an increase of 10 per cent in the year to March 2001.

Falls were recorded in all capital cities and regions except Tasmania and Western Australia (excluding Perth). This fall is mainly due to median house prices rising by 21.8 per cent over the past year.

The Commonwealth Bank–Housing Industry Association index is widely used as a measure of the affordability of first homes. It compares average household income to the ‘qualifying’ income required to meet repayments on a typical dwelling. The qualifying income is based on a 20 per cent deposit and repayments of 30 per cent of income on a 25-year loan. Dwelling prices are taken from those financed by the Commonwealth Bank.

Rent and mortgage costs as a percentage of gross income for social security recipients

Almost a quarter of social security recipients live rent-free or are unable to provide evidence of their housing costs. The following table is based on Centrelink records for December 2001 and home mortgage repayments derived from STINMOD (a modelling tool which assesses the impact of the tax and benefit systems on individuals). For Rent Assistance recipients, it shows the proportion of income they would spend on rent if Rent Assistance were not available. For home purchasers receiving income support payments or more than the base rate of Family Tax Benefit, it shows gross mortgage repayments as a proportion of disposable (after tax) income.
Social justice and equity impact

Policies and programs to strengthen communities take special account of issues affecting rural and regional areas, the needs of Indigenous communities, people from diverse cultural and linguistic backgrounds, people with a disability and women.

FaCS is committed to the principles of the *Charter of Public Service in a Culturally Diverse Society*, which includes access and equity. The charter provides a key tool for ensuring FaCS’s services meet the needs of Australia’s culturally and linguistically diverse society. FaCS maintains close links with the many stakeholders in multicultural affairs to ensure a high standard of service delivery for multicultural clients.

FaCS funds service delivery providers and projects to provide fully integrated, culturally appropriate services. Through the Business Partnership Agreement, Centrelink, on behalf of FaCS, delivers payments and services to people of diverse cultural and linguistic backgrounds.

Commonwealth and state/territory commitment to working together is cemented in the Supported Accommodation Assistance Program (SAAP) Memorandum of Understanding. The memorandum recognises the need for SAAP to provide specialist services to women escaping domestic violence, homeless clients from diverse cultural and linguistic backgrounds, and homeless Indigenous clients. SAAP IV (the current agreement) also recognises the need to assist children accompanying clients.

Performance highlights and policy outlook

The policy outlook for Outcome 2 reflects the Government’s commitment to building community capacity for self-help, reducing the incidence of homelessness and other crises, addressing the social impact of problem gambling and providing more flexible and tailored assistance. Policy development continues to integrate housing and homelessness policy with other areas of social policy, particularly the *Australians Working Together* package, and to support communities in developing local solutions to their problems.
International Year of Volunteers 2001

FaCS’s coordination of the International Year of Volunteers (IYV) 2001 on behalf of the Commonwealth Government was a key element of the Stronger Families and Communities Strategy for 2001. The Year recognised and celebrated the outstanding contribution volunteers make to a strong, cohesive Australian society. But beyond that, it encouraged community, business, the media and government to work together to build an Australian society that encourages and nurtures a culture of volunteering, and to support Australian communities in their engagement in productive voluntary activities.

Grants worth $12.9 million were provided to more than 5000 organisations. Nearly 2200 organisations received funding under the IYV small grants program. In addition, more than 2800 organisations were funded to buy equipment to make the work of their volunteers easier, safer or more enjoyable.

Prime Minister’s Community Business Partnership

Following a significant revamp of the existing Prime Minister’s Community Business Partnership web site www.partnership.zip.com.au/ the Partnership launched an online clearinghouse to provide a comprehensive way of sharing ideas and innovations, case studies and practical advice.

The Prime Minister’s Awards for Excellence in Community Business Partnerships were presented by the Prime Minister and Minister Vanstone in August 2001. Two hundred and twenty-eight nominations were received.

The Partnership published a booklet highlighting case studies of successful partnerships between businesses and community organisations.

The Stronger Families and Communities Strategy

The Stronger Families and Communities Strategy performed strongly in 2001–02. Based around an early intervention and prevention approach, the strategy provides opportunities for communities to build strength and capacity through projects that address their local issues. In 2001–02, 403 projects representing expenditure of $17.9 million were funded across the Strategy. These include 238 community-focused projects totalling $10.2 million in expenditure (family-focused projects are reported in Outcome 1).

FaCS has found that the level of work needed and time required to develop projects in conjunction with communities—particularly those in remote and disadvantaged areas—resulted in fewer projects being developed than originally envisaged. Funding has been reduced for 2002–03 (by $10 million) and 2003–04 (by $6.5 million) to take account of the time required to develop proposals that reflect the needs of communities. There is $144 million available under the Strategy over those two years.
Indigenous community capacity building

A minimum of $20 million has been allocated under the Stronger Families and Communities Strategy for Indigenous projects. At May 2002, 61 Indigenous-specific projects have been approved, accounting for expenditure of $10.7 million. Initiatives funded have targeted young people, families with very young children and communities facing challenges. The aim has been to expand early intervention, parenting and family relationship support; build community links and networks; provide practical skills and support for families facing difficulties; and develop and support potential community leaders.

The Indigenous Community Capacity Building Roundtable and its working group provide advice to government about capacity building as it applies to Indigenous communities. The working group also provides advice about the use of funds under the Stronger Families and Communities Strategy for the development of nationally significant projects, such as the Family Income Management trials under way in three remote Indigenous communities in Cape York.

Indigenous policy

Banking pilot and weekly payments trial

FaCS and Centrelink are testing ways of delivering income support payments to Indigenous clients tailored to local conditions. One project, centred on Alice Springs and Central Australia, focuses on improving knowledge of and access to banking and other financial services for Indigenous people. The move to electronic banking has allowed the creation of electronic banking budgeting tools such as a Nutrition Account established by Tangentyere Council, a pay-as-you-go food voucher system that replaces existing safety nets such as debit food vouchers and book-up. A trial of weekly payment of income support entitlements is also being run.

Statement of Care pilot

In many Indigenous families, relatives other than parents care for children, and children may remain permanently with relatives who act as primary carers. FaCS and Centrelink jointly developed a Statement of Care pilot to allow Indigenous Family Tax Benefit recipients to voluntarily redirect money to others within family groups. Carers in the pilot formed groups reflecting their usual extended family and caring profiles. They also agreed to ensure that Family Tax Benefit resources follow children moving between carers within the agreed group.

Council of Australian Governments

The Council of Australian Governments agreed on a framework in 2000 to advance reconciliation and tackle Indigenous disadvantage across three priority areas: leadership, reviewing and re-engineering programs, and economic independence. Under this framework, Commonwealth and state/territory ministers are joining forces to identify communities or regions for a whole-of-government approach to service delivery involving the integration of education, health, employment, parenting, cultural and justice initiatives.
Initially, up to ten communities or regions will be approached to take part in this initiative. At the Commonwealth level, secretaries from key agencies, including FaCS, are taking on the role of Commonwealth champion for each of the identified communities.

**Indigenous housing**

To help states and territories with strategic planning and reporting on Indigenous housing program outcomes, FaCS and ATSIC developed a Common Reporting Framework. The framework is based on housing ministers’ statement of new directions, *Building a better future: Indigenous housing to 2010* and policy of providing safe, healthy and sustainable housing for Indigenous people.

As part of the 2001 Indigenous housing Budget initiative, $9 million will be used for a national ‘assess and fix’ of houses using the housing for health methodology. The initiative, called ‘Fixing Houses for Better Health 2’, will be managed by FaCS and conducted in partnership with states and territories. Approximately 1500 houses will be assessed and fixed across Australia over four years.

Work progressed on the project to produce kitchen designs that meet the needs of Indigenous people, particularly in rural and remote communities. The long-term aim of the new kitchen designs is to improve the basic health hardware required for storing, preparing and cooking food in houses, to help improve nutrition and to help reduce levels of morbidity and mortality among Indigenous people. With technical advice from the Master Builders’ Association, the new designs are being tested over one year in the homes of two Indigenous families in rural NSW and tropical Queensland.

**Regional stores policy**

Stage 1 of the Anangu Pitjantjatjara Lands Regional Stores Policy has been completed. The project plans to enable Anangu communities to manage their own stores and improve their nutrition. It will provide Indigenous people with consistent access to a variety of healthy foods and a range of cleaning and hygiene items at an affordable price.

Stage 2 will focus on implementing the policy and will include work with the Independent Grocers Association to standardise store operation and management systems, economic modelling on food affordability, and training store workers and nutrition workers.

**Reconciliation Australia**

Established in 2001, Reconciliation Australia’s goals include achieving social and economic equity for Indigenous Australians, strengthening the people’s movement for reconciliation, and building a framework for a shared future. FaCS contributed $100 000 from the Can Do element of the Stronger Families and Communities Strategy towards sponsorship of two Reconciliation Australia events in 2002.
Housing assistance

The Government provides housing assistance through the Commonwealth–State Housing Agreement and the Rent Assistance program. In 2001–02, the Commonwealth provided grants of $1.03 billion to state and territory governments for housing assistance to people in need. States/territories contributed $364.13 million. Funding is provided primarily for public housing as well as for Indigenous housing, community housing and crisis accommodation programs. Limited funding is also directed towards home purchase assistance and private rental assistance.

Since its inception in 1945, the Commonwealth–State Housing Agreement has resulted in an asset base of around $38 billion in housing stock, which is continually used for housing assistance.

Rent Assistance complements broader income support objectives by providing supplementary income, recognising the additional cost of private rental housing. Expenditure on Rent Assistance has increased significantly in the past decade (see Figure 11 under Output 2.1). For the fortnight ending 14 June 2002, 943,877 income units received Rent Assistance. Total expenditure in 2001–02 was $1.82 billion.

Direct deduction facilities

Following the review of the Centrepay policy framework, FaCS is developing options to deal with potential issues that may arise as Centrepay expands into new payments and services. Since March 2002, clients can have Centrepay payments deducted from their Family Tax Benefit.

The option to make deductions from a client’s Family Tax Benefit was also made available through the Rent Deduction Scheme. However, this will only be available to clients as each state and territory housing authority makes the required system changes.

In conjunction with the Council of Social Services of New South Wales, FaCS is conducting a pilot to waive the Centrepay transaction fees of organisations offering no-interest loans under the No Interest Loan Scheme. The pilot began on November 2001 and will be evaluated before it ends in June 2003.

Homelessness

The Commonwealth allocated funding for a number of action research projects under the National Homelessness Strategy. They include working with Centrelink to improve the response to homelessness, developing strategies to deal with family homelessness, Indigenous homelessness and preventing homelessness for people with mental illness.

The Supported Accommodation Assistance Program (SAAP) is a joint Commonwealth and state/territory government program that helps people who are homeless and in crisis by providing support and accommodation services. During 2001–02, FaCS took a leading role in ensuring that data collection and research within the program provide the full range of information needed by policy makers and service providers. This includes progress on developing performance measures for client satisfaction, to help measure the quality of service provided and identify areas for improvement.
Concessions

Concessions were provided to more than 5 million concession cardholders. These concessions helped to make services and products more accessible and affordable, and complemented support provided under Outcome 3 to improve social and economic participation.

Gambling

In response to the Productivity Commission report *Australia’s gambling industries*, released in December 1999, the Government initiated a national approach to the negative social consequences of gambling on individuals, families and communities. The Ministerial Council on Gambling and the National Advisory Body on Gambling are key mechanisms for developing a national approach. The following activities supported the Government’s response to problem gambling in 2001–02.

- The Government’s own social policy programs made a priority of prevention and treatment of problem gambling.
- States and territories continued to cooperate to further develop prevention, early intervention and harm minimisation strategies, including through gambling regulatory frameworks.
- The National Research Working Group was established, under the auspice of the Ministerial Council on Gambling.
- Consultation with the financial sector continued and research into ATM/EFTPOS facilities in gaming venues was commissioned.
- Consultations were held with stakeholders on the development of the National Public Awareness Campaign.

Budget measures

Budget measures focused on support for rural and remote communities, and support for individuals, families or communities that may be at risk. Under the AWT—Promoting Self Reliance for Indigenous People measure, 12 remote area servicing centres will provide Indigenous communities in remote areas with better access to Centrelink services. Centrelink will recruit and train local Indigenous staff to work in these centres.

Rural and remote Indigenous communities also benefited from the measure Expanding the Supply of Healthy Indigenous Housing. Additional funds have been provided for Indigenous housing and related infrastructure, including $40 million for housing, to be administered by FaCS, and $35 million for housing-related infrastructure to be administered by ATSIC. The new housing funds will be used primarily for upgrading existing stock to a healthy habitable standard, training Indigenous community housing organisations to manage and maintain their stock, and regular maintenance of stock.
The new funds include an additional $29 million for the Aboriginal Rental Housing Program. These funds are to be distributed to states and territories on the basis of Indigenous housing need in rural and remote areas, and subject to satisfactory annual planning and reporting.

In support for **individuals and families at risk**, the **Family Homelessness Prevention and Early Intervention Pilot**, is an initiative to prevent family homelessness. Community agencies, working with Centrelink, will deliver services in eight communities across Australia. Community locations and service providers have been selected. An Indigenous-specific service will be delivered in one community. The pilot will help around 1000 families regain stability in housing and financial circumstances, and access community services, labour market programs and employment. Services will start on 1 July 2002.

The National Research and Education Strategy to Prevent Problem Gambling is being developed to help individuals, families and communities at risk from problem **gambling**.

Under the measure Health Care Cards for Foster Children, from 1 July 2001 all foster carers could access Health Care Cards for the **foster children** in their care, regardless of means testing.

**Evaluation**

Evaluations completed:

- FaCS reviewed the Australian Housing and Urban Research Institute (AHURI) in conjunction with the eight state and territory governments who also fund the institute. Overall, the review found that AHURI was functioning well. AHURI has acted on ten of the 14 recommendations made.

- Centrelink’s evaluation of Centrepay showed that Centrepay is making a positive contribution to the lives of clients, and organisations recorded a high degree of satisfaction with the facility. The evaluation recommended:
  - improvements in communication and marketing
  - the development of alternative information delivery services
  - the establishment of an effective compliance mechanism
  - the extension of Centrepay to Family Tax Benefit clients.

Evaluations scheduled or in progress:

- The pilot to waive Centrepay transaction fees of organisations offering loans under the No Interest Loan Scheme is being evaluated.

- The International Year of Volunteers will be formally evaluated during 2002.

- Evaluation of the Stronger Families and Communities Strategy will begin in 2002. The evaluation will be completed in 2005. Successworks Pty Ltd were engaged in 2001–02 to develop the framework for this evaluation.

- A mid-term review of SAAP IV will be conducted by 30 June 2003 and a national evaluation completed 12 months before the program ends.
During 2001, the SAAP IV Evaluation Framework was scoped to develop options to strengthen the administrative and accountability arrangements, including data and research, for the program.

Action research projects funded under the National Homelessness Strategy will be evaluated throughout 2001–03.

The operation of the Commonwealth–State Housing Agreement is being evaluated in conjunction with state and territory housing authorities.

The National Housing Data Agreement under the Commonwealth–State Housing Agreement will be reviewed in 2002–03.
Output Group 2.1 | Housing Support

**Contribution to Outcome 2**

Housing Support contributes to Outcome 2 by:

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

**Strategies**

- Oversee the significant Commonwealth investment in the Commonwealth–State Housing Agreement, which aims to provide appropriate and secure housing assistance for those who most need it, for as long as they need it
- Analyse options for future housing assistance arrangements in Australia in collaboration with the states and territories to achieve better social housing outcomes
- Manage the Rent Assistance program, which provides supplementary income to around 1 million Australians in recognition of the additional cost of private rental housing
- Develop and coordinate the strategic positioning of the Supported Accommodation Assistance Program (SAAP), which provides support and accommodation services for people who are homeless or at risk of becoming homeless
- Undertake and manage research on housing assistance, identify emerging housing issues to inform policy development and the strategic directions of FaCS’s programs
- Undertake policy development to prevent and address homelessness through the National Homelessness Strategy.

**Outputs under Output Group 2.1**

**Commonwealth–State Housing Agreement**

Provides federal grants of around $1 billion each year to states and territories to assist those people whose housing needs cannot be met in the private sector to access appropriate and affordable housing.
National Homelessness Strategy

Includes the Family Homelessness Prevention and Early Intervention Pilots, and a series of Demonstration Projects, which provide grants to community agencies, Centrelink, consultants and other experts, to implement action research projects that will inform future policy and program development to prevent and reduce homelessness.

National Housing Priorities

Provides funding to support development of the community housing sector.

National Housing Research

Supplements the Commonwealth’s $1.5 million annual core funding commitment to the Australian Housing and Urban Research Institute, due to end in 2003.

Rent Assistance

A non-taxable income supplement payable to eligible income support recipients, and people who receive more than the base rate of Family Tax Benefit Part A, who rent in the private rental market.

Social Housing Subsidy Program

Demonstrates use of private sector financing models for providing social housing. New South Wales and the Australian Capital Territory have projects under the program.

Supported Accommodation Assistance Program

A joint Commonwealth and state/territory government program that provides transitional, supported accommodation and a range of related support services to people who are homeless or at imminent risk of homelessness.

States Grants (Housing) Act 1971

Grants to states to subsidise their interest payments on Loan Council borrowings to public housing in 1971 and 1972. 2001–02 was the final year that the Act operated.
## Financial and staffing resources summary

**Table 29  Output Group 2.1—Housing Support**

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET(^a) 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>BUDGET(^b) 2002–03 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including third party outputs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Homeless Prevention and Early Detection Pilot</td>
<td>669</td>
<td>27</td>
<td>-642</td>
<td>1 365</td>
</tr>
<tr>
<td>National Housing Priorities</td>
<td>348</td>
<td>348</td>
<td>0</td>
<td>357</td>
</tr>
<tr>
<td>National Housing Research</td>
<td>420</td>
<td>385</td>
<td>-35</td>
<td>420</td>
</tr>
<tr>
<td>Supported Accommodation Assistance Programme (National Priorities)</td>
<td>696</td>
<td>696</td>
<td>0</td>
<td>808</td>
</tr>
<tr>
<td>Commonwealth–State Housing Agreement (for expenditure under the <em>Housing Assistance Act 1996</em>)(^1)</td>
<td>1 028 220</td>
<td>1 028 220</td>
<td>0</td>
<td>1 027 834</td>
</tr>
<tr>
<td>Social Housing Subsidy Programme</td>
<td>2 130</td>
<td>2 051</td>
<td>-79</td>
<td>2 130</td>
</tr>
<tr>
<td>Supported Accommodation Assistance Programme (for expenditure under the <em>Supported Accommodation Assistance Act 1994</em>)</td>
<td>162 256</td>
<td>162 256</td>
<td>0</td>
<td>167 082</td>
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<tr>
<td><strong>Special Appropriations</strong></td>
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<td></td>
<td></td>
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<tr>
<td>State Grants (<em>Housing</em>) Act 1971</td>
<td>2 750</td>
<td>2 750</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>1 197 489</td>
<td>1 196 733</td>
<td>-756</td>
<td>1 199 996</td>
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<tr>
<td><strong>Price of Departmental Outputs</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Policy advice</td>
<td>2 619</td>
<td>2 902</td>
<td>283</td>
<td>2 691</td>
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<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>2 074</td>
<td>1 896</td>
<td>-178</td>
<td>2 131</td>
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<tr>
<td>Research and evaluation</td>
<td>764</td>
<td>1 316</td>
<td>552</td>
<td>785</td>
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<tr>
<td>Service delivery (Centrelink)</td>
<td>469</td>
<td>470</td>
<td>1</td>
<td>631</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>96</td>
<td>96</td>
<td>0</td>
<td>148</td>
</tr>
<tr>
<td><strong>Revenue from Government (Appropriation) for Departmental Output Groups</strong></td>
<td>6 022</td>
<td>6 680</td>
<td>658</td>
<td>6 386</td>
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<tr>
<td>FaCS component(^c)</td>
<td>5 553</td>
<td>6 210</td>
<td>657</td>
<td>5 755</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>469</td>
<td>470</td>
<td>1</td>
<td>631</td>
</tr>
<tr>
<td><strong>TOTAL FOR GROUP 2.1</strong></td>
<td>1 203 511</td>
<td>1 203 413</td>
<td>-98</td>
<td>1 206 382</td>
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<td><strong>Staffing Years (Number)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including the Social Security Appeals Tribunal)</td>
<td>47</td>
<td>47</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^a\) Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

\(^b\) Budget prior to additional estimates.

\(^c\) FaCS includes the Social Security Appeals Tribunal.
Performance information

Commonwealth–State Housing Agreement (for expenditure under the Housing Assistance Act 1996)

Performance information for the Commonwealth–State Housing Agreement refers to 2000–01. States and territories are to supply data for 2001–02 by the end of December 2002. The measures for housing assistance outlined below relate to public housing tenants. At 30 June 2001 there were over 346 000 public housing households in Australia.

The performance information is from the Commonwealth–State Housing Agreement Public Rental Housing Data Collection Report (AIHW), except where indicated.

Effectiveness—Adequacy

Client satisfaction with amenity and location of their dwelling

Table 30 Commonwealth–State Housing Agreement—percentage of clients satisfied with amenity and location of their dwelling

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amenity</td>
<td>75.4</td>
<td>78.8</td>
<td>75.6</td>
<td>79.4</td>
<td>79.9</td>
<td>78.8</td>
<td>77.6</td>
<td>75.4</td>
</tr>
<tr>
<td>Location</td>
<td>85.1</td>
<td>86.6</td>
<td>85.7</td>
<td>84.1</td>
<td>86.4</td>
<td>83.3</td>
<td>88.0</td>
<td>85.8</td>
</tr>
</tbody>
</table>


Percentage of households where dwelling size is not appropriate due to overcrowding

Table 31 Commonwealth–State Housing Agreement—percentage of households where dwelling size is not appropriate due to overcrowding

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6</td>
<td>1.9</td>
<td>1.1</td>
<td>0.6</td>
<td>1.0</td>
<td>0.4</td>
<td>0</td>
<td>1.7</td>
<td></td>
</tr>
</tbody>
</table>

Overcrowding is where two or more extra bedrooms are needed. In all states and territories, the incidence of overcrowding was low in 2000–01.
Effectiveness—Affordability

**Average rent charged as a proportion of the market rent for each dwelling**
(adjusted for Rent Assistance)

<table>
<thead>
<tr>
<th>Table 32</th>
<th>Commonwealth–State Housing Agreement—average rent charged as a proportion of the market rent for each dwelling (adjusted for Rent Assistance)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NSW</td>
</tr>
<tr>
<td></td>
<td>57.3</td>
</tr>
</tbody>
</table>

Note: States and territories used different methods for calculating market rents and the nature of the private rental markets differ.
Rent charged to tenants was compared to the market rent the dwellings would attract if rented privately, after reducing market rent by the amount of Commonwealth Rent Assistance households would receive if renting privately.

Effectiveness—Targeting

**New low income householders as a percentage of all new households**

<table>
<thead>
<tr>
<th>Table 33</th>
<th>Commonwealth–State Housing Agreement—new low-income householders as a percentage of all new households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NSW</td>
</tr>
<tr>
<td></td>
<td>99.3</td>
</tr>
</tbody>
</table>

This indicator shows the percentage of new households allocated public housing where household income was below the effective cut out for receiving income support payments (at the pensioner rate). Australian Capital Territory figures have not been reported as data were only available for a small number of households and are therefore not reliable.

Percentage of new tenancies allocated to households with special needs

<table>
<thead>
<tr>
<th>Table 34</th>
<th>Commonwealth–State Housing Agreement—percentage of new tenancies allocated to households with special needs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NSW</td>
</tr>
<tr>
<td></td>
<td>51.1</td>
</tr>
</tbody>
</table>

These results are not comparable with 1999–2000 figures as a new definition of ‘special need’ was introduced. ‘Special need’ households have one or more of the following characteristics: Indigenous; have a member with a disability; the principal tenant is either aged 24 years or under, or 75 years or more.
Quality—Access and choice

New allocations to those in greatest need as a percentage of all new allocations

A new definition of ‘greatest need’ was introduced in 2000–01. ‘Greatest need’ means that a household was, at the time of allocation, in one or more of the following circumstances: they were homeless; their life or safety was at risk in their accommodation; their health condition was aggravated by their housing; their housing was inappropriate to their needs, or they had extremely high rental costs. Queensland data understate greatest need because the data were not collected for households being housed in areas with low waiting times.

Quality—Assurance

The average time taken for occupancy of vacant stock

The data are affected by differing treatment of stock vacant due to redevelopment.

Quality—Client satisfaction

Client satisfaction with service

The survey included specific questions on key aspects of product and service delivery, including condition of the dwelling, ease of obtaining maintenance services, and attitude and knowledge of housing staff.
**Quantity**

**Number of dwellings**

<table>
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<tr>
<th></th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
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<td>51 760</td>
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<td>11 510</td>
<td>6038</td>
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</table>

**Price**

$1 028 220

**National housing priorities**

**Quality—Assurance**

**Information received from organisations useful in housing policy development**

- The Community Housing Federation of Australia provides information and useful policy advice on behalf of community housing service providers.
- The National Community Housing Forum provides useful policy advice on behalf of all community housing stakeholders.

**Maintenance and growth of membership base**

Both organisations have effectively maintained their membership base.

**Organisations’ representative structures provide effective mechanism for members’ views to be reflected in reports to FaCS**

The representative structures of both organisations provide effective mechanisms for members’ views to be provided to FaCS.

**Price**

$348 000

**National housing research**

**Quality—Assurance**

**Funded organisation meets the requirements of the funding agreement and associated documents**

The Australian Housing and Urban Research Institute (AHURI) is the major vehicle for housing research and has met the requirements of the current funding agreement. The current funding agreement expires in December 2003.
Price
$385 000

Commentary
Twenty AHURI research projects were approved in 2001–02. These covered the following areas of focus and will be completed over the next two years: housing assistance programs; housing futures; program integration and housing assistance; innovation in the provision of housing; urban management and infrastructure; transforming communities; Indigenous housing; homelessness and marginal housing; and the housing system.

Rent Assistance
Rent Assistance makes housing more affordable for people renting privately, including site fees for a mobile home, service fees in a retirement village, and board and lodgings. Rent Assistance targets people who rent accommodation in the private rental market and who receive an income support payment (except Austudy payment) or more than the base rate of Family Tax Benefit Part A. It is paid to those who pay rent above the relevant threshold, and is paid at the rate of 75 per cent of the rent paid above the threshold until the maximum rate is reached. Rent Assistance does not have a separate budgetary appropriation. Spending is reported under outcomes relating to primary income support payments. Performance is monitored and measured by changes in client numbers and outlays, the impact on housing affordability, and the extent to which assistance is directed to those in most need.

Figure 11 Rent Assistance expenditure 1992–93 to 2001–02

Increased expenditure over the decade primarily is due to:
- the Rent Assistance program's extended coverage
- real increases in the maximum rates during the early 1990s.
Effectiveness—Affordability

Impact of Rent Assistance on housing affordability—percentage of persons/couples paying more than 30 per cent and more than 50 per cent of their combined income on rent before and after Rent Assistance is taken into account

Since June 2000, average Rent Assistance has increased by 16 per cent while average rents for Rent Assistance recipients have increased by 12 per cent. By comparison, the Consumer Price Index increased by 9 per cent in the past two years to March 2002. Rent increases over this period have been influenced by both an increased proportion of families with children, who require larger and more expensive housing, and more intensive reviews which have resulted in more up-to-date rent details.

Effectiveness—Targeting

Proportion of individuals/couples paying enough rent to receive maximum assistance

Since June 2000, average Rent Assistance has increased by 16 per cent while average rents for Rent Assistance recipients have increased by 12 per cent. By comparison, the Consumer Price Index increased by 9 per cent in the past two years to March 2002. Rent increases over this period have been influenced by both an increased proportion of families with children, who require larger and more expensive housing, and more intensive reviews which have resulted in more up-to-date rent details.

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Number of persons or couples receiving Rent Assistance

Of the 943,877 Rent Assistance recipients paid in the fortnight ending 14 June 2002, 54 per cent were single without children, 23 per cent were single with children, 15 per cent were couples with children, and 8 per cent were couples without children.

Supported Accommodation Assistance Program

Cost

Cost per client assigned a SAAP service—$2,740
This is an increase of 7 per cent over 1999–2000, reflecting the increasing proportion of case-managed clients requiring longer support periods.

Note: a client is someone who has received accommodation or other assistance for one hour or more during a year. In calculating a cost per client, a client is only counted once regardless of how many periods of support are provided.

Cost per completed support period—$1,630
This is a decrease of $20 from 1999–2000, reflecting an increase in the number of support periods.

Note: a client may receive more than one period of support during the year. Each period of support is counted in calculating the cost per support period.
Cost per day of support—$40 ($2 more than in 1999–2000).

Effectiveness—Early intervention
Percentage of SAAP clients’ identified needs which program meets—93 per cent

Effectiveness—Independence
Percentage of clients achieving independent living after support
74 per cent of clients moved to a private rental, owner-occupied or public housing residence.

Percentage of clients entering SAAP support with no income who exit with income
10 per cent of clients entered support with no income. Of these, 34 per cent exited with some income.

Percentage of clients who exit SAAP services to independent accommodation and do not return within six months—42 per cent

Quality—Access and choice
Percentage of Aboriginal and Torres Strait Islander population seeking services who receive a service
The proportion of Aboriginal and Torres Strait Islander people among SAAP clients is used as a proxy measure for this indicator due to the current lack of reliable unmet demand data (on those who sought service/s and were unable to receive a service).

16 per cent of SAAP clients were Aboriginal and Torres Strait Islander people. (Aboriginal and Torres Strait Islander peoples comprise 2.3 per cent of the general population aged over 10 years old).

Percentage of population from culturally and linguistically diverse backgrounds seeking services who receive a service
The proportion of people from a culturally and linguistically diverse backgrounds among SAAP clients is used as a proxy measure for this indicator due to the current lack of reliable unmet demand data (on those who sought service/s and were unable to receive a service).

10 per cent of SAAP clients were people from diverse cultural and linguistic backgrounds. (People from diverse cultural and linguistic backgrounds comprise 16.3 per cent of the general population over 10 years old).

Percentage of people seeking services who receive a service
Data from a survey of SAAP agencies in the weeks 29 November to 5 December 2000 and 9–15 May 2001 suggest that around 79 per cent of valid requests for SAAP services were fulfilled. The estimate of unmet demand needs to be interpreted with care because the two-week sample period might not be representative of the eventual success of clients accessing SAAP services over the full year.
Quality—Assurance

Commissioned research is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Research and evaluation during 2001–02 was of a consistently high standard. It met timelines and terms of reference, and was methodologically sound.

Service improved through increased percentage of SAAP clients with a case plan

Clients with a support plan: 62 per cent (46 per cent in 1996–97)

Clients with no support plan: 16 per cent (23 per cent in 1996–97)

Quantity

Number of clients assisted annually

91 200—an increase of 1 per cent on 1999–2000.

Number of occasions of support

168 200—an increase of 7 per cent on 1999–2000. Around 36 per cent of clients accessed two or more support periods in 2000–01.

Price

$162 256 000

$696 000—SAAP National Priorities

Commentary

Performance information for SAAP refers to 2000–01. Data for 2001–02 will be available towards the end of 2002. The indicators above use a mix of client data and support period data because some SAAP clients make multiple use of SAAP services. All SAAP data are based on support periods, but it is possible to estimate the number of clients and derive their demographic details. Unit costs are based on recurrent funding allocations, excluding casual and potential clients, and accompanying children.

Recent evaluation includes:

◗ Scoping the SAAP IV Evaluation Framework: the Social and Economic Research Centre of the University of Queensland undertook a scoping study of the current administrative and accountability arrangements for evaluating the performance of SAAP IV. They made recommendations on the strengths, weaknesses and information.

◗ Monograph on SAAP Indigenous Clients: this analysis of SAAP data on the demographics and needs of Indigenous people who sought SAAP assistance was released December 2001.
Social Housing Subsidy Program

Quantity

Number of dwellings funded — NSW: 253; ACT: 80

Price

$2 051 000

Commentary

This program demonstrated private sector financing models for housing options for rental tenants. Only two pilot projects operated under the program: the expansion of community housing opportunities in NSW; and a private rental leasing scheme in the ACT.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

For every dollar spent on administered items under Output 2.1, 0.5 cents were spent on departmental outputs.

Policy advice

Quality — Client satisfaction

Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice.

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two — Ministerial and parliamentary services.

Quantity

Number of items to ministers

171 ministerial submissions and other written briefings or advice prepared; 270 ministerial replies to correspondence completed.

Price

$2 902 000
Purchasing, funding and relationship management

Quality—Assurance
FaCS ensures that service providers meet terms and conditions of funding
All service providers met the terms and conditions of funding.

Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers
FaCS and Centrelink agreed on a Business Partnership Agreement for delivering Rent Assistance in 2002–03.

Quantity
Number of contracts/service agreements under management — 1 (Centrelink)
Number of service providers under management — Nil

Price
$1 896 000

Research and evaluation

Quality—Assurance
Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
All research met the required standards.

Quantity
Major pieces of research and evaluation completed — 2

Price
$1 316 000

Service delivery

Quality—Assurance
Service providers deliver services to the standards agreed with FaCS
Rent Assistance is not separately appropriated, so Centrelink’s performance is generally measured with the primary income support payments. Table 42 includes performance information on Rent Assistance relating to incorrect payments and the number of reviews and appeals.
Quality—Client rights and obligations

Number of reviews and appeals

The most common identifiable reasons for a review of Rent Assistance were that clients were not paying private rent or they were ineligible property owners.

Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Control of incorrect payment and fraud with respect to Rent Assistance is included in the sections of this report dealing with the qualifying payments.

Price

$470 000—Centrelink

$96 000—Other

Performance summary

Key achievements included:

- meeting the needs of 91 200 clients in 93 per cent of the occasions of support in 2000–01, through 1238 SAAP agencies
- finalising the first annual performance report for SAAP IV
- continuing support to develop the community housing sector, principally through stock acquisitions negotiated with states and territories in the 1999 Commonwealth–State Housing Agreement, and funding for peak sector organisations
- completing the post-implementation review of the third stage of the ‘improve Rent Assistance compliance’ Budget measure, the Bulk Reassessment. This involved the reassessment of all current Rent Assistance clients who had not provided a tenancy agreement or rent certificate/questionnaire since 20 September 1999.

Work is required to:

- further develop post-1999 Commonwealth–State Housing Agreement arrangements for housing assistance. A range of issues, including current workforce participation disincentives and incentives for private sector investment in affordable housing will be considered.
reduce the complexity of Rent Assistance program and make it more responsive
continue management of the Australian Housing and Urban Research Institute research program
continue support to develop and implement action research projects under the National Homelessness Strategy to prevent homelessness
support and manage the implementation of the Information Management Plan for the SAAP IV Agreement (2000–05)
refine and test the new methodology for the SAAP Unmet Demand Collection to derive a more accurate and reliable turn-away measure
strengthen further the SAAP IV accountability framework through researching and developing better performance and outcome measurement tools.
Contribution to Outcome 2

Community Support contributes to Outcome 2 by:

- developing community capacity and self-reliance
- supporting volunteering
- helping people living in rural and regional areas to access services that support their special needs, and to take advantage of opportunities
- helping to improve the living conditions of Indigenous people and other culturally and linguistically diverse communities
- helping to support individuals, families and communities in crisis
- assisting low-income individuals and families with living costs
- encouraging successful partnerships between business, community and government sectors
- increasing knowledge and understanding about how communities function
- coordinating the Government’s response to problem gambling.

Strategies

- Continue to support local community and family capacity building through the Stronger Families and Communities Strategy. While the family support elements of the Strategy come under Outcome 1, they are administered jointly with the community elements and reported in Output Group 2.2
- Undertake a range of community capacity-building projects through the FaCS state and territory office network
- Maintain and develop the community portal
- Provide funding to the community and the voluntary sector, and promote the International Year of Volunteers 2001
- Provide funding for 25 volunteer matching, referral and support services through the Volunteer Management Program
- Assist in strengthening communities from diverse cultural and linguistic backgrounds and improve links with stakeholders on multicultural affairs
Encourage and promote a culture of corporate and individual social responsibility in Australia through advocacy, facilitation and appreciation, and work with business, community and government to encourage more collaboration between the sectors.

Provide a range of products and services to underpin community support outcomes to social security recipients and their dependants, low-income earners, self-funded retirees of age pension age, people in crisis and those seeking voluntary work.

Commission and undertake social research.

In relation to gambling:
- foster research on gambling to support policy development
- develop partnerships to contribute to and support the work of the Ministerial Council on Gambling and the National Advisory Body on Gambling
- increase the priority given to developing harm minimisation strategies to address negative social impacts along with the treatment of problem gambling.

**Outputs under Output Group 2.2**

**Concessions and allowances**

**Commonwealth concession cards**
The Health Care Card, the Pensioner Concession Card and the Commonwealth Seniors Health Card (the main purpose of which is to provide access to certain prescription items at a cheaper rate). State, territory and local governments and some private organisations also use these concession cards to target a range of discounts to selected groups of people.

**Compensation for extension of fringe benefits to pensioners and mature-age long-term allowees and beneficiaries**
A payment made to state and territory governments to compensate for additional people entitled to state and territory government concessions following the extension of the Pensioner Concession Card to all part-rate pensioners in 1993.

**Direct deduction facilities**
Two Centrelink facilities that allow clients to have bills deducted directly from their Centrelink payment.

**Disaster Relief Payment**
Provides short-term financial assistance to victims of a major or widespread disaster as declared and gazetted by the Minister for Family and Community Services.
Ex gratia payment for volunteer fire-fighters
Ex gratia payments for volunteer firefighters who belonged to volunteer fire fighting organisations and who lost income from employment while fighting bushfires in New South Wales, between 24 December 2001 and 16 January 2002.

Reimbursement to Great Southern Rail
A FaCS–Great Southern Rail agreement for delivering rail travel concessions to pensioners, eligible veterans and holders of the Commonwealth Seniors Health Card.

Pharmaceutical Allowance
Helps pensioners and some other social security recipients with the cost of prescription items under the Pharmaceutical Benefits Scheme.

Remote Area Allowance
Contributes to the extra costs associated with living in remote areas of Australia.

Telephone Allowance
Helps pensioners, long-term allowance recipients and telephone-subscriber Commonwealth Seniors Health Card holders with the cost of a domestic telephone service.

Community portal
The www.community.gov.au web site provides access to online services and information for community organisations and individuals.

Emergency Relief Program
Grants to community, religious and charitable organisations to help individuals and families in emergency financial crisis. Also provides training support for paid and voluntary workers in the sector.

Indigenous housing and infrastructure
Reported under Outcome 2.

National research on gambling—gambling strategies
Aims to develop policy and support research that tackles the negative social and economic impact of problem gambling on individuals, families and communities.
Prime Minister’s Community Business Partnership

Aims to encourage and facilitate partnerships between businesses and the communities of which they are a part and to develop and promote a culture of corporate social responsibility in Australia.

Stronger Families and Communities Strategy

Provides funding for community-based projects to strengthen families and communities. Initiatives provide support for capacity building to communities across Australia.

Volunteer Management Program

Provides funding for services to support volunteer matching, referral and training activities.
## Financial and staffing resources summary

### Table 43  Output Group 2.2—Community Support

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<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>(B) BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $’000</th>
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<td>Administered Expenses (including third party outputs)</td>
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<td>Business and Community Sector Partnerships</td>
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<td><strong>Revenue from Government ( Appropriation) for Departmental Output Groups</strong></td>
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<td>FaCS (including the Social Security Appeals Tribunal)</td>
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</table>

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.  
<sup>b</sup> Budget prior to additional estimates.  
<sup>c</sup> Family and Community Network Initiative will be transferred from Output Group 1.1 from 1 July 2002.  
<sup>d</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

Business and Community Partnerships

Effectiveness—Capacity

Increases in business and community nominations for awards that recognise excellence in partnerships

The number of nominations received for the Prime Minister's Awards for Excellence in Community Business Partnerships has increased each year since its inception: 1999: 54, 2000: 217, and 2001: 228.

Participation in awareness activities

The Prime Minister's Community Business Partnership has participated in a number of forums to raise awareness of innovative partnerships between the corporate and community sectors. Some activities include:

- delivering nine seminars in regional and urban centres promoting the importance of partnerships, with more than 700 people attending
- signing an agreement with Rotary to work on a combined national communication program to develop awareness of the benefits of community business partnerships in general and the Rotary Australian Corporate Alliance Program in particular. The partnership featured in articles in each edition of the monthly Rotary magazine, with a circulation of 55 000.

Number of new partnerships

The increase in nominations for awards over the past three years supports anecdotal evidence that the number of partnerships is increasing. The Prime Minister's Community Business Partnership funded an Australian Bureau of Statistics survey to measure the level and type of corporate giving to the community. The results were released on 27 June 2002 and could form the baseline data for any future reporting.

Price

$1 898 000

Commentary

The secretariat function for the Prime Minister's Community Business Partnership was transferred to FaCS on 1 July 2002.
Compensation for extension of fringe benefits to pensioners and mature-age long-term allowees and beneficiaries

**Quality—Assurance**

**Certification from states and territories that they are complying with the agreement**
States and territories certified they will continue to comply with the terms of the Commonwealth–state/territory agreement.

**Price**
$170 857 000

**Concession cards**

**Effectiveness—Take-up/coverage**

Percentage of eligible clients with a Commonwealth Seniors Health Card and a low-income Health Care Card—58 per cent

**Quantity**

**Number of persons covered by concession cards**

<table>
<thead>
<tr>
<th>Table 44</th>
<th>Number of persons covered by concession cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONCESSION CARD</td>
<td>CARDHOLDER NUMBERS</td>
</tr>
<tr>
<td>Health Care Card</td>
<td>1 332 650</td>
</tr>
<tr>
<td>Low-Income Health Care Card</td>
<td>368 910</td>
</tr>
<tr>
<td>Pensioner Concession Card</td>
<td>3 060 105</td>
</tr>
<tr>
<td>Commonwealth Seniors Health Card</td>
<td>277 681</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5 039 346</strong></td>
</tr>
</tbody>
</table>

**Disaster Relief Payment**

No major disaster was declared during 2001–02.
Emergency relief

Quality—Assurance

Coverage of voluntary minimum service standards in emergency relief service delivery outlets
Guiding principles and service standards for the program developed by FaCS in consultation with the emergency relief sector define the operating basis for all emergency relief services and provide a guide to putting the principles into practice.

Funding distributed on the basis of need in accordance with formula-based funding model
The Emergency Relief Program distributes national funding based on data on the regional distribution of recipients of various government benefits and allowances. These include those receiving Disability Support Pension, Newstart Allowance, Parenting Payment (single), Youth Allowance, Family Tax Benefit Part A, those receiving the Exceptional Circumstances Relief Payment and participants in the Community Development Employment Program.

Quantity

Number of service delivery outlets
FaCS provided funding to around 900 agencies for distribution through almost 1400 outlets.

Price

$26 359 000

Ex gratia payments to volunteer firefighters for lost income during NSW bushfires 2001–02

Quantity

Number of clients—1497

Price

$1 627 000

Reimbursement to Great Southern Rail for concession fares

Effectiveness—Take-up/coverage
Percentage of eligible clients using concession travel on Great Southern Rail
2.2 per cent
Quality—Assurance

Evaluation indicates that the Great Southern Rail contract is an effective administrative arrangement

Analysis of Great Southern Rail (GSR) passenger data and levels of rebate indicate that the GSR contract is an efficient administrative arrangement.

The agreement with GSR expired in June 2002. A new agreement was signed in June 2002 (effective 1 July 2002) for a further three years for the provision of concession to eligible passengers, being Pension Concession Card holders, Veterans and Commonwealth Seniors Health Card holders.

Quantity

Number of clients using concession travel on Great Southern Rail—80 000

Price

$2 547 000

Commentary

In July 1999 FaCS signed a three-year agreement, renegotiable every three years, for Great Southern Rail to provide concession rail travel for all holders of a Pensioner Concession Card and other special classes of Department of Veterans’ Affairs clients. This applies to the three train services operated by Great Southern Rail: the Ghan, the Indian Pacific and the Overland.

Over the three years of the 1999 FaCS–Great Southern Rail agreement for pensioners and veterans, FaCS has contributed some $7.5 million to Great Southern Rail for concession rail travel. These concessions are available over a range of classes and available fares.

Indigenous housing and infrastructure

Commentary

Funds for the Fixing Houses for Better Health 2 (FHBH2) initiative are being spent on consultants’ fees, training, community feasibility studies, the first survey and data collection, and other initial work. As projects under the initiative are being conducted over two financial years, outcomes from FHBH2 will be reported at the end of 2002–03.

Price

$500 000
Stronger Families and Communities Strategy: communities initiatives

Effectiveness—Capacity

Communities demonstrate and apply greater understanding, skills and capacity as assessed by:

- **percentage of people completing courses and registering improvements in skills and knowledge**

  1555 volunteers began courses funded under National Skills for Volunteers. 100 per cent completed them and 100 per cent improved skills and knowledge.

- **number of ‘Can Do’ activities**

  20 initiatives that demonstrate a ‘Can Do’ approach by communities to dealing with specific problems were documented and published in the form of handouts which were distributed at local government conferences.

  Funding was also provided for a booklet publicising the achievements of the Bridgewater–Gagebrook Urban Renewal Project in Tasmania as an example of a ‘Can Do’ approach by a community to tackling a range of significant problems.

- **qualitative assessments of community projects to determine impact on capacity over time**

  A number of mechanisms are in place to determine the impact of community projects on community capacity. These will be enhanced by the intended use of community strength indicators when these become available. Results from a pre- and post- questionnaire of all projects will be available in 2005. Early results will be available in 2003.

- **evidence of prevention, improved independence and relationships**

  A number of the 139 early intervention projects and 26 Stronger Families Funds projects are building community capacity through prevention, improved independence and relationships. It is too early to capture these changes through the evaluation, although early results are expected in 2003.

- **record of regular volunteer training**

  Mechanisms such as feedback forms are in place to measure the effectiveness of volunteer training provided through National Skills for Volunteers. Results will be available in 2005.

Increased awareness and recognition in the community of:

- **best practice initiatives**

  Stronger Families and Communities stories were picked up in 100 publications (including state/territory newspapers and national publications) across Australia.

  Around 25 case studies of Strategy projects and ‘Can Do’ activities have been widely disseminated at various local government forums.
community services, programs and projects

For the International Year of Volunteers (IYV), there were 24,600 applications submitted for funding, and funding was provided to more than 5,000 local organisations.

403 projects have been approved under the Stronger Families and Communities Strategy for community and family initiatives. This provided funding for more than 386 local organisations and more than 306 communities.

Participation in communities increases as indicated by:

- **number of social networks established**
  Of the community-related projects and activities that have reported under the Strategy, 163 new social networks have been established.

- **number and range of participants in activities, for example multicultural groups, Indigenous groups, rural and remote dwellers, and percentage of local populations that attend**
  A wide range of people have participated in activities under the Strategy, including youth, aged, Indigenous, unemployed, disabled, multicultural, business, single and separated parents, and people from rural areas.

- **number of community projects developed**
  238 projects were funded under the community initiatives of the Strategy. These served 399 communities.

- **number of new volunteers**
  See Volunteer Management Program—page 132.

- **number of invitations extended to general communities or specific representatives and percentage take up of invitations**
  Of the projects that have reported, 10,046 invitations were extended to communities to participate in projects, with a 96 per cent take-up rate.

Quality—Access and choice

**Percentage of projects in disadvantaged communities**—100 per cent. All approved projects are in target areas and address specific issues of disadvantage.

**Percentage of community projects undertaken in regional Australia**—53 per cent

Quality—Assurance

**Quality assured training resources**

All projects involving training have quality assurance mechanisms in place.
Quality — Client satisfaction

Mechanisms in place to monitor satisfaction of community agencies with training of volunteers, and volunteers with training they received

A number of mechanisms, such as feedback forms, are in place to monitor satisfaction.

Percentage of participant and community satisfaction with the range, effectiveness and outcome of the projects — 86 per cent

Percentage of participants satisfied that projects met community need — 70 per cent

Quantity

| Table 45 Participation in Stronger Families and Communities Strategy projects |
|------------------------------------------|------------------|
| INDICATOR                                           | NUMBER                                    |
| Advisory and brokerage services provided              | Most of the 403 SFCS projects have advisory and brokerage services components |
| Centres in which training is provided through National Skills for Volunteers | 124 |
| Communities involved in the leadership program and network | 442 |
| Communities with identified potential leaders         | 240 |
| Grants issued (projects funded)                       | 403 |
| Leaders working on projects of benefit to their local community | 2155* |
| Leadership development activities                     | 240* |
| Participants in activities and completing training    | 13 757* |
| Participants nationally in leadership development activities/national network | 12 442* |
| Training initiatives                                  | 32* |

* The numbers relate only to projects that have reported under the Strategy.

International Year of Volunteers grants are reported under Stronger Families and Communities Strategy: communities initiatives a) increased awareness and recognition in the community
b) community services, programs and projects.

Price

$10 248 000
Commentary
The Stronger Families and Communities Strategy has been operational for 18 months and is a new way for government to work with communities to help them identify their needs and develop their own solutions. The data on project activity have only started to become available. Results are already exceeding performance targets. The formal evaluation of the Strategy has begun and the data now emerging will add to the evidence base for strengthening families and communities in Australia.

Early results are demonstrating that the Strategy is helping emerging leaders to develop and gain skills, supporting the work of assisting volunteers, building networks, building partnerships between business and communities, and enhancing participation opportunities in communities.

National Research and Education Strategy to Prevent Problem Gambling

Effectiveness—Capacity
Greater public awareness of problem gambling
Public awareness of the issues surrounding problem gambling behaviour has been heightened through:

- positive media coverage for the Ministerial Council on Gambling and the National Advisory Body on Gambling convened by FaCS at the Minister's request
- the call for public submissions on problem gambling by the National Advisory Body on Gambling
- improved Centrelink services to raise awareness of gambling issues and incorporate identification of problem gambling behaviour and referral processes
- an increase in the number of media stories on gambling
- FaCS participation on various state and territory bodies including regulatory committees and work groups.

Quality
Production of high quality research
Research undertaken by FaCS is timely, fulfils terms of reference, is complete, methodologically sound and contributes to policy understanding and development at the national and state level.

Research jointly funded by FaCS for research through the National Research Working Group Secretariat must meet the same high standards.

Improved overall research base on problem gambling
FaCS has facilitated the development of a National Gambling Research Program through a National Research Working Group Secretariat. Membership of the research body is drawn from all states and territories and the Commonwealth. This research program will provide independent research on gambling issues identified by the Ministerial Council on Gambling.
FaCS has commissioned independent research into ATM/EFTPOS functionality in order to further inform debate on limiting access to cash and credit as a gambling harm minimisation strategy. The research will be used as a framework by states and territories to assist development of policy on access to cash and credit in gaming venues.

**Quantity**
No research was completed in 2001–02 financial year. However, funds have been allocated to the National Research Working Group secretariat to progress research. ATM/EFTPOS research is expected to be completed early in 2002–03.

**Price**
$350,000

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**Volunteer Management Program**

**Quantity**

**Number of new volunteers**
22,850 volunteers were referred to member organisations. This was an increase of 82 per cent since 2000.

**Price**
$1,495,000

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**Departmental outputs**

**Cost**

**Ratio of departmental expense to administered expense**
For every dollar spent on administered items under Output 2.2, 20.9 cents were spent on departmental outputs.

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**Policy advice**

**Quality—Client satisfaction**

**Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice**
Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.
Quantity

**Number of items to ministers**

295 ministerial submissions and other written briefings or advice prepared; 703 ministerial replies to correspondence completed.

Price

$12,299,000

**Purchasing, funding and relationship management**

Quality—Assurance

**FaCS ensures that service providers meet terms and conditions of funding**

All service providers meet terms and conditions of funding.

**Service agreements/contracts that meet legislative, Government policy and FaCS’s requirements are in place with all service providers**

Funded services submit regular reports detailing progress against indicators audited statements.

**Centrelink**

FaCS’s Business Partnership Agreement with Centrelink specifies objectives and requirements for delivery of concessions and community support and for Centrepay. The 2002–03 agreement will also include the Rent Deduction Scheme to formalise this part of the relationship between FaCS and Centrelink.

Quantity

**Number of contracts/service agreements and service providers under management**

- 238 service providers and 254 contracts/service agreements with six elements from the Stronger Families and Communities Strategy (the Stronger Families Fund, Early Intervention, Parenting and Family Relationship Support, Potential Leaders in Local Communities, National Skills Development Program for Volunteers, Local Solutions to Local Problems, and ‘Can Do’ Community)
- 5033 International Year of Volunteers agreements
- 885 service providers through the Emergency Relief Program
- 25 agreements for the Volunteer Management Program
- 1 service provider through Great Southern Rail.

Price

$22,111,000
Research and evaluation

Quality—Assurance
Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Evaluation and research for the Stronger Family and Community Strategy met the required standards. The terms of reference for the evaluation of the Strategy were set. The evaluation framework has been completed and the evaluation is under way. The final evaluation report is due in 2005. Research that contributes to understanding of building family and community capacity was undertaken regularly throughout the year.

Quantity
Major pieces of research and evaluation completed—2 (in progress)

Price
$3,934,000

Service delivery

Quality—Assurance
Service providers deliver services to the standards agreed with FaCS

All service providers delivered services to agreed standards.

The National Training and Support Strategy was developed by the Emergency Relief Program to provide guiding principles and national voluntary minimum service standards. The strategy is being implemented through professional development workshops.

Quality—Client rights and obligations
Number of reviews and appeals

Review and appeal activity was stable in 2001–02, generally in line with figures from last year. The number of appeals and reviews for these payments and concessions remain relatively low.
Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Control of incorrect payment and fraud with respect to Remote Area allowance, Telephone Allowance and Pharmaceutical Allowance is included in the sections of this report dealing with the qualifying payments.

Price
$6 763 000—Centrelink

Performance summary

- FaCS’s progress in developing the social coalition and partnerships is evident across a wide spectrum of programs, including the Prime Minister’s Community Business Partnership, which helped to promote the business case for corporate social responsibility and to advance corporate community involvement.
- The Stronger Communities outcome demonstrated the Commonwealth’s responsiveness in time of disaster by developing and delivering a payment to volunteer firefighters, recognising the risks to their personal safety and their service to the broader community.
- Community organisations have responded very positively to the Stronger Families and Communities Strategy during 2001–02. Over 5000 expressions of interest were received in 2001–02.

### Table 46 Reviews and appeals—Output Group 2.2

<table>
<thead>
<tr>
<th>PAYMENT TYPE</th>
<th>AUTHORISED REVIEW OFFICERS</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>ADMINISTRATIVE APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
<td>PERCENTAGE CHANGED</td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Low-Income Health Care Card</td>
<td>29</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Commonwealth Seniors Health Care Card</td>
<td>14</td>
<td>21</td>
<td>1</td>
</tr>
<tr>
<td>Disaster Relief Payment</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carer Allowance (child) Health Care Card only</td>
<td>5</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Health Care Card for Foster Children</td>
<td>1</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Remote Area Allowance</td>
<td>2</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>Telephone Allowance</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
The Stronger Families and Communities Strategy implemented fewer projects in 2001–02 than expected, largely due to the lengthy development time needed for many projects, particularly those in remote and disadvantaged areas. The 2002–03 Budget included a reduction in strategy funding of $10 million in 2002–03 and $6.5 million in 2003–04 to better reflect the lead-time needed for community capacity-building projects, and working with families.

The success of the International Year of Volunteers 2001 has been a highlight of the Stronger Families and Communities Strategy, with 24,600 applications for funding received for the International Year of Volunteers 2001 small grants programs, and $12.9 million in grants paid to more than 5000 organisations.

The Ministerial Council on Gambling agreed to the formation of a National Research Working Group Secretariat on problem gambling.

FaCS worked closely with the National Advisory Body on Gambling to develop a draft National Harm Minimisation Strategy on Gambling for ministerial consideration.

FaCS worked closely with Centrelink to conduct pilots to identify possible problems with gambling with Centrelink clients. This initiative will improve client service.

Centrelink made Family Tax Benefit payments available for deductions through Centrepay and the Rent Deduction Scheme. Centrepay deductions have been available since March 2002 while Rent Deduction Scheme deductions will become available as state and territory housing authorities make the required system changes.

FaCS is piloting a Centrepay transaction fee exemption for organisations participating in the National No-Interest Loan Scheme. This arrangement was proposed by the Council of Social Services of New South Wales in an attempt to create corporate partnerships and reduce administrative costs and loan default rates experienced by organisations.
Outcome 3 | Economic and Social Participation

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

Description

To maximise the engagement of all Australians in society, FaCS will:

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

Figure 12 Outputs contributing to Outcome 3

Outcome 3 — Economic and Social Participation

Group 3.1
Labour Market Assistance

Group 3.2
Support for People with a Disability

Group 3.3
Support for Carers

Group 3.4
Support for the Aged
## Financial and staffing resources summary

### Table 47 Outcome 3—Economic and Social Participation

<table>
<thead>
<tr>
<th>Financial and Staffing Resources Summary</th>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $'000</th>
<th>(B) ACTUAL 2001–02 $'000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $'000</th>
<th>(B) BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Labour Market Assistance</td>
<td>12 593 018</td>
<td>12 411 920</td>
<td>–181 098</td>
<td>13 101 681</td>
</tr>
<tr>
<td>3.2 Support for People with a Disability</td>
<td>7 800 334</td>
<td>7 758 364</td>
<td>–41 970</td>
<td>8 280 121</td>
</tr>
<tr>
<td>3.3 Support for Carers</td>
<td>1 243 753</td>
<td>1 241 532</td>
<td>–2 221</td>
<td>1 467 591</td>
</tr>
<tr>
<td>3.4 Support for the Aged</td>
<td>17 022 369</td>
<td>17 013 590</td>
<td>–8 779</td>
<td>17 802 809</td>
</tr>
<tr>
<td><strong>Items Applicable Across Outcome 3</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Secretariats (part component see also Outcomes 1 and 2)</td>
<td>674</td>
<td>1 059</td>
<td>385</td>
<td>682</td>
</tr>
<tr>
<td>Payments to universities and other organisations for special studies and research (part component see also Outcome 1)</td>
<td>79</td>
<td>81</td>
<td>2</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>38 660 227</td>
<td>38 426 546</td>
<td>–233 681</td>
<td>40 652 966</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 3.1 Labour Market Assistance</td>
<td>573 511</td>
<td>566 876</td>
<td>–6 635</td>
<td>659 554</td>
</tr>
<tr>
<td>Output Group 3.2 Support for People with a Disability</td>
<td>359 625</td>
<td>362 628</td>
<td>3 003</td>
<td>389 109</td>
</tr>
<tr>
<td>Output Group 3.3 Support for Carers</td>
<td>19 474</td>
<td>19 762</td>
<td>288</td>
<td>18 977</td>
</tr>
<tr>
<td>Output Group 3.4 Support for the Aged</td>
<td>242 665</td>
<td>243 720</td>
<td>1 055</td>
<td>220 726</td>
</tr>
<tr>
<td>Revenue from government (Appropriation) for Departmental Output Groups</td>
<td>1 195 275</td>
<td>1 192 986</td>
<td>–2 289</td>
<td>1 288 366</td>
</tr>
<tr>
<td>Revenue from other sources</td>
<td>34 127</td>
<td>37 180</td>
<td>3 053</td>
<td>30 115</td>
</tr>
<tr>
<td><strong>Total Price of Output Groups (Departmental)</strong></td>
<td>1 229 402</td>
<td>1 230 166</td>
<td>764</td>
<td>1 318 481</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>89 369</td>
<td>97 794</td>
<td>8 425</td>
<td>78 941</td>
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<tr>
<td>Centrelink component</td>
<td>1 001 869</td>
<td>991 155</td>
<td>–10 714</td>
<td>1 093 793</td>
</tr>
<tr>
<td>CRS Australia component</td>
<td>104 037</td>
<td>104 037</td>
<td>0</td>
<td>115 632</td>
</tr>
<tr>
<td><strong>Non-appropriated expenses&lt;sup&gt;d&lt;/sup&gt;</strong></td>
<td>1 195 275</td>
<td>1 192 986</td>
<td>–2 289</td>
<td>1 288 366</td>
</tr>
<tr>
<td><strong>TOTAL FOR OUTCOME 3 (Total Price of Outputs and Administered Expenses)</strong></td>
<td>41 084 904</td>
<td>40 849 698</td>
<td>–235 206</td>
<td>43 259 813</td>
</tr>
<tr>
<td><strong>Staffing Years (Number)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including CRS Australia and the Social Security Appeals Tribunal)</td>
<td>2 111</td>
<td>2 134</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal, but excludes CRS Australia which is shown separately.

<sup>d</sup> Non-appropriated expenses are expenses from sources other than the annual or special appropriation (non-appropriated revenue). For example, monies paid into the Child Support Trust Fund by non-custodial parents are non-appropriated revenue, while disbursements of those monies to custodial parents and allowances for bad debts are a non-appropriated expense.
Key strategies and activities

The key strategies and activities for improving social and economic participation are:

- maintaining a strong, sustainable and integrated social safety net that provides income support, employment assistance, accommodation, child care, access to employment services and other support to enable individuals and families to achieve their potential
- encouraging participation in activities to increase self-reliance or contribute to the community
- developing policies that respond to the needs of people with disabilities, their families and carers, to maximise participation and self-reliance
- introducing funding for Disability Employment Assistance so that it is linked to individual needs and outcomes (case-based funding)
- improving access and referral processes to services to ensure appropriate and timely assistance.

FaCS implements these strategies through relationships with other levels of government, business and community-based and private organisations, service providers and formal purchaser–provider relationships with federal agencies such as Centrelink.

Environmental indicators and analysis

The context for reform

Despite more than a decade of economic growth, welfare dependence is increasing among people of workforce age. Sustained periods of welfare dependence carry high social costs, including inter-generational effects. Welfare dependence has been driven by factors that include population ageing, growing levels of joblessness among families, continued high rates of marriage breakdown and structural change in the labour market. The income support system for many people of workforce age is very complex and does not always treat people in similar circumstances the same way. Payment categories have not kept pace with social and labour market change. Some people face poor financial incentives to get work or increase their hours of work. Payment rates differ across pensions and allowances, and interactions between payments can discourage lone parents from repartnering.

New government policy initiatives, such as Australians Working Together (AWT), have placed greater emphasis on building people’s capacity for paid work and self-reliance. Structural reform has been designed to arrest growth in welfare dependency, increase economic and social participation and ensure the income support system can be sustained.
Labour market assistance

The Australian economy remained robust over the year to June 2002. The labour market was characterised by a decline in the unemployment rate and number of unemployed people, continued growth in part-time employment and a rise in female employment. The underlying trend in newspaper job advertisements has also been upwards.

Total employment grew slightly to 9.3 million in June 2002. This included a growth of almost 6 per cent in part-time employment and a marginal growth in full-time employment (0.3 per cent). As a proportion of total employment, part-time employment grew to 28.6 per cent in June 2002. Men increased their share of part-time positions to around 29.2 per cent in June 2002, from 28.6 per cent in June 2001. Women’s share of total employment has decreased slightly to 44.1 per cent in June 2002. The participation rate remained stable over the last 12 months at around 63.7 per cent.

As a result of the increase in employment and stable participation rates, unemployment fell from 6.9 per cent in June 2001 to 6.5 per cent in June 2002. The number of people looking for work fell by around 31,900 (4.7 per cent) to 643,900. The number of people receiving unemployment payments has also continued to fall, as have the numbers receiving Parenting Payment partnered.

In 2001–02 the number of Australian families with dependent children under 25 increased by 2 per cent, driven by an increase of 6.7 per cent in sole-parent families. The number of two-parent families increased marginally by 0.6 per cent. Increase in sole-parent families has been experienced in many other developed countries. Australia ranks behind Canada, the United Kingdom, United States of America and New Zealand in the proportion of families that are sole-parent families.

Increased participation in the labour force over the past decade has meant that mothers have the highest participation rate of all time (63.6 per cent) at June 2002. Increased employment has been mainly in part-time work. Over the past decade, partnered mothers have increased their part-time employment share from 32.3 per cent in 1991 to 37.4 per cent in 2002, while the sole mothers’ rate increased from 19.2 per cent to 26.8 per cent in the same period. Increasing numbers of mothers on income support are working, mostly part-time. Nevertheless employment rates of lone parents are very low in Australia compared to other developed countries.

Despite increased participation and improved economic conditions generally, there is an increasing number of families in which no parent has a paid job. In June 2002, 67 per cent (299,700) are sole-parent families. Growth in workless families has been largely driven by increases in sole-parent families. In June 2001, 845,300 children were living in workless families, 61 per cent (518,900) in sole-parent families.

Almost 693,000 families (26 per cent) are on income support (not including families getting only Family Tax Benefit). Approximately one-third of dependent children—1,235,545—live in these families. In most families receiving income support, the parent with the main caring role receives Parenting Payment, although some receive other payments such as Newstart Allowance and Disability Support Pension.
Support for people with disabilities and carers

The 1998 ABS Survey of Disability, Ageing and Carers indicated that about 17 per cent of people of workforce age (15–64 years) disclose that they have a disability. The incidence of disability in the Australian population increases markedly with age. For those aged 65 and over, the proportion of people with a disability increases to 54 per cent. There is a negligible difference between the proportions of males and females with disabilities in most age groups.

