As in previous years, this year's annual report of the Department of Family and Community Services (FaCS)—the sixth—has been divided into two volumes for ease of access and accessibility.

**Volume one** provides an overarching view of the department's functions and a summary of its achievements for the year.

**Volume two** provides more detail and covers performance reporting, management and accountability, appendixes and financial statements.

**Acknowledgments**
Annual report team: David Bush, Carmel Curran, Greg Moores and Christine Motbey
Editorial/design consultants: Wilton Hanford Hanover and ZOO
Dear Minister

I am pleased to present to you the annual report of the Department of Family and Community Services for the year 2003–04 prepared in accordance with the requirements of section 63 of the Public Service Act 1999.

This report has been prepared in accordance with the Requirements for Annual Reports approved by the Joint Committee of Public Accounts and Audit under subsection 63(2) of the Public Service Act. Subsection 63(1) of that Act requires me to provide you with a report to present to the Parliament.

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.

I would like to take this opportunity, in presenting this report, to thank the staff of the department for their commitment and hard work and their capacity to rise to the challenges of the past year.

Yours sincerely

Mark Sullivan
14 October 2004
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About us...

The Department of Family and Community Services (FaCS) is responsible for shaping social policies and ensuring they are delivered efficiently through partnerships with other government and non-government organisations.

FaCS focuses on families and people with different needs such as young people and students, people living in rural and remote areas, Aboriginal and Torres Strait Islander peoples, and people from diverse cultural and linguistic backgrounds.

FaCS is responsible for about one-third of total government outlays. While FaCS’ national office is in Canberra, the department also has offices located in each state and territory throughout Australia, including in rural and regional areas.

FaCS is part of the Australian Government’s family and community services portfolio. The portfolio is responsible for a broad range of social policies and support affecting Australian society and the living standards of Australian families.

The portfolio consists of:
- FaCS, which incorporates the Child Support Agency (CSA). CSA administers the Child Support Scheme and helps separated parents take responsibility for the financial support of their children
- Centrelink, which delivers income support payments and services to the Australian community on behalf of FaCS
- the Social Security Appeals Tribunal, which provides a mechanism of review that is fair, just, economical, informal and quick
- the Australian Institute of Family Studies, which promotes the identification and understanding of factors affecting marital and family stability in Australia.
In 2003–04...

We spent:
$67.7 billion—around 8 per cent of Australia’s gross domestic product.

We delivered:
- through the department—80 programs using more than 15,000 service providers at a cost of nearly $1 billion
- through service providers—income support payments and services worth $65.2 billion to over 6 million Australians
- through the Child Support Agency—help to over one million children by supporting over 1.3 million parents to transfer $2.186 billion in child support.

We supported and helped:
- families and children
- young people and students
- working-age people
- people with disabilities
- carers
- the aged
- people living in rural and remote areas
- people who are homeless or at risk of homelessness
- Aboriginal and Torres Strait Islander peoples
- people from diverse cultural and linguistic backgrounds
- communities across the country.

We worked in partnership with:
- other Australian Government departments and agencies
- foreign governments
- state and territory governments
- local government
- businesses
- the not-for-profit community sector
- peak representative organisations
- service providers
- research bodies
- families and communities.

Highlights for the year...

- $19.2 billion extra assistance for Australian families over five years
- $461 million to help carers of people with disabilities and the frail aged
- $365.8 million over four years for a ‘new-look’ Stronger Families and Communities Strategy that focuses on early childhood
- $226 million for the Child Care Support Program
- $99 million extra assistance over four years to support a viable disability employment sector
- 44,000 more child care places
- Australians Working Together initiatives fully implemented
Part 1 | The year in review
Secretary’s introduction

Mark Sullivan

In my third year as Secretary of the Australian Government Department of Family and Community Services (FaCS), I am delighted to introduce the department’s annual report for 2003–04.

The two-volume report covers FaCS’ performance against our three ongoing outcomes—‘families are strong’, ‘communities are strong’, and ‘individuals reach their potential’.

Volume one gives a broad picture of achievements and challenges, and highlights some important activities, policies and programs. Volume two includes extensive performance, management and accountability details.

Reporting on the Child Support Agency again features prominently, including a review by the General Manager, Catherine Argall.

For the second time, FaCS is also producing a separate triple bottom line (TBL) report on the economic, social and environmental impact of our internal operations during the year.

Verified by the Australian National Audit Office, last year’s report was commended by the Auditor-General as a ‘real team effort’.

This year our TBL report tracks our performance against targets and benchmarks that were established in 2002–03 and details several improvements and efficiencies as well as areas where more effort is required.

Welcoming new people

On 7 October 2003 Senator the Hon. Dr Kay Patterson was appointed Minister for Family and Community Services. As well, the Hon. Christopher Pyne, MP, was appointed Parliamentary Secretary to the Minister. The Hon. Larry Anthony, MP, continued as Minister for Children and Youth Affairs.

On 15 April 2004 the Prime Minister announced new arrangements for the delivery of government programs and services to Indigenous people. This involves mainstreaming the functions and services from the Aboriginal and Torres Strait Islander Commission (ATSIC) and the executive agency Aboriginal and Torres Strait Islander Services (ATSIS) into other government agencies. To take effect on 1 July 2004, the functions transferring to the FaCS portfolio are community housing and infrastructure, family violence (administered jointly with the Attorney-General’s Department), and the Indigenous service delivery organisation, Aboriginal Hostels Limited, administered jointly with the Department of Finance and Administration.

Most importantly, these changes mean welcoming 200-plus wonderful people from ATSIC and ATSIS to the department right across Australia.
Supporting families and acknowledging carers

The past year saw FaCS as a hard-working and pivotal player at the centre of the Government's social policy agenda.

Our efforts were reflected in a range of new Budget measures that provide extensive funding for the FaCS portfolio.

Under the More Help for Families initiative, Australian families will receive increased family assistance worth $19.2 billion over five years, with the first payments made in June 2004 to nearly 2 million families. The package assists families with the costs of raising children, improves rewards from work, and helps families balance work and family life.

As well, the Budget included a $461 million package for carers of people with disabilities and the frail aged that acknowledges the huge contribution carers make to the community. Initiatives include payment of one-off carer bonuses, more flexibility in eligibility for carer payments, and better support for people in care.

Business services in the disability employment sector are also set to benefit with an extra $99 million over four years to ensure a viable and sustainable disability employment sector.

In the months leading up to the 2004–05 Budget it was unfortunate that FaCS’ work was compromised by the unauthorised disclosure of documents relating to the portfolio.

While police continue to investigate, the leaks were a good reminder to check our document security practices and to reinforce to our people the importance of securing confidential documents and carrying out our privacy and confidentiality responsibilities.
Focusing on children

The Prime Minister’s commitment in April 2004 of $365.8 million to extend the Stronger Families and Communities Strategy was another significant announcement for FaCS.

Building on the success of the strategy since 2000, the new funding is for local initiatives that intervene early to help families, children and communities at risk.

Designed around the twin concepts of the social coalition and early intervention, the ‘new-look’ strategy reaffirms the Government’s commitment to providing better opportunities for children and their families and to building community capacity.

Drawing on the latest research and feedback from consultations on the National Agenda for Early Childhood, the strategy now focuses more strongly on early childhood development.

With funding of $1 million to $4 million to go to each of 35 disadvantaged communities, the strategy’s ‘Communities for Children’ program signals a new way of working with the community sector.

Selected non-government organisations such as Mission Australia, Anglicare and the YWCA will act as facilitating partners to develop community action plans and manage local projects and services.

Working with others

During the year the department continued to work across the portfolio and with others on collaborative approaches to policy and program development and service delivery—for example:

- through the FaCS state and territory offices (STOs) (the ‘public face’ of the department)—to help us manage the 80 different funding programs that we deliver through 15,000 service providers
- with Centrelink—to finalise and sign Alliance 2004, a new agreement that includes a framework that makes our respective roles and accountabilities much clearer
- through the Child Support Agency—to make substantial, evidence-based submissions to, and appear before, the House of Representatives Standing Committee on Family and Community Affairs’ inquiry into child custody arrangements
- with the Australian Government departments of Employment and Workplace Relations, and Education, Science and Training—to implement the final Australians Working Together measures and to start taking the participation agenda forward by collaborating at national level and on individual projects
- with state and territory governments—to work on consistent, joint approaches to child care workforce issues and a national plan for foster care; and to follow through on Commonwealth–state housing and disability agreements and the Supported Accommodation Assistance Program
with **business and community leaders** — through the Prime Minister’s Community Business Partnership, to promote a culture of corporate and individual social responsibility through initiatives like the National Brokerage Service and National Partnerships Week

with **Indigenous communities** — for example, at Wadeye in the Northern Territory, to jointly achieve positive youth, employment, and housing and construction results; and to develop a scoping study for remote service delivery policy

with the **child care sector** — to restructure the Child Care Support Broadband and create the Child Care Support Program, based on four streams of ‘quality’, ‘inclusion’, ‘community’ and ‘program’ support

with the **disability employment sector** — to continue implementing case-based funding and quality assurance and to help business services plan for changes, such as paying award-based wages

with **young people** — through the National Youth Roundtable, the National Indigenous Youth Leadership Group, and through events like the ‘Creating Common Wealth’ Youth Enterprise Development Forum

**internationally** — to finalise and sign social security agreements with Croatia and Chile; and to exchange knowledge and undertake joint projects with other governments, particularly in China and Vietnam.

---

**Positioning FaCS to achieve our outcomes**

Internally, the year saw a departmental restructure (effective 1 July 2004), designed to reflect emerging policy agendas and to place FaCS in a better position to achieve our outcomes.

Initially driven by the growing interest of government and community in family and children’s issues, the restructure also recognises the need to consolidate our work on economic participation and to align our corporate functions with our business priorities.

Essentially the restructure expands the capacity of the Family and Children's area, with a second executive director to help meet emerging policy priorities and workload pressures.

In the Participation area, the restructure puts a greater emphasis on outcomes for working-age people, including more attention to policy integration and service quality. It also reflects the departmental priority to develop the evidence base for policy and implementation by aligning key functional activities around evaluation, data and program management.

In the Community Development and Support area, the restructure also aims to consolidate our understanding of the roles communities can play, of the ways disadvantage is often highly localised, and of how to break barriers to participation. It places additional focus on integrating and coordinating services and programs to build self-reliant, stronger communities.

As well, the restructure combines people’s talents and skills in the areas of marketing, events management and communication, and puts a sharper focus on support for our ministers.