This 1998 ABS survey, which is the most recent available data, also indicates that people with disabilities have a significantly lower labour force participation rate (53 per cent) compared to the general population (80 per cent).

Around 11.8 per cent of people aged 16 to 64 report a disability-related employment or schooling restriction (1998 ABS Survey of Disability, Ageing and Carers).

A total of 60,352 people with a disability were helped to seek, gain or maintain employment during 2000–01 through FaCS funded employment services. Of these, 40,965 (67.9 per cent) worked for some time during the year. In addition, from 1 September 2002, the government will fund 16,000 new disability employment assistance places at a cost of $102 million over three years. This will provide additional opportunities for people with disabilities in business services and open employment in rural and remote locations and in areas of high demand.

A further 30,000 people with a disability or injury were supported by CRS Australia to access or maintain employment or live independently. An additional 11,850 vocational rehabilitation programs will be funded over the next four years, significantly improving access around Australia.

The Commonwealth–State Disability Agreement provides the national framework under which the Commonwealth delivers specialist disability employment support services, while the state and territory governments provide non-employment services such as respite, accommodation, and related services. The Commonwealth, states, and territories have committed themselves to replace the current Commonwealth–State Disability Agreement when it expires in June 2002. The current Agreement has been extended until 31 October 2002 to enable negotiations to conclude.

Under the new Agreement the Commonwealth will provide $2.8 billion over five years to states and territories compared with $1.9 billion in the second Agreement. Nearly $2 billion will be invested in the Commonwealth’s employment responsibilities over the five years compared with $1.3 billion in the last Agreement.

Around 7.4 per cent of the workforce age population, or 718,163 people, received a disability-related benefit.


Approximately 67,260 people received Carer Payment and 283,753 received Carer Allowance at June 2002. The total value of Carer Payment and Carer Allowance rose from $1.01 billion in 2000–01 to $1.24 billion in 2001–02.
Support for the aged

The ageing of the population is beginning to have a significant impact on social policy. This will increase over time. The combined effect of falling fertility rates and an ageing population will increase the number of retired people relative to the number of working-age people. This will have implications for the social security system in future. Expenditure on the Age Pension is expected to increase from almost $16 billion in 2000–01 to slightly over $19 billion by 2004–05.

The proportion of the population aged 65 and over is forecast to increase from its current 12 per cent to 22 per cent in 2031 and 26 per cent in 2051 (Figure 13). The population aged 65 and over will grow from around 2.4 million people to around 6.5 million people over the same period. The cost of paying Age Pension (and equivalent service pension), currently around 2.9 per cent of gross domestic product, is expected to rise to around 4.6 per cent of gross domestic product by 2041–42.

Figure 13  Projected populations aged 65 and over, selected years

As the population ages, the dependency ratio will increase from its current 0.2 to 0.3 by 2021 (Figure 14). For every person over 65 there are five people of workforce age, but by 2021 this will fall to three people of workforce age. If more people work past the age of 65 the size of the working-age population would increase. This would reduce the rate at which the dependency ratio would grow. However, even if people worked to 70 the dependency ratio would still increase to 0.3 by 2041.
Retirement at an early age can reduce people’s economic and social participation, and inhibit their ability to save adequately for retirement. The most recent ABS data on retirement (from the 1997 Survey of Retirement and Retirement Intentions) show that for men retired from full-time work and aged 45 and over, 24 per cent retired before age 55; 54 per cent retired between 55 and 64; and 22 per cent retired at 65 or over. Women retired from full-time work and aged 45 and over were far more likely to have retired at an earlier age, with just over 75 per cent having retired before age 55.

Labour force participation indicates a person’s economic and social activity. Since June 1998, the official ABS labour force participation rate for people aged 65 and over has remained relatively stable at around 6 per cent. The rate has remained just under 10 per cent for men and just over 3 per cent for women.

The proportion of pensioners who own their own home is an indicator of self-provision. Since 1998–99, the rate of home ownership among age pensioners has remained relatively stable at just over 70 per cent.

Partnered age pensioners are considerably more likely to own their own home than single age pensioners. In June 2002, 84 per cent of partnered age pensioners and 56 per cent of single age pensioners owned their own homes.

**Social justice and equity impact**

The range of outputs and payments under this outcome are designed to encourage self-reliance and community contribution, through participation in the labour force and community life, and maintenance of an effective, sustainable safety net.
Performance highlights and policy outlook

Welfare reform

The major focus of welfare reform during 2001–02 focused on driving a number of Australians Working Together (AWT) measures towards implementation.

The minister launched the first of the AWT measures to be delivered by FaCS, the Personal Support Programme (PSP), on 27 June 2002. PSP is designed to help people more vulnerable to social isolation, such as those suffering from homelessness, drug and alcohol problems, to become part of the workforce and the community. By 2005 it will be helping over 45,000 people each year.

PSP was designed with the community through a staged consultation process at more than 50 locations around Australia, involving hundreds of service providers, and representatives from community groups, state and territory government agencies and peak groups. This led to strong support for the direction of the program, a leading edge design that builds on the ‘hands-on’ experience of community groups, and a commitment to continuous improvement and open processes.

PSP will be delivered by 144 organisations comprising over 200 small and large community groups and private companies. PSP providers were chosen from over 1100 applications through a competitive selection process. Many bring specialist expertise and skills in alcohol and drug rehabilitation, episodic mental illnesses and ex-offender programs. The programme will be delivered from more than 600 sites across Australia—from Torres Strait to Kangaroo Island.

Details of further AWT achievements during 2001–02 are highlighted under the Budget measures section of Outcome 3.

AWT initiatives and further welfare reforms announced in the 2002–03 Budget will continue to be a major priority. The 2002–03 Budget introduced a package of new initiatives that will help people with disabilities recognise and improve their work capacities and keep them better engaged in the labour market. Further work will build on AWT and the major recommendations of the McClure Report to develop a strategy to optimise economic participation for mature-age people and a simpler, fairer income support system with improved financial incentives for people to work. Work over the next twelve months will also focus on developing better links across government to develop a consolidated strategy to better deal with regional unemployment and locational disadvantage across Australia.

International social security agreements

A package of new and revised international social security agreements and further simplification of international payments will improve access to income support for people whose adult lives are spent in both Australia and the agreement countries. The agreements will primarily cover Age Pensions and Disability Support Pensions. In 2001–02, the Government agreed to negotiate agreements with Switzerland, Norway, Croatia and Slovenia.
Support for Indigenous peoples

Under AWT, initiatives were introduced to improve the self-reliance of Indigenous people and build the capacity of Indigenous communities. Under the Community Participation Agreement initiative, for example, individuals in up to 100 remote Indigenous communities will have the opportunity to undertake a range of social, cultural and economic activities that contribute to strengthening their families and communities. There is also potential for community agreements to produce better links between Indigenous communities and government and non-government service providers.

Other AWT initiatives focus on increasing access to Centrelink services in remote areas, and providing better support to Indigenous people to find work, remain in education, and undertake training and skills improvement.

During 2001–02, the primary focus was on developing the structures and processes to successfully roll out these measures in 2002–03.

Assistance for people with disabilities and carers

The disability employment assistance reform agenda made significant progress this year with:

- the passing of legislation for a new quality assurance system
- publication of the interim evaluation report for Case-Based Funding and the Assessment and Contestability Trials
- implementation of many of the 52 recommendations of the Business Services Review.

A range of continuous improvement strategies has been initiated to help the sector meet these reforms, including rural and remote projects; corporate governance and financial management training; and funding for a Senior Adviser, Business Services position in ACROD.

Work on performance benchmarking with the Open Employment sector has begun. The project aims to develop a range of performance benchmarks that will support a continuous improvement package for the sector. The project will be completed early in 2003.

The Assessment and Contestability Trial continued in CRS Australia providing valuable learnings on new approaches for assessing work capacity and linking clients with interventions. The trial evaluation report is expected in early 2002–03 and will inform advice to the Government on more contestable arrangements for the provision of vocational rehabilitation programs.


FaCS agreed with state and territory governments on a new policy approach for the third Commonwealth–State Territory Disability Agreement. The new Agreement will focus on improving outcomes for people with disabilities, improving long-term planning and management of demand, and better transparency and accountability. It will report regularly to the public and funders on progress and performance.
Work continued on ensuring the equitable targeting of income support for carers. Recommendations resulting from the evaluation of the Child Disability Assessment Tool were implemented during 2001–02, resulting in improved access to Carer Allowance (child) for carers of children with some chronic medical conditions. A review of the Adult Disability Assessment Tool, undertaken in 2001–02, showed that the tool is effective in consistently and accurately assessing care needs.

During 2001–02 the Minister for Family and Community Services established a steering committee to investigate the best ways for government to hear the views of family carers of people with a disability and to identify issues of importance to family members. The steering committee’s report to the minister is nearing completion. Research into the needs of young carers was also conducted during 2001–02. Further information on carer-related evaluation and research reports is detailed in Output Group 3.3.

The package of initiatives Recognising and Improving the Work Capacity of People with a Disability announced in this year’s Budget is proposed to take effect from 1 July 2003 and builds substantially on the foundations of AWT announced last year. To support planned changes to the eligibility criteria for Disability Support Pension, the package will fund up to 73 000 additional places in services to assist people with disabilities to realise their capacity.

Subject to the passage of legislation, people applying for Disability Support Pension on or after 1 July 2003 will need to meet the new eligibility criteria for the payment.

Compliance

Measures to improve compliance with the income support system are expected to achieve savings through the better targeting of income support payments by reducing fraudulent claims and improving detection of incorrect payments. FaCS will identify new ways of ensuring compliance through research and development strategies.

Budget measures

Australians Working Together package of budget measures

Announced in the 2001–02 Budget, Australians Working Together (AWT) is the first step towards modernising Australia’s social support system. It will help meet the needs of many families and individuals facing long-term economic and social problems. The new social support system will provide improved personalised assessment and service and more opportunities for training and work experience. It will also provide better incentives and reasonable requirements for people to find work or increase their earnings as well as contribute to their communities.

Implementation of parts of the AWT package is subject to legislation passing through Parliament. The Family and Community Service Legislation Amendment (Australians Working Together and other 2001 Budget Measures) Bill 2002 was introduced in May 2002.
The Better Assessment and Early Intervention measure increases focus on the assessment of work capacity for people who are ill, injured or have a disability. There will be a strong emphasis on what people can do rather than what they cannot do. The measure introduces the use of expert work capacity assessors to inform Centrelink's disability payment decision-making. These experts will also help to identify interventions, such as rehabilitation and employment assistance, to help people with a disability or temporary incapacity maximise their participation. Progress towards the implementation of this measure in 2001–02 included consultations with peak disability groups and the medical community. A tender process to select providers began in April 2002, and is due to be completed by July 2002.

The selection of providers to deliver the additional disability employment places is being conducted in a staged approach and aims to build on the existing network of disability employment services. Stage 1 began on 15 April 2002, calling for applications from existing FaCS-funded disability employment services for approved provider status to deliver the additional places.

A needs analysis is under way to identify areas for additional vocational rehabilitation programs. Analysis is taking into account Centrelink target population trends and local service availability. This analysis is expected to be finalised by CRS Australia by the end of 2002.

The improved quality assurance system for disability employment and rehabilitation services will improve service quality and achieve better outcomes for people with disabilities. Legislation to establish an improved quality assurance system has been passed, effective from 1 July 2002.

In August 2001, the Assessment and Contestability Trial was expanded to include up to 500 additional participants with disabilities who were eligible for Job Network Intensive Assistance. The Government is using data from the expanded trial to improve how people with disabilities are referred to employment assistance rehabilitation and other interventions best suited to their needs.

The Personal Support Programme (PSP), starting on 1 July 2002, will give personalised help to people whose personal circumstances make it difficult for them to find work, study or train, or take part in their community. These circumstances might include homelessness, drug and alcohol problems, mental health or domestic violence problems. The initial stage of the PSP selection process was completed in May 2002. Over 1100 applications were received from 250 organisations in response to an open competitive selection process; 144 organisations will deliver PSP from 600 sites across Australia. PSP providers include specialist providers, local community organisations and regional organisations.

A leading edge information system has been developed for PSP that will allow providers to accept referrals, monitor participants, record participant progress through PSP and generate payments automatically. This system has been developed on the Department of Employment and Workplace Relations (DEWR) platform, minimising the cost to organisations in software and training requirements. Centrelink’s system has been enhanced to manage their role in referring participants to the program.
From September 2002 Centrelink **Personal Advisers** will provide income support recipients—parents with school-age children, Indigenous Australians, people with special needs and mature age people—with extra help to get a job or participate as fully as possible in the community. Recruitment of the first 456 Personal Advisers began in April 2002.

From September 2002, individual help to plan for a return to work will be provided to parents on income support whose youngest child is aged 12 or over. Parents with children aged six or over will be given the same help from the beginning of the 2003 financial year. The parents will see a Personal Adviser who can assess their needs and refer them to suitable available services. They will also get a booklet that includes advice about how to look for work, study, train or volunteer, balance family responsibilities and calculate the financial advantages of returning to employment.

Additional funding for outside school hours **child care** will provide places for 5300 more children. Establishment grants are being provided to new outside school hours care services and Child Care Benefit to eligible parents. The new places will be targeted to areas of highest need, particularly in rural and regional areas.

From September 2002, support will be provided to **people aged 50 to Age Pension age** receiving Partner Allowance, Widow Allowance and Mature Age Allowance to encourage active involvement in the jobs market and the community. Clients will be invited to attend ongoing interviews with a Personal Adviser and assisted to develop a plan to increase their workforce and community participation. From July 2003, new Widow Allowance clients and Newstart Allowance clients aged 50 or over will be required to see a Personal Adviser at least annually to explore opportunities to improve their participation in the workforce and the community. Additional places will be made available in services to assist older people. From July 2003, there will be no entrants to Partner Allowance and Mature Age Allowance.

**Working Credit** is the major financial incentives measure in the *Australians Working Together* package and will begin from 28 April 2003. The Working Credit initiative has three parts, all aimed at encouraging workforce-age people on income support to take up paid work.

The Working Credit itself will allow people who usually have little or no income to keep more of their income support payment when they take up paid work. There will also be new, easy rules to help people get back onto income support payments if a short-term job ends (in under 12 weeks). The third part of the initiative will introduce new, straightforward and consistent rules for assessing people’s employment income. While 2.5 million workforce-age clients on income support payments will have access to Working Credit, the greatest potential benefit will be for those with earnings (currently around 300,000 people) and those who are encouraged to take up work.

From 20 September 2002 (subject to the passage of legislation), people on specified income support payments undertaking approved language, literacy and numeracy training will be paid a fortnightly supplement of $20.80 to help with the incidental costs associated with the training. The supplement is designed to encourage and support people while they undertake the training.

A major consultation process guided FaCS on refining the direction of welfare reform. Forums were held in 43 locations throughout Australia in cities, and in regional and rural locations. FaCS
listened to people’s views on how it could better implement the AWT package, as well as other views raised that relate to the longer-term welfare reform agenda.

On 14 May 2002 the report *Australians Working Together—helping people move forward—listening to the community: report on the outcomes of the community consultations on Australians Working Together*, was released.

Extensive work has been undertaken to develop the communications strategy for the AWT package. An information kit has recently been provided to peak organisations and service providers including brochures, fact sheets, question and answers booklet, and a volunteering booklet. This material is also available electronically.

The AWT web site at www.together.gov.au has been enhanced during the year to provide up-to-date information about the AWT package to the Australian community.

Remote Indigenous communities will have better access to Centrelink services. Three remote area service centres have been selected—Napranum, Laverton and Halls Creek—which should be operational by September 2002. These Centres will be staffed by local Indigenous people.

FaCS has been working closely with Centrelink and DEWR on implementation of AWT and its measures.

**Acknowledging Older Australians initiative**

To recognise and reward the efforts of older Australians in providing for themselves in retirement, the income limits for the Commonwealth Seniors Health Card were increased to $50 000 for singles, $80 000 for couples (combined), and $50 000 for each member of a couple separated by illness, in respite care or partnered (with a partner in gaol), or $100 000 combined.

In recognition of the contribution made by self-funded retirees, not only to their own retirement income but also to the community in general, a quarterly payment of Telephone Allowance was extended to all eligible Commonwealth Seniors Health Card holders from September 2001.

At 30 June 2002, 42 779 people had registered with the Pension Bonus Scheme. During 2001–02, a total of $21 692 216 was paid in bonuses to 4535 people.

Amendments to the *Family Law Act 1975* will allow equitable assessment of the income support needs of clients affected by the division of their own or their former partner’s superannuation. The changes to the Act give effect to the Government’s commitment to allow superannuation to be divided on marriage breakdown in the same way as other assets.

**Volunteering—cross-measure**

The AWT volunteering cross-measure aims to expand the volunteering options for income support clients. The cross-measure will combine DEWR and FaCS initiatives that affect volunteers. It will develop the Volunteering Australia network, which assists organisations that place income support clients.
Evaluation

Evaluations completed:

- Interim reports for stage two of the Case-Based Funding Trial and the Assessment and Contestability Trial were completed.
- Research on wage assessment tools in supported employment was completed.
- The Adult Disability Assessment Tool used to assess eligibility for Carer Payment and Carer Allowance was reviewed.
Output Group 3.1  |  Labour Market Assistance

Contribution to Outcome 3

Labour Market Assistance contributes to Outcome 3 by:

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

Strategies

- Direct income support payments to people most in need through income and assets tests and waiting-period provisions
- Provide incentives and assistance for clients to seek and take up available work including part-time and casual employment
- Encourage participation in activities to improve employability or other activities of value to the community.

Outputs under Output Group 3.1

Bereavement Allowance (BVA)

Paid over a 14-week period to recently widowed persons without dependent children following the death of a partner. Subject to an income and assets test. Also paid under international social security agreements.

Mature Age Allowance (MAA)

Provides income support to jobless people aged 60 years to Age Pension age who have been receiving other income support and face obstacles to employment because of a lack of recent workforce experience.
Newstart Allowance (NSA)

Provides income support for people between 21 years and age pension age who are unemployed. Recipients must satisfy the activity test by seeking work or undertaking an activity designed to improve their employment prospects. They must accept offers of suitable employment.

Parenting Payment (PP)

Provides income support for people with primary care of at least one child under 16 years of age. Parenting Payment single (PPS) is payable to sole parents. Parenting Payment partnered (PPP) is payable to partnered parents. Parenting Payment single is also paid under international social security agreements.

Partner Allowance (PA)

Provides income support to mature-age people who are partners of income support recipients and face obstacles to employment due to a lack of recent workforce experience.

Special Benefit (SpB)

Provides assistance to people in severe financial need and for whom no other pension, allowance or other support is available.

Widow Allowance (WA)

Provides income support for mature-age women who no longer have a partner and who have no recent workforce experience.

Jobs, Education and Training (JET)—payments for training

Provides assistance to improve the financial circumstances of eligible clients by helping to develop their skills and aid their entry or re-entry into the workforce.

Payment to voluntary work agencies (Voluntary Work Initiative)

Enables agencies to help unemployed people to find voluntary work. Volunteering Australia administers a national volunteer referral placement and training service for working-age income support clients.
Employment Entry Payment (EEP)

Working-age clients, except those receiving Parenting Payment partnered, who take up full-time employment and have received income support for at least 12 months may be eligible. Parenting Payment single clients can receive an Employment Entry Payment once a year without the 12-month qualifying period.

Education Entry Payment (EdEP)

Working-age clients who enter into an approved course of study and have received income support for at least 12 months may be eligible.

Pensioner Education Supplement (PES)

A fortnightly payment to certain income support recipients, mainly Parenting Payment single and Disability Support Pension, who begin approved full-time or part-time study.

Work for the Dole Supplement

A fortnightly payment to jobseekers who participate in Work for the Dole for the extra expenses their participation may create.

Community Development Employment Project—Community Participation Supplement

A fortnightly payment to Community Development Employment Project participants. (See Outcome 2 for information on this project)

Welfare Reform Consultative Forum

The forum provides advice on the operation of Australia's welfare system. Support for the forum and the AWT Regional Community Consultations and report and the Community Consultation Focus Groups are included in the price of the output.
Financial and staffing resources summary

Table 48  Output Group 3.1—Labour Market Assistance

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<td>-187,733</td>
<td>13,761,235</td>
</tr>
<tr>
<td><strong>Staffing Years (Number)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including the Social Security Appeals Tribunal)</td>
<td>197</td>
<td>203</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> JET payments for training was transferred to DEWR from 24 January 2002. The figures above represent expense incurred by FaCS from 1 July 2001 to that date.

<sup>d</sup> The underspend against payments to voluntary work agencies is offset by an overspend for this item in the 2000–01 financial year.

<sup>e</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

The favourable economic conditions in 2001–02 resulted in an overall decrease in the number of people receiving labour market assistance payments, driven by decreases in Newstart Allowance and Parenting Payment partnered. See Table 52: Labour Market Assistance—quantity.

Overall, the proportion of the workforce-aged population receiving these payments decreased. Increased employment opportunities also translated into a higher proportion of clients with earnings and an increase in the average amount earned.

The average duration on payment continued to increase. See Table 49: Labour Market Assistance—effectiveness measured by independence. Of continuing concern is the increase in the proportion of people relying on payment for extended periods. Part of this effect is due to jobseekers with more recent labour market experience benefiting more from improved labour market conditions. This resulted in reduced numbers of short-term clients and an increase in the proportion of long-term clients.

From July 2002, FaCS will introduce a revised method of counting Newstart Allowance, Mature Age Allowance, Partner Allowance, Widow Allowance, Special Benefit, Youth Allowance and Austudy Payment and Sickness Allowance clients based on eligibility and entitlement.

Labour Market Assistance—Assistance for people of workforce age

Effectiveness—Adequacy

Maximum payments to recipients as a percentage of male total average weekly earnings

Single adult rate of Newstart Allowance: 22 per cent

Ratio of single adult rate of Newstart Allowance to minimum wage

43 per cent in June 2002—the same as in June 2001—compared to 45 per cent in 1997 when the federal minimum wage was first set.

Effectiveness—Independence

Average duration on income support (weeks)

The average duration on payment continued to increase for most payments. The exception is Mature Age Allowance where the clients with the longest duration have now qualified for Age Pension. Their departure from the payment has shortened the average duration.

Note that durations reported here are the length of time on an individual payment for Parenting Payment clients, and the length of time on any income support payment for clients receiving other Labour Market Assistance payments. Duration figures are not relevant for Bereavement Allowance as the majority of clients opt to take a single lump sum.
Percentage of Newstart allowees who leave payment within the first three months
37 per cent

Percentage of Newstart allowees receiving payments for 12 months or more
60.5 per cent, up from 57.6 per cent last year (316,813 people, up from 312,023). This reflects an increase in these clients over the first half of 2001–02. This increase peaked in January 2002, with numbers receiving payments for 12 months or more declining since then. Despite the overall increase in 2001–02, there are still fewer people receiving payments for 12 months or more than in June 2000.

Percentage of Parenting Payment recipients with a duration of 5 years or more
26 per cent of Parenting Payment single

Percentage of clients with private earnings and average amount of earnings per fortnight
Increases in proportions can be partly attributed to continued economic growth, which provided increased employment opportunities. Figure 15: Proportion of Newstart Allowance recipients with earnings and the average amount of earnings in the month of May, provides more information on earnings for Newstart Allowance recipients. Part of the change for Parenting Payment partnered is due to changes in the way earnings are recorded for this group.
Figure 15  Proportion of Newstart Allowance recipients with earnings and the average amount of earnings in the month of May

Percentage of Newstart clients undertaking paid work, job search, education and training, employment assistance, Work for Dole, Mutual Obligation Initiative

As at June 2000, 27 per cent. In June 2001, that figure had risen to 28 per cent. In June 2002, the figure was 30 per cent.

Mutual Obligation aims to improve the employment prospects of unemployed people aged between 18 and 49 by requiring their participation in a range of activities such as part-time work, community work, education/training and Work for the Dole in addition to job search.

Effectiveness—Take-up/coverage

Percentage of the workforce-age population on labour market assistance related income support

The decrease in the proportion of workforce-age people receiving labour market assistance payments continued from last year, although it was marginal in comparison to the decrease in 2000–01. The latter decrease was much greater due to the transfer of Parenting Payment Basic clients to Family Tax Benefit.

The figures in the following table provide the proportion of the working-age population receiving each payment rather than the proportion of the specific population for each payment type. This is mainly due to difficulty in obtaining statistics for these populations. For example, unemployed people are defined differently for ABS and social security purposes. However, statistics are available for the number of sole parents with dependent children under 16. Using this as a comparison population, in June 2002, 80 per cent of sole parents with a child under 16 years of age were receiving Parenting Payment single.
Effectiveness—Targeting

**Percentage of clients on part-rate due to means test**

The percentage of clients on a part-rate due to the means test increased over the last year, consistent with an increase in the proportion of clients with earnings.

**Table 50 Labour Market Assistance—effectiveness measured by targeting**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NSA</th>
<th>MAA</th>
<th>PA</th>
<th>WA</th>
<th>SpB</th>
<th>BVA</th>
<th>PPS</th>
<th>PPP</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001–02</td>
<td>4.0</td>
<td>0.3</td>
<td>0.8</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>3.3</td>
<td>1.5</td>
<td>10.3</td>
</tr>
<tr>
<td>2000–01</td>
<td>4.3</td>
<td>0.3</td>
<td>0.7</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>3.3</td>
<td>1.6</td>
<td>10.5</td>
</tr>
</tbody>
</table>

**Quantity**

**Total number of clients assisted**

The slight decrease over the previous year was driven largely by decreases in Newstart Allowance and Parenting Payment partnered. This was partly offset by growth in Parenting Payment single and Partner Allowance numbers. The figures show a snapshot in June 2002, rather than all the clients who receive a payment at any time during the year.

**Table 52 Labour Market Assistance—quantity**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NSA</th>
<th>MAA</th>
<th>PA</th>
<th>WA</th>
<th>SpB</th>
<th>BVA</th>
<th>PPS</th>
<th>PPP</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001–02</td>
<td>523 872</td>
<td>39 906</td>
<td>100 833</td>
<td>40 910</td>
<td>12 811</td>
<td>41</td>
<td>427 846</td>
<td>191 576</td>
<td>1 337 795</td>
</tr>
<tr>
<td>2000–01</td>
<td>541 004</td>
<td>38 914</td>
<td>90 416</td>
<td>36 416</td>
<td>12 495</td>
<td>51</td>
<td>416 661</td>
<td>205 379</td>
<td>1 341 336</td>
</tr>
</tbody>
</table>

**Table 51 Labour Market Assistance—effectiveness measured by take-up/coverage**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>NSA</th>
<th>MAA</th>
<th>PA</th>
<th>WA</th>
<th>SpB</th>
<th>BVA</th>
<th>PPS</th>
<th>PPP</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001–02</td>
<td>15.3</td>
<td>5.7</td>
<td>6.8</td>
<td>8.7</td>
<td>1.4</td>
<td>n/a</td>
<td>25.8</td>
<td>35.9</td>
<td>20.3</td>
</tr>
<tr>
<td>2000–01</td>
<td>14.3</td>
<td>5.9</td>
<td>6.8</td>
<td>9.0</td>
<td>1.2</td>
<td>n/a</td>
<td>24.6</td>
<td>37.1</td>
<td>20.0</td>
</tr>
</tbody>
</table>
Number of clients paid under international agreements and average value of payments for Parenting Payment

In June 2002, 9 Parenting Payment single clients were paid an annual average of $5683 under Australia’s international social security agreements (excluding New Zealand). 231 Parenting Payment single clients were paid under the agreement with New Zealand, with an average annual value of $9860 a year.

Commentary

A survey of new claimants for Parenting Payment is under way. The survey aims to find out more about the situation of new claimants to better tailor interventions to help them return to work. Research also began on young parents on Parenting Payment and will be completed and reported on in 2002–03.

The Parenting Payment Intervention Pilot Longitudinal Dataset project was expected to be completed this year but there were delays associated with the dataset. Completion is now expected later in 2002.

Price

$813,000—Bereavement Allowance
$364,210,000—Mature Age Allowance
$5,078,220,000—Newstart Allowance
$5,571,718,000—Parenting Payment (partnered and single)
$362,384,000—Partner Allowance (benefit)
$455,215,000—Partner Allowance (pension)
$119,811,000—Special Benefit
$389,550,000—Widow Allowance

Pensioner Education Supplement (PES)

Quantity

Number of clients assisted

50,865 clients (as at June 2002). Of these, approximately 26,686 were Jobs, Education and Training clients undertaking training. 4,129 received PES at the half-rate.

Parenting Payment single clients comprise around 61 per cent of PES recipients; Disability Support pensioners comprise 35 per cent. The remaining 4 per cent receives Carer Payment, Veterans’ Affairs pensions, Widow Allowance, Widow B Pension or Wife Pension.

Price

$65,784,000
Jobs, Education and Training (JET)—Assistance

91 233 clients assisted. Many JET clients were able to have their courses funded by JET Training Funds described below.

Effectiveness—Independence

Number of JET clients with earnings—23 425

Number of JET clients cancelled due to earnings
The data was not available.

Quantity

Number of new JET interviews and follow-up interviews
Centrelink conducted 57 438 new interviews. The number of follow-up interviews is estimated to be around 30 000.

Number of JET clients actively participating in:
- Skill development and education—48 003
- Employment assistance—2070

Jobs, Education and Training (JET)—Payments for training

Quantity

Number of clients assisted
10 200 between July and December 2001.

12 600 attended other education or training programs between July and December 2001.

Total price
$1 903 000

Commentary
The total resources for JET Training Funds for 2001–02 were $3.4 million. Expenses of $1.9 million were incurred from 1 July 2001 to 31 December 2001. The remaining JET Training Funds of $1.5 million were transferred to Department of Employment and Workplace Relations on 24 January 2002.
Payment to voluntary work agencies (Voluntary Work Initiative)

Effectiveness—Capacity
Retention rate of volunteers after three months volunteering—55 per cent

Quantity
Number of clients assisted and referred to voluntary work
18 809 between February 2001 and March 2002 (up 18 per cent on the previous 12 months).

Price
$1 474 000

Commentary
In May 2002, an expansion of the Voluntary Work Initiative delivered through the Volunteer Resource Centre network was announced in preparation for the first stage for new Australians Working Together volunteers. This announcement provided funding for 11 new services and strengthened 13 existing, mostly rural, services. There are now some 50 service outlets nationally.

Welfare Reform Consultative Forum

Quantity
The Welfare Reform Consultative Forum provided advice on the operation of Australia’s welfare system, the development of the medium to longer-term agenda for welfare reform, the 2002–03 Budget initiatives and the implementation of the Australians Working Together package. The forum met four times during 2001–02. Funds were expended on the Forum meetings, on the AWT Regional Community Consultations and report, and on the Community Consultation Focus Groups.

Price
$391 000

Departmental outputs

Cost
Ratio of departmental expense to administered expense
For every dollar spent on administered items under Output Group 3.1 in 2001–02, 4.6 cents were spent on departmental outputs.
Policy advice

Quality—Client satisfaction
Ministers and ministers’ offices are satisfied with the quality of policy advice and FaCS meets standards for policy advice and FaCS meets standards for policy advice
Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity
Number of items to ministers
204 ministerial submissions and other written briefings or advice prepared; 546 ministerial replies to correspondence completed.

Price
$13 101 000

Purchasing, funding and relationship management

Quality—Assurance
FaCS ensures that service providers meet terms and conditions of funding
Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers
The Business Partnership Agreement with Centrelink sets out key result areas and performance measures that apply to payments and services for Output Group 3.1. Centrelink monitors performance against agreed standards for the delivery of services and provides quarterly performance reports to FaCS.

Quantity
Number of contracts/service agreements/service providers under management
1 agreement with Centrelink
1 contract with Volunteering Australia to administer the Voluntary Work Initiative

Price
$5 527 000
Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Research and evaluation under Output Group 3.1 included the analysis of the Welfare Reform Pilots.

Findings from the Welfare Reform Pilots and the implementation lessons learnt from the pilot process have contributed to the development and implementation of welfare reform measures in the *Australians Working Together* Budget package, especially measures involving Personal Advisers.

Quantity

Major pieces of research and evaluation completed — 1

Price

$7,025,000

Service delivery

Quality—Assurance

Service providers deliver services to the standards agreed with FaCS

A random sample survey of Parenting Payment single clients measured the level of incorrect payment. A random sample survey of Newstart Allowance clients is due to be completed in September 2002.

The Voluntary Work Initiative contract meets FaCS’s requirements and ensures that the service provider delivers services to agreed FaCS’s standards.
Quality—Client rights and obligations

Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 1,526,293 Newstart Allowance, Partner Allowance, Parenting Payment (single), Parenting Payment (partnered), Widow Allowance, Mature Age Allowance, Special Benefit and Bereavement Allowance reviews were completed. Some 120,701 downward variations resulted in fortnightly savings of $28,673,765 and 32,732 upward variations resulted in fortnightly increases of $2,807,511. Some 218,548 debts totalled $174,847,925.

As an additional control, Centrelink conducted 327,240 cyclical reviews of the earnings of clients on Parenting Payment single. Some 57,999 downward variations resulted in fortnightly savings of $2,805,747 and 57,784 upward variations resulted in fortnightly increases of $5,935,356. Some 24,709 debts totalled $2,383,964.

Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Price

$537,547 000—Centrelink

$3,677 000—Other
Performance summary

A major focus this year has been development of micro policy for the implementation of the *Australians Working Together* measures designed to improve economic and social participation for labour market assistance clients. The appropriateness and consistency in the application of breaching policy across the Centrelink network was also improved throughout the year. As a result, since June 2001 there has been a significant decline in the number of breaches imposed.

Work continued throughout the year to improve employment assistance for clients looking for work. FaCS contributed to an independent review of the Job Network by the Productivity Commission. This review critically examined the framework for delivering employment assistance and the possible extension of the purchaser–provider model to other areas of service delivery.

A quick response service delivery capacity was put in place to ensure that workers affected by the Ansett collapse were able to access appropriate government assistance. Processes were put in place to deal with an immediate influx of clients and to respond to legislative and policy concerns.

**Evaluation:** Welfare Reform Pilots targeted three groups of particularly disadvantaged income support recipients: mature-age jobless people, very long-term unemployed people and workless families. Objectives were to gather information on the participation patterns and barriers and the future goals of participants and to trial a number of interventions aimed at increasing their participation levels.

Main findings included:

- Education levels of the three groups were significantly lower than those for the general population with about 40 per cent not having completed Year 10.
- Other barriers to economic participation included:
  - command of English among people from culturally and linguistically diverse backgrounds
  - an ongoing disability, health problem or addiction
  - age for participants over 40
  - lack of confidence and/or skills.
- Females were less likely to have mainly worked full-time since leaving school and, for a significant number, their main activity has been home duties.
- Around one in five participants did voluntary work, with mature-age participants the most active.
Output Group 3.2  I Support for People with a Disability

Contribution to Outcome 3
Support for People with a Disability contributes to Outcome 3 by:

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

Strategies

- Improve targeting of Disability Support Pension (DSP) consistent with the goals of increased participation and self-reliance
- Promote and deliver continuous improvement of disability employment and rehabilitation services, including quality assurance, reform funding and work capacity assessments
- Implement reform of business services in line with Business Services Review recommendations and develop a wage assessment process suited to these services
- Establish a national Disability Service Abuse and Neglect Hotline for the reporting of complaints about Commonwealth or State funded disability services
- Assist all Commonwealth organisations with the implementation of the Commonwealth Disability Strategy
- Facilitate national events such as the Prime Minister’s Employer of the Year Awards, International Day of People with a Disability and the Disability Calendar
- Facilitate participation by people with disabilities at national and international conferences, and access to recreation information and captioned entertainment videos
- Negotiate the third Commonwealth–State Territory Disability Agreement with the state and territory governments, focusing on better outcomes for people with disabilities and improved reporting and accountability
Outputs under Output Group 3.2

Employment Assistance and Other Services

Disability Employment Assistance Program
Provides funding for jobseekers with disabilities to find and maintain employment.

Department of Employment and Workplace Relations employment programs or FaCS-funded employment assistance programs assist people with a disability. FaCS’s programs typically provide employment placement and/or ongoing support for clients with greater levels of disability and higher support needs to maintain employment. This report covers FaCS-funded employment assistance.

Employer Incentives Strategy
Encourages employers to provide durable job opportunities for people with a disability, including workplace modifications, wage subsidies and supported wage assessments.

Advocacy
Enables people with a disability to more fully participate in community life, and achieve and maintain their rights as citizens, involving their families where possible and appropriate.

Print disability services
Subsidise the production of print material in alternative formats such as audio tape and Braille.

The Prime Minister’s Employer of the Year Awards
Each year recognises a wide range of employers who have demonstrated excellence in employing people with disabilities.

Caption and information services
Helps people with a disability access recreation information and captioned entertainment videos for people who are deaf or hearing impaired.

National Disability Advisory Council
Provides consumer-focused advice to the Minister for Family and Community Services on disability issues and encourages consultation between the Government and people with disabilities, families, carers and service providers within the disability sector.

Commonwealth Disability Strategy
A whole-of-government approach to encouraging Commonwealth agencies to design and deliver policies, programs and services which are accessible to people with disabilities. Within FaCS, the Office of Disability monitors the progress of these agencies.
Rehabilitation services
Improve function and independence in people with a disability so they can remain in, or return to, suitable employment or live independently.

Commonwealth–State Territory Disability Agreement
The framework for the provision of specialist disability services. Under the Agreement, state and territory governments are responsible for accommodation and related services with the Commonwealth providing employment services. The new Agreement has an expanded policy focus and aims to improve long-term planning and management of demand, and transparency and accountability.

Disability Support Pension (DSP)
A means-tested income support payment for people with a physical, intellectual or psychiatric impairment resulting in an inability to work full-time (special rules apply for people who are blind).

Mobility Allowance
A non-means-tested income supplement to help with transport costs for people with a disability who are in employment, vocational training, a combination of work or training, voluntary work or job search who are unable to use public transport without assistance.

Sickness Allowance
A means-tested payment for people who are temporarily incapacitated for work or study due to illness and have a job or course of study to return to.

Wife Pension (Disability Support Pension)
Available to female partners of Disability Support Pension recipients who were on payment as at 30 June 1995. Since 1 July 1995, this payment has been closed to new applicants.
# Financial and staffing resources summary

## Table 54 Output Group 3.2—Support for People with a Disability

<table>
<thead>
<tr>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>(C) BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment assistance and other services (including expenditure under the Disability Act 1986)</td>
<td>289 019</td>
<td>289 077</td>
<td>58</td>
</tr>
<tr>
<td>Commonwealth–State Territory Disability Agreement</td>
<td>501 391</td>
<td>501 391</td>
<td>0</td>
</tr>
<tr>
<td><strong>Special Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disability Support Pension (Social Security (Administration) Act 1999)</td>
<td>6 440 797</td>
<td>6 404 351</td>
<td>–36 446</td>
</tr>
<tr>
<td>Mobility Allowance (Social Security (Administration) Act 1999)</td>
<td>67 877</td>
<td>67 852</td>
<td>–25</td>
</tr>
<tr>
<td>Sickness Allowance (Social Security (Administration) Act 1999)</td>
<td>96 458</td>
<td>93 724</td>
<td>–2 734</td>
</tr>
<tr>
<td>Wife Pension (DSP) (Social Security (Administration) Act 1999)</td>
<td>404 792</td>
<td>401 969</td>
<td>–2 823</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>7 800 334</td>
<td>7 758 364</td>
<td>–41 970</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy advice</td>
<td>5 945</td>
<td>14 489</td>
<td>8 544</td>
</tr>
<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>26 928</td>
<td>20 830</td>
<td>–6 098</td>
</tr>
<tr>
<td>Research and evaluation</td>
<td>2 098</td>
<td>3 975</td>
<td>1 877</td>
</tr>
<tr>
<td>Service delivery (Centrelink)</td>
<td>217 794</td>
<td>216 474</td>
<td>–1 320</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>2 823</td>
<td>2 823</td>
<td>0</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>104 037</td>
<td>104 037</td>
<td>0</td>
</tr>
<tr>
<td><strong>Revenue from Government ( Appropriation) for Departmental Output Groups</strong></td>
<td>359 625</td>
<td>362 628</td>
<td>3 003</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>37 794</td>
<td>42 117</td>
<td>4 323</td>
</tr>
<tr>
<td>CRS Australia component&lt;sup&gt;d&lt;/sup&gt;</td>
<td>104 037</td>
<td>104 037</td>
<td>0</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>217 794</td>
<td>216 474</td>
<td>–1 320</td>
</tr>
<tr>
<td><strong>TOTAL FOR GROUP 3.2</strong></td>
<td>8 159 959</td>
<td>8 120 992</td>
<td>–38 967</td>
</tr>
</tbody>
</table>

### Staffing Years (Number)

<table>
<thead>
<tr>
<th>FaCS (including the Social Security Appeals Tribunal)</th>
<th>2001–02</th>
<th>2002–03</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaCS</td>
<td>300</td>
<td>310</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>1 438</td>
<td>1 438</td>
</tr>
</tbody>
</table>

---

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal, but excludes CRS Australia which is shown separately.

<sup>d</sup> CRS Australia component is the net cost to government and does not include expenses relating to CRS Australia’s Revenue from Independent Sources. FaCS will continue to purchase CRS Australia’s services after it is transferred to the Department of Health and Ageing. The 2002–03 estimates for rehabilitation services includes a component for the Capital Use Charge that CRS Australia may be required to pay to the Department of Finance and Administration.
Performance information

Commonwealth–State Territory Disability Agreement

Effectiveness—Capacity

Additional services provided with Commonwealth unmet need funds

Under the 2000 Bilateral Agreements, all states and territories were funded by the Commonwealth to provide additional services to enable people with disabilities who had ageing carers to remain supported by their families in their local communities. According to the Australian Institute of Health and Welfare (AIHW) report, Unmet need for disability services: Effectiveness of funding and remaining shortfalls (July 2002), nearly 3000 people with a disability who had carers aged 65 years or more or carers who had been caring for 30 years or more were assisted with Commonwealth unmet need funding. Over 2000–01 and 2001–02, 67 per cent of Commonwealth funding was spent on accommodation support and/or individual packages and/or respite. Around 19 per cent was spent on community support and around 11 per cent on community access services.

Proportion of accommodation clients receiving community-based care or support

Accommodation refers to accommodation support services outside institutional settings. Nationally, 73.0 per cent of accommodation clients had community-based accommodation or ‘in-home’ support in 2001, rising from 67.2 per cent in 1997 (source: Productivity Commission, Report on Government Services 2002).

Effectiveness—Take-up/coverage

Number of estimated potential population using accommodation services

Nationally, 2.9 per cent of the estimated potential population were using accommodation support services in 2001 (source: Productivity Commission, Report on Government Services 2002).
Effectiveness—Targeting

Percentage of clients by disability type

**Table 55** Commonwealth–State Territory Disability Agreement—number and percentage of clients by primary disability type on snapshot day

<table>
<thead>
<tr>
<th>PRIMARY DISABILITY TYPE</th>
<th>CLIENT NUMBERS</th>
<th>% OF ALL CLIENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developmental delay</td>
<td>1 439</td>
<td>2.3</td>
</tr>
<tr>
<td>Intellectual</td>
<td>37 575</td>
<td>58.9</td>
</tr>
<tr>
<td>Specific learning/ADD</td>
<td>942</td>
<td>1.5</td>
</tr>
<tr>
<td>Autism</td>
<td>2 299</td>
<td>3.6</td>
</tr>
<tr>
<td>Physical</td>
<td>7 911</td>
<td>12.4</td>
</tr>
<tr>
<td>Acquired brain injury</td>
<td>2 761</td>
<td>4.3</td>
</tr>
<tr>
<td>Deaf/blind</td>
<td>179</td>
<td>0.3</td>
</tr>
<tr>
<td>Vision</td>
<td>1 553</td>
<td>2.4</td>
</tr>
<tr>
<td>Hearing</td>
<td>885</td>
<td>1.4</td>
</tr>
<tr>
<td>Speech</td>
<td>334</td>
<td>0.5</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>5 419</td>
<td>8.5</td>
</tr>
<tr>
<td>Neurological</td>
<td>1 916</td>
<td>3.0</td>
</tr>
<tr>
<td>Not stated</td>
<td>617</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>63 830</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Notes:**
Consumer data are estimates after use of a statistical linkage key to account for individuals who have received more than one service on the snapshot day.

Data provided by the Commonwealth are preliminary and cover 99 per cent of Commonwealth-funded services.
Quantity

Number and percentage of clients in different service types on a snapshot day

<table>
<thead>
<tr>
<th>SERVICE TYPE</th>
<th>NUMBER OF CLIENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation support</td>
<td>21 775</td>
<td>34.1</td>
</tr>
<tr>
<td>Community support</td>
<td>17 011</td>
<td>26.7</td>
</tr>
<tr>
<td>Community access</td>
<td>15 703</td>
<td>24.6</td>
</tr>
<tr>
<td>Respite</td>
<td>2 702</td>
<td>4.2</td>
</tr>
<tr>
<td>Employment</td>
<td>17 730</td>
<td>27.8</td>
</tr>
<tr>
<td>Totals</td>
<td>63 830</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Consumer data are estimates after use of a statistical linkage key to account for individuals who have received more than one service on the snapshot day. Totals may not be the sum of the components since individuals may access more than one service type on the snapshot day.

Source: Table 1.1—Disability support services 2001: National data on services provided under the Commonwealth–State Disability Agreement 2002 AIHW, Canberra.

The above figures show snapshot only data. FaCS also collected data through the 2001 Disability Services Census relating to all clients assisted during the financial year.

Price

$501 391 000

Disability Support Pension (DSP), Wife Pension (DSP), Sickness Allowance, Mobility Allowance

Effectiveness—Adequacy

DSP and Wife Pension (DSP)—Maximum payments to recipients as a percentage of male total average weekly earnings

Disability Support Pension and Wife Pension are adjusted twice a year in line with the consumer price index (CPI). After the CPI adjustment, if the single pension rate (excluding the component added in as part of the New Tax System) is less than 25 per cent of male total average weekly earnings (MTAWE), it is increased to that level with a proportional flow-on to the partnered rate of pension. Rent Assistance is also indexed to the CPI.

The maximum rate of Disability Support Pension depends upon whether a person is aged under 21 and/or has dependent children.
Sickness Allowance and Mobility Allowance—maximum payments to recipients—index of real value
The real value of Sickness Allowance and Mobility Allowance is maintained through annual indexation in line with the CPI.

Effectiveness—Independence
Average duration of payment (at 30 June 2002)
Disability Support Pension: 7.1 years (33.4 per cent for less than three years, 21.2 per cent for more than ten years)
Sickness Allowance: around 35 weeks
Mobility Allowance: 278 weeks

Percentage of clients with private earnings and average amount of private earnings per fortnight (in June 2002)
Disability Support Pension: 81.5 per cent of clients at an average private income of $2257 a year (9.7 per cent or 63 865 clients received income from employment. While this is low, the proportion of Disability Support Pension clients with earnings is increasing slowly)
Wife Pension (Disability Support Pension): 88.7 per cent of clients at an average income of $2407 a year
Sickness Allowance: 62 per cent of clients at an average income of $34 a fortnight

Effectiveness—Take-up/coverage
Percentage of people of workforce age (16 to 64 years) who receive Disability Support Pension, Wife Pension (DSP), Sickness Allowance or Mobility Allowance
718 163 people aged 16 to 64 received disability-related benefits, or around 7.4 per cent of the workforce age population
91.8 per cent received Disability Support Pension
6.2 per cent received Wife Pension (Disability Support Pension)
1.3 per cent received Sickness Allowance
Of the 41 997 clients receiving Mobility Allowance, 36 483 also received DSP. 2008 Mobility Allowance clients were receiving other forms of income support and 3506 clients were receiving no other forms of income support.

The highest incidence of Disability Support Pensions is in the group aged 50 or over, reflecting the general trend in the Australian population that the incidence of disabilities increases with age. While the number of DSP clients continues to increase, the growth rate has in recent years slowed to around 4 per cent each year, but has increased to 5.6 per cent in 2001–02.
Effectiveness—Targeting

**Percentage of clients by disability type**

**Disability Support Pension:**
- musculo-skeletal conditions: 33 per cent
- psychological/psychiatric disorders: around 24 per cent
- intellectual/learning disorders: 10 per cent

**Sickness Allowance:**
- musculo-skeletal conditions: 21 per cent
- depression: 14 per cent
- fracture and crush injuries: 12 per cent

**Percentage on part-rate due to means test**

**Disability Support Pension:** around 16 per cent (at June 2002)

**Wife Pension (Disability Support Pension):** around 22 per cent (at June 2002), down from 23 per cent in 2001

**Sickness Allowance:** 23 per cent (at June 2002)

**Quantity**

**Number of clients assisted**

<table>
<thead>
<tr>
<th>Table 57</th>
<th>Disability Support Pension (DSP), Wife Pension (DSP), Sickness Allowance, Mobility Allowance—number of clients assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYMENT TYPES</td>
<td>JUNE 2001</td>
</tr>
<tr>
<td>Disability Support Pension</td>
<td>623 926</td>
</tr>
<tr>
<td>Wife Pension</td>
<td>51 225</td>
</tr>
<tr>
<td>Sickness Allowance*</td>
<td>10 942</td>
</tr>
<tr>
<td>Mobility Allowance</td>
<td>37 574</td>
</tr>
</tbody>
</table>

* From July 2002 FaCS will be introducing a revised method of counting Sickness Allowance, Newstart Allowance, Mature Age Allowance, Partner Allowance, Widow Allowance, Special Benefit, Youth Allowance and Austudy Payment clients based on eligibility and entitlement.
Estimated number of clients paid under international agreements, and average value of payments, for Disability Support Pension at June 2002

Disability Support Pension: 1767 clients (excluding New Zealand), 989 clients (under the agreement with New Zealand)

Average annual value: $4317 and $10 140 respectively

Price
$6 404 351 000—Disability Support Pension
$401 969 000—Wife Pension (Disability Support Pension)
$93 724 000—Sickness Allowance
$67 852 000—Mobility Allowance

Employment assistance and other services—Advocacy

Quantity
Number of clients directly assisted by funded advocacy services (not including systemic or group advocacy)—10 000

Employment assistance and other services—Employer incentives

Quantity
Number of clients assisted under the Employer Incentives Programs of Wage Subsidy, Supported Wage System and Workplace Modifications

Wage Subsidy Scheme: 1931 employment placements

Workplace Modifications Scheme: 263 applications approved

Supported Wage System: 1169 new placements and 2249 clients continued to access the wage assessments

Disability Recruitment Coordinators and Specialist Employment Placement Officers: 508 outcomes achieved
Employment assistance and other services—Employment assistance

Effectiveness—Targeting

Equitable access for clients from culturally and linguistically diverse backgrounds, disability, gender and age

Percentage of clients (based on total of 60,352 people assisted):

From culturally and linguistically diverse backgrounds: 6 per cent (3,428)

By accessibility/remoteness index:
- Accessibility index: 97.8 per cent (59,012)
- Remoteness index: 1.8 per cent (1,076)
- Unmatched: 0.4 per cent (264)

Table 58  Employment assistance and other services—(block grant and case-based funding)—percentage of clients by remoteness, 2000–01

<table>
<thead>
<tr>
<th>ACCESSIBILITY AND REMOTENESS</th>
<th>TOTAL</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly accessible</td>
<td>48,598</td>
<td>80.5</td>
</tr>
<tr>
<td>Accessible</td>
<td>8,041</td>
<td>13.3</td>
</tr>
<tr>
<td>Moderately accessible</td>
<td>2,373</td>
<td>4.0</td>
</tr>
<tr>
<td>Total accessibility</td>
<td>59,012</td>
<td>97.8</td>
</tr>
<tr>
<td>Remote</td>
<td>687</td>
<td>1.2</td>
</tr>
<tr>
<td>Very remote</td>
<td>389</td>
<td>0.6</td>
</tr>
<tr>
<td>Total remoteness</td>
<td>1,076</td>
<td>1.8</td>
</tr>
<tr>
<td>Unmatched</td>
<td>264</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>60,352</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The Accessibility/Remoteness Index of Australia (ARIA) has been used to classify accessibility and remoteness of Commonwealth-funded services. These are shown in the following five classifications:
- **Highly accessible**: localities with relatively unrestricted access to a wide range of goods and services and opportunities for social interaction.
- **Accessible**: localities with some restrictions to access of goods, services and opportunities for social interaction.
- **Moderately accessible**: localities with significant restricted access to goods, services and opportunities for social interaction.
- **Remote**: localities with very restricted access to goods, services and opportunities for social interaction.
- **Very remote**: locationally disadvantaged areas, with very little access to goods, services and opportunities for social interaction.
- **Unmatched** records have location/address information that is incompatible with the ARIA index.

Aboriginal and Torres Strait Islanders: 1.92 per cent (1,160)
By disability type:

**Table 59** Employment assistance and other services—(block grant and case-based funding)—number and percentage of clients by disability type, 2000–01

<table>
<thead>
<tr>
<th>PRIMARY DISABILITY</th>
<th>NUMBER OF CLIENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual</td>
<td>27 085</td>
<td>44.9</td>
</tr>
<tr>
<td>Specific learning/ADD</td>
<td>3 133</td>
<td>5.2</td>
</tr>
<tr>
<td>Autism</td>
<td>731</td>
<td>1.2</td>
</tr>
<tr>
<td>Physical</td>
<td>9 611</td>
<td>15.9</td>
</tr>
<tr>
<td>Deaf/blind</td>
<td>205</td>
<td>0.3</td>
</tr>
<tr>
<td>Vision</td>
<td>2 063</td>
<td>3.4</td>
</tr>
<tr>
<td>Hearing</td>
<td>2 108</td>
<td>3.5</td>
</tr>
<tr>
<td>Speech</td>
<td>174</td>
<td>0.3</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>11 507</td>
<td>19.1</td>
</tr>
<tr>
<td>Neurological</td>
<td>1 730</td>
<td>2.9</td>
</tr>
<tr>
<td>Acquired brain injury</td>
<td>2 005</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60 352</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

By age:

**Table 60** Employment assistance and other services—(block grant and case-based funding)—number and percentage of clients by age, 2000–01

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>NUMBER OF CLIENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 16</td>
<td>289</td>
<td>0.5</td>
</tr>
<tr>
<td>16–19</td>
<td>6 693</td>
<td>11.1</td>
</tr>
<tr>
<td>20–24</td>
<td>10 273</td>
<td>17.0</td>
</tr>
<tr>
<td>25–29</td>
<td>8 929</td>
<td>14.8</td>
</tr>
<tr>
<td>30–39</td>
<td>15 429</td>
<td>25.5</td>
</tr>
<tr>
<td>40–49</td>
<td>11 923</td>
<td>19.8</td>
</tr>
<tr>
<td>50–59</td>
<td>5 838</td>
<td>9.7</td>
</tr>
<tr>
<td>60–64</td>
<td>741</td>
<td>1.2</td>
</tr>
<tr>
<td>Over 64</td>
<td>236</td>
<td>0.4</td>
</tr>
<tr>
<td>Undefined</td>
<td>1</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>60 352</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
By gender:

<table>
<thead>
<tr>
<th>GENDER</th>
<th>NUMBER OF CLIENTS</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>38 803</td>
<td>64.3</td>
</tr>
<tr>
<td>Female</td>
<td>21 549</td>
<td>35.7</td>
</tr>
<tr>
<td>Total</td>
<td>60 352</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Quality—Assurance**

**Number of disability employment services meeting the Disability Services Standards**

All services met the standards in place before 1 July 2002. Service quality was monitored through annual services self-assessment and five-yearly audits by FaCS’s state and territory offices.

**Quantity**

**Number of clients receiving employment assistance from funded specialist disability employment services (both block grant and case-based funding)**

During 2000–01, 60 352 clients received employment assistance. As at 30 June 2001, 49 073 clients were ‘on the books’ at the time of the annual Commonwealth Disability Census as receiving employment assistance through FaCS-funded programs.

Average price of employment assistance and ongoing support per client: $3948.

The Case-Based Funding Trial was completed on 30 June 2002. It has assisted 6554 jobseekers since it started in November 1999. Disability employment services also assisted an additional 3904 jobseekers in 2001–02 with case-based funding for new places.

**Commentary**

**The Acquired Brain Injury Employment Initiative**: The Head Injury Council of Australia completed a study into the participation of people with an acquired brain injury in Commonwealth-funded disability employment services.

**Effectiveness—Capacity**

**Number of clients who have retained a durable employment outcome**

Of the 49 073 clients (on the books) on 30 June 2001, 33 297 were working in some form of paid employment. Around 98 per cent of these workers (32 768) were working at least eight hours per week.
Number of clients receiving assistance in seeking employment

Of the 49,073 clients on the books on 30 June 2001, 14,970 clients were at the jobseeker stage.

The following table shows clients (on the books) at the time of the annual Commonwealth Disability Census as receiving employment support.

Table 62  Employment assistance and other services—(block grant and case-based funding)—employed ‘active’ clients as at 30 June 2001 (on the books): employment phase by primary disability group

<table>
<thead>
<tr>
<th>PRIMARY DISABILITY TYPE</th>
<th>WORKER</th>
<th>INDEPENDENT WORKER</th>
<th>WORK EXPERIENCE</th>
<th>JOBSEEKER</th>
<th>OTHER</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual</td>
<td>18,627</td>
<td>344</td>
<td>158</td>
<td>4,090</td>
<td>201</td>
<td>23,420</td>
</tr>
<tr>
<td>Specific learning/ADD</td>
<td>1,297</td>
<td>59</td>
<td>33</td>
<td>1,106</td>
<td>22</td>
<td>2,517</td>
</tr>
<tr>
<td>Autism</td>
<td>405</td>
<td>6</td>
<td>5</td>
<td>213</td>
<td>7</td>
<td>636</td>
</tr>
<tr>
<td>Physical</td>
<td>3,946</td>
<td>255</td>
<td>26</td>
<td>3,133</td>
<td>113</td>
<td>7,473</td>
</tr>
<tr>
<td>Deaf/blind</td>
<td>96</td>
<td>11</td>
<td>2</td>
<td>48</td>
<td>1</td>
<td>158</td>
</tr>
<tr>
<td>Vision</td>
<td>944</td>
<td>162</td>
<td>8</td>
<td>571</td>
<td>7</td>
<td>1,692</td>
</tr>
<tr>
<td>Hearing</td>
<td>995</td>
<td>99</td>
<td>7</td>
<td>587</td>
<td>14</td>
<td>1,702</td>
</tr>
<tr>
<td>Speech</td>
<td>72</td>
<td>6</td>
<td>2</td>
<td>64</td>
<td>2</td>
<td>146</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>3,964</td>
<td>220</td>
<td>7</td>
<td>4,081</td>
<td>147</td>
<td>8,419</td>
</tr>
<tr>
<td>Neurological</td>
<td>769</td>
<td>27</td>
<td>7</td>
<td>521</td>
<td>23</td>
<td>1,347</td>
</tr>
<tr>
<td>Acquired brain injury</td>
<td>968</td>
<td>25</td>
<td>6</td>
<td>556</td>
<td>8</td>
<td>1,563</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,083</strong></td>
<td><strong>1,214</strong></td>
<td><strong>261</strong></td>
<td><strong>14,970</strong></td>
<td><strong>545</strong></td>
<td><strong>49,073</strong></td>
</tr>
</tbody>
</table>

Table 63  Employment assistance and other services—(block grant and case-based funding)—number and percentage of clients (on the books) receiving employment support

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of jobseekers</td>
<td>9,164</td>
<td>10,904</td>
<td>11,203</td>
<td>13,910</td>
<td>14,970</td>
</tr>
<tr>
<td>Per cent of jobseekers</td>
<td>26.1</td>
<td>27.5</td>
<td>27.4</td>
<td>30.3</td>
<td>30.5</td>
</tr>
<tr>
<td>Number of others</td>
<td>25,890</td>
<td>28,780</td>
<td>29,629</td>
<td>32,040</td>
<td>34,103</td>
</tr>
<tr>
<td>Per cent of others</td>
<td>73.9</td>
<td>72.5</td>
<td>72.6</td>
<td>69.7</td>
<td>69.5</td>
</tr>
<tr>
<td><strong>Total clients</strong></td>
<td><strong>35,054</strong></td>
<td><strong>39,684</strong></td>
<td><strong>40,832</strong></td>
<td><strong>45,950</strong></td>
<td><strong>49,073</strong></td>
</tr>
</tbody>
</table>
Figure 16  Employment assistance and other services—(block grant and case-based funding)—number of jobseekers

Note: The graph shows the trend in the numbers of jobseekers receiving employment support (on the books) at the time of the annual census since 1997.

Case-Based Funding
During the trial 1915 jobseekers achieved an outcome of at least 8 hours employment for 26 weeks. 974 of these outcomes were achieved in 2001–02.

10,458 jobseekers received assistance in seeking employment from November 1999 to June 2002 (Case-Based Funding Trial and funding for all new places).

Commentary
Case-Based Funding Trial Stage 2 evaluation: the funding trial seeks to ensure that funding is better linked to the needs of individuals and outcomes and is more equitable than under the current block grant funding arrangements.

Results from the final evaluation report show that up to March 2002:

- 6554 jobseekers have been assisted under the trial (Phases One and Two).
- In Phase One, 56 per cent of jobseekers obtained some employment, with 46 per cent employed for at least 13 weeks and 35 per cent employed for the trial employment outcome period of 26 weeks.
- Case-based funding appears to be delivering better employment outcomes than block grant funding. Using the block grant outcome of 13 weeks employment, it appears that more jobseekers in open employment in the trial reached 13 weeks within 12 months (37 per cent) than those assisted with block grant funding (28 per cent).

The final evaluation report is due to be released in October 2002.
Employment assistance and other services

Total price
$289 077 000

Commentary

Evaluation

Assessment and Contestability Trial for People with a Disability evaluation:
At 30 November 2001 a total of 1743 people had completed a detailed assessment that, among other things, identified the barriers they faced and the interventions they needed to help them achieve their goals. Results from the interim evaluation show that:

- trial participants were more likely than non-trial participants to have engaged in vocationally focused activities
- the most commonly identified barriers to participation related to low levels of vocational skills or direction
- the most common services identified to overcome participants' barriers included vocational rehabilitation (32.2 per cent) and disability open employment services (20.5 per cent). Many participants are also undertaking self-directed activities (31.7 per cent), with the majority doing this in conjunction with another service intervention.
- the private rehabilitation market is confident that it is able to provide the type of interventions that trial participants require.

Overall, participants have been positive about the rehabilitation services they have received from private providers. The final evaluation report is due in August 2002.

Wage assessment tools in supported employment: The report, Research into Pro-Rata Wage Assessment Tools for People working in Business Services, recommended development of a single wage assessment tool for the supported employment sector. This recommendation is being implemented in 2002–03.

Research and evaluations under way

- Research into open employment services
- Development of a new wage assessment tool for supported employment services
- Survey of successful small business ventures in rural/remote communities
- The Disability Services Interface Study: A joint project with state and territory governments analysing the gateways and interfaces between services, focusing on access to employment by clients with high support needs
- The Rural and Remote Disability Employment Assistance Study: Building on the findings of the study, FaCS is setting up 15 employment assistance pilot projects to test models of service delivery and funding approaches in rural and remote regions.
Assessment and accreditation

In July 2002, a new system of assessment and accreditation for disability employment and rehabilitation services was introduced. It involves independent assessment and certification against the revised standards by industry-based certification bodies accredited for this purpose by an internationally recognised accrediting authority. Legislation was introduced in April 2002 to enable the new quality assurance system to begin on 1 July 2002.

After a transition period ending in December 2004, the Commonwealth will fund only those employment and rehabilitation services that have been certified as meeting the revised standards. These revised standards and key performance indicators were developed in close consultation with the disability sector.

The new system will benefit people with disabilities and their carers and the Government as purchaser of these services. An important component of the new system is the national, independent complaint and referral system for people with disabilities introduced in July 2002. These changes have been introduced with widespread support from the disability sector.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

For every dollar spent on administered items under Output Group 3.2 in 2001–02, 4.6 cents were spent on departmental outputs.

Policy advice

Quality—Client satisfaction

Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity

Number of items to ministers

156 ministerial submissions and other written briefings or advice prepared; 53 ministerial replies to correspondence completed.

Price

$14,489,000
Purchasing, funding and relationship management

Quality—Assurance

FaCS ensures that service providers meet terms and conditions of funding
Service providers’ performance is monitored through regular reports specified in funding agreements. All service providers meet the term and conditions of funding.

Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers
Such agreements are in place with all providers.

Quantity

Number of contracts/service agreements under management — 631
Number of service providers under management (both outlets funded from administered items and consultants/contractors from departmental funds) — 1039

Price

$20,830,000

Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
Research and evaluation during 2001–02 met the timelines, terms of reference and used sound Methodology. All research and evaluation was of a consistently high standard.

Quantity

Major pieces of research and evaluation completed — 4

Price

$3,975,000

Service delivery

Quality—Assurance

Service providers deliver services to the standards agreed with FaCS
All service providers delivered services to agreed disability services standards.
Quality—Client rights and obligations

Control of incorrect payment and fraud: savings in administered items arising from compliance activities
Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 221,539 Disability Support Pension, Wife Pension (Disability Support Pension) and Sickness Allowance client reviews were completed. Some 18,780 downward variations resulted in fortnightly savings of $2,349,656 and 9,399 upward variations resulted in fortnightly increases of $628,822. Some 21,165 debts totalled $30,371,864. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Price
$216,474,000—Centrelink
$2,823,000—Other

Rehabilitation services
In line with the Government’s policy of separating purchaser and provider roles, Output Group 3.2 purchased rehabilitation services from CRS Australia in 2001–02.

Effectiveness—Capacity

Number of new clients assisted on a rehabilitation program
- New clients assisted: 17,091
- Existing clients assisted: 13,114

<table>
<thead>
<tr>
<th>PAYMENT TYPE</th>
<th>AUTHORISED REVIEW OFFICERS</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>ADMINISTRATIVE APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
<td>PERCENTAGE CHANGED</td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Disability Support Pension</td>
<td>5944</td>
<td>24</td>
<td>1894</td>
</tr>
<tr>
<td>Wife Pension (DSP)</td>
<td>118</td>
<td>47</td>
<td>37</td>
</tr>
<tr>
<td>Sickness Allowance</td>
<td>251</td>
<td>27</td>
<td>55</td>
</tr>
<tr>
<td>Mobility Allowance</td>
<td>103</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Disability Wage Supplement</td>
<td>5</td>
<td>20</td>
<td>1</td>
</tr>
</tbody>
</table>
Percentage of clients achieving durable employment outcome after a completed rehabilitation program

Of the 10,790 clients who completed a vocational rehabilitation program, a total of 6103 (56.6 per cent) achieved an employment outcome of 13 weeks or more. The remaining 4687 (43.4 per cent) completed a program with a non-employment outcome (for example, study or voluntary work).

In addition, 276 clients completed an independent living program and achieved increased social participation.

Effectiveness—Targeting

Equitable access for clients from culturally and linguistically diverse backgrounds, disability, gender and age

<table>
<thead>
<tr>
<th>SPECIAL NEEDS GROUP</th>
<th>PER CENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal or Torres Strait Islander background</td>
<td>0.9</td>
</tr>
<tr>
<td>Culturally and linguistically diverse backgrounds</td>
<td>8.6</td>
</tr>
<tr>
<td>Rural and remote</td>
<td>6.2</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>93.8</td>
</tr>
</tbody>
</table>

Note: The definition of rural and remote has changed in 2001–02 to align with ARIA classifications.
CRS Australia delivers services to the agreed standards

CRS Australia provides services under and in accordance with Part III of the Disability Services Act 1986, and under the terms and conditions set out in its service level agreement with FaCS. CRS Australia delivered services to the standards agreed under the service level agreement for rehabilitation services.

CRS Australia successfully completed the accreditation process under the recently introduced quality assurance framework for disability employment and rehabilitation services. 98 per cent of all clients responding to the CRS Australia feedback survey rated CRS Australia service as good to excellent with 60 per cent rating CRS Australia as excellent.

### Table 67  New clients supported by CRS Australia by primary disability type

<table>
<thead>
<tr>
<th>PRIMARY DISABILITY</th>
<th>PER CENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical</td>
<td>57.3</td>
</tr>
<tr>
<td>Intellectual/learning</td>
<td>3.3</td>
</tr>
<tr>
<td>Acquired brain injury</td>
<td>5.3</td>
</tr>
<tr>
<td>Vision</td>
<td>1.0</td>
</tr>
<tr>
<td>Hearing</td>
<td>3.0</td>
</tr>
<tr>
<td>Speech</td>
<td>0.3</td>
</tr>
<tr>
<td>Psychiatric</td>
<td>26.4</td>
</tr>
<tr>
<td>Neurological</td>
<td>2.0</td>
</tr>
<tr>
<td>Blind/deaf</td>
<td>0.1</td>
</tr>
<tr>
<td>Other</td>
<td>1.3</td>
</tr>
</tbody>
</table>

### Table 68  New clients supported by CRS Australia by age and gender

<table>
<thead>
<tr>
<th>AGE GROUP</th>
<th>PER CENT MALES</th>
<th>PER CENT FEMALES</th>
<th>TOTAL OF CLIENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>15–19</td>
<td>3.0</td>
<td>1.8</td>
<td>829</td>
</tr>
<tr>
<td>20–24</td>
<td>6.1</td>
<td>3.7</td>
<td>1 684</td>
</tr>
<tr>
<td>25–29</td>
<td>7.8</td>
<td>3.3</td>
<td>1 886</td>
</tr>
<tr>
<td>30–44</td>
<td>29.0</td>
<td>13.2</td>
<td>7 204</td>
</tr>
<tr>
<td>45–59</td>
<td>20.2</td>
<td>10.9</td>
<td>5 317</td>
</tr>
<tr>
<td>60–64</td>
<td>0.8</td>
<td>0.2</td>
<td>171</td>
</tr>
<tr>
<td>Total</td>
<td>66.9</td>
<td>33.1</td>
<td>17 091</td>
</tr>
</tbody>
</table>
Quantity

Number of clients assisted on a rehabilitation program

CRS Australia was contracted to provide assistance to 34,224 eligible clients (consisting of 17,600 new clients +/- 5 per cent and 16,624 existing clients) in 2001–02. CRS Australia met this requirement with 17,091 new clients and the agreed existing clients receiving programs.

Price

$104,037,000 (excluding expenses of the Assessment and Contestability Trial for People with Disabilities).

- Average annual cost: $3,444 per client

Performance summary

Disability employment assistance

The disability employment assistance reforms have made significant progress in restructuring funding and administrative arrangements to improve employment outcomes for people with disabilities.

Legislation to establish an improved quality assurance system has been passed, effective from 1 July 2002. Services will have until December 2004 to be independently assessed as meeting the disability services standards.

This year saw significant progress:

- completion of the Case-Based Funding Trial and the interim evaluation report on the trial
- alternative assessment of the abilities, needs, and work capacity of people with disabilities
- implementation of many of the 52 Business Services Review recommendations.

Disability Support Pension

The number of clients receiving Disability Support Pension (DSP) continues to grow. Factors contributing to this include increases to the Age Pension qualifying age for women and population-ageing pressures. Disability pension growth throughout the 1990s was higher in Australia than any other OECD country.

As at June 2002, 9.7 per cent of DSP clients reported earnings. This is a slight increase on last year’s figure of 9.1 per cent. However, this is the lowest rate of reported earnings of people receiving a disability payment amongst 20 OECD countries recently surveyed.

The 2002–03 Budget provides substantial support and greater opportunities for people with disabilities. The Recognising and improving the work capacity of people with a disability initiative will ensure that DSP is only paid to those with a very limited capacity to work.

- Subject to the passage of legislation, changes to be implemented from July 2003 will affect people applying for DSP. These changes will not apply to clients receiving DSP before 1 July 2003 or people who claim before this date.
The total package provides extra funding for more places in Job Network, the Personal Support Programme, disability employment assistance, vocational rehabilitation and the Language, Literacy and Numeracy Programme. Funding will also be provided to the states and territories over three years for vocational education and training places. This is in addition to the *Australians Working Together* funding announced last year.

**Australians Working Together**

The Better Assessment and Early Intervention *Australians Working Together* measure provides for an increased focus on the assessment of work capacity for people who are ill, injured or have a disability and on the early identification of interventions, such as rehabilitation and employment assistance, to help people maximise their economic and social participation.

Progress toward the September 2002 implementation of this measure included:

- consultations with peak disability groups in January–February 2002.
- consultations with the Australian Medical Association, the Royal Australian College of General Practitioners and the Australian Divisions of General Practice in April–May 2002.
- a request for tender for the provision of medical and work capacity assessment services issued on 20 April 2002 and industry briefings held across Australia April–May 2002. Tenders closed and evaluation of tenders began in June 2002.

**CRS Australia**

The following presents information on CRS Australia that is additional to the information on its performance under the service level agreement with FaCS reported in ‘Rehabilitation Services’ above.

**Role**

CRS Australia operated as a business unit within the FaCS portfolio to provide federally-funded tertiary rehabilitation to people with a disability, injury or health condition.

**Additional performance information**

In addition to FaCS-related program delivery, under provisions of the *Disability Services Act 1986* CRS Australia delivers injury management services in commercial insurance markets. These markets include workers’ compensation, motor vehicle accident, income protection and superannuation, and are governed by state-based legislation. While the legislative arrangements vary across the states and territories, insurance companies or state/territory governments meet the costs of these services.

In 2001–02, non-FaCS activity generated approximately 25 per cent of CRS Australia’s revenue.
Management and accountability

For information on CRS Australia's management and accountability, see the relevant sections in Part two of this annual report.
Output Group 3.3 | Support for Carers

**Contribution to Outcome 3**

Support for Carers contributes to Outcome 3 by:

- helping support carers through the provision of income support and income supplement payments
- developing policy and providing advice on carer issues

**Strategies**

- Provide targeted and adequate income support and supplementary payments for carers that recognise the diverse range of carers
- Maintain policies that allow and encourage the maximum possible social and economic participation for carers, including voluntary or paid work and study
- Provide carers who wish to re-enter the labour market with assistance while in the caring role and when their caring responsibilities cease
- Increase community awareness of Carer Payment programs and other support for carers provided by the Government
- Expand access to respite support for carers of young people with a severe or profound disability. (Provision for respite care is also the responsibility of the Health and Ageing portfolio.)
- Identify policy and legislative barriers to the provision of income support to carers

**Outputs under Output Group 3.3**

**Carer Allowance**

An income supplement available to people who provide care and attention on a daily basis to a person who is frail aged, has a severe disability or medical condition. Not means-tested and indexed annually.
Carer Payment

An income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation. Means-tested and paid at the same rate as other social security income support payments.

Financial and staffing resources summary

Table 69  Output Group 3.3—Support for Carers

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $’000</th>
<th>(B) ACTUAL 2001–02 $’000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $’000</th>
<th>BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong> (including third party outputs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Special Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carer Allowance—Adult and child (Social Security (Administration) Act 1999)</td>
<td>643 748</td>
<td>645 722</td>
<td>1 974</td>
<td>737 803</td>
</tr>
<tr>
<td>Carer Payment (Social Security (Administration) Act 1999)</td>
<td>600 005</td>
<td>595 810</td>
<td>–4 195</td>
<td>729 788</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>1 243 753</td>
<td>1 241 532</td>
<td>–2 221</td>
<td>1 467 591</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy advice</td>
<td>1 188</td>
<td>2 021</td>
<td>833</td>
<td>1 101</td>
</tr>
<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>1 522</td>
<td>1 083</td>
<td>–439</td>
<td>1 412</td>
</tr>
<tr>
<td>Research and evaluation</td>
<td>335</td>
<td>282</td>
<td>–53</td>
<td>310</td>
</tr>
<tr>
<td>Service delivery (Centrelink)</td>
<td>15 629</td>
<td>15 575</td>
<td>–54</td>
<td>15 278</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>800</td>
<td>800</td>
<td>0</td>
<td>876</td>
</tr>
<tr>
<td><strong>Revenue from Government ( Appropriation) for Departmental Output Groups</strong></td>
<td>19 474</td>
<td>19 762</td>
<td>288</td>
<td>18 977</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>3 845</td>
<td>4 186</td>
<td>341</td>
<td>3 699</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>15 629</td>
<td>15 575</td>
<td>–54</td>
<td>15 278</td>
</tr>
<tr>
<td><strong>TOTAL FOR GROUP 3.3</strong></td>
<td>1 263 227</td>
<td>1 261 294</td>
<td>–1 933</td>
<td>1 486 568</td>
</tr>
<tr>
<td><strong>Staffing Years ( Number)</strong></td>
<td>26</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including the Social Security Appeals Tribunal)</td>
<td>26</td>
<td>27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

<sup>a</sup> Final estimates have been used for special appropriations while additional estimates have been used for annual appropriations.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

Carer Payment and Carer Allowance

Effectiveness—Adequacy

Carer Payment—Maximum payments to recipients as a percentage of male total average weekly earnings (MTAWE)
Carer Payment is adjusted twice a year in line with the consumer price index (CPI). After the CPI adjustment, if the single pension rate (excluding the component added in as part of the New Tax System) is less than 25 per cent of MTAWE, it is increased to that level with a proportional flow-on to the partnered rate of pension. Rent Assistance is also indexed to the CPI.

The performance of pension rates is reported in greater detail under Output Group 3.4.

Carer Allowance—maximum payments to recipients—index of real value
Carer Allowance is indexed against the CPI on 1 January each year.

Effectiveness—Independence

Percentage of clients with private earnings—88 per cent (at June 2002)

Effectiveness—Take-up/coverage

Number of people cared for by clients receiving payment (at June 2002)
71 691 Carer Payment care receivers
307 694 Carer Allowance care receivers, including 159 390 adults and 148 304 children aged under 16 years (including 14 809 Health Care Card only)

Percentage of Carer Payment clients also in receipt of Carer Allowance
73 per cent (at June 2002)

Effectiveness—Targeting

Percentage on part-rate due to means test—24 per cent (at June 2002)

Quantity

Number of clients receiving payments (at June 2002)
153 863 received Carer Allowance (adult)
115 404 received Carer Allowance (child)
2 216 received both Carer Allowance (adult) and Carer Allowance (child)
11 708 received Carer Allowance (child) Health Care Card only
67 260 received Carer Payment
Price
$645 722 000—Carer Allowance (adult and child)
$595 810 000—Carer Payment

Commentary
Between June 2001 and June 2002, the number of clients receiving Carer Payment increased 18 per cent, down from a 20 per cent increase in 2000–01. The number receiving Carer Allowance increased 16 per cent, down from a 21 per cent increase in 2000–01. The increase in client numbers reflects:

- demographic changes, such as the ageing of the population and an associated increase in the incidence of people suffering from a disability
- a reduction in access to other forms of income support, such as widow pensions and Parenting Payment
- greater public awareness of these two payments
- the increase in numbers of people with disabilities and medical conditions being cared for at home
- the liberalisation of the qualification criteria for Carer Payment
- broader targeting of Carer Allowance.

Evaluations
- Review of the effectiveness of the assessment tool used to determine eligibility for Carer Payment and/or Carer Allowance for carers of people aged 16 or over
- Research into the needs of young carers.

See ‘Performance summary’ below for details on outcomes.

Respite for carers of young people with severe or profound disabilities

Quantity
Number of carers of young people with severe or profound disabilities assisted by funded respite centres—7203

Departmental outputs

Cost
Ratio of departmental expense to administered expense
For every dollar spent on administered items under Output Group 3.3 in 2001–02, 1.6 cents were spent on departmental outputs.
Policy advice

Quality—Client satisfaction

Ministers and ministers’ offices satisfied with the quality of policy advice and FaCS meets standards for policy advice

Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity

Number of items to ministers

112 ministerial submissions and other written briefings or advice prepared; 2464 ministerial replies to correspondence completed.

Price

$2 021 000

Purchasing, funding and relationship management

Quality—Assurance

FaCS ensures that service providers meet terms and conditions of funding

The relevant areas in FaCS and Centrelink negotiated the Disability and Carers Output Specification for 2002–03. It establishes performance measures for the delivery of carer payments and services that FaCS purchases from Centrelink. This specification forms part of an overarching Business Partnership Agreement between the two organisations. A framework was developed to monitor and report against agreed standards for delivering services.

Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers

The FaCS and Centrelink Business Partnership Agreement is in place. All contracts satisfy the requirements.

Quantity

Number of contracts/service agreements under management—3

- Business Partnership Agreement with Centrelink
- Results Consulting (Australia) Pty Ltd to support the work of the Carers Voice Steering Group
- Carers Australia (previously Carers Association of Australia) to research the needs of young carers.
Number of service providers under management — 1
Centrelink, through the FaCS Business Partnership Agreement.

Price
$1,083,000

Research and evaluation

Quality — Assurance
Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development
All conducted research and evaluation met these requirements.

Quantity
Major pieces of research and evaluation completed — 2

Price
$282,000

Service delivery

Quality — Assurance
Service providers deliver services to the standards agreed with FaCS
The Business Partnership Agreement with Centrelink sets FaCS’s key result areas and performance measures for carer program payments. Centrelink monitors performance against agreed standards for the delivery of services.

Quality — Client rights and obligations
Number of reviews and appeals

Table 70  Reviews and appeals — Output Group 3.3

<table>
<thead>
<tr>
<th>PAYMENT TYPE</th>
<th>AUTHORISED REVIEW OFFICERS</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>ADMINISTRATIVE APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>REVIEWS FINALISED</td>
<td>PERCENTAGE CHANGED</td>
<td>REVIEWS FINALISED</td>
</tr>
<tr>
<td>Carer Allowance</td>
<td>762</td>
<td>23</td>
<td>220</td>
</tr>
<tr>
<td>Carer Payment</td>
<td>580</td>
<td>30</td>
<td>162</td>
</tr>
</tbody>
</table>
Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 94 998 Carer Payment and Carer Allowance client reviews were completed. Some 3239 downward variations resulted in fortnightly savings of $287 355 and 917 upward variations resulted in fortnightly increases of $49 404. Some 2603 debts totalled $2 946 742. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Price

$15 575 000 (Centrelink)

$800 000 (Other)

Performance summary

Since 1998 major reforms to income support arrangements for carers have produced fairer and more consistent assessment processes with better targeting of payments. Access to respite for carers of young people with severe or profound disabilities has also improved.

The recommendations of the 1999–2000 Child Disability Assessment Tool evaluation were implemented on 1 January 2002. This resulted in improved access to Carer Allowance (child) for carers of children with some chronic medical conditions.

The recommendations of the 1999–2000 review of the extension of Carer Payment to carers of profoundly disabled children are being implemented (that is, those not requiring legislative change). They include:

- recognising a wider range of children with impaired bowel function in particular those who experience constipation as a consequence of medication or faecal incontinence
- improving the effectiveness of claim forms and related publicity material.

One recommendation that does require legislative change will be to streamline the eligibility process for carers of terminally ill children. This will be implemented during 2002–03. FaCS is also investigating how to better recognise those children who experience a severe swallowing difficulty.

The review of the Adult Disability Assessment Tool was completed during 2001–02. The evaluation showed that the tool is effective in consistently and accurately assessing care needs.

FaCS-funded research into the needs of young carers. The research focused on the number and characteristics of young primary carers in Australia as well as their needs for social and economic participation in the community. At June 2002 the report was being prepared for publication.
Following a round table meeting with carers in July 2001, the Minister for Family and Community Services agreed that a steering committee should examine how the Government can best hear the views of family members who are carers of people with a disability. The committee is also investigating how best to identify issues important to families of people with disabilities. The report is nearing completion.
Output Group 3.4  I Support for the Aged

Contribution to Outcome 3

Support for the Aged contributes to Outcome 3 by:

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

Strategies

- Promote participation, independence and self-reliance among older Australians through policy development, education and advisory services
- Contribute to an adequate, sustainable and appropriately targeted social safety net through the means test and policy directions that focus on older Australians
- Enter into international social security agreements to enable Australians to gain access to overseas pensions and domestic benefits that would be otherwise unavailable
- Provide recognition for the contribution made by older Australians to building the community.

Outputs under Output Group 3.4

National Information Centre on Retirement Investments

A body funded by the Government to provide the public with free, unbiased information on planning and saving for retirement, on the nature of investment options and on effective use of financial resources in retirement.
One-off Payment to the Aged

Provided a single lump sum of $300 to eligible Australians on low incomes and over Age Pension age on 22 May 2001. People not on income support and whose partner was not in the income tax system, could qualify for the payment if their taxable income for 2000–01 was below $20,000 for singles, $32,612 for couples or $37,764 for illness separated couples. Claims for the payment could be made from 1 July to 31 December 2001.

Age Pension

A safety net payment for people of age pension age who cannot support themselves fully in retirement. Age pension age is currently 65 for men and 62 for women. The qualifying age for women is being progressively raised to 65 and will reach that age by 2014. Future changes in the qualifying age for women are shown in Table 71.

(Deferred Age) Pension Bonus Scheme

Intended to encourage older Australians to continue working beyond age pension age rather than retiring from the workforce and claiming Age Pension. Provides a one-off, tax-free lump sum to eligible people. Payable when a person registered in the Scheme finally claims and receives an Age Pension.

Aged Persons Savings Bonus

A ‘one-off’ untaxed payment of up to $1000 to people aged 60 or over on 1 July 2000 to help them maintain the value of their retirement savings and investments following the introduction of the GST.

Self-funded Retirees’ Supplementary Bonus

Up to $2000 paid to people aged at least 55 at 1 July 2000 provided they were retired, did not receive a taxpayer-funded income support payment and met certain income and activity criteria.

Telephone Allowance for Commonwealth Seniors Health Card Holders

**Widow B Pension**

Paid only to widowed, divorced or separated women aged 50 years or over as at 1 July 1987, or women aged 45 years or over at 1 July 1987 who received Sole Parent Pension (or one of its forerunners) on or after that date. Being phased out in recognition of women’s increasing labour force participation.

**Wife Pension (Age)**

A safety net payment for female partners of age pensioners where those partners are not eligible in their own right. The payment is being phased out with no new grants since 1 July 1995.

FaCS also makes Age, Wife (Age) and Widow B Pension payments to people under various international social security agreements.

<table>
<thead>
<tr>
<th>Date of Birth</th>
<th>Pension Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 July 1938 to 31 December 1939</td>
<td>61.5</td>
</tr>
<tr>
<td>1 January 1940 to 30 June 1941</td>
<td>62</td>
</tr>
<tr>
<td>1 July 1941 to 31 December 1942</td>
<td>62.5</td>
</tr>
<tr>
<td>1 January 1943 to 30 June 1944</td>
<td>63</td>
</tr>
<tr>
<td>1 July 1944 to 31 December 1945</td>
<td>63.5</td>
</tr>
<tr>
<td>1 January 1946 to 30 June 1947</td>
<td>64</td>
</tr>
<tr>
<td>1 July 1947 to 31 December 1948</td>
<td>64.5</td>
</tr>
<tr>
<td>1 January 1949 and later</td>
<td>65</td>
</tr>
</tbody>
</table>
## Financial and staffing resources summary

### Table 72 Output Group 3.4—Support for the Aged

<table>
<thead>
<tr>
<th></th>
<th>(A) BUDGET&lt;sup&gt;a&lt;/sup&gt; 2001–02 $'000</th>
<th>(B) ACTUAL 2001–02 $'000</th>
<th>VARIATION (COLUMN B MINUS COLUMN A) $'000</th>
<th>BUDGET&lt;sup&gt;b&lt;/sup&gt; 2002–03 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administered Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ex gratia payments for Retirement Assistance for Farmers Scheme</td>
<td>112</td>
<td>10</td>
<td>−102</td>
<td>0</td>
</tr>
<tr>
<td>Ex gratia payments relating to Savings Bonuses for Older Australians</td>
<td>1 500</td>
<td>177</td>
<td>−1 323</td>
<td>0</td>
</tr>
<tr>
<td>National Information Centre on Retirement Investments</td>
<td>439</td>
<td>439</td>
<td>0</td>
<td>451</td>
</tr>
<tr>
<td>One-Off Payment to the Aged</td>
<td>10 000</td>
<td>10 454</td>
<td>454</td>
<td>0</td>
</tr>
<tr>
<td><strong>Special Appropriations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Pension (Social Security (Administration) Act 1999)</td>
<td>16 657 175</td>
<td>16 665 653</td>
<td>8 478</td>
<td>17 551 694</td>
</tr>
<tr>
<td>Aged Persons Savings Bonus (ANTS (Bonuses for Older Australians) Act 1999)</td>
<td>24 500</td>
<td>23 723</td>
<td>−777</td>
<td>0</td>
</tr>
<tr>
<td>Self-funded Retiree’s Supplementary Bonus (ANTS (Bonuses for Older Australians) Act 1999)</td>
<td>29 000</td>
<td>28 519</td>
<td>−481</td>
<td>0</td>
</tr>
<tr>
<td>Telephone Allowance for Commonwealth Seniors Health Card Holders (Social Security (Administration) Act 1999)</td>
<td>22 500</td>
<td>8 668</td>
<td>−13 832</td>
<td>23 000</td>
</tr>
<tr>
<td>Widow B Pension (Social Security (Administration) Act 1999)</td>
<td>60 718</td>
<td>59 787</td>
<td>−931</td>
<td>43 517</td>
</tr>
<tr>
<td>Wife Pension (Age) (Social Security (Administration) Act 1999)</td>
<td>216 425</td>
<td>216 160</td>
<td>−265</td>
<td>184 147</td>
</tr>
<tr>
<td><strong>Total Administered Expenses</strong></td>
<td>17 022 369</td>
<td>17 013 590</td>
<td>−8 779</td>
<td>17 802 809</td>
</tr>
<tr>
<td><strong>Price of Departmental Outputs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policy advice</td>
<td>10 047</td>
<td>12 563</td>
<td>2 516</td>
<td>5 952</td>
</tr>
<tr>
<td>Purchasing, funding &amp; relationship management</td>
<td>4 664</td>
<td>3 013</td>
<td>−1 651</td>
<td>2 764</td>
</tr>
<tr>
<td>Research and evaluation</td>
<td>3 229</td>
<td>4 026</td>
<td>797</td>
<td>1 913</td>
</tr>
<tr>
<td>Service delivery (Centrelink)</td>
<td>222 181</td>
<td>221 558</td>
<td>−623</td>
<td>208 282</td>
</tr>
<tr>
<td>Service delivery (other)</td>
<td>2 544</td>
<td>2 560</td>
<td>16</td>
<td>1 815</td>
</tr>
<tr>
<td><strong>Revenue from Government ( Appropriation) for Departmental Output Groups</strong></td>
<td>242 665</td>
<td>243 720</td>
<td>1 055</td>
<td>220 726</td>
</tr>
<tr>
<td>FaCS component&lt;sup&gt;c&lt;/sup&gt;</td>
<td>20 484</td>
<td>22 162</td>
<td>1 678</td>
<td>12 444</td>
</tr>
<tr>
<td>Centrelink component</td>
<td>222 181</td>
<td>221 558</td>
<td>−623</td>
<td>208 282</td>
</tr>
<tr>
<td><strong>TOTAL FOR GROUP 3.4</strong></td>
<td>17 265 034</td>
<td>17 257 310</td>
<td>−7 724</td>
<td>18 023 535</td>
</tr>
<tr>
<td><strong>Staffing Years (Number)</strong></td>
<td>2001–02</td>
<td>2002–03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FaCS (including the Social Security Appeals Tribunal)</td>
<td>150</td>
<td>156</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<sup>a</sup> Full year budget including additional estimates.

<sup>b</sup> Budget prior to additional estimates.

<sup>c</sup> FaCS includes the Social Security Appeals Tribunal.
Performance information

National Information Centre on Retirement Investments Inc (NICRI)

In 2001–02, NICRI met the terms and conditions for funding by providing:

- quality technical information to the public on retirement investment and planning
- assistance to Centrelink Financial Information Service officers
- quality technical input to FaCS’s publications on retirement issues.

NICRI outputs included:

- addressing 66 retirement or Financial Information Service seminars (47 Financial Information Service, 19 other)
- distributing 197,306 information leaflets on types of investment, financial planning and preparation for retirement
- responding to 5885 telephone enquiries from the general public

The Financial Information Service is provided by Centrelink under the Service Delivery output.

Price
$439,000

One-off Payment to the Aged

Quantity
Number of clients assisted
34,900

Price
$10,454,000

Support for the Aged—Age Pension, Widow B Pension, Wife Pension (Age), (Deferred Age) Pension Bonus Scheme

Effectiveness—Adequacy

Maximum payments to recipients as a percentage of male total average weekly earnings (MTAWE)

The maximum basic rate and pension supplement for Age Pension, Wife Pension (Age) and Widow B Pension are indexed twice a year in line with the consumer price index (CPI). If after CPI adjustment the maximum basic rate is less than 25 per cent of MTAWE, it is adjusted up to that benchmark.
While indexation in line with CPI increases ensures payment rates reflect increases in prices, the 25 per cent of MTawe benchmark ensures pensioners share in any increases in community living standards as measured by the growth in wages. The real value of pension payments has increased substantially over the past decade. (Table 73 and Figure 17).

**Maximum payments to recipients — index of real value**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single pensioner</td>
<td>100</td>
<td>100</td>
<td>101</td>
<td>99</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>104</td>
<td>104</td>
<td>106</td>
<td>108</td>
</tr>
<tr>
<td>With Rent Assistance</td>
<td>100</td>
<td>101</td>
<td>101</td>
<td>99</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>104</td>
<td>104</td>
<td>107</td>
<td>109</td>
</tr>
<tr>
<td>Pension couple</td>
<td>100</td>
<td>100</td>
<td>101</td>
<td>99</td>
<td>101</td>
<td>102</td>
<td>103</td>
<td>104</td>
<td>104</td>
<td>106</td>
<td>108</td>
</tr>
<tr>
<td>With Rent Assistance</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>99</td>
<td>100</td>
<td>102</td>
<td>103</td>
<td>103</td>
<td>103</td>
<td>106</td>
<td>108</td>
</tr>
</tbody>
</table>

**Figure 17 Support for the Aged — maximum payments to recipients of pension — index of real value, June 1992 to June 2002**

- Pension only (Single and Couple)
- Single with Rent Assistance
- Couple with Rent Assistance
Figure 18 Support for the Aged—increases to the single pension rate under actual and alternative scenarios, September 1997 to March–June 2002

The single rate of pension is higher than it would be after increases from CPI and MTAWE increases because of the supplement introduced with the New Tax System.

Effectiveness—Independence

Proportion of income units headed by a person aged 65 years and over
- with government pension as principal source of income
- with government pension contributing less than 20 per cent of income
- with government pension contributing less than 50 per cent of income

The population of income units headed by a person aged 65 or more relying on a government pension as a principal source of income has been relatively stable at around 74 per cent.

Table 74 Support for the Aged—income units relying on government pension as principal source of income headed by a person aged 65 or more

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75.5%</td>
<td>74.1%</td>
<td>73.4%</td>
<td>74.7%</td>
</tr>
</tbody>
</table>

Note: The ABS did not collect data in 1998–99 or in 2000–01.
Source: Australian Bureau of Statistics.

ABS 1999–2000 data show the proportion of income units headed by a person aged 65 years and over with government pension contributing less than:
- 50 per cent of income is 24.6 per cent
- 20 per cent of income is 18.6 per cent
- 1 per cent of income is 14.8 per cent.
Average amount of assessed income
After rising significantly in 2000–01, pensioner assessable incomes fell slightly in 2001–02. Consistent with this trend the population of age pensioners with assessable income over $500 per year also fell in 2001–02, after rising in 2000–01. Against the broader trend, the proportion of age pensioners receiving income from superannuation increased slightly from 12 per cent to 13 per cent and the annual average income from superannuation rose from $5879 to $6088.

Table 75  Support for the Aged—percentage of people with assessable income and
average annual income (each) of people with assessable income

<table>
<thead>
<tr>
<th>Year</th>
<th>1999–2000</th>
<th>2000–01</th>
<th>2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PER CENT</td>
<td>$</td>
<td>PER CENT</td>
</tr>
<tr>
<td>Single age pensioners</td>
<td>89.0</td>
<td>2675</td>
<td>90.9</td>
</tr>
<tr>
<td>Partnered age pensioners</td>
<td>96.5</td>
<td>3042</td>
<td>97.3</td>
</tr>
<tr>
<td>Wife pensioners</td>
<td>94.0</td>
<td>2256</td>
<td>94.5</td>
</tr>
<tr>
<td>Widow B pensioners</td>
<td>78.3</td>
<td>2137</td>
<td>79.8</td>
</tr>
</tbody>
</table>

Percentage of age pensioners with assessed income greater that $500 per year

Table 76  Support for the Aged—percentage of age pensioners with assessed income greater that $500 per year

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59.8%</td>
<td>62.8%</td>
<td>66.2%</td>
<td>62.9%</td>
</tr>
</tbody>
</table>

Percentage of assessed income to total income (including pension)

Table 77  Support for the Aged—percentage of assessed income to total income (including pension)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23.7%</td>
<td>24.7%</td>
<td>25.9%</td>
<td>24.0%</td>
</tr>
</tbody>
</table>

Percentage on part-rate due to means test
Through income and assets tests, the income support system provides safety net payments to those most in need. For pensions, tapered tests offer incentives for individuals to make additional financial provision for themselves. The tests include free areas where clients can receive income or have assets without affecting their pension.
As at June 2002, 32.5 per cent of people receiving Age Pension, 24.1 per cent of women receiving Wife Pension (Age) and 19.8 per cent of women receiving Widow B Pension were receiving a part-rate pension. Recent trends have reflected patterns in pensioner incomes and changes to income test arrangements.

**Figure 19** Support for the Aged—proportion of Age Pension clients receiving a part-rate

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>30</td>
<td>32</td>
<td>34</td>
<td>36</td>
<td>38</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td>30</td>
<td>34</td>
<td>36</td>
</tr>
</tbody>
</table>

Table 78 Support for the Aged—income and assets value limits for full pension as at 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>SINGLE $</th>
<th>COUPLE (COMBINED) $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income free area (per fortnight)</td>
<td>112</td>
<td>200</td>
</tr>
<tr>
<td>Assets value limit for home owners (home not included)</td>
<td>141 000</td>
<td>301 500</td>
</tr>
</tbody>
</table>

As at June 2002, 32.5 per cent of people receiving Age Pension, 24.1 per cent of women receiving Wife Pension (Age) and 19.8 per cent of women receiving Widow B Pension were receiving a part-rate pension. Recent trends have reflected patterns in pensioner incomes and changes to income test arrangements.

**Table 79** Support for the Aged—average reduction per part-rate pensioner

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average reduction per fortnight</td>
<td>$98.10</td>
<td>$96.20</td>
<td>$94.80</td>
<td>$102.35</td>
</tr>
</tbody>
</table>

For people receiving a part-rate Age Pension, the average reduction per fortnight due to the means test rose in the last year.
Effectiveness—Take-up/coverage

**Percentage of estimated aged population who are clients (June 2002)**

80 per cent of 2,688,136 persons (ABS estimate of population over qualifying age for Age Pension), comprising:

- around 68 per cent, or 1,818,205 persons, receiving Age Pension
- around 12 per cent, or 324,527 persons, receiving a similar means-tested income support payment from the Department of Veterans’ Affairs (DVA).

**Figure 20  Support for the Aged—take-up of Age Pension June 1992 to June 2002**

![Graph showing the percentage of take-up of Age Pension from 1992 to 2002.](image)

Quality—Access and choice

**Access for target or special interest groups**

Women have a longer life expectancy and lower qualifying age for Age Pension than men. Subsequently, women comprise the greater proportion of people receiving Age Pension, that is 60.7 per cent in June 2002. Women receiving Age Pension are less likely than men to have accumulated income and assets to provide for retirement and have to spread their wealth over a longer retirement period. As a result, 69.2 per cent of women receiving Age Pension receive the full-rate compared with 64.5 per cent of men.

Almost half of Age Pension clients are single (45.2 per cent). Single pensioners tend to be older than partnered pensioners and do not have a partner to share living expenses. As a result single pensioners are more likely to receive a full-rate pension than partnered pensioners (73.7 per cent compared with 62.3 per cent).
The proportion of people receiving the Age Pension who were born overseas is increasing. As at June 2002, 37.9 per cent of Age Pension clients were born overseas. The proportion has been increasing particularly as post-war migrants reach Age Pension age.

**Figure 21  Support for the Aged—percentage of Age Pension clients born overseas**

![Graph showing percentage of Age Pension clients born overseas from 1992 to 2002.](image)

**Quantity**

**Number of clients assisted (at June 2002)**

- 1,810,779 people were paid Age Pension plus 7,426 people were paid Age Pension by DVA
- 23,730 women were paid Wife Pension (Age) plus 93 people were paid Wife Pension (Age) by DVA
- 5,130 women were paid Widow B Pension

**Number of clients paid Rent Assistance (at June 2002)**

- 9.8 per cent (177,419) of Age Pension clients
- 7.6 per cent (1,798) of Wife Pension (Age) clients
- 11.3 per cent (580) of Widow B Pension clients

**Estimated number of Age Pension clients paid under international agreements, and average value of payments, for Age Pension as at June 2002**

**Age Pension**

- 25,359 pensions averaging $3,407 per year per client under agreements excluding New Zealand and the United Kingdom
- 6,144 pensions averaging $9,592 per client per year under the agreement with New Zealand
- 1,680 pensions averaging $4,191 per year per client under the now terminated agreement with the United Kingdom
**Wife (Age) Pension**

770 pensions averaging $4359 per year per client under agreements excluding New Zealand and the United Kingdom

40 pensions averaging $9080 per client per year under the agreement with New Zealand

3 pensions averaging $2559 per year per client under the now terminated agreement with the United Kingdom

**Widow (B) Pension**

391 pensions averaging $4926 per year per client under agreements excluding New Zealand

5 pensions averaging $10,385 per client per year under the agreement with New Zealand

Under existing arrangements, New Zealand reimburses Australia for a proportion of the payments made to New Zealand citizen residents. The amount reimbursed in 2001–02 was $132 million.

**(Deferred Age) Pension Bonus Scheme**

As at 30 June 2002, 42,779 people were registered in the scheme. In 2001–02, a total of $21,692,216 was paid in bonuses to 4,535 people.

**Commentary**

The Pension Bonus Scheme was evaluated in 2000–01. ORIMA Research Pty Ltd was commissioned to undertake targeted surveys of clients, non-clients and stakeholders as part of the evaluation. Their research findings have been received and are under consideration.

**Price**

$16,665,653—Age Pension, including (Deferred Age) Pension Bonus Scheme

$216,160,000—Wife Pension (Age)

$59,787,000—Widow B Pension

**Aged Persons Savings Bonus**

In 2001–02, $23.7 million was outlaid in claims for the Bonus which had been submitted but not processed by 30 June 2001. The average payment to recipients of the Bonus was $832.

**Price**

$23,723,000

**Self-funded Retirees’ Supplementary Bonus**

In 2001–02, $28.5 million was outlaid in claims for the Bonus which had been submitted but not processed by 30 June 2001. The average payment to recipients of the Bonus was $1719.

**Price**

$28,519,000
Telephone Allowance for Commonwealth Seniors Health Card Holders

238 710 eligible Commonwealth Seniors Health Card holders are now paid Telephone Allowance to help with the cost of telephone rental. This represents 87 per cent of all Commonwealth Seniors Health Card holders.

Price
$8 668 000

Departmental outputs

Cost

Ratio of departmental expense to administered expenses
For every dollar spent on administered items under Output Group 3.4 in 2001–02, 1.4 cents were spent on departmental outputs.

Policy advice

Quality—Client satisfaction
Ministers and ministers’ offices are satisfied with the quality of policy advice and FaCS meets standards for policy advice
Ministers and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers’ and their offices’ assessment can be found in Part two—Ministerial and parliamentary services.

Quantity

Number of items to ministers
Prepared 127 ministerial submissions and other written briefings or advice and completed 1674 ministerial replies to correspondence.

Price
$12 563 000
Purchasing, funding and relationship management

Quality—Assurance

Service agreements/contracts that meet legislative, Government policy and FaCS requirements are in place with all service providers

FaCS ensures that service providers meet terms and conditions of funding

Agreement with Centrelink

The relevant areas in FaCS and Centrelink negotiated a business agreement for 2001–02, setting out performance measures for the delivery of payments and services that FaCS purchases from Centrelink. FaCS and Centrelink have an international services protocol covering the delivery of payments and services to clients outside Australia. These agreements form part of an overarching Business Partnership Agreement between the two organisations.

Delivery of the Financial Information Service Seminar program has also been incorporated into the Business Partnership Agreement. The agreement formalised the arrangements under which FaCS provided Centrelink with funding to conduct Financial Information Service seminars.

External agreements

People who receive Disability Pension from DVA, and their partners, can choose to receive the Age Pension or Wife Pension from that department instead. At June 2002, 7519 clients received their Age Pension or Wife (Age) Pension from DVA rather than Centrelink.

After a joint evaluation, FaCS and DVA decided to continue the program and extend the existing memorandum of understanding. They will negotiate a new memorandum of understanding in 2002.

Quantity

Number of contracts/service agreements under management — 5

Number of service providers under management — 2

Price

$3 013 000

Research and evaluation

Quality—Assurance

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development

Research and evaluation, including policy review work, was of a consistently high standard. It met timelines and terms of reference, and was methodologically sound.
Quantity

Major pieces of research and evaluation completed — 2

Price

$4,026,000

Service delivery

Quality — Assurance

Service providers deliver services to the standards agreed with FaCS

The Business Partnership Agreement with Centrelink sets out key result areas and performance measures that apply to income support payments. Centrelink monitors performance against agreed standards for the delivery of services.

Quality — Client rights and obligations

Number of reviews and appeals

Reviews finalised by Authorised Review Officers for Age Pension increased by 24 per cent in 2001–02 from 2,060 to 2,546. There was also an increase in the finalisation of reviews for Wife Pension (Age) and Widow B Pension of 31 per cent (from 33 to 48) and 30 per cent (from 16 to 23) respectively.

Reviews finalised by the Social Security Appeals Tribunal for Age Pension increased by 41 per cent in 2001–02 from 482 to 681.

Reviews finalised by the Administrative Appeals Tribunal remained stable.

<table>
<thead>
<tr>
<th>Table 80 Reviews and appeals — Output Group 3.4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAYMENT TYPE</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Age Pension</td>
</tr>
<tr>
<td>Wife Pension (Age)</td>
</tr>
<tr>
<td>Widow B Pension</td>
</tr>
</tbody>
</table>
Control of incorrect payment and fraud: savings in administered items arising from compliance activities

Mechanisms common across most payment types for detection and control of incorrect payment and fraud are described in Part two—Right payments to the right people.

In 2001–02, the Centrelink National Selective Review System indicated that 256,459 Age Pension, Wife Pension (Age) and Widow B Pension reviews were completed. Some 55,877 downward variations resulted in fortnightly savings of $2,088,939 and 50,102 upward variations resulted in fortnightly increases of $2,191,704. Some 21,423 debts totalled $23,691,540. Performance outcomes for debt recovery and prosecution activity are reported in Part two—Right payments to the right people.

Financial Information Service

Centrelink delivers the Financial Information Service. The service aims to encourage and assist people to maintain or improve their standard of living by planning effectively for their retirement and maximising their retirement income.

Seminars in urban and rural locations attracted 70,104 people (against a target of 70,000).

Seminars focus on reaching the ageing ‘baby boomer’ generation, with 53 per cent of people who attended being under 55.

Evaluation of the Financial Information Service: Eureka Strategic Research conducted market research of seminar attendees and found that:

- Seminars were well targeted in terms of age, income source and current situation.
- High levels of satisfaction remain little changed since June 2001 (94 per cent).
- While content is targeted at those 40 to 54 years old, the proportion of attendees 55 years and over increased slightly.
- All participants were motivated to take some action to improve their financial situation as a result of a seminar.
- Two-thirds of participants report they will seek more information and attend another seminar.
- Seminars were still very effective in increasing knowledge across key subject areas.
- Two-fifths of participants had attended a seminar previously.
- Almost all past attendees report having taken some action as a result of having attended.

Price

$221,558,000 (Centrelink)

$2,560,000 (Other)
Performance summary

The integrity of the social security means test was significantly enhanced when the revised means test treatment of private trusts and private companies took effect in 1 January 2002. The new rules strengthen the equity and integrity of the means test through the continued targeting of taxpayer-funded income support to those most in need. The minimal number of appeals received reflects the broad acceptance of the appropriateness of the new policy. The changes were introduced successfully within the timeframes set.

As part of the 2001–02 Budget, the Government announced its ‘Acknowledging Older Australians’ package to recognise the contribution of older people in building Australian society. Initiatives were implemented successfully and included:

- providing a one-off payment of $300 to eligible Age Pension aged people
- exempting superannuation assets from the assets test for people aged over 55 and below age pension age
- extending Telephone Allowance to eligible Commonwealth Seniors Health Card holders.
- raising the income limits for the Commonwealth Seniors Health Card. Since 1 July 2001, an extra 52 000 self-funded retirees of age pension age have a card. This represents 58 per cent of the estimated eligible population of cardholders.

FaCS revised its popular publications Investing Money—Your Choices (in partnership with the National Centre on Retirement Investments), Home and Residence Choices for Older People and Australian Retiree—Your Choices. These form part of a set of five publications produced by FaCS. They support FaCS’s strategy of promoting independence and self-reliance through information and education.

FaCS progressed the recommendations of the 2000–01 Australian National Audit Office audits of Age Pension new claims. FaCS and Centrelink have worked closely in adopting a systematic approach to addressing the recommendations. The Business Assurance model has been developed to include definitions of payment correctness and accuracy and types of errors. Random sample surveys that FaCS and Centrelink have under way will measure payment accuracy. FaCS will independently validate them.

FaCS has signed a contract with the University of New South Wales to act as an industry partner under the Australian Research Council's Linkage—Projects for the ‘Labour supply and saving of older Australians: behavioural responses and economic impact’ project. The three-year project will begin in July 2002. It aims to increase understanding of the economic impacts of labour force participation and saving behaviour of those in the retirement window (55–65 years).
Part 2  |  Management and accountability

Corporate governance
Enabling our people
Environmental management
External scrutiny
Financial management
Information strategies and technology management
Internal controls
Ministerial and parliamentary services
Partnerships for people
Right payments to the right people
Social Security Appeals Tribunal
FaCS includes the Child Support Agency (CSA) and, until 30 June 2002, CRS Australia. These two entities within FaCS have distinct governance arrangements that recognise the specialist nature of their business in comparison to the rest of FaCS. Where applicable, these distinct governance and management arrangements are highlighted in this report.

**Boards and committees**

**FaCS Executive Board**

FaCS’s Executive Board is an advisory group that helps the Secretary exercise his management responsibilities. This is consistent with Australian National Audit Office recommendations on good practice governance arrangements for Australian Public Service agencies. The board builds strong links across the business of the department, supports integration of FaCS outcomes and enables a high level of collegiate decision-making across the senior executive.

As well as providing strategic leadership, the board considers matters of significant strategic importance and monitors departmental performance against goals in the Strategic Plan. Key outcome areas, including finance, people, communication and budget assist the board by providing regular performance reports.

The FaCS Executive Board meets monthly. The board consists of the Secretary, deputy secretaries, executive directors, the General Manager—Child Support Agency, the Chief Financial Officer and two assistant secretaries on rotation. Centrelink is also represented. The General Manager—CRS Australia ceased to be a member of the Executive Board subsequent to the announcement of the third Howard Ministry in November 2001 and CRS Australia’s incorporation into the Department of Health and Ageing.

**Board subcommittees**

Four committees underpin the work of the board:

- The Business and Resource Allocation Committee is responsible for guiding business planning and determining and monitoring resource allocation and expenditure.
- The Knowledge and Information Committee sets and monitors key strategies associated with information and knowledge management. This year’s focus has been on document management, management information, developing an enterprise architecture and an integrated non-government organisation funding system, as well as email management.
improvements. An information technology review subcommittee has the job of making sure that FaCS's investment in information technology delivers the best return to the organisation.

- The Research and Evaluation Committee coordinates strategic decisions about research and evaluation, including funding decisions.
- The People Committee provides strategic policy advice on people and organisational development to the executive and the board and makes decisions on operational matters.

A deputy secretary chairs each subcommittee.

**Subcommittees reporting to the Secretary**

Two Committees report directly to the Secretary:

- The Budget Policy Committee considers issues and priorities at key points in the Budget process.
- The Risk Assessment and Audit Committee reports directly to the Secretary. Its objectives are to:
  - ensure FaCS's approach to the implementation of its control framework is effective
  - provide assurance to the Secretary on the preparation and review of the financial statements of the department.

The Risk Assessment and Audit Committee has one subcommittee, the Protective Security Policy Committee, which may report directly to the Secretary on significant protective security matters that affect FaCS’s operations.

**Figure 22** FaCS Committee structure
Integrated governance

FaCS is integrating its governance processes and structures to give staff a clear line of sight between their individual performance and the strategic directions of the organisation.

FaCS—strategy and planning

Work has begun on integrating planning approaches, decision-making structures and performance reporting by standardising processes and linking them using information technology.

The Strategic Plan was reviewed during the year. A revised Strategic Statement and Priorities Plan will be released in the coming year.

Child Support Agency—strategy and planning

The Child Support Agency collaborates closely with other areas of FaCS, contributing extensive knowledge of client and community interests to policy and implementation decisions. The 2001–02 Child Support Agency business plan outlines the clear links to outcomes prescribed to FaCS. The Child Support Agency executive built on its business management framework during 2001–02 to ensure comprehensive corporate governance across CSA.

Business management system

The Child Support Agency is in the final stages of implementing a comprehensive, integrated business management system. This system consists of a series of auditable frameworks for managing clients, resources, corporate governance, service quality and innovation. CSA continues to improve these frameworks.

The client management framework provides a disciplined approach to the management of all operational activities. It includes workload prediction, workforce planning, stream strategy, workload management, team management and coaching. Clients across Australia will benefit from a consistent, quality service.

The resource management framework describes the environment and responsibilities for managing all resources. It has been broken down into separate sub-frameworks covering people, finance, security, telephony, information technology and accommodation and facilities.

The corporate governance framework presents the business management system as a corporate governance tool and outlines CSA’s accountability structure.

The service quality and innovation framework seeks to ensure that all opportunities for improvements in service to clients and the community are maximised through an integrated approach.
CRS Australia—strategy and planning

CRS Australia’s governance framework integrates a three-year corporate plan and an annual business planning cycle. These plans are the basis of operational planning and internal budgeting for CRS Australia divisional and regional offices. A regular reporting cycle is maintained for all business plans.

The CRS Australia performance achievement system, which encompasses individual performance plans for all employees, is also integrated with the business planning cycle to operationalise business objectives with individual performance requirements.

The FaCS business model

The FaCS business model, introduced last year for the implementation of *Australians Working Together* (AWT), has been broadened to incorporate the key tasks of policy development and ongoing business management. This means that the business model is used for all aspects of FaCS’s business.

This integrated model strengthens FaCS’s quality assurance by providing an effective and consistent business approach. Use of the business model ensures that the right people are involved throughout the process. It provides guidance to staff about standard processes and saves duplication. A range of practical project management tools, standards, guidelines and training is available to support the use of the business model.

Network Management Group

The Network Management Group's responsibilities include:

- setting strategic directions for the state and territory office network and the North Australia Office within the context of FaCS’s business priorities
- making decisions about directions, operations and resourcing for the network
- managing the network’s input into policy development and implementation.

The group’s members are the Executive Director—Community and Locational, each of the state and territory office managers, and the manager of the North Australia Office.

Work is under way to formalise its roles, responsibilities and accountabilities, particularly in relation to the governance of the department.

More accessible government

FaCS is contributing to the More Accessible Government (MAG) initiative, managed by the Department of Transport and Regional Services. MAG aims to deliver better regional community
access to Commonwealth government grant programs and improve grant administration across government agencies. Some of the MAG projects include:

- GrantsLINK, a whole-of-government web site that offers links to information on Commonwealth government grants
- the Standard Organisation Information form, designed to be used across all Commonwealth government grants programs to achieve a degree of consistency for grant applicants.

Senior management

FaCS—senior management

The two deputy secretaries, Wayne Jackson and Lisa Paul, assist the Secretary in managing FaCS.

The Deputy Secretary—Family and Strategic Policy, Wayne Jackson, works with the following executive directors:

- Peta Winzar—Economic and Social Participation
- Robyn McKay—Families
- Kerry Flanagan—Strategic Framework and Coordination
- David Kalisch—Welfare Reform.

The Deputy Secretary—Community and Business Strategy, Lisa Paul, works with the following executive directors and general managers:

- Denise Swift—Community and Locational
- Barry Wight—Corporate Facilities and Services
- Virginia Mudie—Partnership Framework
- Cathy Argall—Child Support Agency
- Margaret Carmody (A/g)—CRS Australia.

Executive directors are responsible for achieving nominated strategic outcomes. They are responsible for the systemic management of ‘cluster’ outputs and making sure that branches work together to achieve policy interests. Branch outputs support outcome achievements, and clustering of branches around outcomes reflects this. Assistant secretaries and state/territory managers are responsible for managing their branches/offices and delivering particular outputs, including programs and services.

Child Support Agency—senior management

The Child Support Agency operates as a semi-autonomous business unit within FaCS. The General Manager is a member of the FaCS Executive Board.
During 2001–02, the Child Support Agency had around 2600 staff located in 16 metropolitan sites and 22 regional service centres. Child Support Agency staff profiles are in Part three—Appendix 8—Staffing overview.
CRS Australia—senior management

CRS Australia’s General Manager, Deputy General Manager (Corporate), Deputy General Manager (Service Delivery) and Chief Financial Officer make up its executive management team. The executive develops, implements and monitors CRS Australia’s strategic directions as articulated in the corporate plan.

Following the federal election in November 2001, the Government announced the transfer of administration of CRS Australia to the Department of Health and Ageing from 1 July 2002. CRS Australia will continue to deliver vocational rehabilitation programs for FaCS under a service level agreement.

Figure 24  CRS Australia organisational structure
Strategic Business Group
The Strategic Business Group delivers on operational objectives against the service delivery business plan. The Deputy General Manager (Service Delivery) chairs the group. Its membership comprises all the divisional managers and national managers responsible for service delivery practice and service delivery operations.

Corporate Management Team
The Corporate Management Team delivers on operational objectives against the corporate business plan. The Deputy General Manager (Corporate) chairs the group. Members are the national managers responsible for corporate services and planning and evaluation, and a representative from the human resource and finance management teams.

SES remuneration

FaCS—SES remuneration

All FaCS’s senior executive service (SES) staff have Australian workplace agreements (AWAs) in place.

FaCS’s executive remuneration policy provides for an annual review of SES salaries taking account of the Australian Public Service SES Remuneration Survey published each year.

FaCS’s executive remuneration and performance pay is set out in Part four—Financial statements.

Australian workplace agreements

FaCS (including CSA and CRS Australia) offers AWAs to all SES staff and key non-SES staff. These agreements provide flexible or specially tailored remuneration and conditions. AWAs also are used to recruit or retain specialist staff and/or to recognise particular expertise, additional work responsibility and complexity, or especially valuable individual contributions to FaCS’s outcomes.

See Part three—Appendix 8—Staffing overview for more information on AWAs.

Service charters

FaCS—service charter

The FaCS service charter was launched on 2 November 2000. The charter was developed in consultation with the staff of FaCS, advocacy groups, peak bodies, service providers and individuals who deal with FaCS. It helps staff to better understand their roles and responsibilities and sets out the standards of service that people can expect when they have dealings with FaCS.

The charter is being reviewed.
FaCS’s complaints handling mechanism

Under the service charter, FaCS must have a strategy for managing and reporting on feedback and complaints. FaCS must also publish a summary of the complaint data in its annual report and provide this report for the whole-of-government report on service charters.

FaCS’s performance in recording the number and nature of feedback and complaints is improving. An agency-wide reporting system will be launched in September 2002.

Child Support Agency—service charter

The CSA charter was developed with the assistance of clients, community representatives and staff. It outlines the Child Support Agency’s commitment to provide a quality service, and the responsibilities of clients of the Child Support Agency.

The Child Support Agency’s service ranges from providing information to help clients manage their child support responsibilities through to working out, registering and collecting child support payments. The Child Support Agency wants to provide a high standard of service to all clients.

For information about CSA’s success at the Service Charter Awards for Excellence, see Part one—Performance reporting—Output Group 1.3.

Child Support Agency—professionalism index and client satisfaction

The Child Support Agency conducted a professionalism survey in February 2002. Results for this survey remain stable and attributes relating to the personal characteristics of staff (that is, politeness, helpfulness, sincerity and ability to listen) were rated well by clients. This indicates a high level of satisfaction with the service provided.

The Child Support Agency commissioned an external survey to explore client perceptions of what constitutes good and bad service. The resulting report, Qualitative Analysis of Client Perceptions of Service, is being used to identify areas that will improve the delivery of quality client service.

CRS Australia—service charter

The CRS Australia service charter outlines CRS Australia’s commitment to providing high-quality vocational and consultancy services to clients, and details what clients can expect from CRS Australia.

An internal review of the service charter in March 2002 revealed that compliance with service standards is high. Areas of strength include:

- provision of an ethical, professional service (98 per cent compliance)
- prompt, efficient response to letters, telephone calls, faxes and emails (95 per cent compliance)
- a commitment to making informed and objective decisions (95 per cent compliance)
- privacy protected and information kept confidential (99 per cent compliance).
An opportunity for improvement exists for the agency to seek its clients' views more regularly—
compliance here is now 80 per cent. Client feedback is now integrated into and handled through
improvement activities as identified in business plans.

**CRS Australia—quality assurance**

External certification assessment against the FaCS quality assurance framework took place in
December 2001 and January 2002. Sixteen locations including regional units and divisional offices
participated in this assessment.

The auditors noted that CRS Australia has quality management systems and practices in place. In
particular, they noted that the agency should identify ways of ensuring opportunities for
consumer input into service provision in the broadest sense. In addition, the agency needs to be
able to show that it considers and acts on consumer feedback at a more strategic level.

CRS Australia achieved certification in July 2002.

The annual internal and external analysis of quality assurance data provides CRS Australia with a
clear indicator of its service capabilities for the year and areas for continuous improvement.

**Disability Action Plan**

**FaCS—disability action plan**

The FaCS Disability Action Plan 2001–04, *Diversity pays*, aims to make considering access and
opportunities for people with a disability part of how the department does all its business. This
will help it meet its obligations under the *Disability Discrimination Act 1992* and the
Commonwealth Disability Strategy (CDS). The plan sets out what actions FaCS will take as an
employer, policy adviser and purchaser to improve access and opportunities for people with
disabilities. Progress will be evaluated every 12 months.

In 2001, FaCS assessed how it was going against the CDS performance indicators. While many of
the recommended activities were happening, there were no procedures in place to make sure
they occurred across FaCS and that they were consistently recorded. Recognising this gap, the
department developed the FaCS Disability Action Plan.

**Challenges**

One of the greatest challenges for FaCS is to raise awareness that accessibility is an issue for all
areas of the department. Over the past year, a number of approaches have reinforced this
message and made it part of the way the department does business.

For example, the checklist for new budget proposals now prompts areas to consider the impact of
their proposed new policy on people with disabilities and to document the process. The *Practical
Guide to Program Administration*, due for release in late 2002, includes a note on how to provide
information in alternative formats. This information is also being included in the revised procurement manual.

Checklists and guides on conducting inclusive consultations and considering accessibility in developing new policies and purchasing goods and services have also been developed. They are distributed to each staff member in their copies of the FaCS Disability Action Plan. The guides are included in every new registry file created.

FaCS's standard contract has also been amended to include a reference to the Disability Discrimination Act and a working group has been set up to establish FaCS service standards for producing material in alternative formats.

**Achievement**

FaCS received a commendation from the Institute of Public Administration Australia (ACT) for the accessibility of last year's online annual report. FaCS is proud of this achievement but acknowledges there is much work ahead to ensure accessibility is integrated across all of its business.

**The year ahead**

Over the next year the focus of the action plan will move to integrating accessibility issues into the formal business planning processes for all areas of FaCS.

**Child Support Agency—disability action plan**

A key component of the Child Support Agency Workplace Diversity plan is support for staff with disabilities. To that end the Child Support Agency is developing tools for staff and team leaders to support them in accommodating the needs of staff with disabilities. A working party of interested staff has been formed to review career path options for staff with disabilities, including deaf and hearing-impaired staff. The working party has examined the work availability and skill set required within the Child Support Agency for people with disability, the impact and opportunity new technology has on the work of people with disability, and the ability of the Child Support Agency to meet obligations under the *Disability Discrimination Act 1992*.

**CRS Australia—disability action plan**

CRS Australia has developed a disability action plan to help it meet its obligations under the *Disability Discrimination Act 1992* and the Commonwealth Disability Strategy (CDS). The plan is based on the principle that equal access to opportunities for people with disabilities is a right and not a privilege.

The plan aims to consider the needs of people with disabilities in all aspects of the organisation's business. Three of the five roles identified in the CDS—purchaser, provider and employer—are
relevant to CRS Australia operations. The remaining roles (policy adviser and regulator) are not. In 2001–02, CRS Australia assessed its progress against the CDS performance indicators for the three roles (see also Part three—Appendix 2—Commonwealth Disability Strategy performance report).

A number of disability strategy-related activities are under way in CRS Australia, including the strategic linking of activities such as meeting requirements of the FaCS certification process and finalising a workplace diversity plan.
FaCS and its agencies, Child Support Agency (CSA) and CRS Australia, understand their staff are their key resources. This section of the report focuses on management strategies to maintain workplace environments that allow staff to realise their potential.

Certified and workplace agreements

FaCS—certified agreement

A new certified agreement for 2002–05 was negotiated after comprehensive consultation with staff and unions. The agreement builds on the gains of the previous agreement, providing an attractive and responsible package of employment conditions and improving productivity through a number of performance improvement initiatives.

In an overwhelming show of support, more than 92 per cent of votes were in favour of the agreement, with 85 per cent of eligible staff voting.

Child Support Agency—agency agreement

Consultation has begun on the new Child Support Agency (General Employees) Agreement. The existing agreement has a nominal expiry date of 30 June 2002.

Child Support Agency Executive Level 2 staff and above are covered by Australian workplace agreements.

Broadbanding

The Child Support Agency moved to a broadbanded staffing structure in 2001 to increase organisational capability and better recognise and reward skills in resolving client issues. This structure recognises that most CSA work is client-focused at increasing levels of complexity, which require increasing levels of capability.

Based on demonstrated capabilities at the next level, 54 per cent of all broadbanding applicants were successful. The proportion of Australian Public Service (APS) 4 staff has grown 40 per cent because of broadbanding. This increase has been achieved while the overall operational staffing numbers have remained relatively constant.
The Child Support Agency is reviewing the broadbanding process to maintain its integrity and make sure it aligns classification advancement with strategic directions.

**CRS Australia—certified agreement**

CRS Australia is negotiating a new certified agreement for 2002–05. Consultations have been widespread and inclusive, giving all staff the opportunity to make input. A range of alternative feedback channels have encouraged maximum staff participation.

Key initiatives for the new agreement include:

- across-the-board salary increases over the life of the agreement to better align CRS Australia salaries with the APS median
- broadbanding the rehabilitation consultant classifications to allow for staff movement through the salary ranges and some adjustment to the performance achievement system, including future investigation of team-based rewards
- initiatives to further promote work–life balance, including payment of additional dependent care costs for unplanned overnight absences.

**Capability development**

**FaCS—learning and development**

FaCS has reviewed its approach to learning and development in response to environmental influences. An evidence-based business and partnership approach resulted in:

- a more strategic focus of the orientation session for new staff and delivery of important information relevant to both new and existing staff to complement the orientation session (for example, early dissemination of FaCS information from the recruitment area and follow-up seminars)

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<th>PERCENTAGE OF SUCCESSFUL APPLICANTS</th>
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<td><strong>513</strong></td>
<td><strong>54</strong></td>
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Table 81 Child Support Agency—agency agreement—broadbanding results
development activities that focus on business partnerships and relationship management (for example, sponsoring attendance at the leadership and emotional intelligence program, partnering and relationship management workshops, contract management courses and project management workshops)

improved data-gathering and reporting systems on internal and external learning and development activities that all staff undertake.

Child Support Agency—capability development

Human resource development strategy

The key initiatives of the Child Support Agency’s people development strategy included:

- increasing leadership capability by:
  - recruiting 13 graduates to join 10 current staff in undertaking a specialised Graduate Certificate in Public Administration with a Child Support Agency focus through the University of Canberra
  - developing team leader development training modules to increase leadership and management capability
  - conducting business and learning forums for Child Support Agency senior leaders.

- increasing the capability of all staff by implementing a major change management strategy for the transition to the new computer system. Key elements included:
  - developing team coaches who have an understanding of the change process and the likely individual reaction to change as well as the technical skills to facilitate learning in their team
  - developing the internal skills to produce e-learning products
  - developing 100 e-learning modules to prepare staff for the implementation of the system
  - developing training in specific areas such as safety in low security areas
  - implementing an accreditation process by which trainers within CSA are given skills in training and facilitation
  - increasing the uptake of the electronic training database.

- measuring and moulding the Child Support Agency’s culture by conducting a third Corporate Health Index staff survey, which profiles nationally by site and job level.

The results in 2001 show a significant improvement across the organisation when benchmarked against the results of the 2000 survey. Particular improvements were in resources, time to do the job, change management and training.

Areas requiring further work were in resourcing and programming workloads for staff, and improving communication and implementation of broadbanding across the Child Support Agency.
Rewards and recognition
Once every two months, the Child Support Agency recognises teams or individuals within each CSA site who contribute significantly to business objectives and values. A national award is given yearly to the top nomination(s).

National Consultative Forum
The National Consultative Forum is the formal channel for consultation between the Child Support Agency and staff. The forum made valuable input into a broad range of initiatives and activities, including the new Cuba IT system, the results of the Corporate Health Index, CSA’s certified agreement, change management, and CSA’s advancement process. Management and elected staff representatives constitute the forum, which meets three times each year.