Staff and managers were consulted every step of the way on developing and implementing the restructure. Because of this, I believe we achieved organisation-wide ownership and understanding of the new arrangements and a strong commitment to making it work.
Promoting ability and diversity

During the year I launched the department’s Mature Workers Strategy—the first of its kind for an Australian Government agency.

The strategy acknowledges a shift in the Australian Public Service away from the ‘you are 55 and it’s time to leave’ thinking and, instead, offers mature workers opportunities to continue working if they want to.

The strategy recognises the ability and value of mature-age workers and brings together a range of activities to help them to plan their working futures and pass on knowledge and skills to their younger colleagues.

Initiatives include offering opportunities for mature workers to experience different work and to revitalise their career paths; and providing information about the benefits of age diversity in the workplace to recruitment and selection panels.

The year also marked the formation of the FaCS Diversity Council. With members drawn from the department’s national and STO staff at all levels, the council is an advisory body to the FaCS Executive Board on workplace diversity matters.

As the council leader, I am determined to work with council members to champion a strong and diversified FaCS workforce, build on our diversity capability, and promote workplace harmony.

The council will also monitor achievements against targets in the FaCS Diversity Plan and TBL reporting.

Looking back and looking ahead

In 2003 FaCS celebrated its fifth year with birthday events and activities held in the department’s offices around the country.

Set up in 1998, the Family and Community Services portfolio brought together elements of four former portfolios into a single program structure. The aim was to take a more holistic approach to new directions in social policy.

Looking back, the challenges were to work on closer integration of programs; go beyond the safety net and focus on prevention and capacity building; promote independence and self-reliance; and develop strong and effective partnerships.

Five years on, FaCS has achieved great things in all these areas, particularly in welfare reform, participation policies, early intervention and prevention, strengthening families and communities, and working in partnerships across government and with Australian communities.

In 2003–04 the majority of FaCS’ work involved developing policies. Indeed, the 2004–05 Budget was probably the most demanding policy development task ever undertaken by this department.

Looking ahead, the primary tasks for 2004–05 are an extensive policy implementation effort, the inclusion of the programs and services delivered to Indigenous people, and meeting the priorities that government will present to us.

I strongly believe that everyone in FaCS has the knowledge, capacity, endurance and enthusiasm to work together to make a difference to Australian society, tackling these challenges head-on.

Mark Sullivan
Secretary
FaCS Executive

About Mark Sullivan, Secretary

Mark Sullivan was appointed Secretary of the Department of Family and Community Services (FaCS) on 18 January 2002. Mark was well known to many as the CEO of the Aboriginal and Torres Strait Islander Commission, a position he held for nearly three years from May 1999. Before heading up the commission, Mark was a deputy secretary at the Department of Immigration and Multicultural Affairs. He has extensive senior managerial experience in the private and public sectors, including with WANG Australia, SBS, the Department of Social Security and the Australian Taxation Office. Mark is a Fellow of the Society of Certified Practising Accountants and obtained a Bachelor of Economics from Sydney University in 1971.

“This year’s policy development and implementation agenda has probably challenged and tested our staff’s stamina more than I have ever seen it happen before. Their response has just been wonderful. People have really gone that extra yard. You grow to expect it, but you also never cease to be amazed. And it’s even better when you see a positive reward in government announcements.”

About Wayne Jackson, Deputy Secretary

As Deputy Secretary of FaCS since July 1998, Wayne Jackson has represented the department on a number of broadly based policy review bodies, including the Welfare Reform Reference Group (Deputy Chair), the Youth Pathways Action Plan Taskforce and the Family Law Pathways Advisory Group. He is also a member of the Australian Statistics Advisory Council. Before joining FaCS, Wayne worked extensively on social policy in both central and line departments. He was Deputy Secretary (Social Policy) in the Department of the Prime Minister and Cabinet, where he also held branch head positions, and previously worked in the Department of Health and Community Services and the Department of Finance. Wayne has a Bachelor of Economics (Hons) degree from Monash University.

Wayne assists the Secretary in managing the department and has responsibility for family and children, economic and social participation, seniors, strategic policy, service delivery, budget and legal issues.

“A hallmark of FaCS is the lead our people continually provide in developing a shared policy and implementation agenda with others—other departments, other levels of government, local communities, service providers, and consumer and business representatives. We have also developed excellent working relations with a number of other countries in our region as part of our international capacity-building activities.”
Stephen Hunter joined FaCS as a deputy secretary on 1 July 2003. He has diverse public sector experience. For the five years before he came to FaCS he was a deputy secretary of the Department of the Environment and Heritage with responsibility for natural resource management. Prior to this he held senior positions in the Department of Transport and Regional Development and in various ACT Government departments. Stephen joined the Australian Public Service in 1983 following work in the mining industry, photo journalism and music. Stephen holds a BA (Hons) in political science and sociology from the Australian National University.

Stephen assists the Secretary in managing the department and has particular responsibility for community, housing, Indigenous, youth, people, ministerial support, communication, international and information technology issues.

“The sheer scope of what FaCS does is mirrored in the wide range of relationships it has with people and communities. Every day our people continue to prove they have the skills to meet this challenge, by managing very complex relationships ranging from those with state governments and organisations like Centrelink through to relationships with non-government organisations and small community groups.”
Departmental overview

FaCS Strategic Statement 2002–05

The FaCS Strategic Statement clearly sets out FaCS’ strategic directions and what the department has to do to achieve its three outcomes.

In essence, the statement underpins all of the department’s policy and planning approaches, management processes and performance reporting.