CRS Australia—capability development
CRS Australia restructured its human resources function during 2001–02 to improve overall effectiveness.

Workforce planning
CRS Australia has strengthened its organisational capability by developing a consolidated framework for workforce analysis and reporting. This provides management with accurate and timely trend analysis of workforce issues.

Recruitment and retention strategy
A CRS Australia priority was the continued development of recruitment and retention strategies. Major initiatives included:
- providing flexible work and family arrangements for staff so that CRS Australia remains the employer of choice
- analysing exit and entry data to identify retention issues and inform workforce planning
- developing an expression-of-interest database for internal transfers
- developing a targeted advertising strategy to attract key allied health professionals.

Learning and development
The agency endorsed a new framework that articulated a philosophy and approach for learning and development. The framework:
- supports staff so they can meet customer and client needs
- provides strategies that harness their individual motivation and encourage them to share experience and continually learn
- uses personal and team-based coaching, both formal and informal, as the primary mechanism for ensuring continual learning.
Leadership and management development

Three key initiatives continued the agency's emphasis on leadership and management:

- the second national Leadership Development Program, with further programs to be run in 2002–03
- design of an initiative to continuously improve management capacity to achieve accountability, compliance and business outcomes, which will be delivered in 2002–03
- a pilot to assess an action learning group approach to improve individual and group leadership and help managers take on a greater position of influence.

National induction

A national corporate induction workshop was implemented and provides new employees with an insight into organisational values and advice on how to align their working practices with national best practice. This program complements existing workplace coaching processes and orientation and induction plans.

A major evaluation of CRS Australia's induction approach began in June 2002.

Network of rehabilitation consultants

Through continuing application of professional development strategies, rehabilitation consultants are better equipped to implement new business streams, changes in national guidelines and case management approaches on a nationally consistent basis.

Individual performance management system

All CRS Australia employees participate in a performance achievement system with individual performance plans linking to corporate and business priorities. The fourth cycle of CRS Australia's performance achievement system concluded on 30 June 2002. Employee feedback to a review of the system led to amendments that simplified rating scales and standardised templates.

The performance achievement system will be more comprehensively reviewed in 2002–03.

Diversity

FaCS—work–life diversity

FaCS strives to create an accessible and inclusive work environment that values and makes the best possible use of the contributions of all its people.

The department's concern for work–life diversity delivered the following to and for its staff:

- the launch and implementation of the FaCS Diversity Plan 2002–04, Diversity pays
- diversity resources, information, support and advice to managers and employees
- analysis, advice and information on work–life balance issues, including the development of a Guide to flexible work options
establishment and upgrading of existing family support rooms in state, territory and national offices

coordination and secretariat support to the Indigenous Officers Network, Diversity Contact Officer Network, Harassment Contact Officer Network and Disability Stakeholder Group—each contributing significantly to the direction of corporate policies and projects for FaCS

delivery on the FaCS Disability Action Plan

support to managers and their staff who have an injury, illness or disability, including those who use technological assistance tools

management of the contract for the Family CareLink call centre service

launch of the *Guide to a workplace free of harassment*, including promotional products and an online learning and development program on anti-discrimination and workplace harassment.

### Child Support Agency—workplace diversity

In September 2001 the Child Support Agency launched its *Workplace Diversity Plan 2001–02*. The plan contains a range of strategies to ensure that all staff can contribute their best and develop to their potential.

The plan has six key areas with associated initiatives:

- raise awareness of workplace diversity in CSA
- establish an effective recording and reporting framework for workplace diversity
- ensure CSA's recruitment and selection practices reflect best practice in workplace diversity
- provide all staff with a career path through access to appropriate development opportunities
- identify and meet specific needs of the staff to encourage full participation of a diverse workforce
- establish workplace diversity management principles to manage CSA's workplace diversity program and objectives.

The 'diversity wheel', a ready reference tool distributed to all staff with the plan, was an innovative approach to reinforce their awareness of their responsibilities.

### Plan for delivering multicultural services 2001–04

This plan provides the framework for integrating the principles of multicultural service delivery into all aspects Child Support Agency business.

Initiatives implemented in 2001–02 included:

- redevelopment of the child support system to enable CSA to gather data on the main language people speak and their Indigenous status
- translation of five key fact sheets into ten major languages, available on CSA's web site and in print
a mail-out to 2300 community service organisations advising them of CSA products and services available to assist parents from culturally and linguistically diverse backgrounds

establishment, through the Outreach Program, of networks with other government agencies and community organisations with links to mutual clients

links to the CSA’s web site from web sites of other organisations servicing clients from culturally and linguistically diverse groups.

Child Support Agency disability access

The Child Support Agency has an ongoing commitment to provide access for people with a disability at all sites. See also Part three—Appendix 2—Commonwealth Disability Strategy performance report.

CRS Australia—workplace diversity

CRS Australia has an inclusive work environment that values and uses the contribution of people of different backgrounds, experiences and perspectives. CRS Australia recognises that a diverse workforce is creative, innovative and improves the achievement of outcomes for its client group. Workplace flexibility remains a key component of CRS Australia’s corporate culture and enables managers to be responsive to the needs of employees and clients.

CRS Australia’s commitment to work–life balance is reflected in its existing certified agreement and has been a key element in the development of the new certified agreement for 2002–05.

CRS Australia disability access

CRS Australia has an ongoing commitment to provide access for people with a disability at all its locations. See also Part three—Appendix 2—Commonwealth Disability Strategy performance report.

Occupational health and safety

FaCS—occupational health and safety

FaCS has an occupational health and safety policy, agreement and infrastructure that ensures cooperative consultation with employees about health and safety matters.

The department has moved its focus from traditional health and safety to the well-being of staff. Prevention and early intervention are strong elements of initiatives contributing to the department’s overall low rate of accident, incidents and claims for compensation.
Work environment initiatives

Focus on prevention and early intervention
FaCS’s focus on prevention and early intervention has helped reduce claim frequency and time off work. Initiatives that contributed to the reduction included:

- **Employee Assistance Program (EAP)** — a free, professional counselling service available to staff who have issues that may be disrupting their life at work and home. FaCS is working in partnership with the EAP provider to ensure that the program delivers outcomes to FaCS as an employer and also to FaCS’s staff.
- **WorkStation Assessment Program** — for new staff and particularly those who have early indications of an overuse injury.
- **Work environment library and health promotion information** — a lending library that includes different mouse and keyboard technologies, stress management videos, and health and well-being books and information.

Focus on well-being
FaCS’s new focus on the well-being of staff involved initiatives such as:

- **Heart Week activities** — healthy activities such as tai chi, yoga and a light and easy aerobics class highlighted the advantages of having a healthy heart. Olympic walker Kerry Saxby-Junna led a walk for a group of staff.
- **Learning at Lunch Program** — over lunch, staff could find out about much that is useful at work and at home, including nutritious cooking, stress management, superannuation and parenting teenagers.
- **Health Expo 2001** — staff could have a skin cancer check or a seated massage, try foot reflexology or have their eyes tested. They could try the Alexander technique, tai chi or learn about nutrition at the daily ‘Healthy Happenings’ series. The expo also gave them an opportunity to find out about health issues including women’s health, arthritis, diabetes, nutrition and cancer.
- **User Pays Seated Massage Program** — staff found this service convenient in their workplace and actively sought it out.

Child Support Agency—occupational health and safety

Occupational health and safety is directed by policy and monitoring at the national level of the Child Support Agency. The National Occupational Health and Safety Committee acts as the primary advisory body and meets quarterly to administer strategic performance outcomes.

All occupational health and safety service delivery was contracted to Acumen Alliance in December 2001. The management of all compensation and rehabilitation was transferred from the Australian Taxation Office to Acumen Alliance, and the Child Support Agency centralised the administration of incidents and claims.
Comcare delivered a report on its review of the Child Support Agency’s occupational health and safety performance in March 2002. The CSA has implemented recommendations both nationally and at each of the three sites that Comcare directly reviewed (Newcastle, Canberra and Brisbane).

Throughout 2001–02, the Child Support Agency maintained a coordinated approach to compensation. New targets were introduced to improve timeliness, and a consistent decision-making process was maintained.

CRS Australia—occupational health and safety

Under CRS Australia’s occupational health and safety policy and agreement, a staff health team centrally manages occupational health and safety, claims management and rehabilitation of injured workers.

CRS Australia staff are part of a national network of 15 work groups of health and safety representatives elected in consultation with the Community and Public Sector Union. Six new representatives were elected during 2001–02.

The National Occupational Health and Safety Committee promotes cooperation between management, unions and employees to maintain and improve occupational health and safety for all staff. CRS Australia continued to develop and review policies and guidelines in consultation with the committee.

Strategies

CRS Australia strategies to help prevent and manage workplace injuries included:

- annual use of workplace inspection checklists by managers
- an intranet site to help new and existing staff better understand workplace occupational health and safety
- follow-up of all hazard and injury reports
- analysis of trend data to develop injury prevention strategies.

Through these strategies, CRS Australia can manage the compensation premium through minimising risk and providing effective return-to-work programs.

CRS Australia employee assistance program

Davidson Trahaire provided the employee assistance program consultancy service to promote and maintain the health and productivity of all employees. Use of the service is voluntary, confidential and available to all employees and their immediate families. A new contract covers the period January to December 2002. In 2001–02 the annual usage rate was 9.2 per cent.
FaCS portfolio—occupational health and safety reporting

Under section 74 of the *Occupational Health and Safety Act (Commonwealth Employment) Act 1991* departments and Commonwealth authorities are required to report on occupational health and safety matters. The following tables provide this information for FaCS, CRS Australia and the Child Support Agency for 2001–02.

<table>
<thead>
<tr>
<th>Table 82</th>
<th>Occupational health and safety—incidents that required the giving of a notice under s. 68 of the Act, 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FACS (CORE)</td>
</tr>
<tr>
<td>Death</td>
<td>1</td>
</tr>
<tr>
<td>Serious personal injury</td>
<td>1</td>
</tr>
<tr>
<td>Incapacity of 30 or more days</td>
<td>0</td>
</tr>
<tr>
<td>Dangerous occurrence</td>
<td>1</td>
</tr>
</tbody>
</table>

* CRS Australia data includes vocational rehabilitation clients incidents.

<table>
<thead>
<tr>
<th>Table 83</th>
<th>Occupational health and safety—details of investigations conducted and directions and notices given under the Act, 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigations, including tests conducted on any plant, substance, objects etc in the course of an investigation</td>
<td>FACS (CORE)</td>
</tr>
<tr>
<td>Notices given to the agency under section 45 of the <em>Occupational Health and Safety (Commonwealth Employment) Act 1991</em> that the workplace not be disturbed</td>
<td>0</td>
</tr>
<tr>
<td>Notices given to the agency under section 29 of the <em>Occupational Health and Safety (Commonwealth Employment) Act 1991</em>—Provisional Improvement Notices</td>
<td>0</td>
</tr>
<tr>
<td>Notices given to the agency under section 46 of the <em>Occupational Health and Safety (Commonwealth Employment) Act 1991</em>—Prohibition Notices</td>
<td>0</td>
</tr>
<tr>
<td>Notices given to the agency under section 47 of the <em>Occupational Health and Safety (Commonwealth Employment) Act 1991</em>—Improvement Notices</td>
<td>0</td>
</tr>
</tbody>
</table>

* Of the 14 provisional improvement notices, 6 have been cancelled and 2 were found by Comcare to constitute no breach under the Act. The remaining 6 notices are still active.
FaCS portfolio—workers compensation premium rate

The 2001–02 prescribed rate for FaCS (including CRS and CSA) workers compensation premium was set at 1.14 per cent. The revised rate is 1.11 per cent for this period which will result in a bonus for the portfolio for this financial year.

FaCS (core) has decreased claim frequency to 17 claims in 2001–02, down from 26 in 2000–01. By focusing on early intervention and return to work, FaCS (core) has experienced a significant decrease in time off work for claims this year and achieved similar results in reducing time off work for claims from previous financial years.

FaCS—internal communication

FaCS ensures that staff are well informed about issues relating to core business. Internal communication vehicles include a weekly email newsletter, a quarterly hard copy newsletter and fortnightly auditorium meetings that feature presentations by the FaCS executive.

Staff were provided with information on new business initiatives and policy directions. Major projects included the development of the new FaCS strategic documents and certified agreement, the review of the department’s corporate identity and assistance with communicating welfare reform and strategic people management initiatives.
FaCS’s main business delivers on two elements of Australia’s ‘triple bottom line’—positive social and economic outcomes for Australian families, communities and individuals.

But the department operates in full awareness of the third element, making sure its environmental performance also contributes to ecologically sustainable development. FaCS has considered its environmental performance as required by the Environment Protection and Biodiversity Conservation Act, 1999.

To tread lightly on the natural environment, FaCS is:

- using ‘smart’ lighting systems and ‘energy saver’ office machines to meet energy-use targets
- using ‘green’ energy and investigating bulk purchases of electricity
- using unleaded fuel in its vehicles
- providing staff with bins to recycle waste paper
- monitoring air quality in the work environment.

FaCS knows that more can be done to improve environmental performance. Some initiatives are:

- engaging a consultant to develop an environmental management system that will reduce the impact of operations on the environment and increase efficiencies by improving monitoring and reporting capability
- planning a series of campaigns to alert staff to operations that affect ecologically sustainable development and to ways of reducing waste and conserving energy.

The Child Support Agency can now record energy consumption in its own leases. Its property manager is to prepare an energy report for the 2001–02 year to assess and compare energy usage, set best practice benchmarks for commercial office environments, and set out options for increasing energy usage efficiency.

CRS Australia is planning a major energy consumption reduction project during 2002–03 based on earlier findings about its energy use. It is engaging a company to perform energy audits and to benchmark activities.

CRS Australia is subscribing to the greener motoring initiative and has been recognised as a market leader by the Australian Fleet Managers’ Association.
External scrutiny

FaCS is committed to responding to external scrutiny of its operations. In this section, FaCS, Child Support Agency (CSA) and CRS Australia report on their strategies to meet that commitment.

Fraud control

See Part four—Financial statements—Certification of departmental fraud control arrangements.

Privacy

FaCS—privacy

FaCS adopts practices to protect the privacy of information obtained from people who use portfolio services. The department reviews and assesses practices and procedures to achieve best practice across the portfolio.

As a purchaser of services, FaCS is confident that Centrelink and the Family Assistance Office have effective mechanisms in place to protect clients’ personal information. Centrelink is also bound by its own privacy guidelines, which complement the current privacy regime, ensure Centrelink complies with the principles underlying the Privacy Act and deal with privacy issues particular to the Centrelink environment.

FaCS’s business partnership agreement with its partner service delivery agencies allows FaCS to monitor and contribute to the protection of client privacy. FaCS operates an administrative law protocol with its family assistance partner service delivery agencies for handling privacy and freedom of information-related matters. The department also maintains a separate memorandum of understanding in its business partnership agreement with Centrelink. As part of the protocols and memorandum, partner service delivery agencies are required to provide FaCS with quarterly reports on privacy, confidentiality and freedom of information matters. Centrelink and FaCS officers meet regularly to discuss and resolve privacy issues.

Liaison with the Privacy Commissioner

FaCS liaised with the Privacy Commissioner about social security and family assistance policy development issues, and personal information handling and complaints the commissioner received about the department. Complaints about interferences with privacy alleged by clients of service delivery agencies were forwarded to those agencies to investigate and resolve.
FaCS consulted the Privacy Commissioner on privacy issues as they arose, such as the implementation of the Personal Support Programme. FaCS also joined the Privacy Contact Officers’ Network Steering Committee and participated in regular Privacy Contact Officer meetings.

**Complaints, reports and determinations by the Privacy Commissioner**

FaCS received only one privacy complaint from the Privacy Commissioner’s Office. That complaint involved an allegation of unauthorised use of client personal information. This matter remains under investigation. A complaint referred from the Privacy Commissioner’s Office in 2000–01 was resolved in this financial year. The alleged breach was not substantiated.

Under ss. 30 and 52 of the *Privacy Act 1988*, the Privacy Commissioner may issue a report or declaration about FaCS. The commissioner did not issue any reports or determinations under these sections.

Under s. 73 of the *Privacy Act 1988*, an agency may apply for a public interest determination under s. 72 by the Privacy Commissioner, about an act or practice that breaches an information privacy principle. FaCS did not apply for any such determination.

**Privacy compliance and investigations**

The confidentiality provisions of legislation that fall under the operational jurisdiction of the FaCS portfolio expressly forbid the release of client information, except in limited circumstances. FaCS investigates all complaints and allegations of breaches of privacy and/or confidentiality.

FaCS maintains a memorandum of understanding with Centrelink under which Centrelink investigates alleged breaches of privacy by FaCS’s staff, service providers or departmental procedures. FaCS’s administrative law protocol with the Australian Taxation Office (ATO) and Health Insurance Commission (HIC) requires those agencies to report to FaCS outcomes of investigations they conduct into alleged breaches of privacy involving the service delivery of family assistance to clients. The ATO and HIC reported nil breaches in 2001–02.

FaCS dealt with four incidents that alleged the loss and unauthorised disclosure of personal information. Two of the four allegations were finalised. Both were substantiated. The remaining two matters, one of which was an investigation initiated by the Privacy Commissioner in June 2002, are yet to be finalised.

**Privacy Commissioner Information Privacy Principle Audit of the Family Assistance Office**

In October 2001 the Privacy Commissioner conducted an audit under to paragraph 27(i)(h) of the *Privacy Act 1988* on the records of the Family Assistance Office.

The audit, which was finalised in June 2002, contained four recommendations that the department has agreed to implement.
**Child Support Agency—privacy**

The majority of privacy concerns and identified privacy breaches are investigated and resolved within the Child Support Agency through its national network of privacy officers. The Privacy Commissioner continues to refer all complaints to the Child Support Agency in the first instance. This year, the commissioner formally investigated only four new matters.

The Child Support Agency maintains representation on the Office of the Privacy Commissioner’s Steering Committee.

**Child Support Agency’s complaints service**

The Child Support Agency continued to coordinate and manage feedback and complaints by integrating management of the complaints service, ministerial correspondence, complaints made through the Commonwealth Ombudsman and the Office of the Federal Privacy Commissioner, requests for compensation, and media coverage. In 2001–02, 82.6 per cent of all complainants contacted the Child Support Agency’s complaints officers compared with 71.5 per cent in 2000–01 and 66.5 per cent in 1999–2000.

**CRS Australia—privacy**

CRS Australia maintains client and other files that contain a range of personal information, some of which can be of a sensitive nature. The agency has well-developed systems to ensure the maintenance of an appropriate level of privacy with regard to this information. The relevant principles and practices are extensively documented on the CRS Australia intranet page ‘Managing client information’ and promoted regularly to staff. CRS Australia has identified key elements of best practice as including:

- complying with the legislative requirements when collecting, using and storing personal information
- keeping the client informed of their rights to access and amend their personal information
- ensuring the client understands the purpose for why the information is being collected, and to whom the information will be disclosed
- ensuring the appropriate information consent forms have been signed by the client and are up to date
- ensuring all reasonable steps have been taken to ensure the security of personal information
- ensuring the personal information is accurate, up to date, complete and not misleading
- responding to requests for access to personal information (including subpoenas) as soon as practicable and within legislated time limits.

CRS Australia has nominated a senior national officer as the Privacy Contact Officer. This officer coordinates all liaison with the Privacy Commissioner including the investigation of complaints about privacy.
There has been one complaint lodged in 2001–02 with the Privacy Commissioner concerning CRS Australia, relating to an alleged unauthorised release of information to a third party. The Commissioner has yet to make a determination.

Reviews and appeals

FaCS—reviews and appeals

Reviews and appeals information are reported under each output group in Part one—Performance reporting.

Child Support Agency—reviews and appeals


Child Support Agency clients can object to most decisions the Child Support Agency makes. In 2001–02, 10 997 objections were received. 10 721 objections were finalised including 11.1 per cent upheld or partially upheld. At 30 June 2002, there were 1538 objections in progress.

Child Support Agency—client compensation

In 2001–02, the Child Support Agency received 144 compensation claims compared to 101 in 2000–01 and 150 in 1999–2000. Of the 133 claims finalised (including claims considered from the previous year), the Child Support Agency upheld 60. The Child Support Agency paid $45 487.02 in compensation during 2001–02 compared to $48 236 in 2000–01. This comprised $34 437.02 in payments under the Compensation for Detriment due to Defective Administration Scheme, and $11 050.00 in payments for legal liability.

CRS Australia—reviews and appeals

A person affected by a CRS Australia decision—or its failure to make one—about rehabilitation can appeal first to the Secretary of FaCS then to the Administrative Appeals Tribunal if the matter is not resolved to their satisfaction.

CRS Australia’s internal review process is based on a three-tier complaint resolution model whereby attempts to resolve the complaint are made at regional, divisional and national levels as required.
Reasons for review/appeals (by level or tier)

*Internal reviews* — 26

- Review of decision not to provide program: 12
- Review of decision to close rehabilitation program: 5
- Review of decision to pay specified program costs: 2
- Review of decision to release from liability to repay costs: 1
- Review of decision to provide training: 2
- Review of actions leading to closure: 4

*Administrative Appeals Tribunal* — 2

Of the two appeals, one was against the decision not to provide a rehabilitation program. This appeal was withdrawn by the client before the hearing. The other was against the decision not to waive rehabilitation costs. A hearing date is expected in coming months.

**Complaints to the Ombudsman**

*FaCS—complaints to the Ombudsman*

The Commonwealth Ombudsman received 30 complaints relating to 32 issues about the department, which is a reduction on the 2000–01 figure of 34 issues.

Table 85 shows the number of issues raised by complainants with the Commonwealth Ombudsman.
Under s. 15 of the Ombudsman Act 1976, the Ombudsman may report to a department and request details of any action it proposes to take in relation to matters and recommendations included in the Ombudsman’s report. The Ombudsman did not release any such reports for FaCS in 2001–02.

The Ombudsman Act also provides for the Ombudsman to make reports to the Prime Minister (s. 16), reports to Parliament (s. 17) and annual and additional reports (s. 19) which may contain comments about departments. The Ombudsman did not release any such reports for FaCS in 2001–02.

Child Support Agency—complaints to the Ombudsman

The Ombudsman received 2007 complaints about the Child Support Agency in 2001–02. This compares to 2178 CSA complaints received last year (an 8 per cent reduction) and follows a continuing downward trend since 1995–96.

The ombudsman has advised CSA that the continuing downward trend in relation to CSA complaints reflects both improved service standards within the CSA and the effectiveness of the Child Support Agency’s own complaints service for clients.

CRS Australia—complaints to the Ombudsman

The Ombudsman received 23 complaints about CRS Australia, out of which 24 issues were identified. Of these complaints, 2 were found by the Ombudsman to reflect defective administration on the part of CRS Australia.

Of the two found to be defective in administration, the first related to program closure and a claim that CRS Australia did not undertake an appropriate assessment. Although assessment was subsequently arranged, the Ombudsman closed the investigation prior to the results of the assessment. These results supported the decision not to provide rehabilitation services and the client was subsequently advised of the reasons for this decision.
The second complaint found to be lacking related to a time delay in responding to a request for information under the Freedom of Information Act. An apology was provided for this error and the information released to the client.

**FaCS—Act of Grace payments**


**FaCS—Australian National Audit Office activity**

FaCS was included in the following Australian National Audit Office (ANAO) audits in 2001–02.

**No. 61: Managing people for business outcomes**

The purpose of the study was to review the effectiveness of people management and human resource (HR) management in agencies. The audit addressed how line managers plan for and manage their staff to help achieve agency and program outcomes, and how the HR function supports people management practices to achieve agency outcomes. FaCS was one of 14 agencies that participated in the study.

FaCS has undergone significant organisational change and has been responsible for some major Government initiatives. The following recommendations were made by the ANAO to assist FaCS to continue to manage those initiatives and prepare staff for future change:

- continue to work with FaCS’s strengths, in particular, the quality of the design of people management practices
- ensure successful implementation of recent initiatives
- improve the strategic role of the HR function.

FaCS is continuing to build on these supportive recommendations.

**No. 62: Benchmarking the finance function—follow-on report**

FaCS participated in this benchmarking study over three financial years beginning in 1999–2000. This benchmarking study did not report by agency. The study’s findings have enabled FaCS to compare its performance against the benchmarks in the audit report (both of Commonwealth agencies and an international group of public and private sector organisations) to help identify and diagnose areas where business processes may be improved.
No. 64: Management of learning and development in the Australian Public Service

The scope of the audit included the extent to which selected Australian Public Service agencies have developed a strategic approach towards identifying their professional development requirements based on future business needs. Agencies audited included the Australian Bureau of Statistics, Department of Foreign Affairs and Trade, Department of Veterans’ Affairs, Health Insurance Commission and FaCS. Other agencies staffed under the Public Service Act responded to a detailed questionnaire. There were no specific recommendations relating to FaCS in the report. FaCS is cited in the area of best practice for online evaluation of learning activities.

No. 34: Management of travel (use of taxis)

This cross-agency ANAO report included CRS Australia within its sample agencies. Travel policy and procedural rules are being amended to enhance and strengthen the control environment and facilitate cost-effective taxi travel management.

No. 33: Audit of the Senate Order of 20 June 2001

The ANAO noted that FaCS has complied with the Senate Order of 20 June 2001, which requires agencies to list current contracts of $100,000 or more on the Internet.

No. 21: Developing policy advice

This cross-agency ANAO report included FaCS within its sample agencies. It focused on the policy advising outputs concerning briefing documents, submissions and oral briefings provided to ministers and Cabinet. The audit concluded that agencies audited had appropriate elements of a quality management system but that quality assurance procedures were not used consistently in all policy advising projects examined. FaCS is ensuring that the better practice principles identified are examined and adopted.

No. 18: Performance information published in Portfolio Budget Statements

This audit assessed the appropriateness of performance information in Portfolio Budget Statements (PBS) and annual reports. FaCS and nine other agencies were included in this audit. The ANAO examined the performance information in the 2000–01 PBS and the reporting or performance information in 1999–2000 annual reports.

FaCS’s achievements in respect of the scope of this audit compared well with the other agencies. Further improvement to performance information and reporting have been made since the period of the audit examination. The issue of balancing annual performance reporting with the longer
time frames over which social policy outcomes are achieved requires careful handling. FaCS’s performance reporting framework tailors government reporting requirements to address this issue.

Data quality and management continues to be the most significant challenge facing performance information for FaCS. A quality assured repository for FaCS’s management information and data is under development, which is expected to largely address this challenge.

Child Support Agency—ANAO Audit

The ANAO began a general performance audit of the Child Support Agency in October 2001. The audit focused on:

- progress on implementation of audit recommendations made in 1997–98
- review of corporate governance processes
- general review of performance in relation to client service.

The ANAO’s fieldwork was completed in March 2002 and a draft Section 19 Report has been prepared. It is expected that the report will be tabled in Parliament in September 2002.

Parliamentary committees

Joint Standing Committee on Treaties

Revised social security treaties with Austria, Canada, the Netherlands and Spain were tabled in Parliament on 7 August 2001. The new treaty with Germany and revised treaty with Portugal were tabled in Parliament on 21 August 2001.

FaCS witnesses appeared before the committee at its public hearings on 20 August and 17 September 2001 when it reviewed the treaties. The committee recommended that binding treaty action be taken in all cases.

A new social security treaty between Australia and the United States of America and an Exchange of Notes amending the new social security treaty with New Zealand were tabled in Parliament on 12 March 2002. FaCS witnesses appeared before the committee at its public hearing on 13 May 2002 when it reviewed the treaty and Exchange of Notes. The committee recommended that binding treaty action be taken in all cases.

Senate Community Affairs Legislation Committee

The Disability Services Amendment (Improved Quality Assurance) Bill 2001 was introduced into the Senate on 23 August 2001. On 19 September 2001 the Senate referred the Bill to the Senate Community Affairs Legislation Committee for inquiry and report. On 25 September 2001 FaCS appeared before the Senate Committee to provide evidence on the Bill. FaCS provided a
submission and answered questions raised by the Senate Committee on the new quality assurance system for disability employment services. ACROD and the National Caucus of Disability Consumer Organisations also provided evidence. As a result of the federal election announcement, a report was not produced. The Bill was re-introduced into the Senate on 13 February 2002 and the legislation was passed on 21 March 2002.

The Senate Committee’s report on ‘Scrutiny of Annual Reports No. 1 of 2002’ commented that the FaCS annual report for 2000–01 was ‘well structured, “reader-friendly” and the sections on performance reporting provide a useful overview of Departmental outcomes’. The Senate Committee also noted that the assessment and reporting on the achievement of outcomes had improved from the previous annual report in line with the Senate Committee’s comments.
FaCS ensures that the portfolio’s financial resources—particularly operational resources—are obtained, allocated and monitored in a fair, effective, accountable and efficient manner, facilitating the delivery of quality services to clients. See also Part four—Financial statements.

This section covers the financial management processes of FaCS, the Child Support Agency (CSA) and CRS Australia.

**FaCS—significant financial events**

**Portfolio transfers**

Portfolio responsibilities changed under the Administrative Arrangements Order of 26 November 2001. The youth affairs function moved to FaCS from the former Department of Education Training and Youth Affairs.

CRS Australia will move from FaCS to the Department of Health and Ageing from 1 July 2002. FaCS’s financial statements include CRS Australia’s financial operations for the full 2001–02 financial year.

The move of the youth affairs function to FaCS resulted in the transfer of the following four administered items, which have been incorporated within Output Group 1.2, Youth and student support:

- Job Placement, Employment and Training Programme
- Green Corps
- Targeted Youth Assistance Program
- components of the Strategic Intervention Program.

**Asset management**

FaCS entered into lease agreements for the desktop computer component of its information technology infrastructure. Leasing enables improved management of the age profile and technology base of information technology assets and provides for improved cash-flow management.

The decision to lease this equipment was taken after a comprehensive cost-benefit analysis of lease-versus-buy options.
Market testing

Agencies subject to the *Financial Management and Accountability Act 1997* must market test relevant activities and services, beginning with corporate services—that is, they must invite external service providers to tender for business unless a specific exemption is granted.

In 2001–02, FaCS continued its program to market test its corporate services. Documentation of all relevant corporate service functions was completed and associated risks assessed.

FaCS is now developing a strategy for determining how it will most effectively test the market.

The formal testing of the market is expected to start during 2002–03.

Student Financial Supplement Scheme actuarial review

An actuarial review of the Student Financial Supplement Scheme was completed, focusing on the likelihood of student financial debts being repaid to government.

The findings of the review resulted in significant changes to the provision for doubtful debts for the scheme. Provision for doubtful debts was increased from 36 per cent to 56 per cent of outstanding loans, resulting in a one-off expense in the 2001–02 financial year.

Financial relationship between FaCS and Centrelink

Centrelink delivers most of FaCS’s administered payments under a purchaser–provider relationship, which is governed by the business partnership agreement. Funds for the purchase of services from Centrelink are appropriated to FaCS and then paid to Centrelink by FaCS in accordance with an agreed payment schedule. Funds for the payment of benefit entitlements administered by FaCS are drawn down by Centrelink under a delegation given to Centrelink by the Secretary of FaCS.

As major purchasers, FaCS and the Departments of Employment and Workplace Relations and Education, Science and Training, together with the Department of Finance and Administration and Centrelink, reviewed Centrelink’s funding arrangements to ensure that Centrelink is adequately funded for the wide range of complex and specialised services it delivers. Subject to government approval, a new funding model will be implemented over 2002–03.
Child Support Agency

Managing finances and assets

The Child Support Agency achieved:

- an unqualified set of financial statements
- implementation of the Child Support Agency's internally developed client software, Cuba, that produces an automated double entry, real-time set of administered financial accounts, improving transparency and accountability
- consolidation of the role of the Child Support Agency's Finance Steering Committee to oversee strategic financial issues
- continued implementation of the Child Support Agency's market testing plan
- finalisation of the Child Support Agency's financial management framework, which describes the environment in which the Child Support Agency manages its financial responsibilities.

Funding

The 2001–02 year is the second of a four-year funding agreement with Department of Finance and Administration. It is based on the Child Support Agency's Output Pricing Model and results in a pricing efficiency of 3 per cent per year, cumulative. Service has been delivered to a larger client group at a lower price, indicating significant productivity improvements. The primary driver is the proportion of private collect cases compared to CSA collect cases. The agreed target is 50 per cent by 30 June 2003. With a current result exceeding 49 per cent, the Child Support Agency is well on track to achieve this goal.

In addition, CSA has invested in a range of activities that have delivered savings to support the operational arm of the business.

Competitive tendering and contracting

The Child Support Agency has a comprehensive outsourcing program, and has tested or plans to test all feasible non-core activities, in line with the objectives of government policy. Information technology infrastructure is already provided through the Australian Taxation Office, outsourced to EDS.

Human resource services, employee salary packaging and occupational health and safety services were contracted on a competitive basis during 2001–02.
Accommodation

The Child Support Agency continued to rationalise its accommodation, with the successful relocation of the Wollongong office. This and accommodation initiatives from 2000–01 have realised ongoing annual savings of approximately $6.1 million in property operating expense outgoings. Any further accommodation moves will be as a result of the Child Support Agency and Australian Taxation Office jointly identifying opportunities as circumstances arise.

CRS Australia

Managing finances

CRS Australia achieved:

- an unqualified set of financial statements
- expenses well within budget levels
- net surplus of $9,974,000
- significant dividend payments used to fund FaCS Assessment and Contestability Trials and competitive neutrality tax equivalence payments.

Accrual budgeting and reporting

CRS Australia continued to improve its financial management framework by:

- providing further financial management training to staff, including making a training package available on the intranet
- ensuring all managers with budgetary responsibilities completed an accrual budget
- comparing budgets with actual performance every month and analysing major variances
- undertaking regular organisational financial management performance reporting.

Cash management

CRS Australia extended its relationship with Westpac, its transactional banking provider, by moving credit card arrangements to it. Cash management and investment activity succeeded in returning interest revenue beyond budget estimates.

Taxes

To ensure tax affairs were conducted in accordance with legislation, CRS Australia provided:

- an internal help desk for ongoing training, queries and issues management for tax matters
- an intranet model for regular collection and update of fringe benefits tax information.
Asset management

CRS Australia continues to move towards best practice in fixed assets management. Annual stocktake practices are completed expediently and accurately, while accounting for leasehold improvements is supported by a twice-yearly review of holdings.

Competitive tendering and contracting

CRS Australia continued to ensure compliance with the Government's requirement that corporate service functions be market tested. Considerable preparatory work has been undertaken across a range of financial, human resources and other corporate services. A request for tender process was undertaken for accounts processing and travel services. At the time of publishing this annual report, the matter is unresolved.

Property

The national service delivery network consists of 160 permanent offices, supplemented by a range of visiting services. CRS Australia seeks to locate its offices conveniently for clients in relation to Centrelink offices, transport systems and other community facilities.

During 2001–02 a new permanent service delivery outlet opened at Inala in Queensland in response to increased demand and demographic changes on the part of eligible clients. Expanded facilities were provided at existing locations at Browns Plains and Logan in Queensland. In response to changing client demographics, the office at Ringwood in Victoria was closed with clients preferring to obtain services from the nearby Knox and Box Hill offices.

CRS Australia manages a rolling property improvement program as leases expire to:

- maintain total leased area and property operating expenses at a commercially acceptable and competitive level
- ensure convenient access to CRS Australia services for clients.

Offices may be relocated where an improved balance of client access, value for money and amenities can be achieved. During 2001–02, 16 offices were relocated or improved at existing locations.

CRS Australia continued its program of selling freehold office and residential properties that are not essential to business needs. Properties were sold in Katoomba, Mittagong and Richmond in New South Wales; Swan Hill, Morwell and Wonthaggi in Victoria; Kalgoorlie and Karratha in Western Australia; and Katherine in the Northern Territory. In some cases, these properties are sold on a lease back basis, depending on business requirements.
This section of the report focuses on the management of information technology (IT) strategies and environments in FaCS, Child Support Agency (CSA) and CRS Australia.

FaCS—information strategies and technology management

IT Strategic Plan

FaCS is revising its IT Strategic Plan and the Technical Architecture (a sub-component of the plan) to reflect the department’s desire to increase its alignment with the Government’s whole-of-government approach and to take advantage of significant reengineering of some of FaCS’s key systems. The plan is expected to be completed in the second half of 2002.

A strong theme in both documents is governance of IT processes and greater visibility of the impact of change on the IT environment. This governance theme includes monitoring of infrastructure services provided through a multi-vendor environment.

Customer-focused portals framework

One of the major initiatives under the Government Online Strategy is the whole-of-government portals framework. FaCS is the lead agency for the families, community and youth portals, and is a member agency on the regional, employment, Indigenous, seniors and women’s portals. The portals framework aims to provide government information and services in a seamless, integrated and customer-focused manner, based on subject and customer groupings.

Executive Information System/Geographical Information System

FaCS implemented an information portal that will improve data and information access for a range of FaCS users, from novice to expert.
IT Infrastructure

FaCS’s IT environment was made more stable and effective by the implementation of a new desktop (new personal computers, Windows and Office 2000, Lotus Notes R5) and an upgrade to fibre links in Canberra to increase data communication speeds.

IT outsourcing

As part of the whole-of-government IT outsourcing initiative, FaCS issued a draft request for tender to industry. A number of tenders were issued for the provision of IT equipment and services.

Further outsourcing opportunities will be pursued in the 2003–04 financial year.

FaCS—IT performance solutions

Administrative Data Model

The Administrative Data Model (ADMOD) is a computer-based model containing all the data and associated business rules necessary to recalculate each client’s current level of entitlement. It is designed to allow users to alter a business rule and calculate the resulting effect on levels of entitlement at both an individual and program level. ADMOD has had a substantial impact in assisting staff to provide more timely and accurate measures of the effect of proposed policy changes. ADMOD has also proved extremely useful as an auditing tool as it provides an alternative source of management information.

Business solutions development

Business analysis and project management services were introduced to help FaCS define, document and implement projects.

Electronic collaboration tools

Lotus Quickplace and Sametime collaboration tools were successfully piloted. The former enables staff and external stakeholders to share documents and work together in a secure environment accessible from their computer desktop. The latter provides instant messaging capability.

Electronic document management project

Significant progress has been made toward selecting and implementing a corporate electronic document management system for FaCS. The pace of further progress in 2003–04 will depend on funding.
Payments, Effective Marginal Tax Rates and Taxes (PET) calculator

The PET calculator was further developed. It is a static model that looks at an individual income unit at one point in time and calculates the benefits to which this income unit may be entitled and the taxation for which it may be liable.

PET also calculates effective marginal tax rates facing individual income units. This enables policy developers to identify financial disincentives and to test new policy proposals to see how changes might help alleviate or worsen financial disincentives.

Edge Expert System Project

Work progressed on the joint FaCS–Centrelink project to develop the Edge expert system for the Family Assistance Office.

The system applies the legislative and policy rules to assess a client’s entitlement to family assistance payments. It provides a record of the decision, and the reasons for eligibility or ineligibility. It determines which questions to ask, based on answers to previous questions. An online commentary explains why questions are asked and gives help in answering them.

The system produces a provisional assessment notice advising clients of their eligibility and estimated rate, and a personalised claim form that supersedes the requirement for paper claims. Edge can also be used to assess the results of potential and actual changes to client circumstances.

Edge has been tested extensively and piloted in several Family Assistance Offices as well as with members of the social policy community. The staged rollout of the system is scheduled to begin in July 2002.

Policy Development Application (PDA)

An Edge PDA tool was developed and tested in early 2002. The PDA is a set of policy modelling tools that can be applied to a legislative rulebase to assess the likely impact of changes to policy rules or legislative parameters. It is anticipated that the tool will be further developed during the latter part of 2002.

FaCS—IT security

Eight IT security-related projects began and are in various stages of implementation or installation:

- The FaCS Wide Area Network encryption rollout was completed.
- A Defence Signals Directorate approved security product will be applied to laptops and selected desktops between July and December 2002 to encrypt the computers' hard drives.
Access to secure facilities for storing ‘In Confidence’ information is being extended to state and territory offices.

The link to FedLink from the FaCS network has been acquired and is expected to be operational in the first half of 2002–03.

Intrusion Detection software for the FaCS network will be installed in the first quarter of 2002–03.

Event logging and analysis software was implemented to boost auditing capability.

90East provided a secure remote access solution.

A National Office for the Information Economy checklist requirement for a risk assessment of all FaCS web sites was completed.

FaCS—library and research services

The library and information research service continued to expand its information delivery, research provision, research training and tailored information services. A new social policy alerting service was developed, covering daily alerts for Hansard, general media, legislation and press releases.

Child Support Agency—IT performance solutions

Cuba—new IT system

The Child Support Agency implemented a new core business computer application, ‘Cuba’, in March 2002. Cuba is the biggest system development undertaken by CSA to date.

Cuba has been introduced to:

- improve operational efficiency and staff productivity
- incorporate several internal systems that have operated separately
- provide improved external links to the Australian Taxation Office and Centrelink
- enable streamlined work practices, including the automation of many processes
- improve client satisfaction with better quality data, improved letters and statements and more frequent disbursements.

The technical implementation and ongoing operation of Cuba has been very successful, with excellent system response times, system availability and batch process completion rates. Business stakeholders were heavily involved in the specification and subsequent implementation of Cuba functionality.
Electronic submission of forms

Electronic forms and emails submitted by visitors to the Child Support Agency site now generate an automatic receipt. This gives senders a copy of the information they have submitted to CSA for their records.

The Child Support Agency has also included automatic in-built calculators for electronic forms that require calculations.

Appointments online

Clients can now book online, or ask for more information about, Child Support Agency client information sessions, client interviews and video conferences.

Self-help tools

A number of client tools have been introduced to the Child Support Agency web site to help parents with child support and other separation issues. These include:

- online basic and advanced child support calculators to provide clients with a quick and easy way of working out child support payable
- an online budgeting tool to help clients work out their household budget
- an online self-help 'quiz' for separated parents developed with Relationships Australia
- an interactive calendar that displays significant Child Support Agency client dates, for example payment dates and public holidays for each state and territory
- a subscription service to the site to receive notice of changes or additions to the site, or to take part in surveys
- electronic newsletter to legal practitioners.

National client call management

Installation of the new telephony system and infrastructure was completed and is meeting performance standards. The features of this new system include:

- automatically directing client calls to case officers and other specialist client service delivery areas to maximise resource use and enhance client responsiveness
- integration with the IT operating environment and client database. This integration was upgraded with the implementation of the new IT system (Cuba). It supports future service options consistent with the Government’s online service delivery objectives.
CRS Australia—IT performance solutions

CRS Australia continued to consolidate its IT infrastructure and services. Major activities included:

- conduct of a consultancy to inform a new Information Technology and Telecommunications Strategic Plan
- a major redevelopment of CRSNet, the CRS Australia intranet resource, further reinforcing its role as the single repository of policy and procedural documentation, as well as an internal communication and discussion medium
- a three-year extension to the facilities management contract with Compaq Computer Corp for the management of systems and applications
- a major IT security project
- negotiation of new managed voice service contract arrangements with Telstra.
Internal controls

In this section of the report, FaCS, Child Support Agency (CSA) and CRS Australia report on their risk management and ethical standards.

Internal audit

FaCS—internal audit

FaCS completed its third full year of internal audits and finalised 22 reports, including a backlog of outstanding audits from previous years. A panel of audit firms provided resources for conducting the audits.

Finalised audits examined:
- selection of providers—Stronger Family and Communities Strategy
- tendering and contract management (two audits were finalised)
- protection and confidentiality of information
- administered versus departmental funds
- Chief Executive’s instructions
- analysis and review of banking services and devolved banking (two audits were finalised)
- business contingency planning
- implementation of national client call management in the Child Support Agency
- asset management in CRS Australia
- business processes and case management in CRS Australia (two audits were finalised)
- departmentally provided communications
- physical security (spot audit)
- management procedures for delayed legislation
- management of funding to non-government organisations
- security controls review of the financial management information system (two audits were finalised)
- registry security
- outputs required by departmental legislation and compliance with cabinet directives.
Other major activities included:

- monitoring the implementation of recommendations from the Australian National Audit Office (ANAO), relevant Centrelink internal audits and FaCS internal audits
- development and implementation of a new audit monitoring database to improve the process for following up audit recommendations.

In general, recent audit findings have indicated that the department's processes continue to improve.

**Child Support Agency—internal audit**

Finalised audits examined:

- tendering and contracting
- the Child Support Agency's Telephony Management Project
- Chief Executive Instructions
- devolved banking.

**CRS Australia—internal audit**

Audits examined:

- service delivery business processes
- contract management (final report pending)
- use of government credit cards (final report pending).

**Risk management**

**FaCS—risk management**

Integrated risk management approaches effectively manage potential opportunities and adverse consequences at all levels.

Achievements included:

- beginning work to further develop the business continuity planning framework for FaCS, building on work conducted as part of the Y2K business continuity effort. The new framework will be implemented in early 2003
- participating in two Comcover benchmarking risk management surveys (October 2001 and May 2002)
- conducting a strategic risk assessment with the Executive Board in light of the new three-year FaCS Strategic Statement
- integrating risk management within a new online business planning process.
Child Support Agency—risk management

The Child Support Agency conducts a rigorous risk assessment as part of the annual business planning cycle. The risk assessment is undertaken using the Australian Public Service (APS) Guidelines for Managing Risk and takes account of FaCS's strategic risks and CSA's strategic direction. The annual business plan outlines key business risks, their potential impact and strategies to address the risks.

The risk assessment for 2001–02 identified the following categories: staff support and management, technological infrastructure, client service, corporate governance and stakeholder management.

CRS Australia—risk management

CRS Australia's corporate and business planning framework integrates risk assessment, treatment and monitoring as core planning activities. CRS Australia recognises it cannot eliminate risk; in many cases, costs would outweigh benefits.

Achievements included:

- upgrading risk management policies, guidelines and toolkits available on the CRS Australia intranet site
- participating in the May 2002 Comcover benchmarking risk management survey
- implementing a manager's self-audit package to enhance internal controls over a range of business and administrative functions.

Protective security

FaCS—protective security

FaCS is updating its 2000–01 Security Action Plan with information obtained from a fraud/security risk assessment completed by all branches and offices.

Policy was developed and implemented to ensure FaCS's information and assets are kept secure in accordance with Commonwealth guidelines. A staff awareness campaign supporting this policy was implemented.

During 2001–02, FaCS had no significant security incidents.

Child Support Agency—protective security

The Child Support Agency reached a new agreement with the Australian Taxation Office, with CSA assuming a more direct role in security management and implementation.
The Child Support Agency’s new security incident reporting procedures were operational for the full year. The first internal quality audit of the process was completed, resulting in some recommendations for further improvement. The audit indicates that staff are now generally more aware of the benefits of incident reporting and accuracy has improved.

**CRS Australia—protective security**

CRS Australia’s protective security framework is based on detailed risk assessments, as required by the *Commonwealth Fraud Control Guidelines* and the *Protective Security Manual*. Achievements included:

- upgrading protective security policies, guidelines and toolkits available on the CRS Australia intranet site
- completing combined fraud and protective security risk assessments
- developing a protective security action plan for 2001–02.

**Management of ethical standards**

**FaCS—management of ethical standards**

FaCS ensures staff observe the *Australian Public Service Code of Conduct* and takes appropriate action if it is determined that a breach has occurred. FaCS staff are aware that breaches of the code will be taken seriously and may result in disciplinary action.

FaCS ‘core’ completed 27 investigations to determine if a breach of the code had occurred. Of these:

- nine investigations found no breach had occurred
- four investigations resulted in counselling for the officers concerned
- seven investigations resulted in a fine for the officers concerned
- two officers on transfer from other agencies returned to their own agency before completion of the investigation
- one officer resigned before completion of the investigation
- four investigations resulted in termination of employment, one of these being an ongoing FaCS employee and three being external agency contractors.

The 18 breaches of the code resulted from inappropriate use of the Internet.

FaCS’s awareness program reminds staff of their obligations under the department’s Internet access policy and the consequences of inappropriate use of the Internet. The policy is available to all staff electronically. Staff engaged by the department are required to acknowledge receipt of the *Australian Public Service Code of Conduct*, the APS Values, and the Internet access policy in hardcopy form.
FaCS purchased, and is progressively introducing, new Internet monitoring and blocking software that significantly limits the prospect of employees, either deliberately or inadvertently, accessing material that could be inappropriate for the workplace.

**Child Support Agency—management of ethical standards**

All existing and new Child Support Agency staff are provided with fraud prevention and awareness training. During 2001–02 this training was conducted in all CSA sites.

Child Support Agency staff are provided with the *Australian Public Service Code of Conduct* on commencement and the values of this code of conduct form the basis of CSA’s entry level training program.

**CRS Australia—management of ethical standards**

CRS Australia’s staff are provided with copies of the *Australian Public Service Code of Conduct* on commencement with CRS Australia and are reminded of their responsibilities as part of the National Corporate Induction. CRS Australia staff are aware that breaches of the code of conduct will be taken seriously and may result in the imposition of sanctions under the *Public Service Act 1999*.

One investigation was completed, finding that a breach had occurred. A sanction of ‘reassignment of duties’ was imposed.

CRS Australia’s policy on breaches of the code of conduct is published on its intranet and is available to all staff.
FaCS delivered services to both ministers and to the Parliamentary Secretary on behalf of the Family and Community Services portfolio, including the Child Support Agency (CSA), CRS Australia, Centrelink, Social Security Appeals Tribunal and the Australian Institute of Family Studies.

**Performance**

**Client satisfaction**

Through regular informal feedback, ministers and their offices have indicated they are satisfied with the overall timeliness and quality of ministerial correspondence and other briefing material.

**Ministerial correspondence**

Ministerial correspondence fell from around 17,600 letters in 2000–01 (excluding campaign letters) to 13,864 in 2001–02.

Of the total items:
- FaCS core received 9,956
- the Child Support Agency received 1,131
- Centrelink received 2,777.

Forty-seven per cent of correspondence was provided to ministers or other signatories within the standard of 21 days.

The Minister for Family and Community Services has asked that replies to correspondence from members of parliament be provided to her within 14 days. This standard is being met in 20 per cent of cases.

One factor affecting timeliness performance has been the number of campaign letters where responses had to await decisions on the broad approach to be taken. Although the number of campaign letters fell from around 7,000 (2000–01) to around 3,000 (2001–02) they still had a large impact on our overall ability to meet standards. Most campaign letters in 2001–02 related to a range of disability issues.

The department is undertaking a review of its procedures to identify areas of potential improvement, including the ministerial correspondence management systems.
Ministerial briefing and policy advice

1716 briefing submissions were provided to the ministers.

Of these, ministers or their staff requested 315 (18 per cent) and departmental staff initiated 1401 (82 per cent) to advise ministers on matters of policy or program administration.

### Table 86 Ministerial and parliamentary services—number of briefings, submissions, ministerial correspondence and questions on notice

<table>
<thead>
<tr>
<th>OUTPUT GROUP</th>
<th>MINISTERIAL CORRESPONDENCE&lt;sup&gt;a&lt;/sup&gt;</th>
<th>QUESTION-TIME BRIEFINGS&lt;sup&gt;b&lt;/sup&gt;</th>
<th>BRIEFINGS&lt;sup&gt;c&lt;/sup&gt;</th>
<th>SUBMISSIONS&lt;sup&gt;d&lt;/sup&gt;</th>
<th>ON NOTICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Family Assistance</td>
<td>1 085</td>
<td>110</td>
<td>92</td>
<td>123</td>
<td>7</td>
</tr>
<tr>
<td>1.2 Youth and Student Support</td>
<td>768</td>
<td>118</td>
<td>22</td>
<td>128</td>
<td>3</td>
</tr>
<tr>
<td>1.3 Child Support</td>
<td>1 131</td>
<td>13</td>
<td>16</td>
<td>36</td>
<td>4</td>
</tr>
<tr>
<td>1.4 Child Care Support</td>
<td>413</td>
<td>117</td>
<td>29</td>
<td>142</td>
<td>11</td>
</tr>
<tr>
<td>2.1 Housing Support</td>
<td>270</td>
<td>95</td>
<td>13</td>
<td>60</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Community Support</td>
<td>703</td>
<td>71</td>
<td>36</td>
<td>185</td>
<td>3</td>
</tr>
<tr>
<td>3.1 Labour Market Assistance</td>
<td>546</td>
<td>109</td>
<td>7</td>
<td>82</td>
<td>6</td>
</tr>
<tr>
<td>3.2 Support for People with a Disability</td>
<td>53</td>
<td>35</td>
<td>18</td>
<td>101</td>
<td>2</td>
</tr>
<tr>
<td>3.3 Support for Carers</td>
<td>2464</td>
<td>97</td>
<td>3</td>
<td>10</td>
<td>2</td>
</tr>
<tr>
<td>3.4 Support for the Aged</td>
<td>1674</td>
<td>86</td>
<td>6</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Not directly attributable</td>
<td>1980</td>
<td>132</td>
<td>55</td>
<td>270</td>
<td>16</td>
</tr>
<tr>
<td>FaCS subtotal (rounded)</td>
<td>11 087</td>
<td>983</td>
<td>297</td>
<td>1169</td>
<td>60</td>
</tr>
<tr>
<td>Centrelink</td>
<td>2777</td>
<td>139</td>
<td>18</td>
<td>232</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>13 864</td>
<td>1 122</td>
<td>315</td>
<td>1401</td>
<td>75</td>
</tr>
</tbody>
</table>

<sup>a</sup> These figures exclude campaign letters.
<sup>b</sup> New Question Time Briefings and each significant revision.
<sup>c</sup> Written submissions requested by the ministers, the Parliamentary Secretary or their staff.
<sup>d</sup> Written submissions initiated by departmental staff, for the attention of the ministers or the Parliamentary Secretary.
## Parliamentary questions on notice

### Table 87 Ministerial and parliamentary services—response time to questions on notice

<table>
<thead>
<tr>
<th></th>
<th>NUMBER PROCESSED</th>
<th>PORTFOLIO STANDARD: 23 DAYS TO MINISTERS</th>
<th>% MET</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>MET</td>
<td>NOT MET</td>
</tr>
<tr>
<td>Senate</td>
<td>19</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>House of Reps</td>
<td>56</td>
<td>42</td>
<td>14</td>
</tr>
</tbody>
</table>
This section describes how FaCS implements the Government’s commitment to encouraging the wider community to become involved in creating and delivering its policies, programs and services.

To help make this happen, FaCS:

- administers Commonwealth funding to service providers and peak community organisations
- works collaboratively with business, the community and other government organisations through a ‘social coalition’
- works with Centrelink to make sure government policies are effectively delivered to the Australian community.

**External providers**

FaCS administered almost $1.3 billion in payments to the states, territories and the community sector in 2001–02 to provide services in areas including public housing, disability, child care, family relationships and homelessness. Within the community sector FaCS funds directly and indirectly almost 15 000 organisations.

FaCS is a leader in managing funding arrangements with the community sector and developing standard funding agreements. It has made its funding agreements more consistent, with a focus on delivering services and outcomes for the community. FaCS’s relationships with service providers, however, go beyond the mechanics. Its partnership approach—working collaboratively with Commonwealth, state, territory and non-government community agencies—has made project development, service planning, funding and service delivery more holistic.

The Community Builders project in South Australia (SA) is an example. FaCS and the SA Office of Regional Development identified a need for a community-based leadership program. A partnership reference group, with FaCS, the SA Office of Regional Development and the Local Government Association of South Australia as members, guided the project implementation.
Engaging the community

The social coalition

The Government’s social coalition model brings together community and service delivery organisations, academics, business leaders, consumer representatives, and state/territory and federal bureaucrats to offer advice on policy development, program implementation and service delivery issues. Examples of involved bodies and mechanisms include:

- Welfare Reform Consultative Forum
- the Australian Council on Children and Parenting and the Marriage and Family Council
- the Youth Advisory and Consultative Forum
- the Family Law Pathways Advisory Group
- child care national forums
- a two-tiered advisory structure associated with the Stronger Families and Communities Strategy
- the Indigenous Community Capacity Building Roundtable and its sub-group, the Indigenous Roundtable Working Group, which provide advice to the ministers for Family and Community Services and Reconciliation and Aboriginal Affairs about community capacity building
- state and territory office consultations on particular programs, including with peak bodies and industry liaison groups, as well as non-program specific input from organisations such as:
  - Victorian Council of Social Service Living Standards
  - Victorian Council of Social Service–Centrelink Liaison Forum
  - Aboriginal Housing Boards
  - Migrant Advisory Council
  - Child Care Planning Advisory Committees
- the Prime Minister’s Community Business Partnership, which aims to develop a culture of corporate and individual social responsibility.

FaCS has twice-yearly consultations with National Welfare Rights Network on policy issues. FACS consults with community sector organisations funded under the National Secretariat Program (see Funding for peak bodies section below) about the effectiveness of policies and service delivery mechanisms.

Funding for peak bodies

Through the National Secretariat Program, FaCS supports peak organisations to contribute to government policy and service delivery and channel information between government and their membership. It also provides a consultative mechanism for the ministers and the portfolio.

The National Secretariat Program provided financial support to 20 national community peak bodies representing six portfolio programs: community services, homelessness, welfare, disabilities, children’s services and family relationships.

Total expenditure 2001–02: $3,396,486 (GST exclusive)
## Partnerships for people—organisations funded under the National Secretariat Program, 2001–02

<table>
<thead>
<tr>
<th>PEAK BODY</th>
<th>ALLOCATION*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National Secretariat</strong></td>
<td></td>
</tr>
<tr>
<td>Australian Council of Social Service</td>
<td>$467 227</td>
</tr>
<tr>
<td>National Industry Association for Disability Services (ACROD)</td>
<td>$250 000</td>
</tr>
<tr>
<td>Families Australia</td>
<td>$250 000</td>
</tr>
<tr>
<td>Australian Early Childhood Association</td>
<td>$250 000</td>
</tr>
<tr>
<td>Australian Federation of Homelessness Organisations</td>
<td>$250 000</td>
</tr>
<tr>
<td>Volunteering Australia</td>
<td>$150 000</td>
</tr>
<tr>
<td><strong>Secretariat support</strong></td>
<td></td>
</tr>
<tr>
<td>Blind Citizens Australia</td>
<td>$120 000</td>
</tr>
<tr>
<td>Deafness Forum of Australia</td>
<td>$120 000</td>
</tr>
<tr>
<td>Head Injury Council of Australia</td>
<td>$120 000</td>
</tr>
<tr>
<td>National Council on Intellectual Disability</td>
<td>$120 000</td>
</tr>
<tr>
<td>National Ethnic Disability Alliance</td>
<td>$120 000</td>
</tr>
<tr>
<td>Australian Association of the Deaf</td>
<td>$120 000</td>
</tr>
<tr>
<td>Physical Disability Council of Australia</td>
<td>$120 000</td>
</tr>
<tr>
<td>Women with Disabilities Australia</td>
<td>$120 000</td>
</tr>
<tr>
<td><strong>Program support grants</strong></td>
<td></td>
</tr>
<tr>
<td>Centacare Australia</td>
<td>$107 720</td>
</tr>
<tr>
<td>Family Services Australia</td>
<td>$153 822</td>
</tr>
<tr>
<td>Relationships Australia</td>
<td>$105 730</td>
</tr>
<tr>
<td>Secretariat of National Aboriginal and Islander Child Care</td>
<td>$129 785</td>
</tr>
<tr>
<td>Lone Fathers Association</td>
<td>$50 000</td>
</tr>
<tr>
<td>National Council of Single Mothers and their Children</td>
<td>$50 000</td>
</tr>
<tr>
<td>Australian Early Childhood Association</td>
<td>$50 000</td>
</tr>
<tr>
<td>Australian Federation of Homelessness Organisations</td>
<td>$50 000</td>
</tr>
<tr>
<td>Australian Association of the Deaf</td>
<td>$40 000</td>
</tr>
<tr>
<td>Blind Citizens Australia</td>
<td>$40 000</td>
</tr>
<tr>
<td>Deafness Forum of Australia</td>
<td>$40 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3 396 486</strong></td>
</tr>
</tbody>
</table>

* The nature of this program means that some funding is also reported in the individual outcome and output group reports.
Two new ‘umbrella’ organisations have been approved to represent the interests of disability consumers and families. Families Australia was incorporated in 2001, and the Australian Federation of Disability Consumer Organisations is expected to be operational in 2002.

FaCS–Centrelink relationship

Centrelink is the primary agency for delivering FaCS’s income support and acts as a gateway for related services.

The business partnership agreement between FaCS and Centrelink is a significant purchasing agreement. FaCS and Centrelink are committed to continuing development of the partnership and ensuring policy and service delivery improvements flow on to the Government and Australian community.

The agreement details the principles and corporate aspects of the relationship, and identifies Centrelink’s role in delivering FaCS’s outputs and contributions to outcomes. The agreement continues to recognise and respect the simultaneous independence and interdependence of the two organisations. It is based on an efficient and cooperative partnership, relying on communication, open accountability, mutual understanding and trust, rather than being a legalistic and prescriptive contract. Annual changes to the agreement reflect the maturing relationship as well as variations and additions to the work of the portfolio.

2001–04 Business Partnership Agreement

The 2001–04 Business Partnership Agreement (BPA) was signed on 31 July 2001. It articulates the agreed responsibilities and priorities of FaCS–Centrelink business through a strategic partnership statement, protocols and output specifications. The overriding principle in all service delivery activities is engaging people in economic and social participation. Through the BPA, FaCS and Centrelink consult one another on policy development and service delivery. The BPA:

- recognises the importance of partnership behaviour in a purchaser–provider agreement
- addresses the major concerns expressed by FaCS and Centrelink in the day-to-day operations of the relationship
- incorporates principles underlying the Australians Working Together package
- further develops business assurance arrangements
- heralds the further development of the following organisational-level service delivery key performance indicators:
  - contributing to FaCS outcomes
  - being responsive
  - meeting business requirements
  - offering value for money/effective use of resources.
Governance arrangements under the agreement

**Monitoring of Centrelink business**

Centrelink prepares a quarterly performance report against standards. The report is on an exceptions basis where performance standards have not been met or were exceeded during the reporting period, or where analysis indicates significant fluctuations in performance. It is also a vehicle for capturing input on policy from Centrelink.

Individual program managers in FaCS are responsible for monitoring the service delivery output provided by Centrelink. FaCS program managers access statistical and reporting tools, which hold data on Centrelink’s interaction with clients, to help them with this task. FaCS program managers and their Centrelink counterparts regularly meet to discuss performance and program issues.

Under the BPA, two formal consultative committees deal with operational and strategic-level issues in the FaCS-Centrelink relationship. The committees are also mechanisms for dispute resolution and escalation.

**Strategic Partnership Committee**

The FaCS–Centrelink Strategic Partnership Committee (formerly the Business Partnership Committee) manages strategic consultation between FaCS and Centrelink to facilitate the partnership. The executive-level committee meets quarterly and:

- sets priorities for, and provides strategic direction to, FaCS and Centrelink
- monitors the overall direction of the relationship
- promotes early engagement of each agency in the development of strategic issues
- discusses other significant issues and projects that arise
- resolves any disputes between the two agencies, as set out in the agreement.

**Relationship Committee**

The Relationship Committee meets fortnightly to discuss ongoing and current issues between FaCS and Centrelink. It also monitors the handling of issues discussed by the Strategic Partnership Committee.
This section looks at the things FaCS achieves in terms of ensuring that the right payments go to the right people.

**Simplification**

*A Simpler Way* is the report of a taskforce of specialist FaCS and Centrelink staff set up to simplify administrative arrangements for clients when they access income support payments. The taskforce made 20 recommendations for cutting red tape and enabling better ways of doing business through:

- reducing duplication and the number of processes clients are required to go through
- making access to payments and services easier
- better understanding clients’ characteristics and needs
- adopting a simplification framework for designing services and programs across the social security system.

FaCS, Centrelink and the Department of Employment and Workplace Relations are working to implement the recommendations. Those already introduced make for simpler claim and administrative processes for clients—for example, proof of identification arrangements, streamlined transfers of eligible clients on income support payment to the Age Pension, and simpler forms. Work is continuing on profiling (see Profiling section below), the Centrelink Customer Account, and enabling clients to obtain ‘advances’ over the phone.

**Profiling**

Profiling—used for identifying clients who need a greater level of service and preventing incorrect payment at the same time—will be phased in from July 2002 to save an estimated additional $117 million a year from an increase in cancellations, rate variations and overpayments.

Profiling will replace some current reviews, including duration-based program reviews, with contacts based on client characteristics for Newstart Allowance, Youth Allowance, Mature Age Allowance, Widow Allowance, Partner Allowance, Parenting Payment, Age Pension, Wife Pension (Age) and Widow B Pension.
Business assurance

FaCS developed a business assurance framework jointly with Centrelink for implementation from 2002–03. With an initial focus on the risks of incorrect income support payments, the framework is based on agreed definitions of payment correctness and accuracy, and incorporates a process of external validation.

Control of program fraud and incorrect payment

On FaCS's behalf, Centrelink makes sure that controls are in place to minimise the risk of fraud and incorrectness in payments. The agencies' Business Partnership Agreement details these controls and provides a framework for maximising correct payment.

This framework consists of three key strategies:

- prevention, through systems and procedures to minimise the risk of incorrect payment
- detection, through processes to detect incorrect payments as soon as possible and to correct them promptly
- deterrence: promoting voluntary compliance through creating a public recognition of the risks and penalties involved in attempting to fraudulently receive payments, including likelihood of detection, recovery of debts and possible prosecution.