Our vision

FaCS is committed to achieving its vision of ‘a fair and cohesive Australian society’.

Our purpose—what we are here to do

FaCS takes the lead and works with others to help families, communities and individuals build their self-reliance and make choices through:

- economic and social participation
- prevention and early intervention
- a responsive and sustainable safety net.

Our three outcomes—the difference we will make

Whatever their role, everyone in FaCS works towards achieving three outcomes:

- Families are strong.
- Communities are strong.
- Individuals reach their potential.

FaCS Priorities Plan 2003–04

FaCS’ Priorities Plan is a working document, designed to help and guide everyone in FaCS with business and other planning. It provides a focus for each person in FaCS to think about their work and how it links with the Government’s objectives and what happens in the rest of the department.

The six priorities in the plan are:

- Investing in children and strengthening families
- Participation
- Implementation and service delivery
- Financial integrity
- People
- Knowledge.

These priorities do not account for all of the activities and important work of the department, but represent areas where FaCS decided to put in additional effort to meet emerging needs and contribute to government expectations.
What FaCS spends and where

Total expenses in 2003–04 were $67.7 billion—that is, around 8 per cent of Australia’s gross domestic product.

The majority of expenses are for more than 30 individual income support and family assistance payments. Total expenses on these payments were $61.4 billion in 2003–04. Figure 1 shows 2003–04 expenses on the seven largest payments and their share of total income support and family assistance payment expenses.

The remainder of expenses go to a wide range of other programs and operational expenditure. See Volume two for detail.

Delivering on family assistance

With the Government firmly focused on family and children’s issues over the past year, the 2004–05 Budget delivered the largest package of family assistance ever implemented. Overall, the More Help for Families package includes support for families with the costs of raising children, income tax measures and incentives to save for retirement.

For FaCS, the three key themes are assisting families to raise their children; improving rewards from working; and helping families to balance their work and family responsibilities.

This includes a one-off payment to families with dependent children of $600 a child;

‘Working on the More Help for Families package showed us how professional and dedicated FaCS staff are in achieving outcomes. It was fantastic to see how people from a range of areas in FaCS and colleagues in other agencies pulled together under great time pressures and were able to deliver a significant package of policy measures for Australian families.’

— Ian Wannan, Mike Gehrig, Allan Groth (Family Payments Branch); Suzan Djura, Janet Vidler (Legal Services Branch); Donna Phillips (Budget Development Branch)—some of the many FaCS National Office people involved in the process
relaxation of the income tests for both Family Tax Benefit (A) and Family Tax Benefit (B); an ongoing payment of $600 a child payable after tax returns are submitted each year; and a non-income tested Maternity Payment of $3000 (from 1 July 2004), increasing to $4000 from 1 July 2006 and then to $5000 from 1 July 2008.

As well, the Budget and announcements in December 2003 included 40,000 more outside school hours care places, 4000 additional family day care places, and an expansion of playgroup services.

An extra $16.3 million over four years was also provided for the Child Care Support Program (previously known as the Child Care Support Broadband). The funding is to establish services in high-need rural, regional and Indigenous communities and to support the inclusion of children with additional needs into quality child care.

On 2 June 2004 Minister Anthony announced additional Child Care Support Program initiatives. These brought the level of funding for 2004–05 to $226 million—that is, an increase of $25 million over last year’s funding.

Supporting people with disabilities and their carers

In recognition of the important work of individuals who care for people with disabilities, the 2004–05 Budget included a $461 million package that includes help for carers to stay connected with the community; better access to respite care for older parents who are caring for their son or daughter with a disability; and more support for young carers.

From 1 September 2004 eligibility for Carer Allowance will be extended to more than 13,000 carers who do not live with the people for whom they care.

As well, a range of programs will be piloted to support carers, and an advisory body will be established to work with state and territory governments to develop better transitional planning for ageing carers of children with disabilities.

The Budget also reaffirmed the April 2004 ‘Security, Quality Services and Choice for People with Disabilities’ announcement of $99 million over four years to support a viable and sustainable disability employment sector.

The funding will assist disability business services to improve their viability and to meet the costs of award-based wages. It comes with a guarantee that no person with a disability will lose access to a service because of the...
reforms to business services—for example, the introduction of case-based funding and quality assurance standards.

Developing an early childhood agenda

During the year FaCS continued to work with Minister Anthony on developing the National Agenda for Early Childhood.

Extensive nationwide consultations—with state and territory government officials, local government, experts in early childhood, community organisations, professionals working with children, Indigenous representatives, and parents—were completed.

FaCS staff also discussed the agenda with their state and territory government counterparts, and the agenda was raised at ministerial council meetings that deal with childhood-related issues. In the coming year more formal discussions will take place.

In October 2003 the report on those consultations, *Towards a National Agenda for Early Childhood—What You Told Us*, was released. The report outlined feedback from the national agenda consultations, which reflected significant and bipartisan support for an early childhood agenda.

All stakeholders agreed with the aim to better support parents and to focus on young children’s needs, recognising the importance of the early years of a child’s life.

As well, people agreed that clearer statements concerning the roles and responsibilities of all levels of government and the community sector, and better integration of services for families and children, were needed.

In the coming year the agenda will move forward in the four priority areas:

- healthy young families
- early learning and care
- supporting families and parents
- child-friendly communities.

In February 2004 the first data collection wave of the Growing Up in Australia longitudinal study began. The Australian Institute of Family Studies—part of the FaCS portfolio—is conducting the study with a consortium of leading researchers from universities and research institutions around Australia.

This study, along with a longitudinal study of Indigenous children, will gather Australia-wide data on numerous aspects of a child’s life, including their experiences within their families and communities and at child care, their health, and in their early years of education. Establishing a solid evidence base will help ensure that future family and children’s policies are targeted, effective and practical.

> *Working on the National Agenda for Early Childhood has been challenging, yet exciting and rewarding. It’s been fun to work on something we know to be important—for us personally, for FaCS, and for this country’s future. We’ve had great support from all kinds of people and groups and, encouragingly, from Finance and Treasury. Bringing together interesting combinations of ideas across departments, sectors and governments, we had the chance to think creatively and ambitiously about ways to improve the lives of children and their families.*

— Kim Nguyen and Jean Gifford (Family and Children’s Policy Branch, National Office)
Strengthening families and communities

Drawing heavily on the evidence collected in developing the National Agenda for Early Childhood, the Budget included a major extension to the successful Stronger Families and Communities Strategy. At a cost of $356.8 million over the next four years, the ‘new-look’ strategy builds on the considerable investment in early childhood development and parenting made since 2000.

Over the past four years, the strategy allocated more than $220 million to almost 700 projects to strengthen families and communities across the country.

Designed once again around the twin concepts of the social coalition and early intervention, the strategy will focus on early childhood by funding four major ‘streams’:

- more than $70.5 million for ‘Early Childhood—Invest to Grow’—to support existing, successful early childhood programs and to develop resources for parents, professionals, governments, and community organisations that influence childhood development
- $60 million for ‘Local Answers’—to give communities the power to develop their own solutions and help them help themselves by supporting locally based projects
- $125.3 million for ‘Choice and Flexibility in Child Care’—to continue in-home child care, extend incentives for providers to set up services in areas of high need, and help implement quality assurance systems for family day care and outside school hours care
- $110 million for ‘Communities for Children’—to target up to 35 disadvantaged communities to undertake early childhood initiatives.

As a new model of service delivery, ‘Communities for Children’ represents a new way of FaCS doing business with community organisations.

With funding of between $1 million and $4 million going to each disadvantaged community, selected non-government organisations like Mission Australia, Anglicare and the YWCA will act as ‘facilitating partners’ to manage and implement the program in nominated sites.

The facilitating partner will bring the community together to talk about local issues that affect young children and jointly develop a community action plan. Based on the community’s priorities, the facilitating partner—not the department—will distribute the funding to existing and new services.

Without doubt several Stronger Families and Communities Strategy projects have made significant and positive differences to some of the most disadvantaged communities in Tasmania. And because it’s about governments working with local people, and decisions being based on what communities themselves want, the department is now starting to be seen as a ‘partner’ and not just a bureaucracy.

— John Hargrave (Tasmanian Office)
Broadening our horizons

In Australia ...

In its ‘Statement of Commitment to Aboriginal and Torres Strait Islander People’, FaCS recognises that ‘Indigenous business is everybody’s business’, and the department strives to integrate this thinking into everything it does.

The mainstreaming of ATSIC and ATSIS functions announced by the Prime Minister in April 2004 is set to reinforce this commitment and expand the department’s responsibilities in delivering Indigenous services. In this the department will be assisted by more than 200 staff transferred to FaCS to handle these functions.

To take effect on 1 July 2004, the functions transferring to the FaCS portfolio from ATSIC and ATSIS are the Community Housing and Infrastructure Program (CHIP) and family violence (jointly with the Attorney-General’s Department). The ministers for Family and Community Services and Finance and Administration will also have oversight of Aboriginal Hostels Limited.

Following the announcement of the changes, the department set up a high-level steering committee to ensure smooth transitions in service delivery and to extend a warm welcome to the new staff. The FaCS state and territory office network played a key role in making the transfer of functions and staff seamless and successful.

FaCS will broaden its horizons with around 160 of the new staff regionally based in the planned network of Indigenous Coordination Centres. Including officers working directly to several major departments, the centres will help to implement a whole-of-government approach to delivering Indigenous services and programs.

The centres will work with local communities to ensure that services are delivered in ‘joined up’ and customised ways and to negotiate regional and local agreements for effective partnerships and shared responsibilities.

This approach of shared responsibility is starting to work well, with eight Indigenous Community Coordination Pilot projects already endorsed by the Council of Australian Governments.

As the lead Australian Government agency at the Wadeye pilot in the Thamarrurr region in the Northern Territory, FaCS is already learning some practical lessons about the shared responsibility model in working closely with other government agencies and communities. At Wadeye this involves federal and state government agencies, the Thamarrurr Regional Council and the people of Wadeye themselves.

The ‘Shared Responsibility Agreement’ for Wadeye sets out the priority areas for action—youth, housing and construction, and women and families. Progress includes plans to build more houses and have local people involved in their design, construction and maintenance; a strategy to provide local jobs for local people; and an economic education project for the whole region.

As a relatively new phenomenon in the way FaCS does business with Indigenous communities, the Wadeye pilot involves genuine and working partnerships and, although it is early days, the lessons learned could contribute to the way the

‘It really came home to me what this approach and relationship with the Wadeye people meant when one of the community leaders said recently, “This work is about us helping governments to change their attitude in how they work with us”. That says it all to me.’