Under these key strategies FaCS requires Centrelink to:

- develop, implement, and support systems and procedures to prevent, identify, investigate and deter incorrect payments and fraud
- undertake activities in debt prevention; reviews; debt identification, raising and recovery; and prosecution
- monitor, analyse and report on performance.

Control strategies aim to prevent incorrect payments rather than detect them later. The controls are risk-based and Centrelink gives due consideration, in consultation with FaCS, to cost efficiency and good client service.

Debts are identified and raised in an accurate and timely manner to specified standards, and affected clients are notified of adverse determinations resulting from reviews affecting a rate of payment, raising a debt, recovering a debt or instituting prosecution proceedings.

Reviews apply natural justice, so in adverse determinations the client can comment on the reasons for action taken.
FaCS also requires Centrelink to provide an assurance of correct payment by:

- adhering to agreed procedures and processes to maximise correct payments, and providing ongoing assessment of control framework effectiveness, particularly proof-of-identity procedures to minimise identity fraud
- undertaking, in consultation with FaCS, comprehensive risk assessments of service and payment delivery for each income support program
- providing data on the accuracy of decision-making to assure FaCS that the incidence of incorrect payment arising through incorrect decisions is minimal.

FaCS continually monitors performance to measure the success of the control framework and service provider performance. At a departmental level, the impact of compliance activities on outlays indicates performance.

**Maximising correctness of payments**

**Debt prevention**

Through its business partnership with Centrelink, FaCS emphasises preventive measures for all dealings with clients by ensuring a framework of procedures, controls and systems, including:

- undertaking identification checks
- issuing appropriate claim forms to clients and alerting clients to their obligations and existing detection mechanisms
- verifying critical facts clients supply
- selectively applying risk-based admission procedures to ensure resources go to those cases where perceived risk of incorrect payment is greatest
- requiring clients to provide their Tax File Numbers as a condition for receipt of payment.

In addition, FaCS requires benefits be paid directly into client accounts to reduce the occurrence of fraudulent negotiation of cheques and false claims for duplicate cheques.

Dealing decisively with detected cases of incorrect payment encourages voluntary compliance. This helps the public recognise the risks and penalties involved in attempting to fraudulently claim payments. Centrelink must:

- promptly identify and investigate (or refer to the Australian Federal Police) possible offences
- refer appropriate cases to the Director of Public Prosecutions for possible prosecution.

Procedural requirements make clients aware of their obligations and prosecution outcomes are publicised.
Detection

Review activity

FaCS funds Centrelink to undertake particular review activities to target identified risks. All review activity is conducted in accordance with the Privacy Act 1988.

Data matching

Data matching involves comparing client identity details, including in some cases Tax File Numbers, with records from other federal and state bodies, to identify declared income or assets changes.

Data matching activities include:
- Australian Taxation Office (ATO) individual tax data
- ATO employment declaration forms
- ATO rental assets data
- state and territory Registrars General deaths data
- Department of Immigration, Multicultural and Indigenous Affairs immigration records
- state and territory departments of corrective services data
- Defence Housing Authority and Commonwealth Superannuation Administration data
- enrolments of Youth Allowance/Austudy Payment clients.

Other activities

Other methods to identify possible incorrect payments include:
- joint case work between Centrelink and the ATO
- information from members of the public
- risk-based review selections generated from statistical analysis of client characteristics
- reviews to examine client entitlements at a specific time in their duration on payment.

Identity fraud

Sophisticated computer detection methods continue to detect identity-related fraud. In 2001–02, these methods identified 238 cases of identity fraud. This relates to 599 claims for payment as one fraudulent identity may be used for a number of claims.
Debt recovery

FaCS, through Centrelink, recovers debts by withholding ongoing payments and recovering cash repayments. In certain cases, garnishee action recovers debts from tax refunds and other lump-sum payments.

Clients are not placed in undue hardship from withholding ongoing payments or garnishee action. Data matching detects debtors who have started work.

Two contracted mercantile agents (Laurens and Co, and Dun and Bradstreet) also collect debts when the debtor’s whereabouts are unknown or it is not cost-effective to pursue the debts through standard debt recovery processes.

Compensation

Compensation provisions reflect the principle that income support for people who suffer compensable injuries mainly lies with relevant compensation authorities, rather than with the taxpayer-funded social security system.

Compensation provisions provided for:

- periodic payments, such as weekly workers’ compensation payments, to reduce directly, dollar-for-dollar, the rate of social security payments otherwise payable. Any excess is treated as income for partners of compensation recipients.
- recovery of past payments of social security from arrears payments of periodic compensation payments and lump-sum compensation payments.
- preclusion periods within which social security payments cannot be paid due to the receipt of lump-sum compensation payments.

To ensure the community understands the social security implications of receiving compensation, Centrelink provides a high-level outreach and information service to compensation authorities and to legal, insurance, union and community representatives.

In 2001–02, application of the compliance provisions achieved estimated savings to outlays of $418.5 million.

Prosecutions

Where clients may have committed offences against the Government and where cases fall within referral guidelines, they are investigated (or referred to the Australian Federal Police if appropriate) and referred to the Director of Public Prosecutions for possible prosecution action.

In 2001–02, 3732 cases of alleged social security fraud were referred to the Director of Public Prosecutions. The courts dealt with 2893 cases resulting in 2856 (98.7 per cent) convictions.
Research and development

During 2001–02, FaCS and Centrelink conducted random sample surveys on 3000 Parenting Payment (single), 500 Carer Payment, 500 Carer Allowance and 3000 Disability Support Pension clients. A survey of 3000 Parenting Payment (partnered) client reviews began in 2001–02 and will be completed in September 2002. The random sample surveys measure the level of payment incorrectness for these payments as well as providing data on the reasons for incorrectness and the effectiveness of the overall control framework for managing payment correctness.

Achievements

Savings to outlays

- Review activity achieved $40.55 million in savings to future fortnightly outlays.
- Review activity raised debts of $337.43 million.

Review activity

- Centrelink reviewed 2,537,759 social security payments. Of these, 1,056,457 were compliance reviews (target: 1.1 million).
- Compliance review activity resulted in 103,688 social security payments (9.8 per cent) being cancelled or reduced. Overall, 34.7 per cent of compliance reviews identified an incorrect payment (target: 30 per cent).

Debt prevention

Debt raising and recovery

- Centrelink raised 2,272,310 FaCS and Family Assistance Office debts, valued at $1,433.48 million.
- Recoveries of FaCS and Family Assistance Office debts by cash and withholdings amounted to $729.42 million. These figures include compensation debts.
- Total recoveries were equivalent to 81 per cent of the amount of new debt raised over the same period, and 85 per cent were raised within 56 days (targets: 80 per cent). (Family Assistance Office debts have been excluded because of the effect of special recovery procedures introduced for 2001–02.)

Prosecutions

88 per cent of cases met Director of Public Prosecutions’ quality requirements (target: at least 80 per cent).
Budget measures

Prevention

The new proof of identity model was implemented on 1 September 2001.

Detection

New data-matching exercises with the ATO began on 1 July 2001 to improve detection of incorrect payments by looking at undeclared property assets and income. More resources have been allocated to process reviews from ‘tip-offs’ received from the public. The level of administered expense savings and the cost-effectiveness of the reviews determine the success of the measures.

Research and development

To help detect employment and business-derived income not reported to Centrelink, FaCS is conducting feasibility studies to look at the effectiveness of:

- data matching with ATO group certificates
- data matching with the Australian Business Number (ABN).

The studies will be evaluated in their second year.

Communication campaign

As part of the 2000–01 Budget, the Government announced a multimedia communication campaign to encourage Centrelink clients to do the right thing by notifying Centrelink of changes that may affect their payments. The campaign targeted people on Newstart Allowance and Youth Allowance and Parenting Payment (single). Products were also developed for people from diverse cultural and linguistic backgrounds and Aboriginal and Torres Strait Islander people.

Preliminary research shows that people who saw, heard or read the Support the System that Supports You advertising products have a better understanding of Centrelink notification obligations than those who have not. Feedback from members of the public has been positive and initial case studies are indicating that the campaign is a success.

A second burst of advertising is scheduled for September 2002.
The Social Security Appeals Tribunal (SSAT) is part of the FaCS portfolio and responsible to the Minister for Family and Community Services. The tribunal considers appeals about Centrelink decisions made under a number of enactments, particularly the social security law.

Tribunal structure and membership

The tribunal, as established by the Social Security (Administration) Act 1999, consists of an Executive Director, directors and members. The Secretary of FaCS makes staff available to the SSAT.

Les Blacklow replaced Gary Byron as the Executive Director on an acting basis in November 2001, and was appointed for a three-year term from 1 April 2002. The Executive Director is responsible to the Minister for Family and Community Services for the overall operation and administration of the SSAT, including taking reasonable steps to ensure that its decisions are consistent and that it performs its functions efficiently and effectively.

The Executive Director does not have the powers of a departmental secretary. This affects the agency’s powers and responsibilities. Consequently, the Secretary of FaCS delegates finance and staffing powers to the tribunal.

The National Office of the SSAT is in Melbourne. The National Manager and staff in the National Office assist the Executive Director.

There is a registry of the tribunal in each state and territory; a director heads each registry (the director of the Victorian Registry is also responsible for the Tasmanian Registry, the director of the Queensland Registry is responsible for the Northern Territory Registry, and the director of the New South Wales Registry is responsible for the Australian Capital Territory Registry).

At 30 June 2002, the tribunal had 215 members, working either full-time or part-time. Members are selected for general skills such as an understanding of, and commitment to, the principles of administrative review, a knowledge of the social security system, interpersonal skills and particular expertise in disciplines such as law, welfare/community work, medicine or public administration.

The Governor-General in Council appoints the Executive Director, directors and members. This demonstrates a clear demarcation between FaCS personnel and tribunal membership.
Tribunal executive and other committees

The tribunal amended its corporate governance arrangements in 2001. Committees provide guidance and assistance to ensure the tribunal meets its statutory, best practice and financial management obligations. These include the Executive Group consisting of the Executive Director, the National Manager and directors, and the Registrars’ Advisory Group.

Tribunal functions

As provided for in the Social Security (Administration) Act 1999, the tribunal provides a review mechanism that is ‘fair, just, economical, informal and quick’, and is independent of Centrelink and FaCS. The Executive Director is required to provide an annual report to the minister on the operation of the SSAT during that year.

Appeal statistics

In 2001–02, 8919 appeals were lodged with the tribunal. At the start of the year, 1463 appeals were on hand. During the year, the tribunal finalised 8779 appeals; of these, it finalised 6914 at hearing. The average time between lodging and finalising an appeal was 8.4 weeks. At 30 June 2002, 1603 appeals were on hand.

Relationship between the Tribunal and FaCS

Although the tribunal has an independent power to review appeals, the tribunal maintains some links with FaCS; for example it provides administrative services to allow the tribunal to function effectively.

The tribunal also purchases the use of FaCS’s financial and personnel management information systems to assist in performing its purchasing, accounts payment, budgeting and staff management functions.

The tribunal is re-negotiating a service level agreement with FaCS for the provision of services to ensure the tribunal meets its responsibilities in delivering its core business and supporting its staff.
Financial management

Funding for the tribunal’s running costs (salary, administration, property and information technology) is provided in the FaCS portfolio budget. While the tribunal prepares and submits budget bids to FaCS to incorporate into total portfolio requirements, it does so in aggregate. FaCS provides funds to the tribunal in fortnightly instalments of one twenty-sixth of the budget allocation.

The tribunal manages its own financial resources. In 2001–02 its operational budget was $12.97 million. The tribunal operated within this budget.

Human resource management

The tribunal is responsible for managing its human resources. It purchases human resource policy advice and administrative support from FaCS, as required, to perform this function.

As mentioned above, FaCS performs some administrative functions on behalf of the tribunal, such as leave processing and payment of salaries and fees for all tribunal staff and members.

Information technology

The tribunal has its own electronic appeal management system to manage and administer the appeals lodged with it. The tribunal purchases IT infrastructure services from FaCS.

Responsibility for developing and implementing internal strategies

The tribunal has a security and fraud control plan, and has implemented the Government Online Strategy and the Commonwealth Disability Strategy. It is also developing a cultural diversity strategy to implement the Charter of Public Service in a Culturally Diverse Society.

Service charter

The tribunal’s service charter expresses the tribunal’s commitment to providing high-quality, timely and courteous services to its applicants and to other stakeholders.
1. Advertising and market research
2. Commonwealth Disability Strategy performance report
3. Competitive tendering and contracting
4. Consultants
5. Discretionary grants
6. Freedom of Information
7. Legislation
8. Staffing overview
Appendix 1  | Advertising and market research: FaCS, Child Support Agency, CRS Australia

The information provided is required by section 311A of the Commonwealth Electoral Act 1918. A detailed list is provided below:

### Table 89 FaCS: Advertising agencies expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Batey Kazoo Communications</td>
<td>Development and production of national print and broadcast material for public information program for seniors (agency head hours and production costs)</td>
<td>455 705</td>
</tr>
<tr>
<td>Drake Advertising Services</td>
<td>Interior bus/tram advertising campaign</td>
<td>20 014</td>
</tr>
<tr>
<td>Vinten Browning</td>
<td>Creative head hours towards production of television, radio, print, internet and outdoor advertising</td>
<td>60 940</td>
</tr>
</tbody>
</table>

### Table 90 FaCS: Direct mail organisations expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campus Cards, Student Marketing Australia</td>
<td>Distribution of campus cards for the National Youth Media Awards</td>
<td>3 400</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Mail out services for International Year of Volunteers Small Equipment Grants Program</td>
<td>13 399</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Distribution of letter and promotional brochure/poster to all secondary schools, universities and TAFEs, youth and community organisations, state/territory stakeholders for National Youth Week 2002</td>
<td>10 207</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Distribution of promotional materials to Official Event Organisers for National Youth Week 2002</td>
<td>6 759</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Distribution of <em>The Reform Agenda Newsletter</em></td>
<td>3 074</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Mail out services for the General Customer Survey</td>
<td>7 135</td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>Mail out of research publications</td>
<td>2 014</td>
</tr>
<tr>
<td>iContact</td>
<td>Mailing of products on request and from mailing lists</td>
<td>106 540</td>
</tr>
<tr>
<td>NAME OF ORGANISATION</td>
<td>SERVICE PROVIDED</td>
<td>TOTAL COST ($)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Colmar Brunton Social Research</td>
<td>Conducted consumer focus groups as part of the community consultations on <em>Australians Working Together</em></td>
<td>45 100</td>
</tr>
<tr>
<td>Colmar Brunton Social Research</td>
<td>Research into the Commonwealth Disability Strategy with a national survey of the level of access by people with a disability to Commonwealth policies, programs and services</td>
<td>43 702</td>
</tr>
<tr>
<td>Colmar Brunton Social Research</td>
<td>Conduct series of focus groups for the Employer Incentives Strategy Review</td>
<td>35 000</td>
</tr>
<tr>
<td>Colmar Brunton Social Research</td>
<td>Consumer focus groups with PSP target groups to explore effective communication strategies</td>
<td>25 255</td>
</tr>
<tr>
<td>Elliott &amp; Shanahan Research</td>
<td>Research report on the communication needs of families using child care</td>
<td>19 030</td>
</tr>
<tr>
<td>NFO World Group</td>
<td>Survey of successful small business ventures by business services in rural and remote communities, and feedback on corporate governance awareness sessions</td>
<td>48 510</td>
</tr>
<tr>
<td>NFO World Group</td>
<td>Qualitative research for the National Disability Abuse and Neglect Hotline</td>
<td>10 263</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Survey of federal employees with a disability on their employment experiences</td>
<td>13 865</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Developmental research and concept testing for voluntary compliance campaign</td>
<td>94 378</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Benchmark and tracking research for voluntary compliance campaign</td>
<td>55 000</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Consultancy: AWT Participation Pack (facilitation of customer focus groups)</td>
<td>46 720</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Consultancy: AWT Participation Pack (analysis and recommendations of research and consultations undertaken for the Participation Pack)</td>
<td>9 900</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Evaluation of the Pension Bonus Scheme</td>
<td>38 756</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Focus testing awareness, key messages and delivery methods for information about disability service reforms</td>
<td>28 116</td>
</tr>
<tr>
<td>Orima Research</td>
<td>Market research on security awareness</td>
<td>13 800</td>
</tr>
<tr>
<td>Quantum Market Research</td>
<td>Branding and corporate identity</td>
<td>33 770</td>
</tr>
<tr>
<td>Wordmap</td>
<td>Research youth and government consultative models to identify best practice</td>
<td>42 190</td>
</tr>
<tr>
<td>Worthington Di Marzio</td>
<td>Evaluation of public information program for seniors</td>
<td>68 750</td>
</tr>
<tr>
<td>NAME OF ORGANISATION</td>
<td>SERVICE PROVIDED</td>
<td>TOTAL COST ($)</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Mitchell Media</td>
<td>National TV, radio, print, internet and outdoor advertising for voluntary compliance campaign</td>
<td>3 780 816</td>
</tr>
<tr>
<td>Mitchell Media</td>
<td>National radio and television advertising for public information program for seniors</td>
<td>2 036 027</td>
</tr>
<tr>
<td>Mitchell Media</td>
<td>Media campaign for International Year of Volunteers</td>
<td>97 236</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising of the National Youth Media Awards 2002</td>
<td>55 863</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising the request for tender for the National Youth Media Awards 2002</td>
<td>3 938</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising the request for tender for National Youth Week 2002</td>
<td>2 629</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for National Youth Roundtable 2002</td>
<td>12 201</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for International Year of Volunteers Small Equipment Grants Program</td>
<td>14 219</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for expressions of interest for being included on a register of providers of information in accessible formats</td>
<td>11 705</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising calling for nominations for the 2001 Prime Minister’s Employer of the Year Awards</td>
<td>10 293</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Rural newspaper advertising for public information program for seniors</td>
<td>8 447</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Press advertisements for tender for employment services and funding</td>
<td>7 447</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Newspaper advertisements to promote public awareness of Child Care Benefit lump sum claims</td>
<td>42 022</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Tenders advertising for Stronger Families and Communities Strategy (Private Providers Incentive) and for the Youth Homelessness Early Intervention Program</td>
<td>4 402</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertisement for expressions of interest to develop a wage assessment tool for business services</td>
<td>10 542</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Promotional advertising for the National Disability Services Abuse and Neglect Hotline</td>
<td>14 733</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising request for tender for National Disability Service Abuse and Neglect Hotline</td>
<td>13 330</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising request for tender for consultancy to develop and deliver a disability training package for audit teams involved in the new quality assurance system for disability employment services</td>
<td>9 061</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising the request for tender for consumer training and support services</td>
<td>11 626</td>
</tr>
</tbody>
</table>

**Table 92  FaCS: Media advertising organisations expenditure**

Appendix 1  I Advertising and market research: FaCS, Child Support Agency, CRS Australia  
299
Table 92  FaCS: Media advertising organisations expenditure continued

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for Australia-New Zealand changed social security arrangements</td>
<td>74,523</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for new social security agreement between Australia and New Zealand</td>
<td>28,327</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising of tender for research and evaluation panel</td>
<td>11,887</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Staff recruitment advertising</td>
<td>196,522</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for applications for the Family Homelessness and Early Intervention Pilot</td>
<td>13,581</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising for tenders for the investigation into current and future ATM and EFTPOS facilities and functions in gambling environments</td>
<td>9,662</td>
</tr>
</tbody>
</table>

Table 93  Child Support Agency: Direct mail expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canberra Mailing</td>
<td>Mail out services provided for the Community Services Directory</td>
<td>2,338</td>
</tr>
</tbody>
</table>

Table 94  Child Support Agency: Market research organisations expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Moon Research Planning</td>
<td>Market testing of Parenting from a Distance booklet</td>
<td>8,690</td>
</tr>
<tr>
<td>Colmar Brunton</td>
<td>Evaluation and interim report of Supporting Parent’s Referral Service</td>
<td>65,333</td>
</tr>
<tr>
<td>Corporate Diagnostics*</td>
<td>Analysis and reporting of the Child Support Agency’s Professionalism Survey</td>
<td>11,512</td>
</tr>
<tr>
<td>Marketing and Research Associates*</td>
<td>Computer Aided Telephone Interviews for the Child Support Agency’s Professionalism Survey</td>
<td>24,420</td>
</tr>
<tr>
<td>Millward Brown*</td>
<td>Qualitative research into client satisfaction</td>
<td>33,967</td>
</tr>
</tbody>
</table>

* Also reported in Appendix 4—Consultants.
### Table 95  Child Support Agency: Media advertising organisations expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising Occupational Health and Safety Tender</td>
<td>7 814</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising Human Resources Panel Tender</td>
<td>3 402</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>General Recruitment Advertising</td>
<td>10 186</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising Information Sessions, Outreach and office relocations</td>
<td>5 043</td>
</tr>
</tbody>
</table>

### CRS Australia

### Table 96  CRS Australia: Media advertising organisations expenditure

<table>
<thead>
<tr>
<th>NAME OF ORGANISATION</th>
<th>SERVICE PROVIDED</th>
<th>TOTAL COST ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starcom Worldwide</td>
<td>Advertising CRS Australia Services</td>
<td>30 550</td>
</tr>
<tr>
<td>Starcom Worldwide</td>
<td>Placement of staff recruitment advertisements</td>
<td>166 443</td>
</tr>
</tbody>
</table>
FaCS is serious about its obligations under the Commonwealth Disability Strategy and the Disability Discrimination Act 1992. The department is careful in the assessment of our performance in meeting those obligations, and reports comprehensively on that performance.

FaCS reports its performance against four core organisational roles: policy adviser, purchaser, provider and employer. The provider role applies only to FaCS agencies: CRS Australia, Child Support Agency and the Social Security Appeals Tribunal. All FaCS agencies, except the Social Security Appeals Tribunal, report separately on their performance in this annual report. The Social Security Appeals Tribunal reports in the Social Security Appeals Tribunal Annual Report 2001–02.

To collect baseline data for this year’s report, each branch, agency and state/territory office assessed its performance against relevant performance indicators from January to March 2002. This performance information then was averaged for FaCS as a whole for the policy adviser and purchaser roles.

**Progress made**

FaCS made further improvements in a number of areas:

- how the department consults people with disabilities on the impact on them of its processes for purchasing goods and services
- providing information in alternative electronic formats
- recording how disability access issues are considered in development of policies and programs.

FaCS expects that some of the changes to mainstream processes implemented through its Disability Action Plan will result in further improvements.

These positive steps include:

- ensuring standard purchasing specifications, agreements and contracts comply with the Disability Discrimination Act 1992
- inserting reminders to consider accessibility issues in the *Program management guide*, the *Purchasing checklist* and the *Procurement manual*
- developing accessibility service standards for information.
Room for improvement

Further improvements could be made in keeping records on: consultation on accessibility issues, assessment of the impacts of policies and programs and the details of requests for information in accessible formats. FaCS will revise its Disability Action Plan to take focus on key areas for improvement.

FaCS performance report against the Commonwealth Disability Strategy Reporting Framework

(For the sample period January to March 2002)

Table 97 FaCS performance report against the Commonwealth Disability Strategy Reporting Framework

<table>
<thead>
<tr>
<th>POLICY ADVISER ROLE</th>
<th>Performance indicator</th>
<th>Performance measure for January to March 2002</th>
<th>Current level of performance (previous year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New or revised program/policies assess impact on the lives of people with disabilities prior to decision</td>
<td>Percentage of new or revised policy/program proposals that document that the impact of the proposal was considered prior to the decision making stage</td>
<td>90 per cent (up from 80 per cent)</td>
</tr>
<tr>
<td></td>
<td>People with disabilities are included in consultations about new or revised policy/program proposals</td>
<td>Percentage of consultations about new or revised policy/program proposals that are developed in consultation with people with disabilities</td>
<td>80 per cent (no change)</td>
</tr>
<tr>
<td></td>
<td>Public announcements of new, revised or proposed policy/program initiatives are available in accessible formats for people with disabilities in a timely manner</td>
<td>Percentage of new, revised or proposed policy/program announcements available in a range of accessible formats Time taken in providing announcements in accessible formats</td>
<td>85 per cent (improvement in recording of data and percentage available in electronic format at time of announcement) FaCS meets all requests for documents in accessible non-electronic formats on request and has developed a service standard for provision of these documents</td>
</tr>
</tbody>
</table>

continued
<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure for January to March 2002</th>
<th>Current level of performance (previous year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publicly available information on agreed purchasing specifications is available in accessible formats for people with disabilities</td>
<td>Percentage of publicly available purchasing specifications requested and provided in:</td>
<td>95 per cent (no change)</td>
</tr>
<tr>
<td></td>
<td>- accessible electronic formats</td>
<td>Not recorded</td>
</tr>
<tr>
<td></td>
<td>- accessible formats other than electronic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average time taken to provide accessible material in:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- electronic formats</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- formats other than electronic</td>
<td></td>
</tr>
<tr>
<td>Processes for purchasing goods or services with a direct impact on the lives of people with disabilities are developed in consultation with people with disabilities</td>
<td>Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities</td>
<td>85 per cent (up from 75 per cent)</td>
</tr>
<tr>
<td>Purchase specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the Disability Discrimination Act 1992</td>
<td>Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the Disability Discrimination Act 1992</td>
<td>87 per cent (down from 95 per cent, reflecting a more accurate assessment of the number of older non-standard contracts still active)</td>
</tr>
<tr>
<td></td>
<td>Percentage of contracts for the purchase of goods and services require the contractor to comply with the Disability Discrimination Act 1992</td>
<td>FaCS standard contracts specify contractors must comply with all relevant Commonwealth legislation, including the Disability Discrimination Act 1992. Specific Reference to DDA included in standard contracts from July 2002. A small proportion of older specifications and contracts are non-standard and do not specify compliance</td>
</tr>
<tr>
<td></td>
<td>Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided</td>
<td>100 per cent of performance reports released are publicly available in accessible electronic formats, html or text files (up from 95 per cent) The time taken to provide these documents was not routinely recorded</td>
</tr>
</tbody>
</table>
### PURCHASER ROLE 

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure for January to March 2002</th>
<th>Current level of performance (previous year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about provider’s performance</td>
<td>Established complaints/grievance mechanisms, including access to external mechanisms, in operation</td>
<td>Complaints are handled under the FaCS Service Charter. This includes access to external complaints mechanism. Under most funded service agreements, providers are required to have a grievance mechanism in place and access to another level of resolution if this fails.</td>
</tr>
</tbody>
</table>

### EMPLOYER ROLE 

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure for January to March 2002</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment policies, procedures and practices comply with the requirements of the Disability Discrimination Act 1992</td>
<td>Number of employment policies, procedures and practices that meet the requirements of the Disability Discrimination Act 1992</td>
<td>Both the Certified Agreement and the Diversity Plan uphold the principles of the Disability Discrimination Act 1992. The development of a log of all employment policies and procedures, and their compliance with the Disability Discrimination Act 1992 is currently under development.</td>
</tr>
<tr>
<td>Recruitment information for potential job applicants is available in accessible formats on request</td>
<td>Percentage of recruitment information requested and provided in: ◗ accessible electronic formats (html or text files) ◗ accessible formats other than electronic. Average time taken to provide accessible information in: ◗ electronic formats ◗ formats other than electronic</td>
<td>100 per cent of recruitment information is available in accessible formats. Advice and support is provided to all recruitment panels and agencies on handling requests for accessible information. 100 per cent of all standard recruitment materials is in accessible formats. A log of all requests for accessible information is maintained. An accessible information working group is currently finalising service standards for the provision of information in accessible formats. Nil requests for information in electronic formats. Nil extensions required to the closing date for application due to the need to supply information in accessible formats.</td>
</tr>
</tbody>
</table>
### Table 97 FaCS performance report against the Commonwealth Disability Strategy Reporting Framework continued

**EMPLOYER ROLE continued**

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure for January to March 2002</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency recruiters and managers apply the principle of reasonable adjustment</td>
<td>Percentage of recruiters and managers provided with information on reasonable adjustment</td>
<td>100 per cent. FaCS is working on amendments to standard contracts re reasonable adjustment—50 per cent complete. FaCS has also been working to include advice on reasonable adjustment as part of the recruitment pilot—20 per cent complete. FaCS is preparing an all-staff communication product (for July 2002) on the principles and practices of reasonable adjustment—75 per cent complete.</td>
</tr>
<tr>
<td>Training and development programs consider the needs of staff with disabilities</td>
<td>Percentage of training and development programs that consider the needs of staff with disabilities</td>
<td>100 per cent. All FaCS core skill learning and development programs include information on disability issues as they relate to the program.</td>
</tr>
<tr>
<td>Training and development programs include information on disability issues as they relate to the content of the program</td>
<td>Percentage of training and development programs that include information on disability issues as they relate to the program</td>
<td>100 per cent. FaCS's priority skills learning and development programs include information on disability issues relating to the program.</td>
</tr>
<tr>
<td>Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff</td>
<td>Established complaints/grievance mechanisms, including access to external mechanisms in operation</td>
<td>FaCS is reviewing complaints and grievances as a result of Certified Agreement negotiations, a secure database has been developed, with implementation to occur in July 2002, it is estimated that this work is 75 per cent complete. FaCS is reviewing all people management policies, it is estimated that this work is 75 per cent complete. State and territory offices report that all staff are aware of complaints and grievance mechanisms under the Certified agreement</td>
</tr>
</tbody>
</table>
# Child Support Agency

(For the period 2001–02)

## Table 98  Child Support Agency performance report against the Commonwealth Disability Strategy Reporting Framework

<table>
<thead>
<tr>
<th>PURCHASER ROLE</th>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
|                | Publicly available information on agreed purchasing specifications are available in accessible formats for people with disabilities | Percentage of publicly available purchasing specifications requested and provided in:  
  - accessible electronic formats  
  - accessible formats other than electronic  
  Average time taken to provide accessible material in:  
  - electronic formats  
  - formats other than electronic | 100 per cent for electronic formats  
100 per cent for formats other than electronic  
The time taken to provide these documents has not been routinely recorded. There were no requests for documentation in other formats.                                                                 |                                                                                                                                                                                                                                           |
|                | Processes for purchasing goods or services with a direct impact on the lives of people with disabilities | Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities that are developed in consultation with people with disabilities | n/a  
No tenders placed had a direct impact on people with disabilities.                                                                 |                                                                                                                                                                                                                                           |
|                | Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the Disability Discrimination Act 1992 | Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the Disability Discrimination Act 1992  
Percentage of contracts for the purchase of goods and services that require the contractor to comply with the Disability Discrimination Act 1992 | All tender documents made reference to compliance with relevant Commonwealth legislation but did not mention the Disability Discrimination Act 1992 by name.  
All contracts offered required the contractor to comply with all relevant Commonwealth legislation.                                                                                                                                 |                                                                                                                                                                                                                                           |
|                | Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is available | Percentage of publicly available purchasing specifications requested and provided in:  
  - accessible electronic formats  
  - accessible formats other than electronic  
  Average time taken to provide accessible material in:  
  - electronic formats  
  - formats other than electronic | The Child Support Agency did not release any performance measurements or reports against contract purchasing specifications.                                                                 |                                                                                                                                                                                                                                           |
|                | Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about the providers performance | Established complaints/grievance mechanisms, including access to external mechanisms, in operation | 100 per cent. All tender documents contain specific clauses on complaint handling procedures.                                                                 |                                                                                                                                                                                                                                           |

*continued*
### Table 98  Child Support Agency performance report against the Commonwealth Disability Strategy Reporting Framework continued

#### PROVIDER ROLE

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers have established mechanisms for quality improvement and assurance</td>
<td>Evidence of quality improvement and assurance systems in operation</td>
<td>The Child Support Agency has developed and implemented a comprehensive integrated business management system which includes frameworks for managing quality improvement and assurance.</td>
</tr>
<tr>
<td>Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for people with disabilities</td>
<td>Established service charter that adequately reflects the needs of people with disabilities in operation</td>
<td>The Child Support Agency has a client service charter that specifies the roles of the provider and the consumer. This document is available at the Child Support Agency web site.</td>
</tr>
<tr>
<td>Complaints/grievance mechanism, including access to external mechanisms, in place to address issues and concerns raised about performance</td>
<td>Established complaints/grievance mechanism, including access to external mechanisms in operation</td>
<td>100 per cent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Child Support Agency has a well established Complaints Service that includes access to external mechanisms such as the Commonwealth Ombudsman and the Federal Privacy Commissioner.</td>
</tr>
</tbody>
</table>

#### EMPLOYER ROLE

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>The Child Support Agency Deaf Network was supported during the sample period.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The Child Support Agency developed or reviewed the following policies or programs in keeping with the Disability Discrimination Act 1992:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ orientation program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ entry level training program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ graduate program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ team leader development program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ HR management procedures and corporate guidelines</td>
</tr>
<tr>
<td></td>
<td></td>
<td>◦ recruitment management procedure</td>
</tr>
</tbody>
</table>

*continued*
### Table 98  Child Support Agency performance report against the Commonwealth Disability Strategy Reporting Framework continued

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EMPLOYER ROLE</strong></td>
<td><strong>continued</strong></td>
<td></td>
</tr>
</tbody>
</table>
| **Recruitment**       | **information for potential job applicants is available in accessible formats on request** | 100 per cent for electronic formats  
Average time for electronic formats: 24 hours  
All recruitment information is available in accessible formats at the Child Support Agency web site and the recruitment contractor’s web site. The recruitment team did not receive any requests for information in non-electronic accessible formats. |
| **Agency recruiters and managers** | **apply the principle of reasonable adjustment** | 100 per cent for recruiters  
100 per cent for managers  
All recruitment contracts specify that reasonable adjustments are to be made during the recruitment and selection process. All internal recruiters and managers are provided with information and advice on reasonable adjustment. |
| **Training and development programs consider the needs of staff with disabilities** | **Percentage of training and development programs that consider the needs of staff with disabilities** | 100 per cent  
The Child Support Agency training database enables employees to identify specific needs at the time of nomination. Training programs are developed taking into account individual learning styles and preferences for accessing information. All training evaluations seek to identify needs not met during the training. |
| **Training and development programs include information on disability issues as they relate to the content of the program** | **Percentage of training and development programs that include information on disability issues as they relate to the program** | 100 per cent  
The Child Support Agency training database enables employees to identify specific needs at the time of nomination. Training programs are developed taking into account individual learning styles and preferences for accessing information. All training evaluations seek to identify needs not met during the training. |
| **Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff** | **Established complaints/grievance mechanisms, including access to external mechanisms in operation** | 100 per cent  
The Child Support Agency (General Employee) Agreement 2000 has an established process for handling complaints which includes access to external mechanisms. All staff are provided with advice on the complaints/grievance process during Orientation. |
## Table 99  CRS Australia performance report against the Commonwealth Disability Strategy Reporting Framework

### PURCHASER ROLE

**Objective:** To ensure that people who require information in an accessible format receive it in a timely manner

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Publicly available information on agreed purchasing specifications are available in accessible formats for people with disabilities | Percentage of publicly available purchasing specifications requested and provided in:  - accessible electronic formats  - accessible formats other than electronic  Average time taken to provide accessible material in:  - electronic formats  - formats other than electronic | n/a  
CRS Australia did not receive any requests for tender documents in an accessible format for people with disabilities  
n/a  
n/a |

**Objective:** To ensure that the Commonwealth purchases services which reflect the needs of people with disabilities

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Processes for purchasing goods or services with a direct impact on the lives of people with disabilities are developed in consultation with people with disabilities | Percentage of processes for purchasing goods or services that directly impact on the lives of people with disabilities that are developed in consultation with people with disabilities | All client-related CRS purchasing processes include full consultation and assessment with people with disabilities and/or their representatives.  
None of the tender processes CRS Australia ran during 2001–02 had a direct impact on people with disabilities. |

**Objective:** To ensure that the Commonwealth builds accountability for the delivery of non-discriminatory goods and services into its purchasing agreements with providers

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the Disability Discrimination Act 1992 | Percentage of purchasing specifications for goods and services that specify that tender organisations must comply with the *Disability Discrimination Act 1992*  
Percentage of contracts for the purchase of goods and services that require the contractor to comply with the *Disability Discrimination Act 1992* | 100 per cent  
CRS Australia includes an explicit clause in all requests for tender, standard and non-standard contracts specifying that contractors must comply with the requirements of the *Disability Discrimination Act 1992* |

*continued*
Table 99  CRS Australia performance report against the Commonwealth Disability Strategy Reporting Framework continued

**PURCHASER ROLE continued**

Objective: To ensure that people who require information in an accessible format receive it in a timely manner

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disabilities is provided | Percentage of publicly available performance reports against the contract purchasing specification requested and provided in:  
  - accessible electronic formats  
  - accessible formats other than electronic  
  Average time taken to provide accessible material in:  
  - electronic formats  
  - formats other than electronic | 100 per cent  
  All contracts that followed from tender processes were published in the Commonwealth Government Gazette and are publicly available in electronic and non-electronic formats as provided by the Gazette  
  On request, CRS Australia can make this material available in accessible formats within an average time of one month |

Objective: To ensure that people with disabilities can talk directly with purchasers regarding a provider's performance

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about provider's performance | Established complaints/grievance mechanisms, including access to external mechanisms, in operation | 100 per cent  
  CRS Australia deals with complaints regarding service providers in accordance with its Service Charter  
  Where CRS Australia purchases services for our clients, feedback on provider performance is obtained from the client. Contracts between CRS Australia and service providers identify complaints handling mechanisms and the roles and responsibilities of the service providers |

continued
### PROVIDER ROLE

**Objective:** To ensure that Providers continually improve on their performance in meeting the needs of customers with disabilities

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers have established mechanisms for quality improvement and assurance</td>
<td>Evidence of quality improvement and assurance systems in operation</td>
<td>100 per cent</td>
</tr>
<tr>
<td>CRS Australia has a Quality Assurance Improvement Program process in place to ensure the highest standard of service is provided to clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRS Australia evaluates current quality in service delivery through:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>› the independent FaCS certification process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>› analysis of both client and customer feedback</td>
<td></td>
<td></td>
</tr>
<tr>
<td>› quality assurance and improvement reviews</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality assurance results and trends inform organisational planning, learning and development strategies, and continuous improvement of work processes</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Objective:** To ensure that all agencies recognise people with disabilities as customers

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers have an established service charter that specifies the roles of the provider and consumer and service standards which address accessibility for people with disabilities</td>
<td>Established service charter that adequately reflects the needs of people with disabilities in operation</td>
<td>100 per cent</td>
</tr>
<tr>
<td>CRS Australia's Service Charter specifies the role of CRS and the consumer and identifies our service standards. The Charter is provided to clients at the commencement of their program and is also available on CRS Australia's web site, which is W3C compliant for accessibility. Appropriate assistance is arranged where the client may have difficulties in understanding the service charter, for example where a client requires an Auslan interpreter.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*continued*
<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about performance</td>
<td>Established complaints/grievance mechanisms, including access to external mechanisms, in operation</td>
<td>100 per cent</td>
</tr>
</tbody>
</table>

**EMPLOYER ROLE**

Objective: To eliminate disability discrimination in the workplace

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment policies, procedures and practices comply with the requirements of the Disability Discrimination Act 1992</td>
<td>Number of employment policies, procedures and practices that meet the requirements of the Disability Discrimination Act 1992</td>
<td>CRS Australia incorporates the requirements of the Disability Discrimination Act 1992 in its employment policies, procedures and guidelines. CRS Australia is currently reviewing all its human resources policies and procedures and, in conjunction with this, is also reviewing compliance with the requirements of the Disability Discrimination Act 1992</td>
</tr>
</tbody>
</table>
Table 99  CRS Australia performance report against the Commonwealth Disability Strategy Reporting Framework continued

EMPLOYER ROLE continued

**Objective:** To ensure that people who require information in an accessible format receive it in a timely manner

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
</table>
| Recruitment information for potential job applicants is available in accessible formats on request | Percentage of recruitment information requested and provided in:  
- accessible electronic formats  
- accessible formats other than electronic  
Average time taken to provide accessible information in:  
- electronic formats; and  
- formats other than electronic | 100 per cent  
CRS Australia provides an Applicant Kit on how to apply, and details of the position and organisation, which is available in downloadable electronic word format via CRS Australia’s web site, by email or by printed packs that are sent by post. On request, all information can be provided in .txt or html formats.  
The CRS Australia web site has been checked for compliance with the W3C guidelines on accessibility.  
12 working hours  
Next working day for Capital Cities  
2–3 working days for country areas |
### EMPLOYER ROLE continued

**Objective:** To ensure staff with disabilities are able to fully participate in all training and development programs

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development programs consider the needs of staff with disabilities</td>
<td>Percentage of training and development programs that consider the needs of staff with disabilities</td>
<td>100 per cent</td>
</tr>
</tbody>
</table>
| **Objective:** To integrate disability issues into a wide range of training and development programs

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development programs include information on disability issues as they relate to the content of the program</td>
<td>Percentage of training and development programs that include information on disability issues as they relate to the program</td>
<td>100 per cent</td>
</tr>
</tbody>
</table>
| **Objective:** To ensure that staff with disabilities are able to have issues and concerns in the workplace addressed

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Performance measure</th>
<th>Current level of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint/grievance mechanism, including access to external mechanisms, in place to address issues and concerns by staff</td>
<td>Established complaints/grievance mechanisms, including access to external mechanisms in operation</td>
<td>CRS Australia has established policies and procedures for complaints handling, which include access to external mechanisms (such as the Employee Assistance program, Merit Protection and Review Agency) Information and advice on the complaints/grievance process is provided to all employees through the certified agreement, intranet and during induction</td>
</tr>
</tbody>
</table>
Competitive tendering and contracting

Competitive tendering and contracting (CTC) is the process by which the responsibility for delivery of services previously performed in-house is transferred to an external organisation.

FaCS has had in place for a number of years a range of CTC contracts that have had a significant impact on its administrative work. Many of these have been reviewed, renewed or replaced during the financial year in accordance with existing contractual provisions, changes in the department’s business needs or amended service-level requirements.

FaCS has also carried out a detailed analysis of its corporate activities as part of the Government’s requirements for market testing of these functions. Opportunities for process re-engineering identified as a result of this analysis, coupled with the results of market testing, which is to be implemented during 2002–03, are expected to have an impact on the current range of CTC contracts.

The following list reports on CTC contracts in excess of $100 000 that were entered into, or remained current, during 2001–02.

CTC contracts: additional information

Acme Consulting

The arrangement in place was the result of an open tender to select a panel of providers to undertake professional writing, editing and communications services for FaCS. In December 2001 the arrangement was extended until June 2002. The panel allows relevant expertise to be drawn on as required. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $131 992.50.

Stocklands Property Management

The arrangement with Stockland Property Management was in place prior to the Administrative Arrangement Orders in October 1998, when two divisions of the former Department of Health and Family Services transferred to the Department of Family and Community Services. FaCS has continued to use the services provided under the arrangement.

The contract expired on 30 June 2002 but the arrangement will continue on a month-by-month basis pending the outcome of FaCS’s market testing of corporate services. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $162 380.00.
Mercer Communications

The arrangement with Mercer Communications resulted from the decision to separate FaCS Telecommunication responsibilities from Centrelink. Mercer Communications assisted with the separation, and provides the department with voice management services. The contract is currently on a month-by-month arrangement pending the outcome of FaCS' market testing of corporate services. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $240,127.00.

CITEC

The arrangement in place with CITEC results from FaCS's decision to establish its own corporate Enterprise Resource Planning Systems using the SAP R/3 application. A formal tender process was conducted and CITEC was engaged under the Commonwealth Government Information Technology and Communications’ terms and conditions dated 1 October 1998 under the whole-of-government head agreement. This contract provides SAP R/3 Bureau Services and related network services, and is valid until 15 April 2004. Given the age of this contract it does not contain provisions relating to either GST or access by the Auditor-General. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $996,856.23.

Cogent Business Solutions

A standing offer arrangement with Cogent Business Solutions followed a restricted tender to firms listed on the Office of Assets Sales and Commercial Support's (formerly the Office of Assets Sales and IT Outsourcing) panel of contractors. Cogent provides specialist business advice in support of the FaCS's market testing of corporate services. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $236,084.32.

Enterprise Outsourcing

Enterprise Outsourcing was initially engaged on a standing offer arrangement as a resourcing strategy to assist and support FaCS's Procurement Unit in the delivery of procurement activities, in particular with departmental tendering processes. The arrangement has continued on a month-by-month basis pending results of market testing. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $383,639.00.

iContact

The arrangement in place was a consequence of FaCS's decision to establish its own warehouse, fulfilment and distribution services. A formal tender process was conducted and iContact was engaged for a period of three years. The contract expires on 22 April 2004. Payments under this contract are on a GST-inclusive basis. Expenditure for financial year 2001–02 was $1,299,696.47.
FaCS primarily engages consultants where it lacks particular expertise or an independent review or assessment is considered desirable. A more detailed description of the reasons for using consultants can be found in the legend on the next page.

Consultants are engaged through processes detailed in the department’s Chief Executive Instructions, which are consistent with the Commonwealth Procurement Guidelines. The primary guiding principle is value for money. Overseeing and reviewing consultancy activities is the responsibility of a range of internal functional units, and covers issues such as program and policy development, business practices, and IT or other specialist advice.

The nature of FaCS’s responsibilities and obligations necessarily results, in the majority of cases, in the use of consultants with skills and expertise falling within a fairly narrow range. As far as possible competitive processes are used for the selection of these consultants, and strict internal guidelines apply to the approval of expenditure.

The range of services for which consultants are employed includes quantitative research, information gathering and analysis, policy advice, promotional campaigns, client surveys, specialist financial services, business process review and technical expertise of many kinds.

All departmental consultancy contracts include clauses to provide audit access rights for the Auditor-General.

The nature of FaCS’s area of responsibility requires that its sources of advice, in the main, have specific expertise in the Australian environment. Virtually all of its consultancy contracts therefore go to local, or locally based, organisations.

FaCS did not have any contracts exempted from gazettal during 2001–02.

Figures on the participation rate of small and medium enterprises for 2001–02 were not available at the date of publication, but FaCS anticipates no difficulty in reaching the mandated 10 per cent level, given an overall result of 36.1 per cent during 2000–01.

**Summary**

During 2001–02, the total expenditure on consultancy services over $10 000.00, for the FaCS portfolio (excluding Centrelink and AIFS) was $13 228 295.88.

The FaCS portfolio (with the exception of Centrelink and AIFS) entered into 135 consultancies over $10 000.00 as detailed in the attached tables:

- **FaCS core:** 95 consultancies totalling $10 810 563.46
- **Child Support Agency (CSA):** 15 consultancies totalling $1 210 838.01
- **Social Security Appeals Tribunal (SSAT):** 5 consultancies totalling $130 000.00
- **CRS Australia:** 20 consultancies totalling $1 076 894.41.
Legend

The legend provides an explanatory guide to the data contained in the table.

How engaged

A open tender
Bi restricted tender—urgency
Bii restricted tender—Specialist knowledge
Biii restricted tender—consult with the Government Communications Unit
Biv restricted tender—previous good dealing
Bv restricted tender—other
C sole supplier

Outcome/activity structure

1 Stronger Families
2 Stronger Communities
3 Economic and Social Participation
4 Other key activities

Justification for consultancy services

a skills currently unavailable within FaCS
b requirements for collection of quantitative/qualitative statistical information
c requirement for independent or impartial research/assessment by an independent organisation
d requirement for specialist/professional expertise
e the consultant is recognised as an expert in the field and uniquely able to provide required services

Market research

* denotes market research consultancy
# denotes contracts let in the context of revenue-earning activities involving a net financial benefit to FaCS
Table 100  FaCS consultancies in excess of $10 000—2001–02

<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>OUTCOME</th>
<th>ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC Nielsen Pty Ltd</td>
<td>3</td>
<td>Comparison of social and economic participation levels for Assessment and Contestability Trial participants and a control group</td>
<td>Bi b, c</td>
<td>82 262.18</td>
<td></td>
<td>71 602.30</td>
<td></td>
</tr>
<tr>
<td>AC Nielsen Pty Ltd</td>
<td>3</td>
<td>Explore the barriers certain customer groups experience in increasing their economic and social participation</td>
<td>Bi a,b,d</td>
<td>375 637.00</td>
<td></td>
<td>51 642.00</td>
<td></td>
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<tr>
<td>ACROD Limited</td>
<td>3</td>
<td>Researched services in relation to the social partnerships in disability services</td>
<td>Bv d</td>
<td>70 000.00</td>
<td></td>
<td>35 000.00</td>
<td></td>
</tr>
<tr>
<td>Acumen</td>
<td>4</td>
<td>IT outsourcing advice</td>
<td>Bv d</td>
<td>83 754.00</td>
<td></td>
<td>83 754.00</td>
<td></td>
</tr>
<tr>
<td>Adelaide Central Community Health Service</td>
<td>2</td>
<td>A consultancy to trial strategies to support Indigenous people living traditional lifestyles make the transition to urban living in Adelaide</td>
<td>C e</td>
<td>90 280.00</td>
<td></td>
<td>45 000.00</td>
<td></td>
</tr>
<tr>
<td>Australian Federation of Homelessness Organisations</td>
<td>2</td>
<td>Design and trial client satisfaction measures for use in SAAP funded services</td>
<td>C b,e</td>
<td>99 000.00</td>
<td></td>
<td>90 090.00</td>
<td></td>
</tr>
<tr>
<td>Australian Health Care Associates</td>
<td>3</td>
<td>Conduct the Interim Evaluation of the Case-Based Funding trial to determine the effectiveness, efficiency and appropriateness of the case-based funding model in improving service delivery and ensuring employment outcomes for people with disabilities</td>
<td>A b, c</td>
<td>653 620.00</td>
<td></td>
<td>336 490.00</td>
<td></td>
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<tr>
<td>Australian Institute of Family Studies</td>
<td>1</td>
<td>Relationships education study</td>
<td>Bi a,b,c,d,e</td>
<td>176 790.00</td>
<td></td>
<td>145 852.30</td>
<td></td>
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<tr>
<td>Australian Institute of Family Studies</td>
<td>1</td>
<td>Longitudinal Survey of Australian Children</td>
<td>A b</td>
<td>9 470 818.00</td>
<td></td>
<td>543 400.00</td>
<td></td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare</td>
<td>3</td>
<td>Review the effectiveness of existing funding to reduce unmet need and identify remaining shortfalls for disability services</td>
<td>C d</td>
<td>129 750.00</td>
<td></td>
<td>32 437.00</td>
<td></td>
</tr>
<tr>
<td>Australian National University RSSS</td>
<td>1</td>
<td>Provide social policy research services—Demography Program</td>
<td>C b e</td>
<td>20 000.00</td>
<td></td>
<td>4 400.00</td>
<td></td>
</tr>
<tr>
<td>Australian Institute of Health and Welfare</td>
<td>3</td>
<td>Undertake redevelopment for the Minimum Data Set for services funded under the Commonwealth, State and Territory Disability Agreement</td>
<td>C e</td>
<td>606 848.00</td>
<td></td>
<td>294 080.00</td>
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<table>
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<tr>
<th>CONSULTANT</th>
<th>ACTIVITY</th>
<th>OUTCOME</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Careers Unlimited Pty Ltd</td>
<td>4</td>
<td>2</td>
<td>Assist with FaCS business planning process</td>
<td>Bi</td>
<td>a</td>
<td>16 983.00</td>
<td>16 983.00</td>
</tr>
<tr>
<td>Carers Association of Australia</td>
<td>3</td>
<td>2</td>
<td>Research the number, characteristics, and needs of young carers in Australia to facilitate their social and economic participation in the community</td>
<td>C</td>
<td>e</td>
<td>104 000.00</td>
<td>37 000.00</td>
</tr>
<tr>
<td>CAVAL Limited</td>
<td>4</td>
<td></td>
<td>Information audit/information needs analysis for how FaCS staff locate and use general information</td>
<td>Bv</td>
<td>d</td>
<td>51 480.00</td>
<td>44 288.00</td>
</tr>
<tr>
<td>Centacare WA</td>
<td>2</td>
<td>4</td>
<td>A consultancy to research and report on fifteen months of longitudinal information that identifies factors that contribute to homelessness for people living in accommodation that was intended to be temporary or that is substandard, particularly Indigenous people in Western Australia</td>
<td>C</td>
<td>d</td>
<td>92 434.00</td>
<td>36 217.00</td>
</tr>
<tr>
<td>CMG Admiral</td>
<td>4</td>
<td></td>
<td>Consultancy services for the provision of IT risk assessments on FaCS sites as per the PSM 2000 and DSD ASCI 33 guidelines</td>
<td>Bv</td>
<td>a,d,e</td>
<td>50 000.00</td>
<td>50 000.00</td>
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<tr>
<td>CMG Admiral</td>
<td>4</td>
<td></td>
<td>Consultancy services for risk assessments of FaCS web sites as required by NOIE</td>
<td>Bv</td>
<td>a,d,e</td>
<td>55 138.00</td>
<td>55 138.00</td>
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<tr>
<td>Cogent Business Solutions Pty Ltd</td>
<td>4</td>
<td></td>
<td>Business process improvement and change management for the NGO Integrated System Project</td>
<td>Bi</td>
<td>a,d</td>
<td>23 574.00</td>
<td>5 866.88</td>
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<tr>
<td>Cogent Freebody Pty Ltd</td>
<td>1 2 3 4</td>
<td></td>
<td>Review of FaCS budget models</td>
<td>Bii</td>
<td>d</td>
<td>15 000.00</td>
<td>12 551.00</td>
</tr>
<tr>
<td>CPT Global</td>
<td>4</td>
<td></td>
<td>Consultation services for I&amp;T Strategy</td>
<td>C</td>
<td>a,d,e</td>
<td>210 000.00</td>
<td>210 000.00</td>
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<tr>
<td>CPT Global</td>
<td>4</td>
<td></td>
<td>Consultancy for shared services framework</td>
<td>C</td>
<td>a,d,e</td>
<td>250 000.00</td>
<td>227 762.00</td>
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<tr>
<td>Datacol Research Pty Ltd</td>
<td>1</td>
<td></td>
<td>National survey of child care service fees</td>
<td>Bii</td>
<td>b</td>
<td>19 750.00</td>
<td>19 750.00</td>
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<tr>
<td>Deloitte Consulting</td>
<td>1</td>
<td></td>
<td>Provide services on project management of the Child Care Benefit program</td>
<td>Biv</td>
<td>a</td>
<td>129 012.00</td>
<td>129 012.00</td>
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<table>
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<tr>
<th>CONSULTANT</th>
<th>OUTCOME ACTIVITY</th>
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<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE 2001–02</th>
<th>ACTUAL EXPENDITURE $</th>
</tr>
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<tbody>
<tr>
<td>Department of Human Services (SA)</td>
<td>2</td>
<td>Review of Ngaanyatjarra, Pitjantjatjara, Yankunytjatjara (NPY) Women’s Council</td>
<td>Biv, Biv</td>
<td>c</td>
<td>20 000.00</td>
<td>20 000.00</td>
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<tr>
<td>Donovan Research</td>
<td>1</td>
<td>Evaluation of Imagery for ACCAP campaign material</td>
<td>Bii, Biv</td>
<td>a</td>
<td>21 670.00</td>
<td>21 670.00</td>
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<tr>
<td>Edith Cowan University</td>
<td>1</td>
<td>Evaluation of Family &amp; Community Network Initiative</td>
<td>Bii</td>
<td>c</td>
<td>150 370.00</td>
<td>150 370.00</td>
</tr>
<tr>
<td>Ernst and Young</td>
<td>4</td>
<td>Independent review and advice on the development of the Centrelink Funding Model</td>
<td>Bv</td>
<td>c</td>
<td>21 672.00</td>
<td>21 672.00</td>
</tr>
<tr>
<td>FuturePerfect Communications</td>
<td>3</td>
<td>Prepare report and pamphlet on the outcomes of the community consultations on <em>Australians Working Together</em></td>
<td>Bv</td>
<td>d</td>
<td>59 136.00</td>
<td>59 136.00</td>
</tr>
<tr>
<td>Hanover Welfare Services</td>
<td>2</td>
<td>Research project to cross match data from homeless agencies and information collected by Centrelink through the Job Seeker Classification Instrument to examine the effectiveness of the instrument in identifying homeless persons</td>
<td>C</td>
<td>b</td>
<td>28 140.00</td>
<td>14 070.00</td>
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<tr>
<td>Health Outcomes International</td>
<td>3</td>
<td>Development of a wage assessment tool for business services</td>
<td>Bii</td>
<td>d</td>
<td>340 090.91</td>
<td>68 018.00</td>
</tr>
<tr>
<td>Horizon Public Relations</td>
<td>1</td>
<td>Development, coordination and management of National Youth Week 2003</td>
<td>A</td>
<td>e</td>
<td>354 200.00</td>
<td>354 200.00</td>
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<tr>
<td>Information Management Solutions</td>
<td>4</td>
<td>Produce a report advising on disposal strategies for records management</td>
<td>C</td>
<td>a,d,e</td>
<td>60 962.00</td>
<td>48 121.00</td>
</tr>
<tr>
<td>JAS-ANZ</td>
<td>3</td>
<td>Develop criteria and procedures for certification bodies undertaking audits for disability employment services</td>
<td>C</td>
<td>e</td>
<td>28 600.00</td>
<td>28 600.00</td>
</tr>
<tr>
<td>Jenny Pearson &amp; Associates Pty Ltd</td>
<td>3</td>
<td>Analysis of DMI and DPI assessment tools and streaming decision analysis for Assessment and Contestability trial</td>
<td>Bii, Biv</td>
<td>b, c, d</td>
<td>16 159.00</td>
<td>16 159.00</td>
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<tr>
<td>Jenny Pearson &amp; Associates Pty Ltd</td>
<td>3</td>
<td>International literature review on assessment tools for measuring work capacity</td>
<td>Bii</td>
<td>d</td>
<td>50 732.00</td>
<td>38 673.80</td>
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<tr>
<td>Jenny Pearson &amp; Associates Pty Ltd</td>
<td>3</td>
<td>Provide services for case based funding classification process</td>
<td>Bii, Biv</td>
<td>c, e</td>
<td>208 858.55</td>
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<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
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<tbody>
<tr>
<td>Jesuit Social Services</td>
<td>1</td>
<td>Me and My Family Program Development</td>
<td>A</td>
<td>a,c,d</td>
<td>407 000.00</td>
<td>177 699.95</td>
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<tr>
<td>John Robinson Consulting Service</td>
<td>4</td>
<td>Support WA Office in reorganisation process</td>
<td>A</td>
<td>a, e</td>
<td>19 770.49</td>
<td>19 770.49</td>
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<tr>
<td>KPMG</td>
<td>1 2 3 4</td>
<td>Provide advice on implementation of output costing and effort recording survey system</td>
<td>Bii</td>
<td>e</td>
<td>10 313.00</td>
<td>10 313.00</td>
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<tr>
<td>KPMG</td>
<td>3</td>
<td>Financial viability and corporate governance assessments for AWT additional disability employment assistance places</td>
<td>Bii</td>
<td>a, e</td>
<td>31 800.12</td>
<td>31 800.12</td>
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<tr>
<td>KPMG</td>
<td>1</td>
<td>Comparative cost impact analysis of selected approaches toward a quality assurance system for outside school hours care</td>
<td>A</td>
<td>d</td>
<td>75 515.00</td>
<td>62 274.00</td>
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<tr>
<td>KPMG</td>
<td>3</td>
<td>Undertake financial assessments of organisations seeking funding under the Personal Support Programme</td>
<td>Biv</td>
<td>d</td>
<td>118 011.00</td>
<td>118 011.00</td>
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<tr>
<td>KPMG</td>
<td>2</td>
<td>Independent research into current and future ATM/EFTPOS machine functionality and capabilities in gaming venues</td>
<td>A</td>
<td>a,c,d,e*</td>
<td>173 800.00</td>
<td>52 140.00</td>
</tr>
<tr>
<td>KPMG</td>
<td>3</td>
<td>Conduct the interim evaluation of the Assessment and Contestability trial for people with disabilities, including comprehensive data analysis, examination of processes and periodic audits</td>
<td>A</td>
<td>b, c</td>
<td>343 977.00</td>
<td>193 926.5</td>
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<tr>
<td>Lelde Vitols</td>
<td>3</td>
<td>Develop the new framework and sections of the handbook for the National Disability Abuse and Neglect Hotline</td>
<td>Bii</td>
<td>e</td>
<td>36 000.00</td>
<td>36 000.00</td>
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<td>Linkshine Pty Ltd</td>
<td>4</td>
<td>Development of approach to recruitment</td>
<td>C</td>
<td>a</td>
<td>30 000.00</td>
<td>17 196.25</td>
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<tr>
<td>McMillan Staff Development</td>
<td>1</td>
<td>Develop educational materials for OSHC providers</td>
<td>Bi, Bii</td>
<td>d</td>
<td>176 057.00</td>
<td>115 630.00</td>
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<td>Metagroup</td>
<td>4</td>
<td>Business/IT alignment consultancy</td>
<td>Bv</td>
<td>c,d,e</td>
<td>15 000.00</td>
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<th>CONSULTANT</th>
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<th>HOW</th>
<th>JUSTIFICATION</th>
<th>CONTRACT EXPENDITURE $</th>
<th>ACTUAL EXPENDITURE $</th>
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<tbody>
<tr>
<td>Morgan and Disney</td>
<td>2</td>
<td></td>
<td>A consultancy to conduct national consultations on the Commonwealth Advisory Committee on Homelessness paper titled <em>Working towards a national homelessness strategy</em></td>
<td>B1,C</td>
<td>c,d</td>
<td>60 000.00</td>
<td>60 000.00</td>
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<tr>
<td>National Centre for Social and Economic Modelling (NATSEM)</td>
<td>1, 2 &amp; 3</td>
<td>Maintain and develop microsimulation models on the distributional impact of policies, and costed new policy and savings proposals</td>
<td>C</td>
<td>a</td>
<td>237 724.00</td>
<td>237 724.00</td>
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<tr>
<td>Nucleus Group</td>
<td>1</td>
<td></td>
<td>Consultancy services for in-home care pilot</td>
<td>C</td>
<td>d</td>
<td>22 663.00</td>
<td>14 301.00</td>
</tr>
<tr>
<td>Peirson Services</td>
<td>2</td>
<td></td>
<td>A consultancy to develop culturally appropriate homelessness prevention information for indigenous young people through twelve months action research. The project will also produce a guide to good practice supporting small Indigenous organisations in disadvantaged communities</td>
<td>C</td>
<td>b,e</td>
<td>85 000.00</td>
<td>50 000.00</td>
</tr>
<tr>
<td>Phoenix Projects Pty Ltd</td>
<td>1</td>
<td></td>
<td>Evaluation of Men and Family Relationships under the Family Relationships Services Program</td>
<td>A</td>
<td>c,d</td>
<td>419 951.00</td>
<td>230 973.30</td>
</tr>
<tr>
<td>PricewaterhouseCoopers</td>
<td>4</td>
<td></td>
<td>Investigate, evaluate and advise on strategic investment options for an integrated system for managing funding arrangements for non-government organisations</td>
<td>Bii</td>
<td>a,d</td>
<td>71 067.48</td>
<td>71 067.48</td>
</tr>
<tr>
<td>PricewaterhouseCoopers</td>
<td>4</td>
<td></td>
<td>Develop a detailed business case for implementing an integrated systems approach for managing the funding of non-government organisations.</td>
<td>Bii</td>
<td>a,d</td>
<td>145 305.02</td>
<td>145 305.02</td>
</tr>
<tr>
<td>Quantum Market Research</td>
<td>4</td>
<td></td>
<td>Investigate service provider views and capacity to utilise electronic service delivery systems supporting their relationship with FaCS</td>
<td>C</td>
<td>b, c</td>
<td>59 730.00</td>
<td>59 730.00</td>
</tr>
<tr>
<td>Robert Dapre</td>
<td>4</td>
<td></td>
<td>Examine various aspects of the existing social insurance benefits schemes, recommend improvements and assist the Ministry of Labour and Social Protection, Tajikistan, to prepare an implementation plan</td>
<td>C/Biv</td>
<td>d</td>
<td>36 000.00</td>
<td>36 000.00</td>
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<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPR Consulting</td>
<td>1</td>
<td>Family Relationships Skills Training Evaluation</td>
<td>Bii</td>
<td>c,d</td>
<td>60 000.00</td>
<td>57 255.00</td>
</tr>
<tr>
<td>RPR Consulting</td>
<td>1</td>
<td>Undertake an independent assessment of compliance with approval requirements by funded organisations under the Family Relationships Services Program</td>
<td>A</td>
<td>a,c,d,e</td>
<td>200 584.00</td>
<td>95 593.25</td>
</tr>
<tr>
<td>RPR Consulting</td>
<td>1</td>
<td>Longitudinal studies of communities and clients of the Reconnect Program evaluation</td>
<td>Bii</td>
<td>a</td>
<td>336 798.00</td>
<td>168 399.00</td>
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<td>SAP</td>
<td>4</td>
<td>Identify business requirements and issues in regards to the upgrade of departments SAP R/3 System</td>
<td>Bii</td>
<td>a</td>
<td>25 354.88</td>
<td>25 354.88</td>
</tr>
<tr>
<td>Simpson Norris Pty Ltd</td>
<td>3</td>
<td>Research into Open Employment</td>
<td>A</td>
<td>b</td>
<td>219 450.00</td>
<td>111 261.36</td>
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<td>SMS Consulting Pty Ltd</td>
<td>4</td>
<td>Advice on workforce planning</td>
<td>Bii</td>
<td>a</td>
<td>23 315.60</td>
<td>23 315.60</td>
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<tr>
<td>SMS Consulting Pty Ltd</td>
<td>4</td>
<td>Advice on development of SMB Project Office</td>
<td>C</td>
<td>a</td>
<td>23 166.00</td>
<td>23 166.00</td>
</tr>
<tr>
<td>SMS Consulting Pty Ltd</td>
<td>4</td>
<td>Assist in producing a recruitment strategy for FaCS</td>
<td>Bii</td>
<td>a</td>
<td>112 300.00</td>
<td>89 229.80</td>
</tr>
<tr>
<td>Social Research Centre Pty Ltd</td>
<td>1, 2, 3</td>
<td>FaCS General Customer Survey non-response analysis quarters 1–4, 2000</td>
<td>Bi</td>
<td>c</td>
<td>20 176.00</td>
<td>20 176.00</td>
</tr>
<tr>
<td>Solution 6 Pty Ltd</td>
<td>4</td>
<td>TRIM Context evaluation</td>
<td>Bv</td>
<td>d</td>
<td>12 000.00</td>
<td>12 000.00</td>
</tr>
<tr>
<td>Spectra Consultants</td>
<td>4</td>
<td>Development of FaCS Diversity Plan</td>
<td>C</td>
<td>c,d</td>
<td>14 300.00</td>
<td>14 300.00</td>
</tr>
<tr>
<td>St Vincent de Paul</td>
<td>2</td>
<td>Document strategies that prepare chronically homeless men for employment and training</td>
<td>C</td>
<td>e</td>
<td>51 370.00</td>
<td>34 466.00</td>
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<tr>
<td>SuccessWorks (Pty Ltd)</td>
<td>1, 2</td>
<td>Development of the Framework for the Stronger Families and Communities Strategy Evaluation</td>
<td>A</td>
<td>a &amp; d</td>
<td>100 546.00</td>
<td>100 546.00</td>
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<tr>
<td>Sydney Children's Hospital</td>
<td>1</td>
<td>Evaluation of the Contact Orders Pilot Program</td>
<td>A</td>
<td>a,c</td>
<td>166 161.00</td>
<td>18 232.20</td>
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<tr>
<td>TACTICS Consulting Pty Ltd</td>
<td>4</td>
<td>Conduct a change readiness assessment for the implementation of an Electronic Document Management System</td>
<td>Biv</td>
<td>a,d,e</td>
<td>37 000.00</td>
<td>18 768.00</td>
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Table 100 FaCS consultancies in excess of $10 000—2001–02 continued
<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>OUTCOME</th>
<th>ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
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</thead>
<tbody>
<tr>
<td>TACTICS Consulting Pty Ltd</td>
<td>4</td>
<td></td>
<td>Evaluation and advice on FaCS IT policies</td>
<td>C</td>
<td>a,d,e</td>
<td>58 000.00</td>
<td>44 634.00</td>
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<tr>
<td>Team Systems Pty Ltd</td>
<td>4</td>
<td></td>
<td>Development of a corporate story and models to introduce the social support system concept, in support of <em>Australians Working Together</em></td>
<td>C</td>
<td>a</td>
<td>26 813.00</td>
<td>26 812.50</td>
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<tr>
<td>Tony Kiting</td>
<td></td>
<td></td>
<td>Research, briefing and translation work on Indonesia</td>
<td>C/3</td>
<td>a,d</td>
<td>11 273.00</td>
<td>11 273.00</td>
</tr>
<tr>
<td>TSA Group Pty Ltd</td>
<td>4</td>
<td></td>
<td>Klarity Proof of concept evaluation and advice</td>
<td>Bv</td>
<td>c,d,e</td>
<td>44 920.00</td>
<td>44 920.00</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>1</td>
<td></td>
<td>Longitudinal study of the participation of young people in youth development projects</td>
<td>A</td>
<td>b</td>
<td>332 915.00</td>
<td>107 300.00</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>1 2 3</td>
<td>Design</td>
<td>Design, development &amp; management of Wave 1 self-completion contract for the Household, Income and Labour Dynamics in Australia (HILDA) survey</td>
<td>C</td>
<td>b</td>
<td>187 469.00</td>
<td>150 069.00</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>1 2 3</td>
<td>Design</td>
<td>Design, development &amp; management of Wave 1 incentives contract for Household, Income and Labour Dynamics in Australia (HILDA) survey</td>
<td>C</td>
<td>b</td>
<td>429 000.00</td>
<td>413 270.00</td>
</tr>
<tr>
<td>University of Melbourne</td>
<td>1 2 3</td>
<td>Design</td>
<td>Design, development &amp; management of Household, Income and Labour Dynamics in Australia (HILDA) survey</td>
<td>A</td>
<td>b</td>
<td>9 935 703.00</td>
<td>3 189 145.00</td>
</tr>
<tr>
<td>University of Newcastle</td>
<td>3</td>
<td>Research</td>
<td>Research services</td>
<td>C</td>
<td>a,d,e</td>
<td>63 580.00</td>
<td>63 580.00</td>
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<tr>
<td>University of Newcastle</td>
<td>2</td>
<td></td>
<td>A consultancy to develop communication materials for families living in caravan parks and service providers aiming to support them, including a Web Site, a national publication, and an annual conference for 2001, 2002, 2003. (Information Dissemination Project)</td>
<td>C</td>
<td>d,e</td>
<td>45 950.00</td>
<td>45 950.00</td>
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</table>