— Agnese Rinaldi (Indigenous Policy and North Australia Office)
department works with Indigenous communities in the years to come.

**And internationally ...**

The year saw two new bilateral international social security agreements signed with Croatia and Chile, bringing to 16 the number of social security agreements in place between Australia and other countries. Generally the agreements allow Australian residents to maximise their income by helping them to claim payments from other countries where they have spent part of their working life.

Internationally recognised as a leader in social policy development and service delivery systems, FaCS continued to share its expertise with and learn from other nations.

In October 2003, the department hosted the Six Countries Meeting on Social Security, held at Uluru in the Northern Territory. Bringing together senior officials of national social security agencies from Australia, Britain, Canada, Ireland, New Zealand and the United States, the meeting provided an opportunity to exchange information on issues such as assisting people with disabilities to enter or return to the workforce, making a difference to customers in service delivery and responding to Indigenous policy challenges.

In April 2004, Minister Patterson opened the Australia–Vietnam Sectoral Conference on Retirement Incomes in Hanoi. Along with officials from various government agencies, the Australian delegation included business sector representatives interested in retirement incomes, funds management and prudential regulation. Topics covered at the conference included reforms to the Australian and Vietnamese social security systems; the structure, management and regulation of social security and pension funds; and fraud control and compliance.

Apart from sharing information and cementing networks between the two countries, it is likely that commercial opportunities will flow to Australia, especially in the areas of prudential regulation and actuarial sciences.

In April Minister Patterson also co-hosted, with Vietnam’s Minister Le Thi Thu of the Vietnam Commission for Population, Family and Children, the East Asia Ministerial Forum on Families in Hanoi. Bringing together ministers responsible for family policy from ASEAN countries, China and Australia, the forum issued a ‘Hanoi Statement for Regional Cooperation on the Family’. The statement represents a regional commitment raising the profile of family policy and recognising its important contribution to social progress and stability in the region. It also provides a framework for cooperation over the medium- to long-term on research, policies and programs relating to families.

> I think the strong relationship between FaCS and Vietnam Social Security reached a new benchmark at the conference in Hanoi, especially with the discussions involving high-level officials and business people from both countries meeting face-to-face, many for the first time. Although our countries are different, we do have common challenges in the area of retirement incomes—that’s how best to structure and manage our pension and retirement schemes into the future.

— Alex Dolan (Seniors and Means Test Branch, National Office)
Valuing our people and implementing change

During the year, FaCS continued its commitment to valuing and developing its people, with new approaches to the graduate program, workforce and succession planning, change management, and the introduction of a staff recognition scheme.

In November 2003 the Secretary launched the department’s Compass program, which broadens graduate recruitment activities to include current staff as well as people without qualifications or experience who want to work at FaCS. Compass participants undertake an 18-month program of on- and off-the-job learning and development, networking and, for some, the chance to gain nationally recognised qualifications. Starting in February, this year’s Compass intake includes 16 university graduates, seven trainees and five FaCS staff.

The FaCS People Recognition Strategy was introduced in March 2004 to foster a culture of appreciation for the achievements of the people who work in FaCS. Encompassing arrangements for Australia Day medals and NAIDOC Week awards, the strategy also includes a new Recognise and Appreciate People Scheme (RAPS). Designed to say ‘thank you for a job well done’, RAPS acknowledges people’s outstanding contributions all year round, at the workplace level, and nationally by the Secretary.

Following the announcement of a FaCS restructure, the department took a consultative approach to managing change by setting up several cross-branch working groups to support implementation. By bringing in the ‘right people at the right time’ and using the FaCS project management framework, the focus was on communication and consultation throughout our department. By 1 July 2004 the department was well placed to implement the restructure at the broader level, and managers and staff continued to get strong support for the changes needed at the workplace level.

In the area of workforce planning, FaCS continued to implement its strategies to build the department’s capacity to meet its future workforce needs. Stemming from this, in 2003–04 the department took the first steps in succession management planning. Endorsed by the Secretary in February 2004, the department’s approach is to create a succession pool of staff with the capacity and knowledge to take on critical functions if the need arises.

‘Being in the Compass program is a wonderful introduction to the department. It’s a great way to find out about the work FaCS does. Because I’ll have four rotations over 18 months, I’ll get to work in a cross-section of areas. On top of the learning and development opportunities and the excellent support network, people are going ‘above and beyond’ to help me make a positive start to my new career.’

— Elizabeth Hardy (Compass participant, National Office)
At 30 June 2004, the Family and Community Services portfolio consisted of FaCS (incorporating the Child Support Agency), Centrelink and the Australian Institute of Family Studies (Figure 2). The resources needed to support the operations of the Social Security Appeals Tribunal are also provided through FaCS.
Department of Family and Community Services

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

- putting in place the Government's social support policies for families, working-age people and those who are retired
- managing the delivery of a wide range of support services through thousands of provider organisations located across Australia.

The Child Support Agency (CSA), which is part of FaCS, promotes parental responsibility for the costs of raising children and provides services to help parents pay child support.

Social Security Appeals Tribunal

The Social Security Appeals Tribunal (SSAT) is a statutory body created by the Social Security (Administration) Act 1999 to conduct merits review of administrative decisions made under a number of enactments, in particular the social security law and family assistance law.

The SSAT aims to provide a mechanism of review that is fair, just, economical, informal and quick.

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

In line with its reporting obligations under section 25 of Part 3 of Schedule 3 to the Social Security (Administration) Act, the Executive Director of the tribunal submits an annual report to the Minister for Family and Community Services, to be laid before each House of Parliament.

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 submit an annual report to the Parliament.
Organisational structure

Figure 3 shows FaCS’ structure at 30 June 2004, the responsibilities of FaCS senior executives, and the relationship between FaCS’ structure and the outcome and output structure.

FaCS’ 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 the policy and management of the delivery of the 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 was the main service delivery arm of FaCS in 2003–04. The remainder of the service delivery output is provided by Centrelink or other external organisations. CRS Australia continues to provide rehabilitation services for FaCS.
Figure 3  | Organisational structure at 30 June 2004

Outcome 1  
Families are strong  
Executive Director  
Families and Children  
David Kalisch

Family assistance  
Output Group 1.1
Family Payments  
Lynne Curran
Family and Children’s Policy  
David Hazelhurst
Family Relationships Services and Child Support Policy  
Tony Carmichael
Early Childhood and Communities  
Evan Lewis

Outcome 2  
Communities are strong  
Executive Director  
Community Development and Support  
Glenys Beauchamp

Child support  
Output Group 1.2
Child Care Benefits  
Lee Emerson
Child Care Services  
Andrew Herscovitch
Housing support  
Output Group 2.1
Housing Support  
Liza Carroll

Labour market assistance  
Output Group 3.1
Labour Market and Parenting Payments  
Pete Searle
Indigenous Policy  
Bronwyn Nimmo
Evan Mann

Client Relations and Quality Outcomes  
Cheryl Stevenson (Acting)
Corporate Governance (Operations)  
Neil Peach
Corporate Governance (Logistics)  
Mark Nixon
Information Systems and Support  
Nic van den Berg

Business Strategy  
Trevor Sutton

Policy Advice  
$90.8 Million
Research and Evaluation  
$52.6 Million
Purchasing, Funding and Relationship Management  
$98.4 Million
Service Delivery  
FaCS (including CSA)  
$257.1 Million
Centrelink  
$1,950.7 Million
Other  
$30.6 Million

Note  
Colour bars represent lines of management

22
Output definition: Goods and services produced by agencies on behalf of government for external organisations/individuals.

Outcome definition: Results or impacts that the Government wishes to achieve.

Secretary: Mark Sullivan
Deputy Secretary: Wayne Jackson
Deputy Secretary: Stephen Hunter
Chief Internal Auditor: Phil Lindenmayer (reports directly to the Secretary)

Outcome 3
Individuals reach their potential
Executive Director
Economic and Social Participation
Peta Winzar

Support for people with disabilities
Output Group 3.2
Office of Disability
Roger Barson
Disability Service Reforms
Frances Davies
National Disability Services
Glen Halloran

Support for carers
Output Group 3.3
Office of Disability
Roger Barson

Support for the aged
Output Group 3.4
Seniors and Means Test
Alex Dolan

Welfare Reform
Executive Director
Serena Wilson

Strategic and Policy Support
Executive Director
Robert Knapp

Alliance and Delivery Frameworks
Executive Director
Cate McKenzie

People, Business Improvement and Support
Executive Director
Virginia Mudie

Business Support
Chief Financial Officer
Tim Youngbery

Minister-counsellor—Social Policy (Australian Delegation to the OECD)
Robyn Mckay

Note: The formal FaCS restructure that took effect on 1 July 2004 is outlined in the ‘Departmental overview’.
Financial performance overview

FaCS’ financial statements, both departmental and administered, are in Volume two of this report. Each of the outcome summaries in Volume two contains a resource summary of our price for outputs and administered programs.

Changes in administrative arrangements

There were no changes in FaCS’ administrative arrangements during the financial year. However, an Administrative Arrangements Order signed 24 June 2004 and effective from 1 July 2004 effectively transfers the administration of Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Services (ATSIS) appropriations and programs to mainstream government departments, including FaCS. The financial effect of this transfer will be known following completion of a section 32 determination by the Finance Minister under the Financial Management and Accountability Act 1997.

Operating results

Departmental

FaCS generated an operating surplus of $0.065 million in 2003–04 (in 2002–03 there was an operating deficit of $21.7 million). Figure 4 gives a comparison of departmental revenue and expenses from financial years 2000–01 to 2003–04.

Operating revenue

Total operating revenue was $2483.3 million (compared with $2381.1 million in 2002–03). Operating revenue consists of:

- government appropriations of $2480.6 million
- sale of goods and services revenue of $1.5 million
- interest revenue of $0.014 million
- other revenue of $1.1 million.

In comparison with 2002–03, government appropriations increased for delivery of income support services, while other revenue (including sale of assets) remained steady. Sale of goods and services revenue increased due to funding received for the Indigenous Flexible Funding Pool, and interest decreased substantially due to changes in banking arrangements for government departments from 1 July 2003.

Operating expenses

Total operating expenses were $2482.9 million ($2402.7 million in 2002–03). Operating expenses consist of:

- employee expenses of $299.3 million
- supplier expenses of $198.6 million
- payments to other government agencies for service delivery of $1968.1 million
- other expenses (including depreciation) of $17.0 million.

Operating expenses increased by 3 per cent over last financial year’s. This was attributable to pay increases within the department, an increase in payments to Centrelink for delivery of income support services, and an increase in depreciation.
due to revaluation of assets during the financial year. These increases were offset by a reduction in write-down of assets in 2003–04.