Table 100 FaCS consultancies in excess of $10,000—2001–02 continued
<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>ACTIVITY</th>
<th>OUTCOME</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Newcastle</td>
<td>2</td>
<td>ACTUAL</td>
<td>Under take action research to identify and document good practice strategies to support families in caravan parks access housing and other community supports. (National Dissemination Project)</td>
<td>C</td>
<td>d,e</td>
<td>153711.00</td>
<td>61484.00</td>
</tr>
<tr>
<td>University of Queensland</td>
<td>2</td>
<td>ACTUAL</td>
<td>A consultancy to document local strategies being implemented in response to Indigenous itinerant people in a range of locations nation wide. The study identifies issues impacting on the health and well-being of the itinerants and the strength of responses, from a range of perspectives (their own, local council, and other community stakeholders).</td>
<td>C</td>
<td>e</td>
<td>20000.00</td>
<td>20000.00</td>
</tr>
<tr>
<td>University of Queensland</td>
<td>2</td>
<td>ACTUAL</td>
<td>A report on indicators of community strength</td>
<td>Bii</td>
<td>d</td>
<td>168061.00</td>
<td>168061.00</td>
</tr>
<tr>
<td>University of Queensland — Social and Economic Research Centre</td>
<td>2</td>
<td>ACTUAL</td>
<td>Scoping the SAAP IV evaluation framework</td>
<td>C</td>
<td>c</td>
<td>59852.00</td>
<td>59852.00</td>
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<tr>
<td>Victoria University of Technology</td>
<td>1</td>
<td>ACTUAL</td>
<td>Study into the viability factors for small child care centres in rural and remote areas</td>
<td>C</td>
<td>d</td>
<td>12100.00</td>
<td>12100.00</td>
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<tr>
<td>Wallis Consulting Group Pty Ltd</td>
<td>1</td>
<td>ACTUAL</td>
<td>Conduct longitudinal survey of Youth Allowance customers as part of the Youth Allowance evaluation</td>
<td>Bv</td>
<td>b</td>
<td>153965.00</td>
<td>153965.00</td>
</tr>
<tr>
<td>Walter &amp; Turnbull</td>
<td>1</td>
<td>ACTUAL</td>
<td>Review of capital funding arrangements for child care services</td>
<td>Bi</td>
<td>d</td>
<td>45144.00</td>
<td>45144.00</td>
</tr>
<tr>
<td>Walter &amp; Turnbull</td>
<td>1</td>
<td>ACTUAL</td>
<td>Review funding model of mobile children's services</td>
<td>Bi</td>
<td>d</td>
<td>49232.00</td>
<td>59372.00</td>
</tr>
<tr>
<td>Western Australian Council of Social Service Inc</td>
<td>1</td>
<td>ACTUAL</td>
<td>Childcare models and options in rural &amp; remote Indigenous communities</td>
<td>B(i),(ii), (iv),(v)</td>
<td>a,c,e</td>
<td>27248.60</td>
<td>27248.10</td>
</tr>
<tr>
<td>Wintringham</td>
<td>2</td>
<td>ACTUAL</td>
<td>Consultancy to identify the risk factors and support needs of older people experiencing homelessness</td>
<td>C</td>
<td>e</td>
<td>82110.00</td>
<td>31430.00</td>
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<table>
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<tr>
<th>CONSULTANT</th>
<th>OUTCOME ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
</tr>
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<tbody>
<tr>
<td>World Competitive Practices Pty Ltd</td>
<td>4</td>
<td>Advice on strategies and processes to enhance the effectiveness of the Executive Board</td>
<td>Bii</td>
<td>c</td>
<td>48 500.00</td>
<td>31 053.38</td>
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<tr>
<td>Youth Affairs Council of WA</td>
<td>2</td>
<td>In association with real estate agents this consultancy will develop strategies that increase 16–21 year old independent young people’s access to and retention of private rental properties. The project will trial strategies, using an action research framework, to assist young people accessing the private rental market over 12 months</td>
<td>C</td>
<td>d</td>
<td>53 292.00</td>
<td>43 440.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td></td>
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<td></td>
<td></td>
<td><strong>31 144 336.53</strong></td>
<td><strong>10 810 563.46</strong></td>
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<td>CONSULTANT</td>
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<td>HOW ENGAGED</td>
<td>JUSTIFICATION</td>
<td>CONTRACT VALUE</td>
<td>EXPENDITURE $ 2001–02</td>
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<tr>
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<tr>
<td>Acumen Alliance (ACT) P/L</td>
<td>1</td>
<td>Provided an occupational health and safety service</td>
<td>A</td>
<td>a,d,e</td>
<td>248 000.00</td>
<td>248 000.00</td>
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<tr>
<td>Australasian Counselling and Trauma Services P/L</td>
<td>1</td>
<td>Provided an Employee Assistance Program</td>
<td>A</td>
<td>a,d,e</td>
<td>350 000.00</td>
<td>350 000.00</td>
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<tr>
<td>Corporate Diagnostics*</td>
<td>1</td>
<td>Conducted an analysis and reported on the professionalism survey</td>
<td>Bii</td>
<td>b,c,d</td>
<td>11 511.50</td>
<td>11 511.50</td>
</tr>
<tr>
<td>CPT Global Ltd</td>
<td>1</td>
<td>Benchmarked and developed an automated reporting suite for CUBA</td>
<td>Biv</td>
<td>e</td>
<td>27 500.00</td>
<td>27 500.00</td>
</tr>
<tr>
<td>Directions in Management</td>
<td>1</td>
<td>Facilitated the graduate orientation program</td>
<td>A</td>
<td>d</td>
<td>10 135.51</td>
<td>10 135.51</td>
</tr>
<tr>
<td>Enterprise Outsourcing P/L</td>
<td>1</td>
<td>Provided CTC and contract advice</td>
<td>Biv</td>
<td>a,d</td>
<td>41 350.00</td>
<td>41 350.00</td>
</tr>
<tr>
<td>Gartner Aust P/L</td>
<td>1</td>
<td>Provided access to independent research data reports.</td>
<td>C</td>
<td>e</td>
<td>20 460.00</td>
<td>20 460.00</td>
</tr>
<tr>
<td>Gartner Australia Pty Ltd</td>
<td>1</td>
<td>Conducted an information technology restructure review</td>
<td>A</td>
<td>c</td>
<td>150 000.00</td>
<td>150 000.00</td>
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<tr>
<td>Helpful Partners</td>
<td>1</td>
<td>Developed a pilot booklet—Parenting from a distance</td>
<td>C</td>
<td>a,d</td>
<td>40 175.00</td>
<td>40 175.00</td>
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<tr>
<td>James Sharrock</td>
<td>1</td>
<td>Undertook software programming and maintenance of CSA’s Internet Site</td>
<td>Bv</td>
<td>a,d</td>
<td>12 265.00</td>
<td>12 265.00</td>
</tr>
<tr>
<td>Marketing Research and Associates*</td>
<td>1</td>
<td>Undertook computer-aided telephone interviews for CSA’s professionalism survey</td>
<td>Bii</td>
<td>b,c,d</td>
<td>24 420.00</td>
<td>24 420.00</td>
</tr>
<tr>
<td>Millward Brown*</td>
<td>1</td>
<td>Conducted qualitative research into client satisfaction (related to the Professionalism Survey)</td>
<td>Bii</td>
<td>b,c,d</td>
<td>33 967.00</td>
<td>33 967.00</td>
</tr>
<tr>
<td>Murray Woods &amp; Assoc</td>
<td>1</td>
<td>Investigated access to IBM Learning Product and conducted related Marketplace Research</td>
<td>Biv</td>
<td>d</td>
<td>33 000.00</td>
<td>33 000.00</td>
</tr>
<tr>
<td>Personal Emergency Service Inc</td>
<td>1</td>
<td>Provided a post-separation counselling and support service for non resident parents as part of a telephone pilot</td>
<td>A</td>
<td>a,c,d</td>
<td>80 054.00</td>
<td>80 054.00</td>
</tr>
<tr>
<td>Uniting Care</td>
<td>1</td>
<td>Provided a post separation counselling and support service for non resident parents as part of a face to face pilot</td>
<td>A</td>
<td>a,c,d</td>
<td>128 000.00</td>
<td>128 000.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td><strong>1 210 838.01</strong></td>
<td><strong>1 210 838.01</strong></td>
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</table>

* Also reported in Appendix 1—Advertising and market research.
### Table 102  SSAT — consultancies in excess of $10 000 in 2001–02

<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>OUTCOME</th>
<th>ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Dimensional Consulting P/L</td>
<td>4</td>
<td></td>
<td>Consultancy service for development of and technical support of AMSWIN (SSAT Case Management System)</td>
<td>Biv</td>
<td>a,d</td>
<td>50 000.00</td>
<td>50 000.00</td>
</tr>
<tr>
<td>Peter Alexander &amp; Associates</td>
<td>4</td>
<td></td>
<td>Consultancy service for management audit package</td>
<td>Biv</td>
<td>d</td>
<td>20 000.00</td>
<td>20 000.00</td>
</tr>
<tr>
<td>Davidson Wilson Group</td>
<td>4</td>
<td></td>
<td>Consultancy service for SSAT remuneration tribunal submission</td>
<td>Biv</td>
<td>d</td>
<td>20 000.00</td>
<td>20 000.00</td>
</tr>
<tr>
<td>Wendy Pownall &amp; Associates</td>
<td>4</td>
<td></td>
<td>Provision of human resource services (scribing services)</td>
<td>Biv</td>
<td>d</td>
<td>15 000.00</td>
<td>15 000.00</td>
</tr>
<tr>
<td>The One Umbrella</td>
<td>4</td>
<td></td>
<td>Consultancy service for SSAT information management project, SSAellite &amp; SSAturn</td>
<td>Biv</td>
<td>d</td>
<td>25 000.00</td>
<td>25 000.00</td>
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<tr>
<td><strong>TOTAL</strong></td>
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<td></td>
<td></td>
<td></td>
<td><strong>130 000.00</strong></td>
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### Table 103  CRS Australia — consultancies in excess of $10 000 in 2001–02

<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>OUTCOME</th>
<th>ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owen Duffy and Associates</td>
<td>4</td>
<td></td>
<td>Telecommunication Consultancy Assistance</td>
<td>Biii</td>
<td>d</td>
<td>11 146.12</td>
<td>11 146.12</td>
</tr>
<tr>
<td>International Valuation Consultants</td>
<td>4</td>
<td></td>
<td>Plant and Equipment Asset Valuation</td>
<td>Bi</td>
<td>c</td>
<td>11 497.20</td>
<td>11 497.20</td>
</tr>
<tr>
<td>Aquarius Projects Pty Ltd</td>
<td>4</td>
<td></td>
<td>Leadership in Action workshops</td>
<td>Biv</td>
<td>d</td>
<td>17 691.16</td>
<td>17 691.16</td>
</tr>
<tr>
<td>Studio Nuvu</td>
<td>4</td>
<td></td>
<td>Producing a promotional video</td>
<td>C</td>
<td>d</td>
<td>19 540.00</td>
<td>19 540.00</td>
</tr>
<tr>
<td>Resource Management International</td>
<td>4</td>
<td></td>
<td>Development of best practice system for measuring customer satisfaction</td>
<td>Bii</td>
<td>c</td>
<td>20 000.00</td>
<td>20 000.00</td>
</tr>
<tr>
<td>Central Gippsland Institute of TAFE</td>
<td>4</td>
<td></td>
<td>Technical writing services</td>
<td>Bii</td>
<td>d</td>
<td>20 779.00</td>
<td>20 779.00</td>
</tr>
<tr>
<td>Pollak Partners</td>
<td>4</td>
<td></td>
<td>Information technology learning strategies</td>
<td>Biv</td>
<td>d</td>
<td>21 133.70</td>
<td>21 133.70</td>
</tr>
<tr>
<td>Energetics Pty Ltd</td>
<td>4</td>
<td></td>
<td>Data bureau service</td>
<td>Bii</td>
<td>d</td>
<td>22 275.00</td>
<td>22 275.00</td>
</tr>
</tbody>
</table>

*continued*
<table>
<thead>
<tr>
<th>CONSULTANT</th>
<th>OUTCOME ACTIVITY</th>
<th>CONSULTANCY SERVICE PROVIDED</th>
<th>HOW ENGAGED</th>
<th>JUSTIFICATION</th>
<th>CONTRACT VALUE</th>
<th>ACTUAL EXPENDITURE $ 2001–02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sparke Helmore Solicitors</td>
<td>4</td>
<td>Probity services for the market testing of CRS Australia's corporate services</td>
<td>Bv</td>
<td>c</td>
<td>23 714.00</td>
<td>15 713.10</td>
</tr>
<tr>
<td>Flinders University of SA</td>
<td>4</td>
<td>Evaluation of CRS Australia's Networks of Excellence</td>
<td>Bii</td>
<td>c</td>
<td>26 835.24</td>
<td>26 835.24</td>
</tr>
<tr>
<td>Gartner Australasia Pty Ltd</td>
<td>4</td>
<td>Review of the IT facilities management contract and IT services within CRS Australia</td>
<td>Bii</td>
<td>c</td>
<td>29 260.00</td>
<td>29 260.00</td>
</tr>
<tr>
<td>Gartner Australasia Pty Ltd</td>
<td>4</td>
<td>IT workshops</td>
<td>Bii</td>
<td>c</td>
<td>30 140.00</td>
<td>30 140.00</td>
</tr>
<tr>
<td>Donohoe Consulting</td>
<td>4</td>
<td>Human resources—various projects</td>
<td>Bii</td>
<td>d</td>
<td>30 207.20</td>
<td>3 993.57</td>
</tr>
<tr>
<td>Resource Management International</td>
<td>4</td>
<td>Consultancy services to assist with a service delivery work process review</td>
<td>Bii</td>
<td>c</td>
<td>44 500.00</td>
<td>17 500.00</td>
</tr>
<tr>
<td>Deakin Consulting Pty. Ltd.</td>
<td>4</td>
<td>Information technology &amp; telecommunications strategic planning</td>
<td>A</td>
<td>d</td>
<td>60 824.50</td>
<td>60 824.50</td>
</tr>
<tr>
<td>The Empower Group</td>
<td>4</td>
<td>Conduct a national broad based survey of employee attitudes</td>
<td>Bii</td>
<td>c</td>
<td>68 115.32</td>
<td>68 115.32</td>
</tr>
<tr>
<td>Davidson Trahaire (Vic) Pty Ltd</td>
<td>4</td>
<td>Employee Assistance Program</td>
<td>Biv</td>
<td>d</td>
<td>99 054.00</td>
<td>99 054.00</td>
</tr>
<tr>
<td>Reengineering Australia</td>
<td>4</td>
<td>Financial &amp; management consultancy services for the market testing of CRS Australia's corporate services</td>
<td>Bv</td>
<td>c</td>
<td>173 167.92</td>
<td>155 446.92</td>
</tr>
<tr>
<td>Stocklands Management Services Pty Ltd</td>
<td>4</td>
<td>Rationalisation of CRS Australia's property portfolio</td>
<td>Bii</td>
<td>d</td>
<td>378 200.00</td>
<td>12 144.00</td>
</tr>
<tr>
<td>Price Waterhouse Coopers</td>
<td>4</td>
<td>IT security policies and procedures</td>
<td>Bii</td>
<td>d</td>
<td>700 805.58</td>
<td>413 805.58</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 808 885.94</td>
<td>1 076 894.41</td>
</tr>
</tbody>
</table>
### Table 104 Discretionary Grants 2001–02

<table>
<thead>
<tr>
<th>PROGRAM NAME</th>
<th>PROGRAM DESCRIPTION</th>
<th>EXPENDITURE ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family and Community Network Initiative</td>
<td>Grants to develop the capacity of families and communities to respond effectively to personal and local issues</td>
<td>2,458,477</td>
</tr>
<tr>
<td>National Secretariat Program</td>
<td>Funding provided to a number of national community peak bodies to contribute to government policy and service delivery</td>
<td>3,396,486</td>
</tr>
<tr>
<td>National Housing Priorities</td>
<td>Grants for a range of housing projects, and support for organisations involved in the development of community housing infrastructure</td>
<td>465,000</td>
</tr>
<tr>
<td>National Housing Research</td>
<td>Support for housing policy research. Funds also used for housing related research, development, demonstration and evaluation</td>
<td>384,625</td>
</tr>
<tr>
<td>Stronger Families and Communities Strategy (Outcome 1)</td>
<td>Funding for a range of initiatives designed to contribute to family strength and resilience through early intervention and prevention approaches</td>
<td>8,112,646</td>
</tr>
<tr>
<td>Stronger Families and Communities Strategy (Outcome 2)</td>
<td>Funding for a range of initiatives designed to build community capacity through developing partnerships with government, community and business, including supporting volunteers</td>
<td>10,162,264</td>
</tr>
<tr>
<td>Youth Affairs Grants and Publicity Programs</td>
<td>Supports activities that assist disadvantaged young people aged 15–25 years, and the coordination of youth affairs across the range of Commonwealth Government activities. Funds research and analysis, and seeks to improve the public perception of young people</td>
<td>1,683,075</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>26,662,573</strong></td>
</tr>
</tbody>
</table>

Note: Details of individual grants paid may be requested from FaCS’s Financial Accounting Team.
Freedom of Information practices and procedures

FaCS

FaCS’s protocols with Centrelink and other agencies ensure agencies delivering services on FaCS’s behalf handle all freedom of information requests in accordance with Freedom of Information Act requirements.

Child Support Agency

In 2001–02, the Child Support Agency continued to develop protocols and procedures to ensure it complied with the *Freedom of Information Act 1982* and responded to requests. The Child Support Agency also provides informal access in relation to requests for client’s personal information.

CRS Australia

CRS Australia has in place a set of protocols and procedures to ensure uniformity of practice and congruence with the requirements of the Freedom of Information Act. In addition, the principles of freedom of information are reflected in the daily interactions with clients and the informal access to personal information given to clients.

Freedom of Information request statistics

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>NUMBER OF REQUESTS RECEIVED</th>
<th>NUMBER OF REQUESTS FINALISED (INCLUDING WITHDRAWN)</th>
<th>NUMBER OF REQUESTS TRANSFERRED TO ANOTHER AGENCY</th>
<th>NUMBER OF REQUESTS OUTSTANDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaCS</td>
<td>24</td>
<td>22</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>205</td>
<td>203</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>29</td>
<td>28</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Procedures for gaining access to documents

CRS Australia and the Child Support Agency follow informal access guidelines in cases where individuals seek access to documents that contain their own information, eliminating the need to lodge a formal freedom of information application.

Contact officers can advise on Freedom of Information matters and discuss the nature and scope of an intended request.

Application procedures vary from agency to agency. Formal applications for access to documents under Freedom of Information must be made by letter or statement, or, where available, by completing a form. The application must be submitted to the offices listed in Table 107.

Table 106  Freedom of Information requests

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>REQUESTS ANSWERED IN LESS THAN 30 DAYS</th>
<th>REQUESTS ANSWERED IN 30 TO 60 DAYS</th>
<th>REQUESTS ANSWERED IN 60 TO 90 DAYS</th>
<th>REQUESTS ANSWERED IN MORE THAN 90 DAYS</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaCS</td>
<td>9</td>
<td>10</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>88</td>
<td>37</td>
<td>28</td>
<td>41</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>24</td>
<td>3</td>
<td>1</td>
<td>–</td>
</tr>
</tbody>
</table>
Table 107  Freedom of Information—facilities and procedures for accessing documents

<table>
<thead>
<tr>
<th>FACILITIES FOR ACCESS TO DOCUMENTS AND GENERAL INQUIRIES</th>
<th>FORMAL REQUEST</th>
<th>INFORMAL REQUEST</th>
</tr>
</thead>
<tbody>
<tr>
<td>FaCS</td>
<td>FaCS state and territory offices</td>
<td>FaCS state and territory offices</td>
</tr>
<tr>
<td></td>
<td>FaCS National Office: Andrew Fritze-Shanks Freedom of Information Officer</td>
<td>FaCS National Office: Andrew Fritze-Shanks Freedom of Information Officer</td>
</tr>
<tr>
<td></td>
<td>FaCS Box 7788 Canberra Mail Centre ACT 2610</td>
<td>FaCS Box 7788 Canberra Mail Centre ACT 2610</td>
</tr>
<tr>
<td></td>
<td>Telephone: 02 6244 5702 Fax: 02 6244 7955</td>
<td>Telephone: 02 6244 5702 Fax: 02 6244 7955</td>
</tr>
<tr>
<td></td>
<td>The Administrative Law Unit FaCS National Office: Box 7788 Canberra Mail Centre ACT 2610</td>
<td>The Administrative Law Unit FaCS National Office: Box 7788 Canberra Mail Centre ACT 2610</td>
</tr>
<tr>
<td></td>
<td>General enquiries: Andrew Fritze-Shanks Freedom of Information Officer FaCS Box 7788 Canberra Mail Centre ACT 2610</td>
<td>General enquiries: Andrew Fritze-Shanks Freedom of Information Officer FaCS Box 7788 Canberra Mail Centre ACT 2610</td>
</tr>
<tr>
<td></td>
<td>Telephone: 02 6244 5702 Fax: 02 6244 7955</td>
<td>Telephone: 02 6244 5702 Fax: 02 6244 7955</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>Lodge request or mail to Child Support Agency officesb</td>
<td>Telephone 131 272 Speak to Freedom of Information contact officer</td>
</tr>
<tr>
<td></td>
<td>Electronically at the Child Support Agency web site—www.csa.gov.au</td>
<td>Write to Freedom of Information contact officer</td>
</tr>
<tr>
<td></td>
<td>For informal and formal requests approach the rehabilitation consultant/ regional manager at the local CRS Australia office</td>
<td>Verbal request by client to their rehabilitation consultant</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>In writing to the regional manager of the local CRS Australia office or to the Freedom of Information coordinator: Level 6 136 Exhibition Street Melbourne Vic 3000 Tel: 03 9206 0803 Fax: 03 9206 0850</td>
<td></td>
</tr>
</tbody>
</table>

Note: b Child Support Agency Offices, and addresses, are listed below:

**NSW**
- Albury: PO Box 9815 Albury 2640
- Newcastle: GPO Box 9815 Sydney 2001
- Parramatta: GPO Box 9815 Sydney 2001
- Penrith: GPO Box 9815 Sydney 2001
- Sydney: GPO Box 9815 Sydney 2001
- Wollongong: GPO Box 9815 Sydney 2001

**VIC**
- Box Hill: PO Box 9815 Box Hill 3128
- Dandenong: PO Box 9815 Dandenong 3175
- Geelong: PO Box 9815 Geelong 3220
- Moonee Ponds: PO Box 9815 Moonee Ponds 3039

**QLD**
- Brisbane: PO Box 9815 Brisbane 4001
- Townsville: PO Box 9815 Townsville 4810

**SA**
- Adelaide: GPO Box 1867 Adelaide 5001

**WA**
- Perth: PO Box 9815 Perth 6848

**TAS**
- Hobart: GPO Box 9815 Hobart 7001

**ACT**
- Canberra: GPO Box 9815 Sydney 2001
Table 108  Freedom of Information—categories of documents maintained

<table>
<thead>
<tr>
<th>FACS</th>
<th>CHILD SUPPORT AGENCY</th>
<th>CRS AUSTRALIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents FaCS holds are:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ separate records such as agenda and minutes of decision-making bodies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ separate records of cabinet matters, including cabinet submissions and cabinet minutes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ general correspondence and associated documents according to subject matter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ documents maintained separately which relate to FaCS’s specific functions, for example, finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ documents containing personal information of individuals accessing payments and services of the portfolio</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of these documents are:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ open to the public as part of the public register or otherwise, in accordance with an enactment other than the Freedom of Information Act 1982, where that access is subject to a fee or other charge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ available for purchase by the public in accordance with arrangements made by FaCS except manuals, instructions or guidelines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>◗ customarily made available to the public other than under the Freedom of Information Act 1982, free of charge on request</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forms and leaflets relating to FaCS payments delivered by Centrelink are freely available to the public</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Documents held by CRS Australia:

| ◗ briefs, submissions and reports |
| ◗ administration documents, including such matters as human resources, finance, property and resource management |
| ◗ documents relating to the provision of rehabilitation services, individual case files and papers |
| ◗ separate records of management meetings, such as agenda and minutes |
| ◗ general correspondence and associated categories of documents according to subject matter |
| ◗ documents maintained separately which related to specific functions |
| ◗ ministerial, interdepartmental and general correspondence |
| ◗ internal administration papers |
| ◗ CRS Australia policy documents |
| ◗ copies of instruments of delegation |
| ◗ requests for legal advice and copies of notes and advice given |
| ◗ briefing papers prepared for, and submissions to, the Minister or the Government |
| ◗ answers to parliamentary questions |
| ◗ correspondence, reports and other documents relating to FaCS’s specific functions, for example, finance |
| ◗ documents containing personal information of individuals accessing payments and services of the portfolio |

The Child Support Agency holds:

| ◗ agendas for, and minutes of, meetings of senior officers within the Child Support Agency |
| ◗ ministerial, interdepartmental and general correspondence |
| ◗ internal administration papers and records |
| ◗ Child Support Agency legislation and policy documents, including rulings, determinations, policy guidelines, technical advice, minutes and procedural instructions |
| ◗ reports relating to Child Support Agency research and projects |
| ◗ proposals for legislation, drafting instructions and draft legislation |
| ◗ copies of instruments of delegation, given to, or by the Child Support Registrar |
| ◗ requests for legal advice and copies of notes of advice given |
| ◗ briefing papers prepared for, and submissions to, the Minister or the Government |
| ◗ answers to parliamentary questions |
| ◗ correspondence, reports and other documents concerning the Child Support Agency’s human resource management |
| ◗ training materials |
| ◗ Freedom of Information request files and papers relevant to the consideration of those requests |
| ◗ child support paper files and computer records containing personal information of individuals |
| ◗ transcripts of proceedings before courts and tribunals |
| ◗ financial reports, expenditure estimates and expenditure reports |
| ◗ statistical reports detailing the number of child support cases, assessments issued and amounts collected |
| ◗ accounting records |
| ◗ speeches by senior Child Support Agency officers, media releases and press clippings |
| ◗ the Child Support Agency business plan |

The Child Support Agency makes child support forms, brochures and booklets freely available to the public. People also can obtain free copies of policy guidelines, rulings and determinations. Many of these documents appear at the Child Support Agency’s Internet site, www.csa.gov.au
As at 30 June 2002, FaCS’s programs were administered under the provisions of the following Acts and parts of Acts for which the Minister for Family and Community Services is responsible under the Administrative Arrangements Order:

- A New Tax System (Family Assistance) Act 1999
- A New Tax System (Family Assistance) (Administration) Act 1999
- A New Tax System (Family Assistance and Related Measures) Act 2000
- A New Tax System (Bonuses for Older Australians) Act 1999, Parts 1 and 5 in so far as they relate to Family and Community Services clients and Part 2
- Child Care Act 1972
- Child Support (Assessment) Act 1989
- Child Support (Registration and Collection) Act 1988
- Commonwealth and State Housing Agreements Acts
- Commonwealth Services Delivery Agency Act 1997
- Commonwealth Services Delivery Agency (Consequential Amendments) Act 1997
- Data-matching Program (Assistance and Tax) Act 1990
- Disability Services Act 1986
- Family Law Act 1975, Part XIVA
- First Home Owners Act 1983
- Home Deposit Assistance Act 1982
- Home Savings Grants Acts
- Homeless Persons Assistance Act 1974
- Housing Agreements Acts
- Housing Assistance Acts
- Marriage Act 1961, Part I A
- Social Security Act 1991
- Social Security (Administration) Act 1999
- Social Security (International Agreements) Act 1999
- Social Security (Rewrite) Transition Act 1991
- Social Welfare Commission (Repeal) Act 1976
- States Grants (Housing) Act 1971
- Supported Accommodation Assistance Acts.
During 2001–02, these 5 Acts received the Royal Assent in this order:

- Family Assistance Estimate Tolerance (Transition) Act 2001
- Social Security and Veterans’ Entitlements Legislation Amendment ( Retirement Assistance for Farmers) Act 2001
- Disability Services Amendment (Improved Quality Assurance) Act 2002

These Acts introduced numerous major policy initiatives including improving the quality of Commonwealth-funded employment services and rehabilitation programs provided to people with disabilities. The *Disability Services Amendment (Improved Quality Assurance) Act 2002* establishes a new quality assurance system in relation to the provision of those services, based on certification of the services against disability employment standards, or rehabilitation program standards, by industry-based certification bodies accredited for this purpose by an internationally recognised accrediting authority.
Appendix 8 | Staffing overview

The following tables provide details of Australian Public Service employees employed (ongoing and non-ongoing) engaged under the Public Service Act 1999 in 2001–02. They include aggregated information on salary, performance pay and non-salary benefits to which staff were entitled under FaCS, Child Support Agency, CRS Australia and Social Security Appeals Tribunal certified agreements and Australian Workplace Agreements.

Staff numbers in Table 109 reflect the number of people employed under the Public Service Act 1999 on 30 June 2002.

The Financial and Staffing Resources summary tables that appear in Part one—Performance reporting, in each outcome, provide details of staffing years in terms of full-time equivalent numbers. Due to the impact of part-time employees and employees on leave without pay during the reporting period, the ‘staffing years (numbers)’ are less than the number of people employed.

Classification streams

<table>
<thead>
<tr>
<th>Table 109</th>
<th>Staffing overview—explanation of different classification streams</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APS CLASS</strong></td>
<td><strong>FACS (CORE)</strong></td>
</tr>
<tr>
<td>Senior Executive Service</td>
<td>Senior Executive Service</td>
</tr>
<tr>
<td>Executive Officer Level 2</td>
<td>FaCS E2</td>
</tr>
<tr>
<td>Executive Officer Level 2</td>
<td>FaCS E2</td>
</tr>
<tr>
<td>Executive Officer Level 1</td>
<td>FaCS E1</td>
</tr>
<tr>
<td>Australian Public Service Level 5–6</td>
<td>FaCS B3</td>
</tr>
<tr>
<td>Australian Public Service Level 3–4</td>
<td>FaCS B2</td>
</tr>
<tr>
<td>Australian Public Service Level 1–2</td>
<td>FaCS B1</td>
</tr>
<tr>
<td>Australian Public Service Level 4 to Executive Level 1</td>
<td>Public Affairs Officer</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>Senior Public Affairs Officer</td>
</tr>
<tr>
<td>Australian Public Service Level 3 to Executive Level 2</td>
<td>Legal Officer 1</td>
</tr>
<tr>
<td>Executive Level 2</td>
<td>Legal Officer 2</td>
</tr>
</tbody>
</table>

Note: The Child Support Agency uses Australian Public Service classifications.
## Staff by gender

### Table 110  Staffing overview—actual ongoing and non-ongoing full and part-time staff by gender at 30 June 2002

TOTAL STAFF EXCLUDING THE SOCIAL SECURITY APPEALS TRIBUNAL

<table>
<thead>
<tr>
<th></th>
<th>ONGOING FULL-TIME</th>
<th>ONGOING PART-TIME</th>
<th>NON-ONGOING FULL-TIME</th>
<th>NON-ONGOING PART-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td>1 478</td>
<td>85</td>
<td>72</td>
<td>13</td>
<td>1 648</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>3 234</td>
<td>939</td>
<td>182</td>
<td>112</td>
<td>4 467</td>
</tr>
</tbody>
</table>

**FACS (CORE)**

<table>
<thead>
<tr>
<th></th>
<th>ONGOING FULL-TIME</th>
<th>ONGOING PART-TIME</th>
<th>NON-ONGOING FULL-TIME</th>
<th>NON-ONGOING PART-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td>545</td>
<td>25</td>
<td>39</td>
<td>4</td>
<td>613</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>889</td>
<td>179</td>
<td>78</td>
<td>23</td>
<td>1 169</td>
</tr>
</tbody>
</table>

**CHILD SUPPORT AGENCY**

<table>
<thead>
<tr>
<th></th>
<th>ONGOING FULL-TIME</th>
<th>ONGOING PART-TIME</th>
<th>NON-ONGOING FULL-TIME</th>
<th>NON-ONGOING PART-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td>696</td>
<td>32</td>
<td>4</td>
<td>0</td>
<td>732</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>1 561</td>
<td>308</td>
<td>3</td>
<td>0</td>
<td>1 872</td>
</tr>
</tbody>
</table>

**CRS AUSTRALIA**

<table>
<thead>
<tr>
<th></th>
<th>ONGOING FULL-TIME</th>
<th>ONGOING PART-TIME</th>
<th>NON-ONGOING FULL-TIME</th>
<th>NON-ONGOING PART-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td>237</td>
<td>28</td>
<td>29</td>
<td>9</td>
<td>303</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>784</td>
<td>452</td>
<td>101</td>
<td>89</td>
<td>1 426</td>
</tr>
</tbody>
</table>

**SOCIAL SECURITY APPEALS TRIBUNAL**

<table>
<thead>
<tr>
<th></th>
<th>ONGOING FULL-TIME</th>
<th>ONGOING PART-TIME</th>
<th>NON-ONGOING FULL-TIME</th>
<th>NON-ONGOING PART-TIME</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Men</strong></td>
<td>7</td>
<td>3</td>
<td>0</td>
<td>10</td>
<td>38</td>
</tr>
<tr>
<td><strong>Women</strong></td>
<td>30</td>
<td>2</td>
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**Staff by classification**

**Table 111** Staffing overview—actual staff by classification in the relative levels of the larger classification groups at 30 June 2002

TOTAL FACS STAFF (INCLUDING CHILD SUPPORT AGENCY AND CRS AUSTRALIA, EXCLUDING SSAT)

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*continued*
Table 111  Staffing overview—actual staff by classification in the relative levels of the larger classification groups at 30 June 2002  continued

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continued
Table 111  Staffing overview—actual staff by classification in the relative levels of the larger classification groups at 30 June 2002 continued

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### Salary ranges by classification

#### Table 112  Staffing overview—salary ranges by classification

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</tr>
<tr>
<td>SES Band 1</td>
<td>86 990</td>
<td>99 169</td>
</tr>
<tr>
<td>FaCS Executive Level 2</td>
<td>72 100</td>
<td>82 400</td>
</tr>
<tr>
<td>FaCS Executive Level 1</td>
<td>61 535</td>
<td>66 448</td>
</tr>
<tr>
<td>APS Level 6</td>
<td>48 000</td>
<td>55 140</td>
</tr>
<tr>
<td>APS Level 5</td>
<td>44 443</td>
<td>47 127</td>
</tr>
<tr>
<td>APS Level 4</td>
<td>39 847</td>
<td>43 264</td>
</tr>
<tr>
<td>APS Level 3</td>
<td>35 751</td>
<td>38 596</td>
</tr>
<tr>
<td>APS Level 2</td>
<td>31 388</td>
<td>34 808</td>
</tr>
<tr>
<td>APS Level 1</td>
<td>27 736</td>
<td>30 784</td>
</tr>
<tr>
<td>Graduate APS</td>
<td>35 751</td>
<td>38 586</td>
</tr>
</tbody>
</table>

*continued*
Table 112  Staffing overview—salary ranges by classification continued

<table>
<thead>
<tr>
<th>CRS AUSTRALIA</th>
<th>PAY POINT—LOWER ($)</th>
<th>PAY POINT—HIGHER ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES Band 2</td>
<td>108 957</td>
<td>124 210</td>
</tr>
<tr>
<td>SES Band 1</td>
<td>86 990</td>
<td>99 169</td>
</tr>
<tr>
<td>Executive Level 2A</td>
<td>79 000</td>
<td>nil</td>
</tr>
<tr>
<td>Executive Level 2B</td>
<td>67 000</td>
<td>76 400</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>58 400</td>
<td>63 200</td>
</tr>
<tr>
<td>APS Level 6</td>
<td>45 600</td>
<td>52 400</td>
</tr>
<tr>
<td>APS Level 5</td>
<td>42 300</td>
<td>44 800</td>
</tr>
<tr>
<td>APS Level 4</td>
<td>38 000</td>
<td>41 200</td>
</tr>
<tr>
<td>APS Level 3</td>
<td>34 100</td>
<td>36 700</td>
</tr>
<tr>
<td>APS Level 2</td>
<td>29 900</td>
<td>33 100</td>
</tr>
<tr>
<td>APS Level 1</td>
<td>26 500</td>
<td>29 100</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 2</td>
<td>45 600</td>
<td>51 000</td>
</tr>
<tr>
<td>Rehabilitation Consultant Level 1</td>
<td>35 100</td>
<td>44 600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
<th>PAY POINT—LOWER ($)</th>
<th>PAY POINT—HIGHER ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAT 5</td>
<td>72 059</td>
<td>84 426</td>
</tr>
<tr>
<td>SSAT 4</td>
<td>58 683</td>
<td>67 464</td>
</tr>
<tr>
<td>SSAT 3</td>
<td>46 783</td>
<td>55 983</td>
</tr>
<tr>
<td>SSAT 2</td>
<td>37 493</td>
<td>44 794</td>
</tr>
<tr>
<td>SSAT 1</td>
<td>28 159</td>
<td>35 339</td>
</tr>
</tbody>
</table>
### Performance pay

**Table 113  Staffing overview — performance pay**

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>NUMBER</th>
<th>AGGREGATED AMOUNT $</th>
<th>AVERAGE $</th>
<th>MINIMUM $</th>
<th>MAXIMUM $</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES 3 &amp; SES 2a</td>
<td>9</td>
<td>58 779</td>
<td>6 531</td>
<td>2 142</td>
<td>12 986</td>
</tr>
<tr>
<td>SES 1</td>
<td>27</td>
<td>140 861</td>
<td>5 217</td>
<td>1 396</td>
<td>9 293</td>
</tr>
<tr>
<td>FaCS Executive Level 2A</td>
<td>6</td>
<td>33 246</td>
<td>5 541</td>
<td>3 215</td>
<td>8 116</td>
</tr>
<tr>
<td>FaCS Executive Level 2B</td>
<td>20</td>
<td>94 137</td>
<td>4 707</td>
<td>1 572</td>
<td>8 217</td>
</tr>
<tr>
<td>FaCS Executive Level 1</td>
<td>7</td>
<td>24 241</td>
<td>3 463</td>
<td>2 110</td>
<td>5 729</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>351 264</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: a Figures have been aggregated to preserve employees’ privacy.

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>NUMBER</th>
<th>AGGREGATED AMOUNT $</th>
<th>AVERAGE $</th>
<th>MINIMUM $</th>
<th>MAXIMUM $</th>
</tr>
</thead>
<tbody>
<tr>
<td>SES 2 and SES 1c</td>
<td>5</td>
<td>37 793</td>
<td>7 558</td>
<td>3752</td>
<td>10 094</td>
</tr>
<tr>
<td>Executive level 2 and</td>
<td>28</td>
<td>170 210</td>
<td>6 079</td>
<td>3 800</td>
<td>8 000</td>
</tr>
<tr>
<td>Executive Level 1c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33</strong></td>
<td><strong>208 003</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: c Figures have been aggregated to preserve employees’ privacy.
Social Security Appeals Tribunal did not receive performance pay during the reporting period.

**Australian Workplace Agreements and certified agreements**

**Table 113  Staffing overview—performance pay continued**

<table>
<thead>
<tr>
<th>CRS AUSTRALIA</th>
<th>AGGREGATED AMOUNT</th>
<th>AVERAGE</th>
<th>MINIMUM</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEVEL</td>
<td>NUMBER</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>SES 1 &amp; SES 2, and Executive Level 2Ab</td>
<td>5</td>
<td>22 745</td>
<td>4 549</td>
<td>1 276</td>
</tr>
<tr>
<td>Executive Level 2B</td>
<td>12</td>
<td>31 417</td>
<td>2 618</td>
<td>1 322</td>
</tr>
<tr>
<td>Executive Level 1</td>
<td>80</td>
<td>130 983</td>
<td>1 597</td>
<td>477</td>
</tr>
<tr>
<td>APS 6</td>
<td>34</td>
<td>39 988</td>
<td>1 176</td>
<td>228</td>
</tr>
<tr>
<td>APS 5</td>
<td>55</td>
<td>56 018</td>
<td>1 018</td>
<td>332</td>
</tr>
<tr>
<td>APS 4</td>
<td>69</td>
<td>54 393</td>
<td>788</td>
<td>152</td>
</tr>
<tr>
<td>APS 3</td>
<td>91</td>
<td>79 559</td>
<td>874</td>
<td>234</td>
</tr>
<tr>
<td>APS 2</td>
<td>117</td>
<td>73 150</td>
<td>625</td>
<td>62</td>
</tr>
<tr>
<td>APS 1</td>
<td>72</td>
<td>40 719</td>
<td>565</td>
<td>101</td>
</tr>
<tr>
<td>Rehabilitation Consultant 1</td>
<td>147</td>
<td>121 286</td>
<td>825</td>
<td>138</td>
</tr>
<tr>
<td>Rehabilitation Consultant 2</td>
<td>747</td>
<td>847 649</td>
<td>1 134</td>
<td>34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 429</td>
<td>1 497 907</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: b Figures have been aggregated to preserve employees’ privacy.

**Table 114  Staffing overview—staff under Australian Workplace Agreements and certified agreements**

<table>
<thead>
<tr>
<th>FACS (CORE)</th>
<th>CHILD SUPPORT AGENCY</th>
<th>CRS AUSTRALIA</th>
<th>SOCIAL SECURITY APPEALS TRIBUNAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff covered by certified agreements</td>
<td>1 739</td>
<td>2 554</td>
<td>1 650</td>
</tr>
<tr>
<td>Staff covered by Australian Workplace Agreements</td>
<td>SES</td>
<td>NON-SES</td>
<td>SES</td>
</tr>
<tr>
<td>42</td>
<td>67</td>
<td>7</td>
<td>43</td>
</tr>
</tbody>
</table>
Non-salary benefits

Table 115  Staffing overview — non-salary benefits

FACS (CORE)

Non-SES staff—certified agreement:

- access to employee assistance program
- mobile phone for official and incidental personal use
- airline lounge club membership
- child and elder care information and referral service
- school holiday child care subsidy
- family care rooms
- extra family care cost reimbursement
- study assistance
- time off for long business travel
- business class travel for long haul flights
- flexible remuneration packaging
- assistance with public transport and parking costs
- influenza vaccinations
- contribution towards promoting good health
- 4wd driver training for staff required to service remote localities

Non-SES staff—Australian Workplace Agreements:

- all the above benefits except flextime cash-out
- recreation leave cash-out
- home office equipment
- support for professional and personal development

SES staff—Australian Workplace Agreements:

- all the above benefits except flextime cash-out
- motor vehicle for official and private use, fuel and parking

CHILD SUPPORT AGENCY

Staff up to Executive Level 1—certified agreement:

- Christmas shut-down
- $500 end of year bonus
- FlexTime, FlexBank and FlexCount
- leave cash-out and leave purchase provisions
- carer and parental leave

continued
<table>
<thead>
<tr>
<th>Table 115</th>
<th>Staffing overview—non-salary benefits continued</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHILD SUPPORT AGENCY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Executive Level 2 staff—Australian Workplace Agreements:</strong></td>
<td></td>
</tr>
<tr>
<td>◗ mobile phone</td>
<td></td>
</tr>
<tr>
<td>◗ airline lounge membership</td>
<td></td>
</tr>
<tr>
<td>◗ support for personal and professional development</td>
<td></td>
</tr>
<tr>
<td>◗ time off in lieu</td>
<td></td>
</tr>
<tr>
<td>◗ reimbursement for health and fitness costs up to $250</td>
<td></td>
</tr>
<tr>
<td><strong>SES staff—Australian Workplace Agreements:</strong></td>
<td></td>
</tr>
<tr>
<td>◗ motor vehicle, fuel and parking</td>
<td></td>
</tr>
<tr>
<td>◗ mobile phone for official and incidental personal use</td>
<td></td>
</tr>
<tr>
<td>◗ airline lounge membership</td>
<td></td>
</tr>
<tr>
<td>◗ home office equipment, comprising standard PC, monitor, printer and remote access to the network</td>
<td></td>
</tr>
<tr>
<td>◗ financial and other support for professional and personal development</td>
<td></td>
</tr>
<tr>
<td><strong>CRS AUSTRALIA</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Non-SES staff—certified agreement:</strong></td>
<td></td>
</tr>
<tr>
<td>◗ access to employee assistance program</td>
<td></td>
</tr>
<tr>
<td>◗ purchased leave</td>
<td></td>
</tr>
<tr>
<td>◗ flextime</td>
<td></td>
</tr>
<tr>
<td>◗ child and elder care information and referral service</td>
<td></td>
</tr>
<tr>
<td>◗ study assistance</td>
<td></td>
</tr>
<tr>
<td>◗ support for professional and personal development</td>
<td></td>
</tr>
<tr>
<td>◗ linking program for staff on extended leave</td>
<td></td>
</tr>
<tr>
<td>◗ national award scheme</td>
<td></td>
</tr>
<tr>
<td>◗ flexible working locations including, where appropriate, access to lap-top computers, dial in facilities, and mobile phones.</td>
<td></td>
</tr>
<tr>
<td>◗ parental leave</td>
<td></td>
</tr>
<tr>
<td><strong>Non-SES staff—Australian Workplace Agreements:</strong></td>
<td></td>
</tr>
<tr>
<td>◗ all the above benefits except flextime</td>
<td></td>
</tr>
<tr>
<td>◗ private use of motor vehicles or an allowance in lieu (not all officers)</td>
<td></td>
</tr>
<tr>
<td><strong>SOCIAL SECURITY APPEALS TRIBUNAL</strong></td>
<td></td>
</tr>
<tr>
<td>◗ access to child care information and referral service and school holiday subsidies</td>
<td></td>
</tr>
<tr>
<td>◗ flextime</td>
<td></td>
</tr>
<tr>
<td>◗ leave purchase provisions</td>
<td></td>
</tr>
<tr>
<td>◗ carer’s, parental and adoption leave</td>
<td></td>
</tr>
</tbody>
</table>
Part 4  I  Financial statements 2001–02

Fraud certification letter

Financial statements
CERTIFICATION OF DEPARTMENTAL FRAUD CONTROL ARRANGEMENTS

I, Mark Sullivan, certify that I am satisfied that for, the financial year 2001/02, the Department of Family & Community Services, which includes CRS Australia and the Child Support Agency (CSA) has had:

- appropriate fraud risk assessments and fraud control plans in place that comply with the Commonwealth Fraud Control Guidelines;

- appropriate fraud prevention, detection, investigation and reporting procedures and processes in place; and

- annual fraud data has been collected and reported that complies with the Commonwealth Fraud Control Guidelines.

Mark Sullivan
Secretary
≤ August 2002
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Statement of cash flows  366
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FaCS
INDEPENDENT AUDIT REPORT

To the Minister for Family and Community Services

Scope

I have audited the financial statements of the Department of Family and Community Services for the year ended 30 June 2002. The financial statements comprise:

- Statement by the Chief Executive;

- Statements of Financial Performance, Financial Position and Cash Flows;

- Schedules of Contingencies and Commitments; and

- Notes to and forming part of the Financial Statements.

The Department’s Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department’s financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.
Audit Opinion

In my opinion the financial statements:

(i) have been prepared in accordance with Finance Minister's Orders made under the Financial Management and Accountability Act 1997; and

(ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of Family and Community Services as at 30 June 2002, and its financial performance and cash flows for the year then ended.

P.J. Barrett
Auditor-General
Canberra
27 August 2002
DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

STATEMENT BY THE SECRETARY

In my opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister’s Orders made under the Financial Management and Accountability Act 1997.

Signed: ..............................................

Mark Sullivan
Secretary

27 August 2002
### Department of Family and Community Services

**STATEMENT OF FINANCIAL PERFORMANCE**

*for the period ended 30 June 2002*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Revenues from ordinary activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues from government</td>
<td>2,246,146</td>
<td>2,141,859</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>32,589</td>
<td>35,085</td>
</tr>
<tr>
<td>Interest</td>
<td>4,257</td>
<td>5,034</td>
</tr>
<tr>
<td>Net gains from sales of assets</td>
<td>146</td>
<td></td>
</tr>
<tr>
<td>Reversals of previous asset write-downs</td>
<td>45</td>
<td>2,589</td>
</tr>
<tr>
<td>Net foreign exchange gains</td>
<td></td>
<td>125</td>
</tr>
<tr>
<td>Other revenues from independent sources</td>
<td>4,493</td>
<td>1,588</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td>2,287,676</td>
<td>2,186,280</td>
</tr>
<tr>
<td><strong>Expenses from ordinary activities (excluding borrowing cost expenses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>320,495</td>
<td>308,865</td>
</tr>
<tr>
<td>Suppliers</td>
<td>225,432</td>
<td>204,874</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>12,172</td>
<td>11,667</td>
</tr>
<tr>
<td>Write-down of assets</td>
<td>225</td>
<td>2,674</td>
</tr>
<tr>
<td>Net losses from sales of assets</td>
<td></td>
<td>121</td>
</tr>
<tr>
<td>Net foreign exchange losses</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,694,047</td>
<td>1,617,770</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities (excluding borrowing cost expense)</strong></td>
<td>2,252,447</td>
<td>2,145,971</td>
</tr>
<tr>
<td><strong>Borrowing costs expense</strong></td>
<td>92</td>
<td>54</td>
</tr>
<tr>
<td><strong>Net operating surplus (deficit) from ordinary activities</strong></td>
<td>35,136</td>
<td>40,255</td>
</tr>
<tr>
<td><strong>Net surplus (deficit)</strong></td>
<td>35,136</td>
<td>40,255</td>
</tr>
<tr>
<td><strong>Net surplus (deficit) attributable to the Commonwealth</strong></td>
<td>35,136</td>
<td>40,255</td>
</tr>
<tr>
<td>Net credit (debit) to asset revaluation reserve</td>
<td>260</td>
<td>2,282</td>
</tr>
<tr>
<td><strong>Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity</strong></td>
<td>260</td>
<td>2,282</td>
</tr>
<tr>
<td><strong>Total changes in equity other than those resulting from transactions with owners as owners</strong></td>
<td>35,396</td>
<td>42,537</td>
</tr>
</tbody>
</table>

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

---

**Footnote:**

**Net surplus (deficit) attributable to the Commonwealth**

- Less: Transfer to deferred activity reserve
  - 16: 26,527 ($26,527)
- Less: Dividends
  - 16: (7,686) ($7,929)
- Less: Capital usage charge
  - 16: (256) ($648)

**Contributions to Accumulated Result**

- 53,722 | 5,151
| Department of Family and Community Services |
| STATEMENT OF FINANCIAL POSITION |
| as at 30 June 2002 |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>11A</td>
<td>95,094</td>
</tr>
<tr>
<td>Receivables</td>
<td>11B</td>
<td>12,546</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and buildings</td>
<td>12A</td>
<td>15,245</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>12B</td>
<td>9,856</td>
</tr>
<tr>
<td>Intangibles</td>
<td>12C</td>
<td>43,281</td>
</tr>
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<td>Other</td>
<td>12D</td>
<td>26,967</td>
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<tr>
<td><strong>Total non-financial assets</strong></td>
<td></td>
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<td><strong>Total assets</strong></td>
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<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Interest bearing liabilities</td>
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<tr>
<td>Leases</td>
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<td>Other</td>
<td>13B</td>
<td>2,914</td>
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<td>Capital Usage Charge</td>
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<tr>
<td>Employees</td>
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<td>89,171</td>
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<td>Suppliers</td>
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<td>43,347</td>
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<tr>
<td>Other</td>
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<td>6,673</td>
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<tr>
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<td></td>
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<tr>
<td><strong>Total liabilities</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
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<tr>
<td>Parent entity interest</td>
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<td></td>
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<tr>
<td>Contributed Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained surplus or accumulated deficits</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total parent equity interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
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<tr>
<td>Non-current liabilities</td>
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<td>Current assets</td>
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<td>Non-current assets</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
<table>
<thead>
<tr>
<th>Department of Family and Community Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>STATEMENT OF CASH FLOWS</td>
</tr>
<tr>
<td>for the period ended 30 June 2002</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>$'000</th>
<th>Year</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>2000-01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**OPERATING ACTIVITIES**

<table>
<thead>
<tr>
<th>Cash received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations for outputs (other than goods or services)</td>
</tr>
<tr>
<td>Sales of goods and services</td>
</tr>
<tr>
<td>- Govt</td>
</tr>
<tr>
<td>- Non-Govt</td>
</tr>
<tr>
<td>Interest</td>
</tr>
<tr>
<td>GST refund</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Suppliers</td>
</tr>
<tr>
<td>Borrowing costs</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
</tr>
</tbody>
</table>

| Net cash from operating activities | 34,431 |

**INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th>Cash received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property, plant and equipment</td>
</tr>
<tr>
<td>Purchase of intangibles</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
</tr>
</tbody>
</table>

| Net cash from investing activities | (17,565) |

**FINANCING ACTIVITIES**

<table>
<thead>
<tr>
<th>Cash received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriations - Contributed Equity</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital use charge Paid</td>
</tr>
<tr>
<td>Dividends Paid</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
</tr>
</tbody>
</table>

| Net cash from financing activities | (8,057) |

<table>
<thead>
<tr>
<th>Net increase in cash held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at the beginning of the reporting period</td>
</tr>
<tr>
<td>Cash transferred on restructure</td>
</tr>
<tr>
<td><strong>Cash at the end of the reporting period</strong></td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes.
### Department of Family and Community Services

**SCHEDULE OF COMMITMENTS**

*as at 30 June 2002*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td><strong>BY TYPE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL COMMITMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>-</td>
<td>12,393</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td><strong>Total capital commitments</strong></td>
<td>-</td>
<td>12,400</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER COMMITMENTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases&lt;sup&gt;1&lt;/sup&gt;</td>
<td>233,761</td>
<td>175,441</td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>28,826</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other&lt;sup&gt;2&lt;/sup&gt;</td>
<td>42,690</td>
<td>48,142</td>
<td></td>
</tr>
<tr>
<td><strong>Total other commitments</strong></td>
<td>305,277</td>
<td>223,583</td>
<td></td>
</tr>
<tr>
<td><strong>COMMITMENTS RECEIVABLE</strong></td>
<td>(31,593)</td>
<td>(22,020)</td>
<td></td>
</tr>
<tr>
<td><strong>Total commitments receivable</strong></td>
<td>(31,593)</td>
<td>(22,020)</td>
<td></td>
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<tr>
<td><strong>Net commitments</strong></td>
<td>273,683</td>
<td>213,963</td>
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</table>

**BY MATURITY**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td></td>
</tr>
<tr>
<td><strong>All net commitments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One year or less</td>
<td>48,728</td>
<td>63,789</td>
<td></td>
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<tr>
<td>From one to five years</td>
<td>159,099</td>
<td>124,560</td>
<td></td>
</tr>
<tr>
<td>Over five years</td>
<td>65,856</td>
<td>25,614</td>
<td></td>
</tr>
<tr>
<td><strong>Net commitments</strong></td>
<td>273,683</td>
<td>213,963</td>
<td></td>
</tr>
<tr>
<td><strong>Operating lease commitments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One year or less</td>
<td>44,373</td>
<td>42,823</td>
<td></td>
</tr>
<tr>
<td>From one to five years</td>
<td>128,162</td>
<td>106,859</td>
<td></td>
</tr>
<tr>
<td>Over five years</td>
<td>61,226</td>
<td>25,759</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Lease commitments</strong></td>
<td>233,761</td>
<td>175,441</td>
<td></td>
</tr>
</tbody>
</table>

NB: All commitments are GST inclusive where relevant.

---

1 Operating leases included are effectively non-cancellable and comprise:

- CRS Australia lease payments are subject to annual increase in accordance with upward movements in the Consumer Price Index. The Department of Family and Community Services lease payments are generally subject to market review with one being fixed at Central Park in Western Australia. The Child Support Agency has varying rates for rent reviews.
- Almost all the lease terms range from 1 to 5 years for CRS Australia and the Department of Family and Community Services. The Child Support Agency has leases with the ATO that range from 1 to 5 years and has private leases that range from 6 to 10 years.
- The Department of Family and Community Services is in the initial period for its office accommodation leases which are still current for ten leases and each may be reviewed for varying periods at the Agency’s option. Four leases are into their option period. The Child Support Agency private leases are all in the initial periods and are still current.

2 Other commitments comprise other operational agreements and undertakings with suppliers to provide good and services.

The above schedule should be read in conjunction with the accompanying notes.
## Department of Family and Community Services
### SCHEDULE OF CONTINGENCIES

<table>
<thead>
<tr>
<th></th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
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<tbody>
<tr>
<td><strong>CONTINGENT LOSSES</strong></td>
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<tr>
<td>Indemnities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims for damages/costs¹</td>
<td>1,130</td>
<td>949</td>
</tr>
<tr>
<td>Redundancies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total contingent losses</strong></td>
<td><strong>1,130</strong></td>
<td><strong>949</strong></td>
</tr>
</tbody>
</table>

| **CONTINGENT GAINS**     |                 |                 |
| Net contingencies        | -               | -               |
|                          | **1,130**       | **949**         |

Remote contingencies are disclosed in Note 18

¹ The amount represents an estimate of the Department's liability based on precedent claims. The Department is defending the claims.

### SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES

At 30 June 2002, the Department has been advised of potential litigation in a negligence matter. At this early stage, it is not possible to estimate the amounts of any eventual payment that may need to be made.

The above schedule should be read in conjunction with the accompanying notes.
### Department of Family and Community Services

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the period ended 30 June 2002*

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Summary of significant accounting policies</td>
</tr>
<tr>
<td>2</td>
<td>Administered Statement of Financial Performance</td>
</tr>
<tr>
<td>3</td>
<td>Administered Statement of Financial Position</td>
</tr>
<tr>
<td>4</td>
<td>Administered Cashflow</td>
</tr>
<tr>
<td>5</td>
<td>Administered Commitments</td>
</tr>
<tr>
<td>6</td>
<td>Administered Contingencies</td>
</tr>
<tr>
<td>7</td>
<td>Events occurring after balance date</td>
</tr>
<tr>
<td>8</td>
<td>Operating revenue</td>
</tr>
<tr>
<td>9</td>
<td>Operating expenses</td>
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<tr>
<td>10</td>
<td>Borrowing expenses</td>
</tr>
<tr>
<td>11</td>
<td>Financial assets</td>
</tr>
<tr>
<td>12</td>
<td>Non-financial assets</td>
</tr>
<tr>
<td>13</td>
<td>Interest bearing liabilities</td>
</tr>
<tr>
<td>14</td>
<td>Provisions</td>
</tr>
<tr>
<td>15</td>
<td>Payables</td>
</tr>
<tr>
<td>16</td>
<td>Equity</td>
</tr>
<tr>
<td>17</td>
<td>Cash flow reconciliation</td>
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<tr>
<td>18</td>
<td>Remote contingencies</td>
</tr>
<tr>
<td>19</td>
<td>Executive remuneration</td>
</tr>
<tr>
<td>20</td>
<td>Remuneration of auditors</td>
</tr>
<tr>
<td>21</td>
<td>Average staffing levels</td>
</tr>
<tr>
<td>22</td>
<td>Act of grace payments and waivers</td>
</tr>
<tr>
<td>23</td>
<td>Financial instruments</td>
</tr>
<tr>
<td>24</td>
<td>Appropriations</td>
</tr>
<tr>
<td>25</td>
<td>Assets held in trust</td>
</tr>
<tr>
<td>26</td>
<td>Reporting of outcomes</td>
</tr>
</tbody>
</table>
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

Note 1 - Summary of Significant Accounting Policies

1.1 Objectives of the Department of Family and Community Services

The objective of the Department of Family and Community Services is to create a fair and cohesive society by focusing on the policies that strengthen the capacity of individuals, families and communities to participate in social and economic life.

The Agency is structured to meet three outcomes:

Outcome 1 – Stronger Families

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

Outcome 2 – Stronger Communities

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

Outcome 3 – Economic and Social Participation

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

Agency activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Agency in its own right. Administered activities involve the management or oversight by the Agency on behalf of the Government of items controlled or incurred by the Government.

Departmental activities are identified under four headings for Outcome 1.
- Output Group 1.1 Family Assistance,
- Output Group 1.2 Youth and Student Support
- Output Group 1.3 Child Support and
- Output Group 1.4 Childcare Support.

Departmental activities are identified under two headings for Outcome 2.
- Output Group 2.1 Housing Support and
- Output Group 2.2 Community Support.

Departmental activities are identified under four headings for Outcome 3.
- Output group 3.1 Labour Market Assistance
- Output Group 3.2 Support for People with a Disability
- Output Group 3.3 Support for Carers and
- Output Group 3.4 Support for the Aged.

The Department of Family and Community Services comprises the Child Support Agency, CRS Australia, the Social Security Appeals Tribunal and the Department of Family and Community Services.

1.2 Basis of Accounting

The financial statements are required by section 49 of the Financial Management and Accountability Act 1997 and are a general purpose financial report.

The statements have been prepared in accordance with:
- Finance Ministers Orders (being the Financial Management and Accountability (Financial Statements 2001-2002) Orders);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Boards;
Department of Family and Community Services

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

- Other authoritative pronouncements of the Boards; and
- Consensus Views of the Urgent Issues Group.

The statements have been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or on the department’s financial position.

Assets and liabilities are recognised in the Department’s Statement of Financial Position when and only when it is probable that, future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets, which are unrecognised, are reported in the Schedule of Commitments and the Schedule of Contingencies (other than remote contingencies, which are reported at Note 18).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department’s administration and programs.

Administered revenues, expenses, assets and liabilities and cash flows reported in Notes 2 – 6 are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.3.

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-01, except in respect of:

- Output Appropriations (refer to Note 1.5);
- Equity Injections (refer to Note 1.6); and
- Presentation and disclosure of administered items (refer to Note 1.4)

1.4 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are presented in Notes 2 - 6 of these financial statements. In 2000-01 the summary information was presented in Schedules following the primary Agency statements.

Accounting policies for administered items are as stated in note 1.2 above.

These financial statements do not report the receipt of administered appropriations from the Official Public Account (OPA) as administered revenues nor are transfers of administered receipts to the OPA reported as administered expenses. This change in 2001-02 acknowledges that the administered activities of agencies are performed on behalf of the Commonwealth Government and it is not appropriate to identify resources transferred between administered activities of different agencies as revenues and expenses of the Administered entity. Generally, therefore, the notes to these financial statements do not report any transactions or balances that are internal to the Administered entity. One exception is the disclosure of administered cash flows, since cash transferred between the OPA and the Department’s administered bank account is necessary for the completeness of the cash flow disclosures.

Accounting policies, which are relevant to the administered activities of the Department, are disclosed below:
(a) Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Commonwealth.

(b) Grants

The Department administers a number of grant schemes on behalf of the Commonwealth.

Grant liabilities are recognised to the extent that:
- the services required to be performed by that guarantee have been performed; and
- the grant eligibility criteria has been satisfied.

A commitment is recorded when the Commonwealth has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance for performance or eligibility, a prepayment is recognised.

(c) Administered Receivables

Administered receivables represent debts owed to the Department by past and present customers. Administered receivables exclude amounts expected to be recovered on behalf of other agencies under the Social Security (Administration) Act 1999.

All debts known to be irrecoverable are excluded from the value of administered receivables. Irrecoverable debts comprise amounts written off pursuant to Section 1236 of the Social Security Act 1991 and amounts waived pursuant to Section 1237 of the Social Security Act 1991. In accordance with Agency guidelines for the operation of waivers under Section 1237 of the Social Security Act 1991, where a debt is not likely to exceed a threshold amount and it is not cost effective for the Commonwealth to recover the debt, the total value of such waived payments is approximated.

The provision for doubtful debts for the Student Financial Supplement Scheme is based upon an actuarial assessment of the scheme conducted by the Australian Government Actuary (AGA) during the 2001-02 financial year. Based on this assessment the provision for doubtful debts is calculated as being 56% of the outstanding debt. This is an increase from the previous assessment of 36% that was used in prior years.

The provision for doubtful debts for Personal Benefits – direct has two components, a general provision of 5% of new debt raised in the financial year and a specific provision of 100% for all debts with no recovery made over the last twelve months. Current recovery rates are used to estimate the current and non-current administered receivables. In the 2000-2001 financial year the provision for doubtful debts was made on the basis of debt recovery rates.

1.5 Revenues

The revenues described in this Note are revenues relating to the core operating activities of the Agency.

(a) Revenues from Government – Agency Appropriations

The full amount of the appropriation for departmental outputs for the year (less any savings offered up at Additional Estimates and not subsequently released) is recognised as revenue. This is a change in accounting policy caused by the introduction of a new requirement to this effect in the Finance Ministers Orders. In 2000-01, output appropriations were recognised as revenue to the extent the appropriations had been drawn down from the Official Public Account (OPA)
The change in policy resulted in $8.15 million extra in appropriation being recognized. This was repaid back to the OPA before 30 June 2002.

(b) Resources Received Free of Charge

Services 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (Refer to Note 1.6).

(c) Other Revenue

Revenue from sale of goods is recognised upon the delivery of goods or services to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to financial assets held by the department.

Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Agency revenue from the rendering of services is recognised by reference to the stage of completion of contracts or other agreements to provide services to Commonwealth bodies. The stage of completion is determined according to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

1.6 Transaction by Government as Owner

From 1 July 2001, Appropriations designated as ‘Capital – equity injections’ are recognised directly in Contributed equity according to the following rules determined by the Finance Minister:

- to the extent that the appropriation is not dependent on future events, as at 1 July; and
- to the extent that it is dependent on specified future events requiring future performance, on drawdown.

(In 2000-01, all equity injections were recognised as contributed equity on drawdown.)

The change in policy has no financial effect in 2001-02 because the full amounts of the equity injections in both 2000-01 and 2001-02 met the criteria now required by the Finance Ministers Orders.

Net assets received under restructuring of administrative arrangements are designated by the Finance Minister as contributions by owners and adjusted directly against equity. Net assets relinquished are designated as distributions to owners. Net assets transferred are initially recognised at the amounts at which they were initially recognised by the transferring agency immediately prior to the transfer.

1.7 Employee Entitlements

(a) Leave

The liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave, as sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

The liability for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2002 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees as at 30 June 2002. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

A provision has been made for superannuation on-costs associated with the portion of the provision for annual leave and long service leave expected to be taken.

(b) Separation and redundancy

Provision is made for separation and redundancy payments in circumstances where the department has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

(c) Superannuation

Staff of the Department of Family and Community Services contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to $31,060,249 in 2001-2002 (2000-2001 $29,638,084) in relation to these schemes have been expensed in these financial statements.

No liability for superannuation is recognised as at 30 June 2002 as the employer contributions fully extinguish the accruing liability, which is assumed by the Commonwealth.


1.8 Leases

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

The Department of Family and Community Services entered into a finance lease for the lease of certain Information Technology assets during 2001-02. The lease term is three years with an option to extend. The assets are capitalised at the present value of the minimum lease payments at the inception of the lease and a liability is recognised for the same amount. Lease assets are amortised over the period of the lease. Lease payments are allocated between the principal component and interest expense.

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

Lease incentives taking the form of ‘free’ leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.
1.9 Borrowing Costs

All borrowing costs are expenses as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amount of costs incurred in that period.

1.10 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution.

1.11 Financial Instruments

Accounting policies for financial instruments are stated at Note 23.

1.12 Acquisition of Assets

Assets are recorded at cost of acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency’s accounts immediately prior to restructuring.

1.13 Property (Land, Buildings and Leasehold Improvements), Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $2,000 ($1,000 CRS Australia), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Land, buildings, infrastructure, plant and equipment are revalued progressively in accordance with the ‘deprival’ method of valuation in successive 3-year cycles so that no asset has a value more than three years old.

Freehold land, buildings on freehold land and leasehold improvements are each revalued progressively on a geographical basis. The current cycle commenced on 1 January 2002.

The current three-year cycle will result in the following revaluations:

<table>
<thead>
<tr>
<th>Class</th>
<th>Revaluation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>1 July 2002</td>
</tr>
<tr>
<td>Buildings</td>
<td>1 July 2002</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>30 April 2003</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>30 April 2003</td>
</tr>
</tbody>
</table>

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation then in progress.
In accordance with the deprival methodology, land is measured at its current market-buying price. Property (other than land), plant and equipment are measured at their depreciated replacement cost. Where assets are held which would not be replaced or are surplus to requirements, measurement is at net realisable value. As at 30 June 2002, the Department had no assets in this situation.

All valuations are independent except for revaluations of plant and equipment undertaken in 2000-2001.

**Recoverable Amount Test**

Schedule 1 of the FMO’s requires the application of the recoverable amount test to departmental non-current assets in accordance with AAS 10 Recoverable Amount of Non-Current Assets. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing their recoverable amounts, the relevant cash flows have been discounted to their present value.

**Depreciation and Amortisation**

Depreciable property plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

<table>
<thead>
<tr>
<th>Class</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings on freehold land</td>
<td>25 yrs</td>
<td>25 yrs</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 – 10 years</td>
<td>3 – 10 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>8 years or lease period</td>
<td>8 years or lease period</td>
</tr>
<tr>
<td>Purchased Software</td>
<td>2 – 5 years</td>
<td>2 – 5 years</td>
</tr>
</tbody>
</table>

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 9C.

**1.14 Intangibles**

The Departments intangible assets comprise internally developed software. The asset is carried at cost.

The carrying amount of each non-current intangible asset is reviewed to determine whether it is in excess of the asset’s recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value.

No write-down to recoverable amount has been made in 2001-02.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.
Useful lives are:

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally Developed Software</td>
<td>5 - 10 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>

1.15 **Taxation**

FaCS, SSAT, CSA and CRS Australia are exempt from all forms of taxation except for fringe benefits tax and goods and services tax.

In accordance with the government’s published competitive neutrality policy, a tax equivalence regime is in place in CRS Australia. Accordingly a taxation accrual of $1 059 128 has been recognised in respect of the 2001-2002 financial year (2000-2001 $1,095,033).

Tax equivalence is paid to the Department of Finance and Administration in respect of the commercial activities of CRS Australia. The payment will be made in respect of Income Tax, Payroll Tax and Land Tax.

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

1.16 **Capital Use Charge**

A capital usage charge of 11% (2001:12%) is imposed by the Government on the net departmental assets of the Department. The charge is adjusted to take account of asset gifts, the deferred activity reserve and revaluation increments during the financial year.

1.17 **Foreign Currency**

Transactions denominated in foreign currency are converted at the exchange rate at date of transaction. Foreign currency receivables and payables are translated at exchange rates as at balance date. Associated currency gains and losses are not material.

1.18 **Insurance**

The Department has insured for risks through the Government’s insurable risk managed fund, called ‘Comcover’. Workers compensation is insured through Comcare Australia.

1.19 **Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.20 **Rounding**

Amounts have been rounded to the nearest $1,000 except in relation to the following:

- Act of grace payments and waivers;
- Remuneration of executives;
- Remuneration of auditors; and
- Appropriations.
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

1.21 Deferred Activity Reserve

The Deferred Activity Reserve was established in the 2000-2001 financial statements. The Deferred Activity Reserve comprised amounts for which an appropriation had been drawn down into the department’s bank account but the services had not been performed at 30 June 2001. These amounts related to services unperformed by Centrelink, CRS Australia and the Department. At the end of 30 June 2002 these services had been fully performed and accordingly a movement from this reserve to accumulated results is reflected in the Financial Statements.

1.22 Voluntary Disclosure (Administered)

The net value of administered payments made during 2001-2002 totalled $52.5 billion. Payments to customers are determined in accordance with provisions under Social Security Law and other legislation. Payments made under Social Security Law are assessed, determined and paid by officers of Centrelink under delegation from the Department of Family and Community Services (FaCS).

Payments made by Centrelink appear in the financial statements of FaCS, which receives appropriations for the payments.

Readers of these Financial Statements should note that the Social Security Administration) Act 1999 imposes an obligation on customers to disclose to Centrelink information about financial and personal circumstances that affect entitlement to payment. This is a necessary part of Centrelink’s administration, which acknowledges that, at the time certain information is required, only the customer is in a position to provide that information.

Without this obligation on customers to disclose information, the cost of delivery of FaCS services would increase because Centrelink would be required to dedicate significant additional resources to check all information provided by the customer at the time it is provided and to undertake extensive surveillance, including on-line access to various data bases.

Such an approach would involve a level of intrusiveness into customers’ affairs, which would contravene community standards of privacy. Moreover, it would not be cost effective and would impede the efficiency of the delivery of income support payments to those in need. However, the Department acknowledges that partial reliance by Centrelink on customers to supply information about their circumstances may result in some customers being incorrectly paid.

While Centrelink accepts the information provided by customers in good faith for the reasons outlined above, it does not rely solely on this information to determine customers’ entitlements. A comprehensive risk management strategy minimises the potential for incorrect payment by subjecting customers to a variety of review processes. If debts are identified, Centrelink seeks to recover them 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 the customer’s level of entitlement.

The risk management strategy focuses on three objectives: prevention, detection and deterrence. It encompasses:

- Pre-grant procedures, which require proof of identity and verification of key facts relevant to eligibility;
- ‘Front door’ reviews which check new client details against information held by Centrelink before any payments are made. These processes assist in preventing dual payments to customers, detecting incorrect dependant details and identifying outstanding debts owed to Centrelink;
- Frequent opportunities for Newstart and Sickness Allowance customers to advise changes of circumstances through personal lodgement of periodic review forms;
• Data matching reviews, such as the extensive data-matching program authorised under the Data-Matching Program (Assistance and Tax) Act 1990. This program identifies client information affecting entitlement which has not been disclosed and covers information relating to identity, payments received from other Government agencies and undisclosed income or assets; and

• Selective reviews which target customers with characteristics known to have a high incidence of incorrect payment. Selective reviews are targeted through the use of risk algorithms generated from statistical analysis of customer characteristics for various customer populations and are continually refined in response to the outcomes of review activity and emerging risk areas.

In addition, FaCS conducts regular random samples of payment types. These show that the most likely cause of incorrect payment is customers' failure to report employment income. Much of this is subsequently captured through data matching and overall, the residual effect on outlays is estimated to between 2.5 per cent and 3 per cent of payments.

Despite the fact that Centrelink acts promptly to address all areas of material risk as they emerge, the Department accepts that a small proportion of non-compliance may go undetected. However, given the above risk management strategy, and the results of the random samples, the Department is satisfied that the incidence of incorrect payment is not material in terms of total payments, and that the financial statements materially reflect the activities of the Department’s administered programs.
Department of Family and Community Services  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the period ended 30 June 2002  

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<tbody>
<tr>
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<tr>
<td><strong>Note 2 - Revenues and Expenses Administered on Behalf of Government</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Note 2A - Revenues Administered on Behalf of Government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Other taxes fees and fines</strong></td>
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<td></td>
</tr>
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<td>Non-taxation - fees and fines</td>
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<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Interest</strong></td>
<td></td>
<td></td>
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<tr>
<td>Interest on Advance</td>
<td>161</td>
<td>135</td>
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<tr>
<td>Interest on BAS Refund</td>
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<td>10</td>
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<tr>
<td>SFSS Interest Recovered</td>
<td>0</td>
<td>(9)</td>
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<tr>
<td></td>
<td>161</td>
<td>136</td>
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<tr>
<td><strong>Net Foreign Exchange Gains</strong></td>
<td></td>
<td></td>
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<tr>
<td>Speculative</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Non-speculative</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reciprocal Agreement with New Zealand</td>
<td>132,000</td>
<td>135,000</td>
</tr>
<tr>
<td>Indexation of SFSS</td>
<td>76,760</td>
<td>87,618</td>
</tr>
<tr>
<td>Child support trust revenue</td>
<td>663,820</td>
<td>578,328</td>
</tr>
<tr>
<td>Child support penalties</td>
<td>21,762</td>
<td>3,351</td>
</tr>
<tr>
<td>Child support advances reimbursements</td>
<td>90,276</td>
<td>70,311</td>
</tr>
<tr>
<td>Special Account Revenue</td>
<td>8,728</td>
<td>15,138</td>
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<tr>
<td>Other</td>
<td>44,752</td>
<td>53,614</td>
</tr>
<tr>
<td></td>
<td>1,038,078</td>
<td>943,550</td>
</tr>
<tr>
<td><strong>Total Revenues Administered on Behalf of Government</strong></td>
<td>1,038,242</td>
<td>943,700</td>
</tr>
</tbody>
</table>
### Note 2B - Expenses Administered on Behalf of Government

**Expenses**

**Subsidies**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age Pension</td>
<td>16,665,653</td>
<td>15,599,368</td>
</tr>
<tr>
<td>Family Tax Benefit</td>
<td>10,927,703</td>
<td>10,076,463</td>
</tr>
<tr>
<td>Disability Support Pension</td>
<td>6,404,351</td>
<td>5,849,799</td>
</tr>
<tr>
<td>Parenting Payment (Partnered and Single)</td>
<td>5,571,718</td>
<td>5,325,681</td>
</tr>
<tr>
<td>Newstart Allowance</td>
<td>5,078,220</td>
<td>4,885,409</td>
</tr>
<tr>
<td>Youth Allowance</td>
<td>2,213,719</td>
<td>2,101,915</td>
</tr>
<tr>
<td>Childcare Benefit</td>
<td>1,315,912</td>
<td>1,037,137</td>
</tr>
<tr>
<td>Carer Allowance - Adult and Child</td>
<td>645,722</td>
<td>533,247</td>
</tr>
<tr>
<td>Carer Payment</td>
<td>595,810</td>
<td>480,944</td>
</tr>
<tr>
<td>Partner Allowance (Pension)</td>
<td>455,215</td>
<td>369,517</td>
</tr>
<tr>
<td>Wife Pension (DSP)</td>
<td>401,969</td>
<td>446,564</td>
</tr>
<tr>
<td>Widow Allowance</td>
<td>389,580</td>
<td>324,919</td>
</tr>
<tr>
<td>Mature Age Allowance</td>
<td>364,210</td>
<td>352,596</td>
</tr>
<tr>
<td>Partner Allowance (Benefit)</td>
<td>362,384</td>
<td>359,162</td>
</tr>
<tr>
<td>Austudy Payment</td>
<td>280,794</td>
<td>249,258</td>
</tr>
<tr>
<td>Maternity Allowance</td>
<td>216,887</td>
<td>217,899</td>
</tr>
<tr>
<td>Wife Pension (Age)</td>
<td>216,160</td>
<td>233,080</td>
</tr>
<tr>
<td>Special Benefit</td>
<td>119,811</td>
<td>114,778</td>
</tr>
<tr>
<td>Aged Persons Savings Bonus</td>
<td>23,723</td>
<td>1,581,231</td>
</tr>
<tr>
<td>Self-Funded Retirees Supplementary Bonus</td>
<td>28,519</td>
<td>582,828</td>
</tr>
<tr>
<td>One-off Payment to Seniors</td>
<td>10,454</td>
<td>536,581</td>
</tr>
<tr>
<td>Other</td>
<td>279,698</td>
<td>342,719</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>52,568,182</td>
<td>51,601,095</td>
</tr>
</tbody>
</table>

**Grants**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants to Non-profit institutions</td>
<td>485,022</td>
<td>401,912</td>
</tr>
<tr>
<td>Grants to state and territory governments</td>
<td>1,882,828</td>
<td>1,810,713</td>
</tr>
<tr>
<td>Grants to local governments</td>
<td>49,552</td>
<td>46,145</td>
</tr>
<tr>
<td>Grants overseas</td>
<td>-</td>
<td>82</td>
</tr>
<tr>
<td>Grants other</td>
<td>43,674</td>
<td>57,808</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,461,076</td>
<td>2,316,660</td>
</tr>
</tbody>
</table>

*The nature of grants are as follows:*  
Grants for Stronger Families: 296,579 247,606  
Grants for Stronger Communities: 1,377,300 1,373,955  
Grants for Economic and Social Participation: 787,197 665,099  
**Total** 2,461,076 2,316,660

**Suppliers**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply of goods and services</td>
<td>32,137</td>
<td>9,747</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32,137</td>
<td>9,747</td>
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</tbody>
</table>
### Write-down of assets

#### Financial Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Supplement</td>
<td>461,767</td>
<td>100,283</td>
</tr>
<tr>
<td>Child support bad debt expense</td>
<td>102,655</td>
<td>52,556</td>
</tr>
<tr>
<td>Personal Benefits - provision for doubtful debts</td>
<td>28,710</td>
<td>96,008</td>
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<tr>
<td>Other</td>
<td>-</td>
<td>(1,409)</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>593,132</strong></td>
<td><strong>247,438</strong></td>
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</tbody>
</table>

#### Interest

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Supplement Scheme</td>
<td>50,323</td>
<td>73,157</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50,323</strong></td>
<td><strong>73,157</strong></td>
</tr>
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</table>

#### Foreign Exchange Losses

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>-</td>
<td>12</td>
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</table>

#### Other

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
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</thead>
<tbody>
<tr>
<td>Child Support Trust Expenditure</td>
<td>583,484</td>
<td>595,940</td>
</tr>
<tr>
<td>Annual Appropriation Maintenance Advances</td>
<td>10,514</td>
<td>3,630</td>
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<tr>
<td>Special Appropriation Maintenance Advances</td>
<td>77,948</td>
<td>66,548</td>
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<td>Special Account Expense</td>
<td>16,028</td>
<td>10,242</td>
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<tr>
<td>Other</td>
<td>5,346</td>
<td>2,767</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>693,320</strong></td>
<td><strong>679,127</strong></td>
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</table>

#### Total Expenses Administered on Behalf of Government

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>56,408,686</strong></td>
<td><strong>54,940,245</strong></td>
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</table>
Department of Family and Community Services  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the period ended 30 June 2002

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<td></td>
<td>$'000</td>
<td>$'000</td>
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**Note 3 - Assets and Liabilities Administered on Behalf of Government**

**Note 3A - Assets Administered on Behalf of Government**

### Financial Assets

**Cash**

Agency

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<thead>
<tr>
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<td>5,254</td>
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**Receivables**

Student Financial Supplement Scheme

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<tbody>
<tr>
<td></td>
<td>1,978,690</td>
<td>1,810,819</td>
</tr>
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</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(1,108,066)</th>
<th>(651,895)</th>
</tr>
</thead>
</table>

Personal Benefits - Direct

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,057,670</td>
<td>766,014</td>
</tr>
</tbody>
</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(181,020)</th>
<th>(153,304)</th>
</tr>
</thead>
</table>

Child Support Receivable

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>733,488</td>
<td>658,543</td>
</tr>
</tbody>
</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(657,755)</th>
<th>(580,679)</th>
</tr>
</thead>
</table>

Child Support Penalties

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>276,034</td>
<td>261,285</td>
</tr>
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</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(275,266)</th>
<th>(255,280)</th>
</tr>
</thead>
</table>

Other Loans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,734</td>
<td>7,662</td>
</tr>
</tbody>
</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(6)</th>
<th></th>
</tr>
</thead>
</table>

Other Receivables

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>60,640</td>
<td>96,050</td>
</tr>
</tbody>
</table>

Less: Provision for doubtful debts

<table>
<thead>
<tr>
<th></th>
<th>(18,106)</th>
<th>(12,150)</th>
</tr>
</thead>
</table>

Receivables (gross) which are aged as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,827,194</td>
<td>2,543,871</td>
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</table>

Overdue by:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 30 days</td>
<td>80,676</td>
<td>48,441</td>
</tr>
<tr>
<td>30 to 60 days</td>
<td>58,722</td>
<td>53,962</td>
</tr>
<tr>
<td>60 to 90 days</td>
<td>50,259</td>
<td>292,739</td>
</tr>
<tr>
<td>more than 90 days</td>
<td>1,097,405</td>
<td>661,360</td>
</tr>
</tbody>
</table>

Less: Provision for doubtful debts or receipts

<table>
<thead>
<tr>
<th></th>
<th>(2,240,220)</th>
<th>(1,653,308)</th>
</tr>
</thead>
</table>

Total Financial Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,880,078</td>
<td>1,953,648</td>
</tr>
</tbody>
</table>

**Investments**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Institute of Family Studies</td>
<td>788</td>
<td>788</td>
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</tbody>
</table>

Total Financial Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,880,078</td>
<td>1,953,648</td>
</tr>
</tbody>
</table>

**Non Financial Assets**

**Other Non-financial assets**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>-</td>
<td>94,019</td>
</tr>
<tr>
<td>Prepaid Grants</td>
<td>1,507</td>
<td>4,695</td>
</tr>
<tr>
<td>Department of Veterans' Affairs Payments</td>
<td>-</td>
<td>7</td>
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</tbody>
</table>

Total Non-financial Assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,507</td>
<td>98,721</td>
</tr>
</tbody>
</table>

Total Assets Administered on Behalf of Government

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,881,585</td>
<td>2,052,369</td>
</tr>
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</table>
Note 3B - Liabilities Administered on Behalf of Government

Interest bearing liabilities

**Loans**
Owing to the Commonwealth Bank:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Financial Supplement Scheme</td>
<td>843,518</td>
<td>937,718</td>
</tr>
</tbody>
</table>

*Maturity schedule for loans:*
Payable:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>within one year</td>
<td>227,045</td>
<td>233,647</td>
</tr>
<tr>
<td>in one to two years</td>
<td>213,316</td>
<td>228,345</td>
</tr>
<tr>
<td>in two to five years</td>
<td>403,157</td>
<td>475,726</td>
</tr>
<tr>
<td>more than five years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>843,518</td>
<td>937,718</td>
</tr>
</tbody>
</table>

**Payables**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Benefits Payable</td>
<td>1,325,258</td>
<td>1,113,262</td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and Territory Governments</td>
<td>104</td>
<td>168</td>
</tr>
<tr>
<td>Non-profit Institutions</td>
<td>4,215</td>
<td>2,261</td>
</tr>
<tr>
<td>Grants to Local Governments</td>
<td>1,664</td>
<td>1,044</td>
</tr>
<tr>
<td>Other</td>
<td>2,580</td>
<td>1,675</td>
</tr>
<tr>
<td><strong>Total Grants</strong></td>
<td>8,563</td>
<td>5,148</td>
</tr>
<tr>
<td><strong>Child Support Liability</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ATO Payable for payments funded by ATO on behalf of CSA</td>
<td>4,956</td>
<td>4,989</td>
</tr>
<tr>
<td>CSA Creditors</td>
<td>10,977</td>
<td>8,206</td>
</tr>
<tr>
<td>Payments in advance</td>
<td>9,579</td>
<td>10,644</td>
</tr>
<tr>
<td>Costs and fines</td>
<td>12</td>
<td>138</td>
</tr>
<tr>
<td>Accrued Child Support Payable</td>
<td>75,734</td>
<td>77,863</td>
</tr>
<tr>
<td><strong>Total Child Support Liability</strong></td>
<td>101,257</td>
<td>101,840</td>
</tr>
<tr>
<td><strong>Other Payables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centrelink Withholdings</td>
<td>-</td>
<td>2,924</td>
</tr>
<tr>
<td>Student Financial Supplement Scheme</td>
<td>9,620</td>
<td>7,009</td>
</tr>
<tr>
<td>Centrelink Overdraft</td>
<td>108,643</td>
<td>199,927</td>
</tr>
<tr>
<td>Other</td>
<td>3,781</td>
<td>8,866</td>
</tr>
<tr>
<td><strong>Total Other Payables</strong></td>
<td>122,044</td>
<td>218,726</td>
</tr>
<tr>
<td><strong>Total Liabilities Administered on Behalf of Government</strong></td>
<td>2,400,640</td>
<td>2,376,694</td>
</tr>
</tbody>
</table>
### OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>56,367,110</td>
<td>54,820,285</td>
</tr>
<tr>
<td>- Subsidies</td>
<td>10,446</td>
<td>-</td>
</tr>
<tr>
<td>- Personal benefits</td>
<td>52,680,183</td>
<td>51,290,682</td>
</tr>
<tr>
<td>- Goods and Services Tax paid</td>
<td>54,870</td>
<td>2,313,938</td>
</tr>
<tr>
<td>- Grants</td>
<td>2,530,011</td>
<td>30,196</td>
</tr>
<tr>
<td>- Cash reduction due to reclassification of trust monies</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- Cash to Official Public Account</td>
<td>1,198,480</td>
<td>1,085,633</td>
</tr>
<tr>
<td>- Child support payments</td>
<td>618,066</td>
<td>593,088</td>
</tr>
<tr>
<td>- Other</td>
<td>91,604</td>
<td>232,329</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>57,311,558</td>
<td>55,704,173</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash used</td>
<td></td>
</tr>
<tr>
<td>- Other</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>57,128,790</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from/(to) operating activities</td>
<td>182,768</td>
</tr>
</tbody>
</table>

### INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>244</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
</tr>
<tr>
<td>- Other</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>244</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from/(to) investing activities</td>
<td>0</td>
</tr>
</tbody>
</table>

### FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash received</td>
<td>117,308</td>
</tr>
<tr>
<td>Cash used</td>
<td></td>
</tr>
<tr>
<td>- Loans to Student Financial Supplement Scheme Loans</td>
<td>242,302</td>
</tr>
<tr>
<td>- GST Appropriations</td>
<td>64,040</td>
</tr>
<tr>
<td>- Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>82,918</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash from/(to) financing activities</td>
<td>(183,553)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2000-2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net increase / (decrease) in cash held</td>
<td>(541)</td>
</tr>
<tr>
<td>- Cash at the beginning of reporting year</td>
<td>5,795</td>
</tr>
<tr>
<td>- Effect of exchange rate movements on cash at beginning of reporting year</td>
<td>-</td>
</tr>
<tr>
<td><strong>Cash at the end of reporting year</strong></td>
<td>5,254</td>
</tr>
</tbody>
</table>
## Department of Family and Community Services

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2002

<table>
<thead>
<tr>
<th>Note 5 - Administered Commitments</th>
</tr>
</thead>
</table>

### BY TYPE

#### CAPITAL COMMITMENTS
- Land and buildings
- Infrastructure, plant and equipment

**Total capital commitments**

#### OTHER COMMITMENTS
- Project commitments
- Research and development
- Other commitments \(^1\)

**Total other commitments**

### COMMITMENTS RECEIVABLE
- Other

**Total commitments receivable**

Net commitments

### BY MATURITY

All net commitments
- One year or less
- From one to five years
- Over five years

**Net commitments**

\(^1\) Other commitments relate mainly to grant amounts payable under agreements in respect of which the grantee has yet to provide the service required under the agreement.
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note 6 - Administered Contingencies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CONTINGENT LOSSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims for damages/costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total contingent losses</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>CONTINGENT GAINS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims for damages/costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total contingent gains</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net contingencies</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

UNQUANTIFIABLE ADMINISTERED CONTINGENCIES

The Department has no administered unquantifiable contingencies at 30 June 2002.
Department of Family and Community Services

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2002

Note 7: Events Occurring After Balance Date

On 1 July 2002, administrative control of CRS Australia transferred from the Department of Family and Community Services to the Department of Health and Ageing. This gives effect to the agreement between the Secretaries of the Department of Family and Community Services and the Department of Health and Ageing flowing from the revised administrative arrangements announced in November 2001.

Transactional banking arrangements introduced from 1 July 1999 enable agencies to manage their surplus cash balances and earn interest on them. Reviews are being conducted by the Department of Finance and Administration with each agency to determine whether interest earned to 30 June 2002 was consistent with the Government's Budget-neutrality condition for the arrangements. However, as at the date of signing these financial statements, no decision had been made by the Government of the amount, if any, of the distribution of equity to be made to it by the Department of Family and Community Services.
# Department of Family and Community Services

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*for the period ended 30 June 2002*

## Note 8: Operating revenues

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

### Note 8A - Revenues from Government

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation for outputs</td>
<td>2,244,996</td>
<td>2,140,796</td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>1,150</td>
<td>1,063</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,246,146</strong></td>
<td><strong>2,141,859</strong></td>
</tr>
</tbody>
</table>

### Note 8B - Sale of goods and services

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td>-</td>
<td>999</td>
</tr>
<tr>
<td>Services</td>
<td>32,589</td>
<td>34,086</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,589</strong></td>
<td><strong>35,085</strong></td>
</tr>
</tbody>
</table>

### Note 8C - Interest

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>4,257</td>
<td>5,034</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,257</strong></td>
<td><strong>5,034</strong></td>
</tr>
</tbody>
</table>

### Note 8D - Net gains on sale of assets

#### Non-financial assets:

**Infrastructure, plant and equipment**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale</td>
<td>46</td>
<td>-</td>
</tr>
<tr>
<td>Net book value at sale</td>
<td>85</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Gain / (Loss)</strong></td>
<td><strong>(39)</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Land and Buildings**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale</td>
<td>2,375</td>
<td>-</td>
</tr>
<tr>
<td>Net book value at sale</td>
<td>2,108</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Gain / (Loss)</strong></td>
<td><strong>267</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

**Net Gain on disposal of assets**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs on disposal of assets</td>
<td>228</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total net gains from sale of assets</strong></td>
<td><strong>146</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

### Note 8E - Reversal of previous asset write-downs

#### Non-financial assets:

**Land and buildings**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>2,171</td>
</tr>
</tbody>
</table>

**Infrastructure, plant and equipment**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45</td>
<td>418</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>2,589</strong></td>
</tr>
</tbody>
</table>

### Note 8F - Other revenue from independent sources

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
<td>265</td>
<td>198</td>
</tr>
<tr>
<td>Assets stocktake adjustment</td>
<td>1,011</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>3,217</td>
<td>1,390</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,493</strong></td>
<td><strong>1,588</strong></td>
</tr>
</tbody>
</table>
### Note 9: Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration for services provided</td>
<td>241,564</td>
<td>282,744</td>
</tr>
<tr>
<td>Separation and redundancy payments</td>
<td>818</td>
<td>1,981</td>
</tr>
<tr>
<td>Total remuneration</td>
<td>242,382</td>
<td>284,725</td>
</tr>
<tr>
<td>Other employee expenses</td>
<td>78,113</td>
<td>24,140</td>
</tr>
<tr>
<td>Total</td>
<td>320,495</td>
<td>308,865</td>
</tr>
</tbody>
</table>

### Note 9A - Employee expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply of goods and services</td>
<td>204,084</td>
<td>188,090</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>21,347</td>
<td>16,784</td>
</tr>
<tr>
<td>Total</td>
<td>225,432</td>
<td>204,874</td>
</tr>
</tbody>
</table>

### Note 9B - Suppliers expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>12,172</td>
<td>11,667</td>
</tr>
<tr>
<td>Total</td>
<td>12,172</td>
<td>11,667</td>
</tr>
</tbody>
</table>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings on freehold land</td>
<td>63</td>
<td>3,084</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>7,566</td>
<td>4,727</td>
</tr>
<tr>
<td>Software and other intangibles</td>
<td>4,544</td>
<td>3,856</td>
</tr>
<tr>
<td>Total</td>
<td>12,172</td>
<td>11,667</td>
</tr>
</tbody>
</table>

### Note 9D - Write-down of assets

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>4</td>
<td>203</td>
</tr>
<tr>
<td>Non-financial assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant and equipment - revaluation decrement/(increment)</td>
<td>(100)</td>
<td>2,280</td>
</tr>
<tr>
<td>Plant and equipment - write off</td>
<td>322</td>
<td>191</td>
</tr>
<tr>
<td>Total</td>
<td>225</td>
<td>2,674</td>
</tr>
</tbody>
</table>

### Note 9E - Other goods and services expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment to Centrelink for service delivery</td>
<td>1,667,954</td>
<td>1,592,557</td>
</tr>
<tr>
<td>Payment to Health Insurance Commission for service delivery</td>
<td>8,091</td>
<td>14,469</td>
</tr>
<tr>
<td>Payments to ATO for service delivery</td>
<td>8,856</td>
<td>9,211</td>
</tr>
<tr>
<td>Other</td>
<td>9,146</td>
<td>1,533</td>
</tr>
<tr>
<td>Total</td>
<td>1,694,047</td>
<td>1,617,770</td>
</tr>
</tbody>
</table>

Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002
<table>
<thead>
<tr>
<th>Note 10: Borrowing expense</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Lease</td>
<td>52</td>
<td>-</td>
</tr>
<tr>
<td>Lease incentives</td>
<td>40</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>92</td>
<td>54</td>
</tr>
</tbody>
</table>
### Department of Family and Community Services

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2002

#### Note 11: Financial assets

**Note 11A - Cash**

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>68</td>
<td>11</td>
</tr>
<tr>
<td>Cash at Bank</td>
<td>16,336</td>
<td>9,192</td>
</tr>
<tr>
<td>Term Deposits</td>
<td>78,690</td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>95,694</strong></td>
<td><strong>85,103</strong></td>
</tr>
</tbody>
</table>

**Note 11B - Receivables**

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services</td>
<td>7,048</td>
<td>7,570</td>
</tr>
<tr>
<td>Appropriation receivable</td>
<td>744</td>
<td>-</td>
</tr>
<tr>
<td>GST receivable</td>
<td>3,558</td>
<td>3,764</td>
</tr>
<tr>
<td>Receivable from Centrelink for over estimation of customer numbers</td>
<td>-</td>
<td>14,498</td>
</tr>
<tr>
<td>Other</td>
<td>1,447</td>
<td>257</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,797</strong></td>
<td><strong>26,089</strong></td>
</tr>
<tr>
<td><strong>Less: Provision for doubtful debts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(251)</td>
<td>(278)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,546</strong></td>
<td><strong>25,811</strong></td>
</tr>
</tbody>
</table>

Receivables (gross) are aged as follows:

- **Not overdue**: 10,239
- **Overdue by**:
  - less than 30 days: 967
  - 30 to 60 days: 864
  - 60 to 90 days: 194
  - more than 90 days: 532

Less: Provision for doubtful debts: (251), (278)

**Total**: 12,546

#### Note 12: Non-financial assets

**Note 12A - Land and buildings**

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land - at cost</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Freehold land - at 1998-1999 valuation</td>
<td>-</td>
<td>916</td>
</tr>
<tr>
<td>Freehold land - at 2001-2002 valuation</td>
<td>423</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>423</td>
<td>1,216</td>
</tr>
<tr>
<td>Buildings - at cost</td>
<td>-</td>
<td>650</td>
</tr>
<tr>
<td>Buildings - at 1998-1999 valuation</td>
<td>-</td>
<td>1,800</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>-</td>
<td>(206)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>2,244</td>
</tr>
<tr>
<td>Buildings - at 2001-2002 valuation</td>
<td>834</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(32)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>802</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2001-2002 $'000</th>
<th>2000-2001 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements - at cost</td>
<td>12,885</td>
<td>664</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(3,652)</td>
<td>(246)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,233</td>
<td>418</td>
</tr>
<tr>
<td>Leasehold improvements - at 1999-2000 valuation</td>
<td>3,747</td>
<td>9,346</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(1,075)</td>
<td>(1,328)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,672</td>
<td>8,018</td>
</tr>
</tbody>
</table>
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Leasehold improvements - at 2000-2001 valuation</td>
<td>2,689</td>
<td>3,873</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(1,490)</td>
<td>(812)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,199</td>
<td>3,061</td>
</tr>
<tr>
<td>Leasehold improvements under construction</td>
<td>916</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total land and buildings</strong></td>
<td>15,245</td>
<td>14,979</td>
</tr>
</tbody>
</table>

CRS Australia land and buildings were revalued by an independent valuer, International Valuation Consultants Pty Ltd at current market value at 30 June 2002, and leasehold improvements revalued by the Australian Valuation Office at depreciated replacement cost at 31 January 2001. FaCS leasehold improvements were independently revalued under the deprival method on 31 May 2000 by Mr Denis Matthews MAVAA, Mr Ben Roden, D.E., M.E. ASIA and Mr Richard Crago of Gray Eisdell Matthews Pty Ltd.

**Note 12B - Infrastructure, plant and equipment**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment at cost</td>
<td>7,072</td>
<td>628</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(1,517)</td>
<td>(67)</td>
</tr>
<tr>
<td></td>
<td>5,555</td>
<td>561</td>
</tr>
<tr>
<td>Plant and equipment at 1999-2000 valuation</td>
<td>522</td>
<td>1,284</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(181)</td>
<td>(377)</td>
</tr>
<tr>
<td></td>
<td>341</td>
<td>907</td>
</tr>
<tr>
<td>Plant and equipment at 2000-2001 valuation</td>
<td>5,457</td>
<td>6,918</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(2,397)</td>
<td>(1,112)</td>
</tr>
<tr>
<td></td>
<td>3,060</td>
<td>5,806</td>
</tr>
<tr>
<td>Assets Under Construction</td>
<td>901</td>
<td>381</td>
</tr>
<tr>
<td><strong>Total Infrastructure, plant and equipment</strong></td>
<td>9,856</td>
<td>7,654</td>
</tr>
</tbody>
</table>

CRS Australia plant and equipment was revalued by an independent valuer, Australian Valuation Office, at depreciated replacement cost at 31 January 2001. FaCS IT assets were revalued at June 2001 in accordance with the revaluation policy in Note 1 and were completed by departmental officers. All other plant and equipment were independently revalued under the deprival method on 31 May 2000 by Mr Denis Matthews MAVAA, Mr Ben Roden, D.E., M.E. ASIA and Mr Richard Crago of Gray Eisdell Matthews Pty Ltd.

**Note 12C - Intangibles**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased software at cost</td>
<td>3,051</td>
<td>2,777</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(2,410)</td>
<td>(2,002)</td>
</tr>
<tr>
<td></td>
<td>641</td>
<td>775</td>
</tr>
<tr>
<td>Software under construction</td>
<td>4,919</td>
<td>27,847</td>
</tr>
<tr>
<td>Internally developed software - at cost</td>
<td>47,742</td>
<td>14,358</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>(10,022)</td>
<td>(5,884)</td>
</tr>
<tr>
<td></td>
<td>37,720</td>
<td>8,474</td>
</tr>
<tr>
<td><strong>Total intangibles</strong></td>
<td>43,281</td>
<td>37,096</td>
</tr>
</tbody>
</table>

**Note 12D - Other**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayment to Centrelink</td>
<td>25,516</td>
<td>13,000</td>
</tr>
<tr>
<td>Other Prepayments</td>
<td>1,451</td>
<td>1,939</td>
</tr>
<tr>
<td><strong>Total other</strong></td>
<td>26,967</td>
<td>14,939</td>
</tr>
</tbody>
</table>
### Table A - Movement summary 2001-02 for all assets irrespective of valuation basis

<table>
<thead>
<tr>
<th>Item</th>
<th>Land $'000</th>
<th>Buildings - Leasehold Improvements $'000</th>
<th>Total land and buildings $'000</th>
<th>Plant and Equipment $'000</th>
<th>Computer software - Total intangibles $'000</th>
<th>Total $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross value as at 1 July 2001</td>
<td>1,216</td>
<td>16,384</td>
<td>17,600</td>
<td>9,182</td>
<td>44,982</td>
<td>71,764</td>
</tr>
<tr>
<td>Additions: purchases of assets</td>
<td>-</td>
<td>6,297</td>
<td>6,297</td>
<td>6,363</td>
<td>10,481</td>
<td>23,110</td>
</tr>
<tr>
<td>Revaluations: write-ups/write-downs</td>
<td>82</td>
<td>(91)</td>
<td>(9)</td>
<td>(5)</td>
<td>(14)</td>
<td>(14)</td>
</tr>
<tr>
<td>Assets transferred in/out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Write-offs</td>
<td>(155)</td>
<td>(879)</td>
<td>(1,034)</td>
<td>(77)</td>
<td>-</td>
<td>(896)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(720)</td>
<td>(833)</td>
<td>(1,553)</td>
<td>(1,055)</td>
<td>-</td>
<td>(2,608)</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>10</td>
<td>10</td>
<td>(832)</td>
<td>254</td>
<td>(560)</td>
</tr>
<tr>
<td>Gross value as at 30 June 2002</td>
<td>423</td>
<td>21,065</td>
<td>21,488</td>
<td>13,070</td>
<td>55,717</td>
<td>90,855</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation as at 1 July 2001</td>
<td>-</td>
<td>(2,621)</td>
<td>(2,621)</td>
<td>(1,528)</td>
<td>(7,886)</td>
<td>(12,035)</td>
</tr>
<tr>
<td>Depreciation/amortisation charge for the year</td>
<td>-</td>
<td>(7,421)</td>
<td>(7,421)</td>
<td>(3,186)</td>
<td>(4,545)</td>
<td>(12,152)</td>
</tr>
<tr>
<td>Revaluations: write-downs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Assets transferred in/out</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(21)</td>
<td>(21)</td>
</tr>
<tr>
<td>Write-offs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>210</td>
<td>210</td>
<td>625</td>
<td>-</td>
<td>835</td>
</tr>
<tr>
<td>Other movements</td>
<td>-</td>
<td>(7,391)</td>
<td>(7,391)</td>
<td>2,264</td>
<td>-</td>
<td>873</td>
</tr>
<tr>
<td>Accumulated Depreciation/Amortisation as at 30 June 2002</td>
<td>-</td>
<td>(6,223)</td>
<td>(6,223)</td>
<td>(3,820)</td>
<td>(12,431)</td>
<td>(22,474)</td>
</tr>
<tr>
<td>Net book value as at 30 June 2002</td>
<td>423</td>
<td>14,822</td>
<td>15,245</td>
<td>9,856</td>
<td>43,281</td>
<td>68,381</td>
</tr>
<tr>
<td>Net book value as at 1 July 2001</td>
<td>1,216</td>
<td>13,763</td>
<td>14,979</td>
<td>7,649</td>
<td>37,100</td>
<td>59,779</td>
</tr>
</tbody>
</table>
Note 12E - Analysis of property, plant, equipment and intangibles

### TABLE B - Assets at Valuation

<table>
<thead>
<tr>
<th>Item</th>
<th>Land</th>
<th>Buildings</th>
<th>Total land and buildings</th>
<th>Plant and Equipment</th>
<th>Computer Software</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 30 June 2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>423</td>
<td>7,270</td>
<td>7,693</td>
<td>5,980</td>
<td>-</td>
<td>13,672</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>(2,957)</td>
<td>(2,957)</td>
<td>(2,579)</td>
<td>-</td>
<td>(5,176)</td>
</tr>
<tr>
<td>Net book value</td>
<td>423</td>
<td>4,673</td>
<td>5,096</td>
<td>3,402</td>
<td>-</td>
<td>8,496</td>
</tr>
<tr>
<td><strong>As at 30 June 2001</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>916</td>
<td>15,019</td>
<td>15,935</td>
<td>8,202</td>
<td>-</td>
<td>24,137</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>(2,346)</td>
<td>(2,346)</td>
<td>(1,489)</td>
<td>-</td>
<td>(3,835)</td>
</tr>
<tr>
<td>Net book value</td>
<td>916</td>
<td>12,673</td>
<td>13,589</td>
<td>6,713</td>
<td>-</td>
<td>20,302</td>
</tr>
</tbody>
</table>

### TABLE C - Assets Held Under Finance Lease

<table>
<thead>
<tr>
<th>Item</th>
<th>Land</th>
<th>Buildings</th>
<th>Total land and buildings</th>
<th>Plant and Equipment</th>
<th>Computer Software</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 30 June 2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(132)</td>
<td>-</td>
<td>(132)</td>
</tr>
<tr>
<td>Net book value</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,930</td>
<td>-</td>
<td>1,930</td>
</tr>
<tr>
<td><strong>As at 30 June 2001</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net book value</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### TABLE D - Assets Under Construction

<table>
<thead>
<tr>
<th>Item</th>
<th>Land</th>
<th>Buildings</th>
<th>Total land and buildings</th>
<th>Plant and Equipment</th>
<th>Computer Software &amp; Other Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>As at 30 June 2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>-</td>
<td>916</td>
<td>916</td>
<td>901</td>
<td>4,919</td>
<td>6,737</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>916</td>
<td>916</td>
<td>901</td>
<td>4,919</td>
<td>6,737</td>
</tr>
<tr>
<td>Net book value</td>
<td>-</td>
<td>916</td>
<td>916</td>
<td>901</td>
<td>4,919</td>
<td>6,737</td>
</tr>
<tr>
<td><strong>As at 30 June 2001</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross value</td>
<td>-</td>
<td>22</td>
<td>22</td>
<td>381</td>
<td>27,847</td>
<td>28,229</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net book value</td>
<td>-</td>
<td>22</td>
<td>22</td>
<td>381</td>
<td>27,847</td>
<td>28,229</td>
</tr>
</tbody>
</table>
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Note 13: Interest bearing liabilities - other**

**Note 13A Leases**
Finance Lease commitments:
Payable:
- Within one year: 513
- In one to five years: 1,829
- In more than five years: -
Minimum lease payments: 2,342
Deduct: future finance charges: (369)
Lease Liability: 1,973

Lease Commitment is represented by:
- Current: 390
- Non-current: 1,583
- Total: 1,973

A Finance Lease exists in relation to certain Information Technology equipment. The lease is non-cancellable and for a fixed term of three years. The Department has not guaranteed any residual values and there are no contingent rentals.

**Note 13B Other Interest Bearing Liabilities**
Lease incentives: 2,914

The lease incentive is represented by:
- Current: 911
- Non-current: 2,003
- Total: 2,914

**Note 14: Provisions**

**Note 14 - Employee provisions**
Salaries and wages: 8,710
Recreation and long service leave: 75,360
Superannuation: 4,423
Separations and redundancies: 137
Aggregate employee entitlement liability: 88,650
Other employee expenses: 542
Total: 89,171

Current: 31,963
Non-current: 57,208
Total: 89,171

**Note 15: Payables**

**Note 15A - Supplier Payable**
Trade creditors: 40,702
Other creditors: 2,646
Total: 43,347

**Note 15B - Other payables**
Appropriation payable: 3,171
Unearned Income: 1,944
Other: 1,558
Total: 6,673
## Analysis of equity

<table>
<thead>
<tr>
<th>Item</th>
<th>Accumulated results</th>
<th>Asset Revaluation Reserves</th>
<th>Other Reserves</th>
<th>Total Reserves</th>
<th>Contributed Equity</th>
<th>TOTAL EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance 1 July</td>
<td>(9,697)</td>
<td>(14,758)</td>
<td>4,168</td>
<td>1,886</td>
<td>26,527</td>
<td>30,695</td>
</tr>
<tr>
<td>Net surplus/(deficit) after extraordinary items</td>
<td>35,136</td>
<td>40,255</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution of Equity: Appropriation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring transfers</td>
<td>393</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment to opening retained earnings</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>(7,686)</td>
<td>(7,929)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer (to)/from reserves</td>
<td>26,527</td>
<td>(26,527)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Use Charge (CUC) payments</td>
<td>(256)</td>
<td>(645)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revaluation increase/decrease</td>
<td>260</td>
<td>2,282</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance 30 June</td>
<td>44,499</td>
<td>(9,607)</td>
<td>4,428</td>
<td>4,163</td>
<td>(0)</td>
<td>26,527</td>
</tr>
</tbody>
</table>

1. As a result of AAO changes the Youth Bureau transferred from The Department of Science & Tourism. The restructure change includes retained earnings transfer of $683 for the Youth Affairs Special Account.
2. The reserve includes $13.3m relating to Contractors undelivered services, $7.5m in respect of the assessment and controllability trials in CRS Australia and $5.7m relating to various measures not completed as at 30 June 2001.
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

Note 16B: Restructuring

As a result of a restructuring of administrative arrangements, the Department of Family and Community Services assumed responsibility for Youth Affairs on the 26 November 2001 from the former Department of Education, Training and Youth Affairs.

In respect of functions assumed, the net book value of assets and liabilities transferred to the Department of Family and Community Services for no consideration and recognised as at the date of transfer were:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total assets recognised</td>
<td>1,264</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities recognised</td>
<td>(873)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets assumed</strong></td>
<td><strong>391</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

In respect of functions relinquished, the following assets and liabilities were transferred by the Agency:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets relinquished</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total liabilities relinquished</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets relinquished</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**Net contribution by Government as owner during the year**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>391</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**Youth Bureau Program**

*Revenues*

Recognised by the Department of Education, Science and Training 4,605 -
Recognised by the Department of Family and Community Services 7,644 -
Total revenues 12,249 -

*Expenses*

Recognised by the Department of Education, Science and Training 4,544 -
Recognised by the Department of Family and Community Services 4,940 -
Total expenses 9,484 -

The expenses for the Youth Bureau Program recognised by the Department of Education, Science and Training (DEST) exclude overhead costs for corporate services. DEST were unable to provide this information.
Note 17: Cash flow reconciliation

Agency reconciliation

Reconciliation of cash per Statement of Financial Position to Statement of Cash Flow:
- Cash at year end per Statement of Cash Flow: $95,094, $85,104
- Statement of Financial Position items comprising above cash: 'Financial assets - Cash': $95,094, $85,104

Reconciliation of operating surplus to net cash provided by operating activities:
- Net surplus: $35,136, $40,255
- Depreciation / amortisation: $12,171, $11,667
- Write down of assets: $225
- Reversal of previous write downs: ($45), ($85)
- Profit on sale of assets: ($252), $290
- Restructuring: ($393)
- Assets stocktake adjustment: ($1,011)
- Foreign exchange loss: $76
- Decrease (increase) in receivables: $12,150, ($6,402)
- Decrease (increase) in other non-financial assets: ($8,315), -
- Increase (decrease) in interest bearing debt: ($748), ($193)
- Increase (decrease) in employee liabilities: $3,245, $7,498
- Increase (decrease) in suppliers liability: $1,065, $3,475
- Increase (decrease) in other liabilities: ($19,363), $10,308
- Other: ($410), ($159)

Net cash provided by operating activities: $34,431, $66,654
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

Note 18: Remote contingencies

Agency

The Department is defending claims of negligence but considers the likelihood of success of these claims to be remote. The Department, however, would only be liable for a portion of that amount if the decision was awarded to the plaintiff.
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th>Note 19: Executive remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
</tr>
<tr>
<td>$100,000 to $110,000</td>
</tr>
<tr>
<td>$110,001 to $120,000</td>
</tr>
<tr>
<td>$120,001 to $130,000</td>
</tr>
<tr>
<td>$130,001 to $140,000</td>
</tr>
<tr>
<td>$140,001 to $150,000</td>
</tr>
<tr>
<td>$150,001 to $160,000</td>
</tr>
<tr>
<td>$160,001 to $170,000</td>
</tr>
<tr>
<td>$170,001 to $180,000</td>
</tr>
<tr>
<td>$180,001 to $190,000</td>
</tr>
<tr>
<td>$190,001 to $200,000</td>
</tr>
<tr>
<td>$200,001 to $210,000</td>
</tr>
<tr>
<td>$220,001 to $230,000</td>
</tr>
<tr>
<td>$230,001 to $240,000</td>
</tr>
<tr>
<td>$310,000 to $320,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

| $ | $ |
| **The aggregate amount of total remuneration of Executives shown above.** | **7,980,299** | **7,352,477** |
| **The aggregate amount of separation and redundancy payments during the year to Executives shown above.** | **332,819** | **100,255** |
Department of Family and Community Services
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2002

Note 20: Remuneration of Auditors

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

Financial statement audit services are provided free of charge to the Department.
The fair value of audit services provided was: 1,150 1,060

Total fair value of audit services

1,150 1,060

No other services were provided by the Auditor-General.

Note 21: Average staffing levels

The average staffing levels for the Agency during the year were: 5,713 5,607

Note 22: Act of grace payments, Waivers and Defective Administration

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Twenty Five Act of Grace payments made pursuant to the Financial Management and Accountability Act 1997
(2001: 25 payments were made)

160,955 105,645

One Waiver of amounts owing to the Commonwealth were made pursuant to Subsection 34(1) of the Financial Management and Accountability Act 1997.
(2001: 0 waivers were made)

1,508 -

1,681,654 waivers were made under s1237 of the Social Security Act during the reporting period. The increase in waivers is due to the Family Tax Benefit Tax waiver announced by the Government in July 2001.
(2001: 597,117 waivers were made)

526,415,830 25,778,640

Thirty nine payments were made under the 'Defective Administration Scheme' during the reporting period.
(2001: 8 payments were made)

48,415 31,516
Note 23: Financial instruments

(a) Terms, conditions and accounting policies

<table>
<thead>
<tr>
<th>Financial Instrument Class</th>
<th>Notes</th>
<th>Accounting Policies and Methods</th>
<th>Nature of underlying instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets (Recognised):</strong></td>
<td></td>
<td>Financial assets are recognised when control over future economic benefits is established and the amount of the benefits can be reliably measured</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>11A</td>
<td>Cash includes cash on hand and in banks. Cash is recognised at its nominal amount.</td>
<td>The Department's cash is held by the Reserve Bank. The average interest rate for 2001-02 was 2% (2000-2001: 2.00% p.a.).</td>
</tr>
<tr>
<td>Term Deposit</td>
<td>11A</td>
<td>The term deposit is recognised at cost. Interest is credited to revenue as it is earned.</td>
<td>The deposits are with RBA with an effective rate of interest of 4.47% p.a. (4.95% p.a. 00-01)</td>
</tr>
<tr>
<td>Receivables</td>
<td>11B</td>
<td>These receivables are recognised at the nominal amounts due less a provision for doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.</td>
<td>Credit terms are net 30 days or less (2000-2001: 30 days)</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td></td>
<td>Accrued revenue is recognised when a service has been provided but billing has not yet occurred.</td>
<td>As for receivables for goods and services once billed.</td>
</tr>
</tbody>
</table>
### Note 23: Financial instruments

**(a) Terms, conditions and accounting policies**

<table>
<thead>
<tr>
<th>Financial Instrument Class</th>
<th>Notes</th>
<th>Accounting Policies and Methods</th>
<th>Nature of underlying instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Liabilities (Recognised):</strong></td>
<td></td>
<td>Financial Liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</td>
<td></td>
</tr>
<tr>
<td><strong>Lease Incentives</strong></td>
<td>13B</td>
<td>The lease incentive is recognised as a liability on receipt of the lease incentive. The liability reduces over the life of the lease by allocating lease payments between rental expense and reduction of the liability.</td>
<td>At the reporting date, the Department had lease incentives with terms averaging 2 years and a maximum term of 5 years. The interest rate implicit in the lease incentives has an annual interest rate of 6.00% (2000-2001: 6.00%).</td>
</tr>
<tr>
<td><strong>Finance lease liabilities</strong></td>
<td></td>
<td>Liabilities are recognised at the present value of minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.</td>
<td>At reporting date, the Department had finance leases with terms averaging 3 years. The interest rate implicit in the leases averaged 11.64%</td>
</tr>
<tr>
<td><strong>Trade Creditors</strong></td>
<td>15A</td>
<td>Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).</td>
<td>Settlement is usually made net 30 days.</td>
</tr>
</tbody>
</table>
**Notes to and Forming Part of the Financial Statements**

*for the period ended 30 June 2002*

### Note 23: Financial Instruments

#### (b) Interest rate risk: Agency

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Notes</th>
<th>Floating Interest Rate</th>
<th>Fixed Interest Rate</th>
<th>Non-Interest Bearing</th>
<th>Total</th>
<th>Weighted Average Effective Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>11A</td>
<td>16,404</td>
<td>45,704</td>
<td></td>
<td>16,404</td>
<td>45,704</td>
</tr>
<tr>
<td>Receivables - Goods and services</td>
<td>11B</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,881</td>
<td>7,427</td>
</tr>
<tr>
<td>Less: provision for doubtful debts</td>
<td>11B</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(251)</td>
<td>(14)</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>958</td>
</tr>
<tr>
<td>Term Deposits</td>
<td>11A</td>
<td>-</td>
<td>78,690</td>
<td>39,400</td>
<td>-</td>
<td>78,690</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>16,404</td>
<td>45,704</td>
<td>78,690</td>
<td>39,400</td>
<td>101,654</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>202,989</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Liabilities</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease incentive liability</td>
<td>13B</td>
<td>-</td>
<td>911</td>
<td>754</td>
<td>2,063</td>
<td>2,585</td>
</tr>
<tr>
<td>Finance lease liability</td>
<td>13A</td>
<td>-</td>
<td>390</td>
<td>-</td>
<td>1,583</td>
<td>-</td>
</tr>
<tr>
<td>Trade Creditors</td>
<td>15A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,289</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>-</td>
<td>1,301</td>
<td>754</td>
<td>3,586</td>
<td>2,585</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>142,135</td>
</tr>
</tbody>
</table>
Department of Family and Community Services

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2002

Note 23: Financial instruments

(c) Net fair values of agency financial assets and liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>2001-2002 Total carrying amount $'000</th>
<th>Aggregate net fair value $'000</th>
<th>2000-2001 Total carrying amount $'000</th>
<th>Aggregate net fair value $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11A</td>
<td>16,404</td>
<td>16,404</td>
<td>85,104</td>
</tr>
<tr>
<td></td>
<td>11B</td>
<td>6,560</td>
<td>7,390</td>
<td>7,413</td>
</tr>
<tr>
<td></td>
<td>11A</td>
<td>78,690</td>
<td>78,690</td>
<td>78,690</td>
</tr>
<tr>
<td></td>
<td>Accrued revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Financial Assets</td>
<td>101,654</td>
<td>102,484</td>
<td>93,475</td>
</tr>
<tr>
<td></td>
<td>13B</td>
<td>2,914</td>
<td>2,914</td>
<td>3,661</td>
</tr>
<tr>
<td></td>
<td>Finance Lease Liabilities</td>
<td>13A</td>
<td>1,973</td>
<td>1,973</td>
</tr>
<tr>
<td></td>
<td>Trade Creditors</td>
<td>15A</td>
<td>24,289</td>
<td>24,289</td>
</tr>
<tr>
<td></td>
<td>Total Financial Liabilities (Recognised)</td>
<td></td>
<td>29,176</td>
<td>29,176</td>
</tr>
</tbody>
</table>

(d) Net fair values of financial assets and liabilities (cont.)

Financial assets
The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities
The net fair values for trade creditors and grant liabilities, which are short-term in nature, are approximated by their carrying amounts.

(e) Credit risk exposures
The Department's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Performance.

The Department has no significant exposure to any concentration of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.
### Note 24: Appropriations

#### Note 24A - Annual appropriation Acts (No.1/3) 2001-2002

<table>
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<tr>
<th>Particulars</th>
<th>Administered Expenses</th>
<th>Departmental Outputs</th>
<th>Total</th>
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<td>Outcome 2</td>
<td>Outcome 3</td>
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<td><strong>Year Ended 30 June 2002</strong></td>
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<td>Balance carried from previous year</td>
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<td>59,324,969</td>
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<td>Refunds credited (FMA s 30)</td>
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<td>27,714,410</td>
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<td>Transfers to/from other agencies (FMA s 32)</td>
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FMA – Financial Management and Accountability Act 1997  
Act 1 – Appropriations Act (No.1) 2001-2002  
Act 3 – Appropriations Act (No.3) 2001-2002

Any amounts of administered appropriations for 2001-02 shown above as lapsed are estimates only.
Prior year 'available' figures have been adjusted where the final determinations of amounts lapsed differed to that reported in 2000-01.
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<td>- 1,381,461,000</td>
<td>- 501,161,000</td>
<td>- 1,467,000</td>
<td>1,889,536,000</td>
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<td>Departmental</td>
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<td>Year ended 30 June 2002</td>
<td>- 12,116,289</td>
<td>- 1,584,126,845</td>
<td>- 429,382,859</td>
<td>- 162,810</td>
<td>1,813,228,493</td>
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FMA = Financial Management and Accountability Act 1997
Act 1 = Appropriations Act (No. 1) 2001-2002
Act 2 = Appropriations Act (No. 2) 2001-2002
Act 3 = Appropriations Act (No. 3) 2001-2002

Any amounts of administered appropriations for 2001-02 above as lapses are estimates only.
Price year 'available' figures have been adjusted where the final determinations of amounts lapses differed to that reported in 2000-01.
### Note 29C - Special Appropriations

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### Note 24C - Special Appropriation (Continued)

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### Special Appropriation

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#### Social Security Act (continued)

- **Parenting Payment (Partnered & Single)**
  - Budget Estimate: $5,551,938, 5,588,336
  - Payments made: $5,594,632, 5,526,997

- **Partner Allowance (Benefit)**
  - Budget Estimate: $379,951, 364,254
  - Payments made: $274,234, 547,082

- **Partner Allowance (Pension)**
  - Budget Estimate: $455,663, 465,717
  - Payments made: $453,423, 469,453

- **Pensioner Education Supplement**
  - Budget Estimate: $64,956, 55,331
  - Payments made: $56,616, 51,508

- **Sickness Allowance**
  - Budget Estimate: $97,711, 99,065
  - Payments made: $95,277, 95,967

- **Special Benefits**
  - Budget Estimate: $135,966, 113,624
  - Payments made: $135,966, 113,624

- **Student Financial Supplement Scheme - Interest and Bad Debts**
  - Budget Estimate: $159,233, 174,076
  - Payments made: $533,687, 74,249

- **Student Financial Supplement Scheme - Buy back**
  - Budget Estimate: $282,255, 238,642
  - Payments made: $229,528, 264,982

- **Telephone Allowances for Commonwealth Seniors Health Card Holders**
  - Budget Estimate: $23,500
  - Payments made: $23,500

- **Widow Allowance**
  - Budget Estimate: $392,094, 392,804
  - Payments made: $380,812, 330,159

- **Widow & Pension**
  - Budget Estimate: $60,630
  - Payments made: $60,887

- **WTO Pension (Age)**
  - Budget Estimate: $214,965
  - Payments made: $214,965

- **Wife Pension (Disability Support Pension/ Disability Wage Supplement)**
  - Budget Estimate: $398,948
  - Payments made: $403,980

- **Youth Allowance**
  - Budget Estimate: $2,232,987, 2,098,554
  - Payments made: $2,234,235, 2,121,646

- **Total Social Security Act**
  - Budget Estimate: $37,781,833, 35,335,639
  - Payments made: $37,056,820, 35,687,516

---

Note: Figures are in Australian Dollars (A$) for the period ended 30 June 2002.
Note 24C - Special Appropriations (Continued)

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<td>5,500</td>
<td>37,553,055</td>
<td>37,841,727</td>
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<td>13,970,691</td>
<td>2,750</td>
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<td>37,841,727</td>
<td>52,451,823</td>
<td>51,791,318</td>
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1. Budget estimates are reported on an accruals basis, actual expenditure is reported on a cash basis.
Department of Family and Community Services  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the period ended 30 June 2002  

Note 24D - Special Accounts

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Child Support Trust Account  
Legal authority - Section 73 Child Support Act 1988  
Purpose: for the receipt of maintenance payments and the making of regular and timely payments to custodial parents

Other Trust Monies  
Legal authority - Section 20 of the Financial Management and Accountability Act 1997  
Purpose: for the receipt of unreconciled monies from clients

Social Security - Services for Other Government and Non-Government Bodies  
Legal authority - Section 20 of the Financial Management and Accountability Act 1997  
Purpose: for services relating to specific Government and Non-Government bodies
### National Housing Official Research Trust Fund

**Legal authority - Section 20 of the Financial Management and Accountability Act 1997**  
**Purpose:** for expenditure relating to housing research projects

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<tr>
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<td>Plus other revenue credited during year</td>
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### Commonwealth State Disability Agreement Reserve

**Legal authority - Section 20 of the Financial Management and Accountability Act 1997**  
**Purpose:** for expenditure on projects which relate to the Commonwealth/State Disability research and development agenda

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### National Childcare Strategy Trust Account - New South Wales

**Legal authority - Section 20 of the Financial Management and Accountability Act 1997**  
**Purpose:** to receive from the State of NSW and to pay out to approved services in NSW monies which are the contribution of the State of NSW to the establishment and operating costs of National Childcare Strategy places in NSW.

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<tr>
<td>Plus other revenue credited during year</td>
<td>-</td>
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</tr>
<tr>
<td><strong>Total available for expenditure</strong></td>
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<td><strong>85</strong></td>
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<tr>
<td>Less payments made during the year</td>
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<tr>
<td>Appropriation available at year end</td>
<td>85</td>
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</tr>
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</table>
## National Childcare Strategy Trust Account - Queensland

**Legal authority** - Section 20 of the Financial Management and Accountability Act 1997

**Purpose**: to receive from the State of QLD and to pay out to approved services in QLD moneys which are the contribution of the State of QLD to the establishment and operating costs of National Childcare Strategy places in QLD.

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<tr>
<td>Total available for expenditure</td>
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<tr>
<td>Less payments made during the year</td>
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<tr>
<td>Appropriation available at year end</td>
<td>0</td>
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## National Childcare Strategy Trust Account - Western Australia

**Legal authority** - Section 20 of the Financial Management and Accountability Act 1997

**Purpose**: to receive from the State of WA and to pay out to approved services in WA moneys which are the contribution of the State of WA to the establishment and operating costs of National Childcare Strategy places in WA.

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<td>Plus other revenue credited during year</td>
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## National Childcare Strategy Trust Account - Northern Territory

**Legal authority** - Section 20 of the Financial Management and Accountability Act 1997

**Purpose**: to receive from the NT and to pay out to approved services in NT moneys which are the contribution of the NT to the establishment and operating costs of National Childcare Strategy places in NT.

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<tr>
<td>Total available for expenditure</td>
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<tr>
<td>Less payments made during the year</td>
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<tr>
<td>Appropriation available at year end</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
## National Childcare Strategy Trust Account - Tasmania

*Legal authority - Section 20 of the Financial Management and Accountability Act 1997*

*Purpose:* to receive from Tasmania and to pay out to approved services in Tasmania monies which are the contribution of the State of Tasmania to the establishment and operating costs of National Childcare Strategy places in Tasmania.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>13</td>
<td>13</td>
</tr>
</tbody>
</table>

## National Childcare Strategy Trust Account - Victoria

*Legal authority - Section 20 of the Financial Management and Accountability Act 1997*

*Purpose:* to receive from Victoria and to pay out to approved services in Victoria monies which are the contribution of the State of Victoria to the establishment and operating costs of National Childcare Strategy places in Victoria.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>45</td>
<td>45</td>
</tr>
</tbody>
</table>

## National Childcare Strategy Trust Account - Australian Capital Territory

*Legal authority - Section 20 of the Financial Management and Accountability Act 1997*

*Purpose:* to receive from the ACT and to pay out to approved services in the ACT monies which are the contribution of the ACT to the establishment and operating costs of National Childcare Strategy places in the ACT.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>144</td>
<td>72</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>-</td>
<td>72</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>144</td>
<td>144</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>144</td>
<td>144</td>
</tr>
</tbody>
</table>
### Capital Replacement and Upgrade Program Trust Account

*Legal authority*: Section 20 of the Financial Management and Accountability Act 1997  
*Purpose*: to receive and hold money arising from the sale of Commonwealth funded childcare centres until such time as that money may be reinvested into the building of a new childcare centre or another project funded under the capital replacement and upgrade.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>1,134</td>
<td>66</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>211</td>
<td>1,140</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>1,345</td>
<td>1,206</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>(895)</td>
<td>(72)</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>450</td>
<td>1,134</td>
</tr>
</tbody>
</table>

### Victorian Outside School Care Official Trust Account

*Legal authority*: Section 20 of the Financial Management and Accountability Act 1997  
*Purpose*: the receipt of monies contributed by the Victorian State Government for the administration of outside school hours care.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>2,948</td>
<td>1,360</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>1,465</td>
<td>1,588</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>4,413</td>
<td>2,948</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>4,413</td>
<td>2,948</td>
</tr>
</tbody>
</table>

### Special Accommodation Assistance Program R&D Special Account

*Legal authority*: Section 20 of the Financial Management and Accountability Act 1997  
*Purpose*: the receipt of monies for the National Data Collection, national evaluations, national committees and research projects under FaCS’ Special Accommodation Assistance Program.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance carried forward</td>
<td>1,376</td>
<td>-</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>2,300</td>
<td>2,300</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>3,676</td>
<td>2,300</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>(2,224)</td>
<td>(924)</td>
</tr>
<tr>
<td>Appropriation available at year end</td>
<td>1,452</td>
<td>1,376</td>
</tr>
</tbody>
</table>
Note 25- Assets Held in Trust

Comcare trust account

Legal authority - Section 20 of the Financial Management and Accountability Act 1997

Purpose: for the receipt and payment of monies associated with worker's compensation

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comcare Trust Account</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>1,085</td>
<td>1,091</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>505</td>
<td>196</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>1,590</td>
<td>1,287</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>(254)</td>
<td>(201)</td>
</tr>
<tr>
<td>Balance carried forward to next period</td>
<td>1,336</td>
<td>1,085</td>
</tr>
</tbody>
</table>

National Youth Affairs Research Scheme

Legal authority - Section 20 of the Financial Management and Accountability Act 1997

Purpose: retention of funds provided by State, Territory and Commonwealth Governments to fund youth focused research

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust Money</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Youth Affairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance carried forward from previous period</td>
<td>683</td>
<td>-</td>
</tr>
<tr>
<td>Plus appropriations credited during year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plus other revenue credited during year</td>
<td>133</td>
<td>-</td>
</tr>
<tr>
<td>Total available for expenditure</td>
<td>816</td>
<td>-</td>
</tr>
<tr>
<td>Less payments made during the year</td>
<td>(608)</td>
<td>-</td>
</tr>
<tr>
<td>Balance carried forward to next period</td>
<td>208</td>
<td>-</td>
</tr>
</tbody>
</table>
### Note 26A - Total Cost/Contribution of Outcomes (Whole of Government)

<table>
<thead>
<tr>
<th>Outcome 1</th>
<th>Outcome 2</th>
<th>Outcome 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual $'000</td>
<td>Budget $'000</td>
<td>Actual $'000</td>
<td>Budget $'000</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>-16,932,518</td>
<td>-16,932,518</td>
<td>-2,323,553</td>
</tr>
<tr>
<td>Net variation, benefits and grants expenses</td>
<td>-15,584,984</td>
<td>-15,584,984</td>
<td>-1,497,994</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>1,533,952</td>
<td>948,021</td>
<td>2,388,788</td>
</tr>
<tr>
<td>Total net administrative expenses</td>
<td>-16,932,518</td>
<td>-16,932,518</td>
<td>-4,897,762</td>
</tr>
<tr>
<td>Add net cost of departmental outputs</td>
<td>1,022,568</td>
<td>107,496</td>
<td>431,413</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total net cost to budget outcome</td>
<td>857,900</td>
<td>(535,904)</td>
<td>965,958</td>
</tr>
</tbody>
</table>

*The net cost to Budget outcome shown includes intra-government costs that would be eliminated in calculating the actual Budget outcome.*

### Note 26B - Major Departmental Revenues and Expenses by Output Group

<table>
<thead>
<tr>
<th>Outcome 1</th>
<th>Outcome 2</th>
<th>Outcome 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Output Group 1.1</td>
<td>Output Group 1.2</td>
<td>Output Group 1.3</td>
<td>Output Group 1.4</td>
</tr>
<tr>
<td>Actual $'000</td>
<td>Budget $'000</td>
<td>Actual $'000</td>
<td>Budget $'000</td>
</tr>
<tr>
<td>Operating revenues</td>
<td>412,914</td>
<td>410,954</td>
<td>225,434</td>
</tr>
<tr>
<td>Revenue from government</td>
<td>55,941</td>
<td>55,941</td>
<td>20,933</td>
</tr>
<tr>
<td>Sale of Goods &amp; Services</td>
<td>177,454</td>
<td>177,454</td>
<td>177,454</td>
</tr>
<tr>
<td>Other service revenue</td>
<td>964,965</td>
<td>1,000</td>
<td>964,965</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>4,685,875</td>
<td>4,162,977</td>
<td>2,356,444</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>15,954</td>
<td>1,643</td>
<td>7,653</td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,039</td>
<td>16,039</td>
<td>16,039</td>
</tr>
<tr>
<td>Supplies</td>
<td>96,535</td>
<td>96,535</td>
<td>96,535</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>23,970</td>
<td>23,970</td>
<td>23,970</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>432,109</td>
<td>400,546</td>
<td>225,613</td>
</tr>
</tbody>
</table>
### Department of Family and Community Services

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

for the period ended 30 June 2002

---

#### Note 26C: Major Classes of Departmental Assets and Liabilities by Output Group

<table>
<thead>
<tr>
<th></th>
<th>Outcome 1</th>
<th></th>
<th>Outcome 2</th>
<th></th>
<th>Outcome 3</th>
<th>Non-Attributable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Output Group 1.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 1.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 1.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 1.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Outcome 1</td>
<td>5,259</td>
<td>5,313</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 2.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Output Group 2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 2.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 2.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Outcome 2</td>
<td>3,713</td>
<td>3,599</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 3.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 3.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Output Group 3.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Outcome 3</td>
<td>3,256</td>
<td>3,101</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total non-attributable</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12,228</td>
<td>11,919</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Output specific departmental assets**

- Goods and Services receivable: 5,259, 5,313
- Debtors: 3,713, 3,599
- Prepayment for doubtful debts: 3,256, 3,101
- Plant and equipment: 12,228, 11,919

---

**Other departmental assets**

- Total Deposits: 3,256, 3,101
- Investments: 1,047, 987

---

**Output specific departmental liabilities**

- Loans: 3,256, 3,101
- Employees: 12,228, 11,919

---

**Total output specific departmental liabilities**

- Total output specific departmental liabilities: 31,901, 30,961

---

**Total departmental liabilities**

- Total departmental liabilities: 31,901, 30,961

---

**Total departmental liabilities**

- Total departmental liabilities: 31,901, 30,961
### Note 26D - Major Classes of Administered Revenues and Expenses by Outcome

<table>
<thead>
<tr>
<th></th>
<th>Outcome 1</th>
<th></th>
<th>Outcome 2</th>
<th></th>
<th>Outcome 3</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002 $'000</td>
<td>2001 $'000</td>
<td>2002 $'000</td>
<td>2001 $'000</td>
<td>2002 $'000</td>
<td>2001 $'000</td>
<td>2002 $'000</td>
<td>2001 $'000</td>
</tr>
<tr>
<td>Operating Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and Fines</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reciprocal Agreement with New Zealand</td>
<td>16,653,510</td>
<td>14,063,938</td>
<td>2,123,154</td>
<td>2,782,855</td>
<td>38,749,879</td>
<td>38,577,753</td>
<td>57,526,543</td>
<td>55,424,546</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>16,653,510</td>
<td>14,063,938</td>
<td>2,123,154</td>
<td>2,782,855</td>
<td>38,749,879</td>
<td>38,577,753</td>
<td>57,526,543</td>
<td>55,424,546</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>296,579</td>
<td>247,606</td>
<td>1,377,300</td>
<td>1,373,955</td>
<td>787,197</td>
<td>695,099</td>
<td>2,461,076</td>
<td>2,316,660</td>
</tr>
<tr>
<td>Subsidies</td>
<td>-</td>
<td>-</td>
<td>2,534</td>
<td>7,408</td>
<td>7,983</td>
<td>5,600</td>
<td>10,517</td>
<td>13,009</td>
</tr>
<tr>
<td>Personal benefits</td>
<td>14,908,215</td>
<td>13,648,276</td>
<td>28,160</td>
<td>26,133</td>
<td>37,631,807</td>
<td>37,926,686</td>
<td>52,568,182</td>
<td>51,601,095</td>
</tr>
<tr>
<td>Suppliers</td>
<td>26,168</td>
<td>6,658</td>
<td>5,334</td>
<td>2,926</td>
<td>635</td>
<td>163</td>
<td>32,137</td>
<td>9,747</td>
</tr>
<tr>
<td>Other</td>
<td>1,297,784</td>
<td>918,274</td>
<td>2,454</td>
<td>1,596</td>
<td>36,536</td>
<td>79,863</td>
<td>1,336,774</td>
<td>999,733</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>16,528,746</td>
<td>14,820,814</td>
<td>1,415,782</td>
<td>1,412,018</td>
<td>38,464,158</td>
<td>38,707,411</td>
<td>56,408,686</td>
<td>54,940,244</td>
</tr>
</tbody>
</table>
### Notes to and forming part of the financial statements

for the period ended 30 June 2002

#### Note 26E - Major Classes of Administered Assets and Liabilities by Outcome Group

<table>
<thead>
<tr>
<th></th>
<th>Outcome 1</th>
<th>Outcome 2</th>
<th>Outcome 3</th>
<th>Non-Attributable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output specific administered assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans receivables</td>
<td>3,374,961</td>
<td>2,697,336</td>
<td></td>
<td>678,655</td>
<td>596,216</td>
</tr>
<tr>
<td>Less: provision for doubtful debts</td>
<td>-2,089,266</td>
<td>1,276,842</td>
<td></td>
<td>132,848</td>
<td>118,747</td>
</tr>
<tr>
<td>Other receivables</td>
<td>23,225</td>
<td>1,125</td>
<td>411</td>
<td>6</td>
<td>37,004</td>
</tr>
<tr>
<td>Less: provision for doubtful debts</td>
<td>-17,880</td>
<td>2,438</td>
<td></td>
<td>226</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total output specific administered assets</strong></td>
<td>1,291,040</td>
<td>1,419,181</td>
<td>411</td>
<td>6</td>
<td>582,585</td>
</tr>
<tr>
<td><strong>Other administered assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td>1,557</td>
<td></td>
<td>4,238</td>
<td>5,254</td>
</tr>
<tr>
<td>Investments</td>
<td>788</td>
<td></td>
<td></td>
<td>788</td>
<td>788</td>
</tr>
<tr>
<td>Other</td>
<td>1,507</td>
<td>100,406</td>
<td></td>
<td>7,144</td>
<td>3,478</td>
</tr>
<tr>
<td><strong>Total other administered assets</strong></td>
<td>2,295</td>
<td>101,963</td>
<td></td>
<td>12,170</td>
<td>5,254</td>
</tr>
<tr>
<td><strong>Output specific administered liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>843,518</td>
<td>937,718</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Personal Benefits</td>
<td>271,468</td>
<td>217,696</td>
<td></td>
<td>1,853,790</td>
<td>895,566</td>
</tr>
<tr>
<td>Grants</td>
<td>8212</td>
<td>95</td>
<td>257</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Child Support</td>
<td>101,257</td>
<td>101,840</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>400,56</td>
<td>128,227</td>
<td>1,462</td>
<td>237</td>
<td>80,500</td>
</tr>
<tr>
<td><strong>Total output specific administered liabilities</strong></td>
<td>1,264,541</td>
<td>1,385,481</td>
<td>1,555</td>
<td>237</td>
<td>1,134,547</td>
</tr>
<tr>
<td><strong>Other administered liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total other administered liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CRS Australia
INDEPENDENT AUDIT REPORT

To the Minister for Family and Community Services

Scope

I have audited the financial statements of CRS Australia for the year ended 30 June 2002. The financial statements comprise:

- Statement by the Secretary of the Department of Family and Community Services and the Acting General Manager of CRS Australia;

- Statements of Financial Performance, Financial Position and Cash Flows;

- Schedules of Commitments and Contingencies; and

- Notes to and forming part of the Financial Statements.

The Secretary of the Department of Family and Community Services and the General Manager of CRS Australia are responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of CRS Australia's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.
Audit Opinion

In my opinion the financial statements:

(i) have been prepared in accordance with Finance Minister’s Orders made under the
Financial Management and Accountability Act 1997; and

(ii) give a true and fair view, in accordance with applicable Accounting Standards and
other mandatory professional reporting requirements in Australia and the Finance
Minister’s Orders, of the financial position of CRS Australia as at 30 June 2002, and
its financial performance and cash flows for the year then ended.

Australian National Audit Office

[Signature]

Greg Welsh
Executive Director
CRS Australia

Statement by the Departmental Secretary and General Manager

In our opinion, the attached financial statements for the year ended 30 June 2002 give a true and fair view of the matters required by the Finance Minister’s Orders made under the Financial Management and Accountability Act 1997.

Mark Sullivan
Secretary
Department of Family and Community Services

2-7 August 2002

Margaret Carmody
Acting General Manager
CRS Australia

23 August 2002
## Statement of Financial Performance

for the year ended 30 June 2002

<table>
<thead>
<tr>
<th>Revenues from ordinary activities</th>
<th>2001-02 (‘000)</th>
<th>2000-01 (‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from government</td>
<td>104,177</td>
<td>102,922</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td>35,038</td>
<td>32,933</td>
</tr>
<tr>
<td>Interest</td>
<td>2,172</td>
<td>1,751</td>
</tr>
<tr>
<td>Net gains from sales of assets</td>
<td>252</td>
<td>40</td>
</tr>
<tr>
<td>Reversals of previous asset write-downs</td>
<td>45</td>
<td>2,589</td>
</tr>
<tr>
<td>Other</td>
<td>1,496</td>
<td>583</td>
</tr>
<tr>
<td><strong>Total revenues from ordinary activities</strong></td>
<td><strong>143,180</strong></td>
<td><strong>140,818</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses from ordinary activities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>79,096</td>
<td>83,608</td>
</tr>
<tr>
<td>Suppliers</td>
<td>49,365</td>
<td>48,068</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>4,542</td>
<td>6,310</td>
</tr>
<tr>
<td>Write-down of assets</td>
<td>203</td>
<td>334</td>
</tr>
<tr>
<td><strong>Total expenses from ordinary activities</strong></td>
<td><strong>133,266</strong></td>
<td><strong>138,320</strong></td>
</tr>
</tbody>
</table>

| Net operating surplus from ordinary activities          | 9,974          | 2,498          |

| Net surplus                                             | 9,974          | 2,498          |

| Net surplus attributable to the Commonwealth             | 9,974          | 2,498          |

| Net credit to asset revaluation reserve                  | 260            | 2,282          |

| **Total revenues, expenses and valuation adjustments attributable to the Commonwealth and recognised directly in equity** | 260          | 2,282          |

| Total changes in equity other than those resulting from transactions with owners as owners | 10,234       | 4,780          |

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

STATEMENT OF FINANCIAL POSITION
as at 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes &quot;000</td>
<td>&quot;000</td>
<td></td>
</tr>
</tbody>
</table>

**ASSETS**

Financial assets

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>47,350</td>
<td>40,952</td>
</tr>
<tr>
<td>Receivables</td>
<td>5,602</td>
<td>4,569</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>639</td>
<td>854</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>53,591</td>
<td>46,375</td>
</tr>
</tbody>
</table>

Non-financial assets

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings</td>
<td>1,257</td>
<td>3,460</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>5,052</td>
<td>7,224</td>
</tr>
<tr>
<td>Intangibles</td>
<td>568</td>
<td>1,106</td>
</tr>
<tr>
<td>Other</td>
<td>823</td>
<td>1,061</td>
</tr>
<tr>
<td>Total non-financial assets</td>
<td>7,700</td>
<td>12,851</td>
</tr>
<tr>
<td>Total assets</td>
<td>61,291</td>
<td>59,226</td>
</tr>
</tbody>
</table>

**LIABILITIES**

Provisions

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>17,700</td>
<td>19,167</td>
</tr>
<tr>
<td>Other</td>
<td>2,350</td>
<td>323</td>
</tr>
<tr>
<td>Total provisions</td>
<td>20,050</td>
<td>19,490</td>
</tr>
</tbody>
</table>

Payables

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>8,635</td>
<td>6,156</td>
</tr>
<tr>
<td>Other</td>
<td>4,277</td>
<td>7,799</td>
</tr>
<tr>
<td>Total payables</td>
<td>12,912</td>
<td>13,955</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>32,962</td>
<td>33,445</td>
</tr>
</tbody>
</table>

**NET ASSETS**

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28,329</td>
<td>25,781</td>
</tr>
</tbody>
</table>

**EQUITY**

Parent entity interest

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserves</td>
<td>4,193</td>
<td>3,933</td>
</tr>
<tr>
<td>Retained surpluses</td>
<td>24,136</td>
<td>21,848</td>
</tr>
<tr>
<td>Total parent entity interest</td>
<td>28,329</td>
<td>25,781</td>
</tr>
<tr>
<td>Total equity</td>
<td>28,329</td>
<td>25,781</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td>54,414</td>
<td>47,436</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>6,877</td>
<td>11,790</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>20,603</td>
<td>22,533</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>12,359</td>
<td>10,912</td>
</tr>
</tbody>
</table>

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

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2002  

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Notes</strong></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>104,037</td>
<td>102,787</td>
</tr>
<tr>
<td>Sales of goods and services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>4,698</td>
<td>4,606</td>
</tr>
<tr>
<td>Non-government</td>
<td>30,859</td>
<td>38,045</td>
</tr>
<tr>
<td>Employees</td>
<td>60</td>
<td>0</td>
</tr>
<tr>
<td>Interest</td>
<td>1,980</td>
<td>2,503</td>
</tr>
<tr>
<td>GST refund from ATO</td>
<td>465</td>
<td>345</td>
</tr>
<tr>
<td>Other</td>
<td>290</td>
<td>583</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>142,389</td>
<td>148,869</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>78,604</td>
<td>81,748</td>
</tr>
<tr>
<td>Suppliers</td>
<td>50,429</td>
<td>51,157</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>129,033</td>
<td>132,905</td>
</tr>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>13,356</td>
<td>15,964</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>2,380</td>
<td>270</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>2,380</td>
<td>270</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>1,380</td>
<td>2,252</td>
</tr>
<tr>
<td>Purchase of intangibles</td>
<td>272</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>1,652</td>
<td>2,252</td>
</tr>
<tr>
<td><strong>Net cash from / (used by) investing activities</strong></td>
<td>728</td>
<td>(1,982)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash received</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital use charge refunded</td>
<td>0</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total cash received</strong></td>
<td>0</td>
<td>70</td>
</tr>
<tr>
<td><strong>Cash used</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend paid</td>
<td>7,686</td>
<td>7,925</td>
</tr>
<tr>
<td><strong>Total cash used</strong></td>
<td>7,686</td>
<td>7,925</td>
</tr>
<tr>
<td><strong>Net cash (used by) financing activities</strong></td>
<td>(7,686)</td>
<td>(7,855)</td>
</tr>
<tr>
<td><strong>Net increase in cash held</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at the beginning of the reporting period</td>
<td>40,952</td>
<td>34,825</td>
</tr>
<tr>
<td><strong>Cash at the end of the reporting period</strong></td>
<td>47,350</td>
<td>40,952</td>
</tr>
</tbody>
</table>

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

**SCHEDULE OF COMMITMENTS**
as at 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-02 $'000</th>
<th>2000-01 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BY TYPE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER COMMITMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating leases</td>
<td>16,741</td>
<td>18,878</td>
</tr>
<tr>
<td>Other commitments</td>
<td>16,525</td>
<td>11,645</td>
</tr>
<tr>
<td><strong>Total other commitments</strong></td>
<td>33,266</td>
<td>30,523</td>
</tr>
<tr>
<td>COMMITMENTS RECEIVABLE</td>
<td>4,924</td>
<td>6,021</td>
</tr>
<tr>
<td><strong>Net commitments</strong></td>
<td>28,342</td>
<td>24,502</td>
</tr>
</tbody>
</table>

**BY MATURITY**

<table>
<thead>
<tr>
<th></th>
<th>2001-02 $'000</th>
<th>2000-01 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All net commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One year or less</td>
<td>14,653</td>
<td>11,268</td>
</tr>
<tr>
<td>From one to five years</td>
<td>13,289</td>
<td>13,122</td>
</tr>
<tr>
<td>Over five years</td>
<td>400</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>28,342</td>
<td>24,502</td>
</tr>
<tr>
<td><strong>Operating lease commitments</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One year or less</td>
<td>8,508</td>
<td>9,436</td>
</tr>
<tr>
<td>From one to five years</td>
<td>7,902</td>
<td>9,330</td>
</tr>
<tr>
<td>Over five years</td>
<td>331</td>
<td>112</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,741</td>
<td>18,878</td>
</tr>
</tbody>
</table>

1 Operating leases included are non-cancellable and comprise:
   a. Leases of office accommodation. Lease terms range from 1 to 8 years.
   b. Leases of motor vehicles provided to senior staff members. The motor vehicle leases carry no contingent rentals.
   c. Leases of office equipment.

2 Other commitments comprises other operational agreements and undertakings with suppliers to provide goods and services critical to CRS Australia's operations.

The above schedule should be read in conjunction with the accompanying notes.
CRS Australia  
**SCHEDULE OF CONTINGENCIES**  
as at 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTINGENT LOSSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Claims for damages / costs 1</td>
<td>42</td>
<td>20</td>
</tr>
<tr>
<td>Total contingent losses</td>
<td>42</td>
<td>20</td>
</tr>
<tr>
<td>Net contingencies</td>
<td>42</td>
<td>20</td>
</tr>
</tbody>
</table>

1 Legal costs involved in defending a legal claim.

**SCHEDULE OF UNQUANTIFIABLE CONTINGENCIES**

At 30 June 2002, CRS Australia had a number of legal claims for which it has denied liability and is defending the claims. It is not possible to estimate the amount of any eventual payments that may be required in relation to these claims.

The above schedule should be read in conjunction with the accompanying notes.
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Note 1. Summary of significant accounting policies
Note 2. Segment reporting
Note 3. Reporting by outcomes
Note 4. Economic dependency
Note 5. Events occurring after balance date

Revenues
Note 6A. Revenues from government
Note 6B. Sales of goods and services
Note 6C. Interest
Note 6D. Net gains from sales of assets
Note 6E. Reversals of previous asset write-downs
Note 6F. Other revenue

Expenses
Note 7A. Employee expenses
Note 7B. Suppliers expenses
Note 7C. Depreciation and amortisation
Note 7D. Write-down of assets

Assets
Note 8. Cash
Note 9. Receivables
Note 10. Accrued revenues
Note 11. Land and buildings
Note 12. Infrastructure, plant and equipment
Note 13. Intangibles
Note 14. Other non-financial assets
Note 15. Analysis of property, infrastructure, plant and equipment and intangibles

Liabilities
Note 17. Payables

Equity
Note 18. Equity

Other notes
Note 19. Appropriations
Note 20. Reconciliation of cashflows
Note 21. Remuneration of auditors
Note 22. Executive remuneration
Note 23. Average staffing levels
Note 24. Financial instruments
Note 1. Summary of significant accounting policies

1.1 Objective of CRS Australia

The objective of CRS Australia is to deliver expert vocational rehabilitation and other specialised human services required by our customers and their clients.

1.2 Basis of accounting

The financial statements are a general purpose financial report.

The financial statements have been prepared in accordance with:
1. Schedule 1 of the Finance Minister’s Orders (being the Financial Management and Accountability (Financial Statements 2001-2) Orders);
2. Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
3. Other authoritative pronouncements of the Board; and

The financial statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets arising under agreements equally proportionally unperformed are however not recognised unless required by an Accounting Standard.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the inflow or loss of economic benefits, respectively, has occurred and can be reliably measured.

1.3 Changes in accounting policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2000-01.
1.4 Revenue

Following are the specific revenue recognition criteria for CRS Australia.

(a) Revenues from government

CRS Australia receives appropriations via the Department of Family and Community Services for the delivery of outputs relevant to specific Commonwealth client rehabilitation services. These appropriations are recognised as revenue where they have been received or are entitled to be received at 30 June 2002.

(b) Resources received free of charge

Services 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.

(c) Sales of goods and services

Revenue from the sale of goods and/or services is recognised upon the delivery of goods and/or services to customers. Services rendered is measured by labour hours worked, where such revenue can be reliably measured.

(d) Other revenue

Interest revenue is recognised taking into account the interest rates applicable to cash balances held during the reporting period, and where such interest has been received or is receivable as at 30 June 2002.

Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.5 Employee entitlements

(a) Leave

The leave liability for employee entitlements includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and actual sick leave taken by employees of CRS Australia is generally less than the annual entitlement for sick leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2002 and is recognised at current wage and salary rates.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2002. In determining the present values of the liability, CRS Australia has taken into account attrition rates and pay increases through promotion and inflation. The estimated future cash flows include superannuation on-costs and payroll tax.

The methodology for calculating the long service leave liability was reviewed by Trowbridge Consulting on 31 January 2002. The result was a reduction in the liability of $1,776,057 which has been reflected in the Statement of Financial Performance.
(b) Separation and redundancy

Provision is made for separation and redundancy payments where a reliable estimate of the amount of the payments can be determined. The provision is made in circumstances where CRS Australia has formally identified positions as excess to requirements and where staff are unable to make changes necessary for the future direction of CRS Australia.

(c) Superannuation

Staff of CRS Australia contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to $7,217,604 (2001: $6,392,010) in relation to these schemes have been expensed in the Statement of Financial Performance.

CRS Australia recognise a liability for accrued superannuation contributions. Superannuation entitlements are managed externally of CRS Australia by Comsuper.


1.6 Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the lease agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Where the lessor retains substantially the risks and benefits of ownership of the leased item, the minimum lease payments made or payable are recognised as an expense in the period in which they are incurred.

Finance leases

Where the lessee (CRS Australia) retains substantially the risks and benefits of ownership of the leased item, the present value of the minimum lease payments are recognised, at inception of the lease, as an item of property, plant and equipment and a lease liability of equal value is recognised concurrently. The item of property, plant and equipment is amortised over the shorter of its useful life and the lease term. The minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease. CRS Australia does not hold any finance leases.

Lease incentives

Incentives provided to CRS Australia to enter into property leases are recognised as other provisions. Subsequent lease payments are allocated between reduction of the liability and property rental expense to effect a spreading of the rental expense in accordance with the pattern of benefits derived from the rental properties.

Surplus lease space

Where it has been determined that surplus space exists under a non-cancellable lease, the future outlays relating to the surplus are expensed in the current period.
CRS Australia

Notes to the Financial Statements
for the period ended 30 June 2002

Provision for makegood

Where CRS Australia has a contractual obligation to undertake remedial work upon vacating leased properties, the estimated cost of that work is expensed in the current period.

1.7 Cash

Cash includes cash on hand, cash held at call with a bank and short term cash investments.

1.8 Acquisition of assets

Assets are recorded at cost on acquisition. Assets acquired free of charge, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

1.9 Property (land and buildings), infrastructure, plant and equipment

Asset recognition threshold

All purchases of property, infrastructure, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than $1,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Recoverable amount test

Schedule 1 requires the application of the recoverable amount test to non-current assets in accordance with AAS10 Recoverable Amount of Non-Current Assets. The carrying amounts of these non-current assets have been reviewed to determine whether they are in excess of their recoverable amounts. In assessing recoverable amounts, the relevant cash flows have been discounted to their present value.

Depreciation and amortisation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their expected useful lives using the straight line method of depreciation commencing from the time the assets are first held ready for use. Leasehold improvements are amortised on a straight-line basis, over the lesser of the estimated useful life or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) are reviewed annually and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated only when assets are revalued.
Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

<table>
<thead>
<tr>
<th>Class</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings on freehold land</td>
<td>25 years</td>
<td>25 years</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 - 10 years</td>
<td>3 - 10 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>lease period</td>
<td>lease period</td>
</tr>
</tbody>
</table>

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 7C.

*Revaluations*

Property, infrastructure, plant and equipment are revalued progressively in accordance with the 'deprival' method of valuation in successive 3-year cycles, so that no asset has a value greater than three years old. The current three-year cycle will result in the following future revaluations:

<table>
<thead>
<tr>
<th>Class</th>
<th>Revaluation year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment</td>
<td>2003-04 (previously revalued 31 May 2001)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>2003-04 (previously revalued 31 January 2001)</td>
</tr>
<tr>
<td>Land</td>
<td>2004-05 (previously revalued 30 June 2002)</td>
</tr>
<tr>
<td>Buildings</td>
<td>2004-05 (previously revalued 30 June 2002)</td>
</tr>
</tbody>
</table>

The application of the deprival method by CRS Australia in 2001-02 resulted in land and buildings being valued at current market value.

All valuations are independent.

**1.10 Intangibles**

Intangible assets comprise purchased software and the internally developed service delivery information management system. These assets are reported at acquisition cost and are amortised over their expected useful lives using the straight line method of amortisation. Amortisation is based on expected useful lives of 3 to 6 years (2000-01: 3 to 6 years).

The carrying amount of each intangible asset is reviewed to determine whether it is in excess of the asset’s recoverable amount. If an excess exists as at the reporting date, the asset is written down to its recoverable amount immediately. In assessing recoverable amounts, the relevant cash flows, including the expected cash inflows from future appropriations by the Parliament, have been discounted to their present value. No write-down to a recoverable amount has been made during 2001-02.

**1.11 Bad and doubtful debts**

Bad debts are expensed during the period in which they are incurred.

A provision is raised for any debts judged as doubtful.
1.12 Taxation

CRS Australia is liable for fringe benefits tax and goods and services tax. Additionally and in accordance with the government’s published competitive neutrality policy, a tax equivalence regime is in place. Tax equivalence is payable annually to the Department of Finance and Administration in respect of the commercial activities of CRS Australia equivalent to payroll tax, land tax and any applicable income tax and capital gains tax. In the 2001-02 financial statements a tax equivalence accrual of $1,059,128 (2000-01: $1,095,033) has been recognised.

Revenues and expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

1.13 Insurance

The risks associated with CRS Australia’s business operations are fully insured through 'Comcover', the Commonwealth’s insurable risk managed fund. Workers compensation risks are insured through Comcare.

1.14 Capital use charge

A capital usage charge of 11% (2001: 12%) is imposed by the Commonwealth on the net departmental assets of Commonwealth agencies. The charge is adjusted to take account of any asset gifts and revaluation increments which occur during the financial year. As CRS Australia is a business operation within the Department of Family and Community Services its capital usage charge is calculated as its portion of any capital usage charge of the Department. No capital usage charge has been levied for 2001-02 (2000-01: $Nil).

1.15 Comparative amounts

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.16 Financial instruments

The accounting policies applying to financial instruments are disclosed in note 24.

1.17 Rounding

Amounts are rounded to the nearest $1,000 except for the Remuneration of auditors (Note 21) and Executive remuneration (Note 22).
Note 2. Segment reporting

CRS Australia operates in a single industry and single geographical segment, being provision of government specific and commercial rehabilitation programs in Australia.

Note 3. Reporting by outcomes

CRS Australia has only one outcome and one output group. Refer to the Statement of Financial Performance for details of major revenues and expenses. Revenues include $104,037,000 from Government Appropriations (refer to note 19). Refer to the Statement of Financial Position for details of assets deployed by CRS Australia.

Note 4. Economic dependency

The activities of CRS Australia are controlled by the Government of the Commonwealth of Australia.

The normal activities of CRS Australia are dependent on the significant volume of services it provides to the Department of Family and Community Services. It is also dependent on appropriation funds received from the Parliament of the Commonwealth of Australia.

Note 5. Events occurring after balance date

On 1 July 2002, administrative control of CRS Australia transferred from the Department of Family and Community Services to the Department of Health and Ageing. This gives effect to the agreement between the Secretaries of the Department of Family and Community Services and the Department of Health and Ageing flowing from the revised administrative arrangements announced in November 2001.

Transactional banking arrangements introduced from 1 July 1999 enable agencies to manage their surplus cash balances and earn interest on them. Reviews are being conducted by the Department of Finance and Administration with each agency to determine whether interest earned to 30 June 2002 was consistent with the Government’s Budget-neutrality condition for the arrangements. However, as at the date of signing these financial statements, no decision had been made by the Government of the amount, if any, of the distribution of equity to be made to it by CRS Australia.
CRS Australia

Notes to the Financial Statements
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Appropriations for outputs</td>
<td>104,037</td>
<td>102,787</td>
</tr>
<tr>
<td>Resources received free of charge</td>
<td>140</td>
<td>135</td>
</tr>
<tr>
<td>Total</td>
<td>104,177</td>
<td>102,922</td>
</tr>
</tbody>
</table>

Note 6B. Sales of goods and services

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods</td>
<td>0</td>
<td>749</td>
</tr>
<tr>
<td>Services</td>
<td>35,038</td>
<td>32,184</td>
</tr>
<tr>
<td>Total</td>
<td>35,038</td>
<td>32,933</td>
</tr>
</tbody>
</table>

Goods and services were sold as follows:

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>8,193</td>
<td>6,109</td>
</tr>
<tr>
<td>Non-Government</td>
<td>26,845</td>
<td>26,824</td>
</tr>
<tr>
<td>Total</td>
<td>35,038</td>
<td>32,933</td>
</tr>
</tbody>
</table>

Note 6C. Interest

Interest on deposits

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,172</td>
<td>1,751</td>
</tr>
</tbody>
</table>

Note 6D. Net gains from sales of assets

Non-financial assets

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale</td>
<td>2,375</td>
<td>245</td>
</tr>
<tr>
<td>Net book value at sale</td>
<td>2,108</td>
<td>228</td>
</tr>
<tr>
<td>Net Gain</td>
<td>267</td>
<td>17</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Net book value at sale</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Net Gain / (Loss)</td>
<td>(2)</td>
<td>23</td>
</tr>
<tr>
<td>Net gain on sale of assets</td>
<td>265</td>
<td>40</td>
</tr>
<tr>
<td>Costs associated with sale of assets</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Total net gains from sale of assets</td>
<td>252</td>
<td>40</td>
</tr>
</tbody>
</table>

Note 6E. Reversals of previous asset write-downs

Non-financial assets

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and buildings *</td>
<td>0</td>
<td>2,171</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>45</td>
<td>418</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>2,589</td>
</tr>
</tbody>
</table>

* Commercial properties were previously written off in 1994-95.
Notes to the Financial Statements
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
</tbody>
</table>

**Note 6F. Other revenue**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rents</td>
<td>265</td>
<td>198</td>
</tr>
<tr>
<td>Other</td>
<td>1,231</td>
<td>385</td>
</tr>
<tr>
<td>Total</td>
<td>1,496</td>
<td>583</td>
</tr>
</tbody>
</table>

**Note 7A. Employee expenses**

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration (for services provided)</td>
<td>78,743</td>
<td>83,300</td>
</tr>
<tr>
<td>Separation and redundancy payments</td>
<td>353</td>
<td>308</td>
</tr>
<tr>
<td>Total</td>
<td>79,096</td>
<td>83,608</td>
</tr>
</tbody>
</table>

**Note 7B. Suppliers expenses**

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply of goods and services</td>
<td>38,523</td>
<td>38,531</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>10,842</td>
<td>9,537</td>
</tr>
<tr>
<td>Total</td>
<td>49,365</td>
<td>48,068</td>
</tr>
</tbody>
</table>

**Note 7C. Depreciation and amortisation**

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of property, infrastructure, plant and equipment</td>
<td>3,732</td>
<td>5,240</td>
</tr>
<tr>
<td>Amortisation of intangibles</td>
<td>810</td>
<td>1,070</td>
</tr>
<tr>
<td>Total</td>
<td>4,542</td>
<td>6,310</td>
</tr>
</tbody>
</table>

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

<table>
<thead>
<tr>
<th>Class of depreciable asset</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings on freehold land</td>
<td>63</td>
<td>48</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>1,984</td>
<td>2,006</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>1,685</td>
<td>3,186</td>
</tr>
<tr>
<td>Intangibles</td>
<td>810</td>
<td>1,070</td>
</tr>
<tr>
<td>Total</td>
<td>4,542</td>
<td>6,310</td>
</tr>
</tbody>
</table>

No depreciation or amortisation was allocated to the carrying amounts of other assets.

**Note 7D. Write-down of assets**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad and doubtful debts</td>
<td>3</td>
<td>203</td>
</tr>
<tr>
<td>Land and buildings</td>
<td>90</td>
<td>0</td>
</tr>
<tr>
<td>Infrastructure, plant and equipment</td>
<td>110</td>
<td>131</td>
</tr>
<tr>
<td>Total</td>
<td>203</td>
<td>334</td>
</tr>
</tbody>
</table>

**Note 8. Cash**

<table>
<thead>
<tr>
<th>Cash</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and at bank</td>
<td>11,350</td>
<td>4,452</td>
</tr>
<tr>
<td>Cash on deposit</td>
<td>36,000</td>
<td>36,500</td>
</tr>
<tr>
<td>Total</td>
<td>47,350</td>
<td>40,952</td>
</tr>
</tbody>
</table>

All cash recognised is a current asset
Note 9. Receivables

Goods and services
Other debtors
Less: Provision for doubtful debts
Total

All receivables are current assets

Receivables (gross) are aged as follows:
Not overdue
Overdue:
  Less than 30 days
  30 to 60 days
  60 to 90 days
  More than 90 days
Total

Note 10. Accrued revenues

Sales of goods and services
Interest
Total

All accrued revenues are current assets

Note 11. Land and buildings

Freehold land - at cost
Freehold land - at 1 January 1999 valuation
Freehold land - at 30 June 2002 valuation
Total land
Buildings on freehold land - at cost
  less accumulated depreciation
  0
  0
Buildings on freehold land - at 1 January 1999 valuation
  less accumulated depreciation
  0
  (206)
  0
Buildings on freehold land - at 30 June 2002 valuation
  less accumulated depreciation
  834
  0
  834
Total buildings
Total

Land and buildings were revalued by an independent valuer, International Valuation Consultants Pty Ltd, at current market value at 30 June 2002.
Note 12. Infrastructure, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant and equipment - at cost</td>
<td>1,446</td>
<td>231</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(485)</td>
<td>(17)</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>961</td>
<td>214</td>
</tr>
<tr>
<td>Plant and equipment - at 31 May 2001 valuation</td>
<td>2,810</td>
<td>3,912</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(1,599)</td>
<td>(388)</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>1,211</td>
<td>3,524</td>
</tr>
<tr>
<td>Leasehold improvements - at cost</td>
<td>2,680</td>
<td>646</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(1,080)</td>
<td>(243)</td>
</tr>
<tr>
<td>Total leasehold improvements</td>
<td>1,600</td>
<td>403</td>
</tr>
<tr>
<td>Leasehold improvements - at 31 January 2001 valuation</td>
<td>2,689</td>
<td>3,873</td>
</tr>
<tr>
<td>less accumulated depreciation</td>
<td>(1,490)</td>
<td>(812)</td>
</tr>
<tr>
<td>Total leasehold improvements</td>
<td>1,199</td>
<td>3,061</td>
</tr>
<tr>
<td>Leasehold improvements - under construction</td>
<td>81</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>2,880</td>
<td>3,486</td>
</tr>
<tr>
<td>Total</td>
<td>5,052</td>
<td>7,224</td>
</tr>
</tbody>
</table>

Leasehold improvements were revalued by an independent valuer, the Australian Valuation Office, at depreciated replacement cost at 31 January 2001.

Plant and equipment was revalued by an independent valuer, International Valuation Consultants Pty Ltd, at depreciated replacement cost at 31 May 2001.

Note 13. Intangibles

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased computer software</td>
<td>1,320</td>
<td>1,047</td>
</tr>
<tr>
<td>less accumulated amortisation</td>
<td>(1,022)</td>
<td>(936)</td>
</tr>
<tr>
<td>Total</td>
<td>298</td>
<td>111</td>
</tr>
<tr>
<td>Internally developed software</td>
<td>2,172</td>
<td>2,172</td>
</tr>
<tr>
<td>less accumulated amortisation</td>
<td>(1,902)</td>
<td>(1,177)</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>995</td>
</tr>
<tr>
<td>Total</td>
<td>568</td>
<td>1,106</td>
</tr>
</tbody>
</table>

Note 14. Other non-financial assets

<table>
<thead>
<tr>
<th></th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>823</td>
<td>1,061</td>
</tr>
</tbody>
</table>

All prepayments are current assets
Note 15. Analysis of property, infrastructure, plant and equipment and intangibles

Table A
Reconciliation of the opening and closing balances of property, infrastructure, plant and equipment and intangibles

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Total land &amp; buildings</th>
<th>Other infrastructure, plant &amp; equipment</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Gross Value as at 1 July 2001</td>
<td>1,216</td>
<td>2,450</td>
<td>3,666</td>
<td>8,684</td>
<td>3,219</td>
<td>15,569</td>
</tr>
<tr>
<td>Purchase of assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,380</td>
<td>272</td>
<td>1,652</td>
</tr>
<tr>
<td>Revaluations: write-ups/write-downs</td>
<td>82</td>
<td>(91)</td>
<td>(9)</td>
<td>254</td>
<td>0</td>
<td>245</td>
</tr>
<tr>
<td>Write-offs</td>
<td>(90)</td>
<td>0</td>
<td>(90)</td>
<td>(601)</td>
<td>0</td>
<td>(691)</td>
</tr>
<tr>
<td>Disposals</td>
<td>(785)</td>
<td>(1,525)</td>
<td>(2,310)</td>
<td>(10)</td>
<td>0</td>
<td>(2,320)</td>
</tr>
<tr>
<td>Gross value as at 30 June 2002</td>
<td>423</td>
<td>834</td>
<td>1,257</td>
<td>9,707</td>
<td>3,491</td>
<td>14,455</td>
</tr>
<tr>
<td>Accumulated depn as at 1 July 2001</td>
<td>0</td>
<td>206</td>
<td>206</td>
<td>1,460</td>
<td>2,113</td>
<td>3,779</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>0</td>
<td>63</td>
<td>63</td>
<td>3,670</td>
<td>810</td>
<td>4,543</td>
</tr>
<tr>
<td>Revaluations: write-ups/write-downs</td>
<td>0</td>
<td>(67)</td>
<td>(67)</td>
<td>51</td>
<td>0</td>
<td>(16)</td>
</tr>
<tr>
<td>Write-offs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>(523)</td>
<td>0</td>
<td>(523)</td>
</tr>
<tr>
<td>Disposals</td>
<td>0</td>
<td>(202)</td>
<td>(202)</td>
<td>(3)</td>
<td>0</td>
<td>(205)</td>
</tr>
<tr>
<td>Accumulated depn as at 30 June 2002</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,655</td>
<td>2,923</td>
<td>7,578</td>
</tr>
<tr>
<td>Net book value as at 30 June 2002</td>
<td>423</td>
<td>834</td>
<td>1,257</td>
<td>5,082</td>
<td>568</td>
<td>6,677</td>
</tr>
<tr>
<td>Net book value as at 1 July 2001</td>
<td>1,216</td>
<td>2,244</td>
<td>3,460</td>
<td>7,224</td>
<td>1,106</td>
<td>11,790</td>
</tr>
</tbody>
</table>

Table B
Property, infrastructure, plant and equipment and intangibles held at valuation

<table>
<thead>
<tr>
<th></th>
<th>Land</th>
<th>Buildings</th>
<th>Total land &amp; buildings</th>
<th>Other infrastructure, plant &amp; equipment</th>
<th>Intangibles</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>As at end of 30 June 2002</td>
<td>423</td>
<td>834</td>
<td>1,257</td>
<td>5,499</td>
<td>0</td>
<td>6,756</td>
</tr>
<tr>
<td>Gross value</td>
<td>423</td>
<td>834</td>
<td>1,257</td>
<td>5,499</td>
<td>0</td>
<td>6,756</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>3,088</td>
<td>0</td>
<td>3,088</td>
</tr>
<tr>
<td>Net book value</td>
<td>423</td>
<td>834</td>
<td>1,257</td>
<td>2,411</td>
<td>0</td>
<td>2,411</td>
</tr>
<tr>
<td>As at end of 30 June 2001</td>
<td>916</td>
<td>1,800</td>
<td>2,716</td>
<td>7,785</td>
<td>0</td>
<td>10,501</td>
</tr>
<tr>
<td>Gross value</td>
<td>916</td>
<td>1,800</td>
<td>2,716</td>
<td>7,785</td>
<td>0</td>
<td>10,501</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>0</td>
<td>206</td>
<td>206</td>
<td>1,200</td>
<td>0</td>
<td>1,406</td>
</tr>
<tr>
<td>Net book value</td>
<td>916</td>
<td>1,594</td>
<td>2,510</td>
<td>6,585</td>
<td>0</td>
<td>9,095</td>
</tr>
</tbody>
</table>

Table C
Property, infrastructure, plant and equipment and intangibles under construction

<table>
<thead>
<tr>
<th></th>
<th>Other infrastructure, plant &amp; equipment</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at end of 30 June 2002</td>
<td></td>
<td>81</td>
</tr>
<tr>
<td>Gross value</td>
<td></td>
<td>81</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td>81</td>
</tr>
<tr>
<td>As at end of 30 June 2001</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>Gross value</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>Accumulated depreciation/amortisation</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>
CRS Australia  
Notes to the Financial Statements  
for the period ended 30 June 2002  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Employee Provisions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>1,731</td>
<td>1,657</td>
</tr>
<tr>
<td>Leave</td>
<td>13,966</td>
<td>15,614</td>
</tr>
<tr>
<td>Superannuation</td>
<td>274</td>
<td>248</td>
</tr>
<tr>
<td>Separation and redundancies</td>
<td>137</td>
<td>55</td>
</tr>
<tr>
<td>Other</td>
<td>1,592</td>
<td>1,593</td>
</tr>
<tr>
<td></td>
<td>17,700</td>
<td>19,167</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>2,350</td>
<td>323</td>
</tr>
<tr>
<td>Total</td>
<td>20,050</td>
<td>19,490</td>
</tr>
</tbody>
</table>

Provisions are represented by:  
Current  
Non-current  

<table>
<thead>
<tr>
<th>Note 17. Payables</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>8,595</td>
<td>6,140</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>8,635</td>
<td>6,156</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid revenue</td>
<td>4,277</td>
<td>7,799</td>
</tr>
<tr>
<td>Total</td>
<td>12,912</td>
<td>13,955</td>
</tr>
</tbody>
</table>

All payables are current liabilities
Note 18. Equity

<table>
<thead>
<tr>
<th>Item</th>
<th>Accumulated Results</th>
<th>Asset Revaluation Reserves</th>
<th>Total Reserves</th>
<th>TOTAL EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001-02 $'000</td>
<td>2000-01 $'000</td>
<td>2001-02 $'000</td>
<td>2000-01 $'000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2001-02 $'000</td>
<td>2000-01 $'000</td>
</tr>
<tr>
<td>Opening balance as at 1 July</td>
<td>21,848</td>
<td>27,205</td>
<td>3,933</td>
<td>25,781</td>
</tr>
<tr>
<td>Net result</td>
<td>9,974</td>
<td>2,498</td>
<td>0</td>
<td>9,974</td>
</tr>
<tr>
<td>Net revaluation increment</td>
<td>0</td>
<td>0</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td>Capital Use Charge (CUC)</td>
<td>0</td>
<td>70</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(7,686)</td>
<td>(7,925)</td>
<td>0</td>
<td>(7,686)</td>
</tr>
<tr>
<td>Closing balance as at 30 June</td>
<td>24,136</td>
<td>21,848</td>
<td>4,193</td>
<td>28,329</td>
</tr>
<tr>
<td>Less: outside equity interests</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total equity attributable to the</td>
<td>24,136</td>
<td>21,848</td>
<td>4,193</td>
<td>28,329</td>
</tr>
<tr>
<td>Commonwealth</td>
<td></td>
<td></td>
<td>3,933</td>
<td>25,781</td>
</tr>
</tbody>
</table>

Note 19. Appropriations

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Departmental Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 30 June 2002</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance carried from previous year</td>
<td>40,952</td>
</tr>
<tr>
<td>Appropriation for reporting period (Act 1)</td>
<td>104,037</td>
</tr>
<tr>
<td>Appropriation for reporting period (Act 3)</td>
<td>0</td>
</tr>
<tr>
<td>Adjustments determined by the Finance Minister</td>
<td>0</td>
</tr>
<tr>
<td>Amounts from Advance to the Finance Minister</td>
<td>0</td>
</tr>
<tr>
<td>Amounts from Comcover receipts</td>
<td>0</td>
</tr>
<tr>
<td>Refunds credited (FMA s30)</td>
<td>0</td>
</tr>
<tr>
<td>GST credits (FMA s30A)</td>
<td>465</td>
</tr>
<tr>
<td>Annotations to 'net appropriations' (FMA s31)</td>
<td>40,267</td>
</tr>
<tr>
<td>Other annotations</td>
<td>0</td>
</tr>
<tr>
<td>Transfer to/from other agencies (FMA s32)</td>
<td>0</td>
</tr>
<tr>
<td>Available for payments</td>
<td>185,721</td>
</tr>
<tr>
<td>Payments made</td>
<td>138,371</td>
</tr>
<tr>
<td>Balance carried to next year</td>
<td>47,350</td>
</tr>
</tbody>
</table>

| Year ended 30 June 2001                   | $'000                |
| Available for payments 2001              | 181,687             |
| Payments made                            | 140,735             |
| Balance carried forward to 1 July 2001    | 40,952              |
CRS Australia  
Notes to the Financial Statements  
for the period ended 30 June 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 20. Reconciliation of cashflows
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows
- Cash at year end per Statement of Cash Flows: $47,350, 2000-01: 40,952

Reconciliation of net surplus to net cash from operating activities:
- Net surplus: 9,974, 2000-01: 2,498
- Depreciation and amortisation: 4,542, 2000-01: 6,310
- Write-down of assets: 203, 2000-01: 334
- Reversal of previous assets write-downs: (45), 2000-01: (2,589)
- Net (profit)/loss on sales of assets: (252), 2000-01: (40)
- (Increase) / decrease in receivables: (1,036), 2000-01: (120)
- (Increase) / decrease in accrued revenue: 215, 2000-01: 249
- (Increase) / decrease in other non-financial assets: 238, 2000-01: 1,390
- Increase / (decrease) in employee liabilities: (1,467), 2000-01: 1,860
- Increase / (decrease) in supplier liabilities: 2,479, 2000-01: (1,933)
- Increase / (decrease) in other payables: (3,522), 2000-01: 7,737
- Increase / (decrease) in other provisions: 2,027, 2000-01: 268
- Net cash from operating activities: 13,356, 2000-01: 15,964

Note 21. Remuneration of auditors
Financial statement audit services are provided free of charge to CRS Australia by the Auditor-General.
- 2001-02: 140,000, 2000-01: 135,000

Note 22. Executive remuneration
The aggregate amount of total remuneration of executive officers shown in the table below
- 2001-02: 488,033, 2000-01: 484,850

The numbers of executives who received or were due to receive total remuneration of $100,000 or more:

<table>
<thead>
<tr>
<th>Remuneration Range</th>
<th>2001-02</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>$110,001 to $120,000</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>$140,001 to $150,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$160,001 to $170,000</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>$170,001 to $180,000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>$200,001 to $210,000</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Note 23. Average staffing levels
The average staffing level for 2001-02 was 1,438 (2000-01: 1,532).
Note 24. Financial instruments

Part 1. Terms conditions and accounting policies relating to Financial Instruments

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Notes</th>
<th>Accounting Policies and Methods (including recognition criteria and measurement basis)</th>
<th>Significant terms &amp; conditions affecting the amount, timing and certainty of cash flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINANCIAL ASSETS</td>
<td></td>
<td>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</td>
<td>Surplus funds held on deposit with Australian banks attracting interest on the daily balance. The interest rate has averaged 4.45% (2000-01: 4.5%).</td>
</tr>
<tr>
<td>Cash</td>
<td>8</td>
<td>Cash deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.</td>
<td>Settlement is net 30 days or less.</td>
</tr>
<tr>
<td>Receivables for goods and services</td>
<td>9</td>
<td>These receivables are recognised at the nominal amounts due less any provision for doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.</td>
<td>Settlement is net 30 days or less.</td>
</tr>
<tr>
<td>Other debtors</td>
<td>9</td>
<td>As for receivables for goods and services.</td>
<td>Settlement is net 30 days or less.</td>
</tr>
<tr>
<td>Accrued revenues</td>
<td>10</td>
<td>As for receivables for goods and services.</td>
<td>Settlement is net 30 days or less.</td>
</tr>
<tr>
<td>FINANCIAL LIABILITIES</td>
<td></td>
<td>Financial liabilities are recognised when a present obligation to an external party occurs and can be reliably measured.</td>
<td></td>
</tr>
<tr>
<td>Lease incentives</td>
<td>16</td>
<td>The lease incentive is recognised as a liability on receipt of the lease incentive. The liability reduces over the life of the lease by allocating lease payments between rental expense and reduction of the liability.</td>
<td>Settlement is net 30 days or less.</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>17</td>
<td>Creditors and accruals are recognised at their nominal amounts which are the amounts at which the liabilities will be settled. They are recognised to the extent that the related goods or services have been received.</td>
<td></td>
</tr>
<tr>
<td>UNRECOGNISED FINANCIAL LIABILITIES</td>
<td></td>
<td></td>
<td>Various organisations have been indemnified from losses they may incur arising from legal actions which may be initiated by clients of CRS Australia under the Work Training Scheme.</td>
</tr>
</tbody>
</table>

Indemnities

The maximum amount payable under indemnities is $2,000,000 per organisation indemnified. At the time of completion of the financial statements it was not probable that the indemnities would be called upon.

Part 2. Interest rate risk

All financial instruments held are non-interest bearing except for cash at bank which earns interest at a floating rate with a weighted average interest rate of 4.45% for 2001-02 (2000-01: 4.8%).

Part 3. Credit risk

The maximum exposure to credit risk as at reporting date in relation to each class of financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position. There are no significant exposures to any concentration of credit risk. No collateral or other security is held in relation to any financial asset.


Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of lease incentives and trade creditors approximate their carrying amounts.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administered items</td>
<td>Expenses, revenues, assets or liabilities that agencies administer on behalf of the Commonwealth. Administered expenses include grants, subsidies and benefits.</td>
</tr>
<tr>
<td>Average staffing level(s) (ASL)</td>
<td>ASL is the average number of employees receiving salary/wages (or compensation in lieu of salary/wages) over a financial year, with adjustments for casual and part-time employees to show the full-time equivalent.</td>
</tr>
<tr>
<td>Clients</td>
<td>Recipients of social support payments or outputs. Sometimes also known as customers.</td>
</tr>
<tr>
<td>Competitive tendering</td>
<td>The process by which agencies call for offers to perform a service from internal and external bodies, including the private sector and other departments and agencies, in an open and transparent competitive environment.</td>
</tr>
<tr>
<td>Departmental</td>
<td>Assets, liabilities, revenues and expenses directly controlled by agencies.</td>
</tr>
<tr>
<td>Departmental outputs</td>
<td>Four common ‘departmental’ outputs are reported for each of the ten output groups. Broadly, these outputs are the direct product of the policy, management and administrative functions of FaCS.</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>The extent to which actual outcomes are achieved, in terms of the planned outcomes, via relevant outputs or administered expenses. An intervention’s effectiveness should be distinguished from its efficiency, which concerns the adequacy of its administration.</td>
</tr>
<tr>
<td>FaCS</td>
<td>Department of Family and Community Services including Child Support Agency and until 30 June 2002, CRS Australia.</td>
</tr>
<tr>
<td>FaCS core</td>
<td>Department of Family and Community Services excluding Child Support Agency and until 30 June 2002, CRS Australia.</td>
</tr>
<tr>
<td>Governance</td>
<td>Method or system of government or management</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Results, impacts or consequences of actions by the Commonwealth on the Australian community. Outcomes are the results or impacts that the Government wishes to achieve. Actual outcomes are the results or impacts actually achieved.</td>
</tr>
</tbody>
</table>
Outputs

The goods and services produced by agencies on behalf of Government for external organisations or individuals. Outputs include goods and services produced for other areas of Government external to the agency.

Output groups

The aggregation based on homogeneity, type of product or beneficiary target group, of outputs. Aggregation may also be needed for the provision of adequate information for performance monitoring; or based on a materiality test.

Performance

The proficiency of an agency or authority in acquiring resources economically and using those resources efficiently and effectively in achieving planned outcomes.

Performance indicators

Qualitative and quantitative measures of an output which provide a guide on performance where direct causal links are not obvious and changes in performance are difficult to measure directly.

Performance information

Evidence about performance that is collected and used systemically. Evidence may relate to effectiveness or efficiency. It may be about outcomes, factors that affect outcomes, and what can be done to improve them.

Performance measures

A more precise measure than indicators. Performance measures relate to outcomes, outputs, third party outputs and administered items. They are used when there is a direct causal link between an intervention and a measurable change in performance.

Portfolio Budget Statements

Statements prepared by portfolios to explain the budget appropriations in terms of planned Government outcomes.

Price

The amount the Government or the community pays for the delivery of agreed outputs. The total of all prices aggregates to equal total expenses.

Quality

Relates to the characteristics by which clients or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify difference between users’ expectations and experiences.

Quantity

Size of an output. Count or volume measures. How many or how much.

Strategies

Groups of activities to produce outputs required to achieve planned outcomes. Strategies usually comprise several activities and outputs.
# List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>AHURI</td>
<td>Australian Institute of Health and Welfare</td>
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<tr>
<td>AIFS</td>
<td>Australian Institute of Family Studies</td>
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<tr>
<td>ARHP</td>
<td>Aboriginal Rental Housing Program</td>
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<tr>
<td>AWT</td>
<td>Australians Working Together</td>
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<tr>
<td>BPA</td>
<td>Business Partnership Agreement</td>
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<tr>
<td>CSA</td>
<td>Child Support Agency</td>
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<tr>
<td>DETYA</td>
<td>(former) Department of Employment, Training and Youth Affairs</td>
</tr>
<tr>
<td>DSP</td>
<td>Disability Support Pension</td>
</tr>
<tr>
<td>FaCS</td>
<td>Department of Family and Community Services</td>
</tr>
<tr>
<td>HILDA</td>
<td>Household, Income and Labour Dynamics in Australia Survey</td>
</tr>
<tr>
<td>ISSA</td>
<td>International Social Security Association</td>
</tr>
<tr>
<td>IYV</td>
<td>International Year of Volunteers</td>
</tr>
<tr>
<td>JPET</td>
<td>Job Placement, Employment and Training scheme</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>LSAC</td>
<td>Longitudinal Study of Australian Children</td>
</tr>
<tr>
<td>NATSEM</td>
<td>National Centre for Social and Economic Modelling</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PSP</td>
<td>Personal Support Programme</td>
</tr>
<tr>
<td>SSAT</td>
<td>Social Security Appeals Tribunal</td>
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<tr>
<td>YAA</td>
<td>Youth Achievement Australia Program</td>
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