Administered

FaCS administered programs of $65.2 billion in 2003–04 on behalf of the Government (in 2002–03 this figure was $57.7 billion). Table 1 contains a comparison of the breakdown of actual administered expenses in 2002–03 and the preceding financial year. Personal benefits increased in 2003–04 due to new Budget measures on family payments announced in the federal Budget in May 2004. Personal benefits also included large increases in the Age Pension, Disability Support Pension and Carer Payment categories. Write-down of assets in 2002–03 included an abnormally high personal benefit debt write-off. In 2003–04, write-down of assets returned to a typical level. Increases in other expenses related primarily to payments to rehabilitation providers of approximately $119 million.

Figure 4  Departmental revenue and expenses, 2000–01 to 2003–04

Table 1  Actual administered expenses, 2002–03 and 2003–04

<table>
<thead>
<tr>
<th></th>
<th>2002–03 actual expenses</th>
<th>2003–04 actual expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Subsidies</td>
<td>11 705</td>
<td>13 081</td>
</tr>
<tr>
<td>Personal benefits</td>
<td>53 829 993</td>
<td>61 517 177</td>
</tr>
<tr>
<td>Grants</td>
<td>2 525 248</td>
<td>2 544 872</td>
</tr>
<tr>
<td>Suppliers</td>
<td>50 819</td>
<td>53 017</td>
</tr>
<tr>
<td>Write-down of assets</td>
<td>430 998</td>
<td>127 951</td>
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<tr>
<td>Interest</td>
<td>47 958</td>
<td>42 857</td>
</tr>
<tr>
<td>Other</td>
<td>753 795</td>
<td>893 546</td>
</tr>
<tr>
<td>Total administered expenses</td>
<td>57 650 516</td>
<td>65 192 501</td>
</tr>
</tbody>
</table>
Balance sheet

Departmental

Net asset position
The department’s net asset position as at 30 June 2004 was $19.2 million (up from $10.7 million in 2003). This increase was due to:
- an increase in the Asset Revaluation Reserve resulting from the revaluation of FaCS’ leasehold improvements
- an equity injection of $0.9 million for capital acquisitions relating to recommendations under the Budget Estimates and Framework Review.

Total assets
Total assets as at 30 June 2004 were $145.5 million (down from $161.6 million in 2003). Receivables were the primary driver for this reduction, decreasing by $15.6 million. All categories of departmental receivables decreased, with the majority of the decrease relating to receivables from Centrelink for adjustments under the Regional Funding Model and from the Official Public Account.

Cash balances remained steady at an agreed working capital level.

The value of land and buildings increased by approximately $6.8 million. This was due to a revaluation of FaCS’ leasehold improvements during the financial year.

Other non-financial assets, including prepayments to Centrelink, were substantially lower at 30 June 2004 compared with the previous year. The Centrelink prepayment recognises that at financial year-end, approximately $4.7 million had been paid to Centrelink, for which the services remained undelivered. These services are expected to be delivered during 2004–05.

Total liabilities
Total liabilities as at 30 June 2004 were $126.3 million (down from $150.9 million in 2003). All liabilities remained constant during the financial year, with the exception of other payables and other provisions.

Other provisions of $3.1 million relating to ‘make good’ requirements under lease contracts were recognised.
Other payables reduced by $27.5 million. This was due to the recognition of appropriation payable to Finance in 2002–03 (nil in 2003–04).

**Administered**

Total administered assets were $2468.8 million (up from $2278.8 million in 2002–03; see Figure 7). This increase related to an increase in the receivable for personal benefits.

Total administered liabilities increased by $2402 million to $4803.7 million (up from $2401.7 million in 2002–03). This increase was due to new Budget measures on family payments announced in the federal Budget in May 2004. Loans under the Student Financial Supplement Scheme decreased by approximately $160 million due to the cessation of the scheme from 1 January 2004, with no new loans offered after that date.
Child Support Agency—General Manager’s review

The Child Support Agency’s (CSA) job is to help separated parents take responsibility for the financial support of their children. CSA has a dedicated team of over 2500 people who work with 1.3 million separated parents to help about 1.1 million children.

Our strategic intent is to maximise parental self-reliance and independence to achieve the best outcomes for children. Our success in realising our intent is evident, with more than half of registered separated parents now paying child support privately, and more than $2.1 billion being transferred between parents in 2003–04. Since CSA was formed, more than 95 per cent of all assessed child support has been transferred for the benefit of children.

CSA operates as a semi-autonomous business unit within FaCS. We collaborate closely with a range of areas within FaCS, while differing from other core areas in that we provide direct services for parents, employers and the community. CSA is accountable to the Secretary of FaCS, the Parliamentary Secretary to the Minister for Family and Community Services, and the Minister for Children and Youth Affairs. As General Manager I am a member of the FaCS Executive Board.

Each year provides its challenges for CSA in managing the community’s Child Support Scheme. The year 2003–04 was no exception. CSA’s Business Plan provides our comprehensive change agenda but it is worthwhile to comment on our key focus areas for the year:

- working closely with other areas of FaCS to provide evidence-based submissions to and appear before the House of Representatives Standing Committee on Family and Community Affairs’ inquiry into child custody arrangements
- making connections across the community and across government to support parents through the difficulties at separation
- improving our service to parents so they fully understand all the options available to them in meeting their child support obligations and are supported to act on them.

I am delighted with the progress we have made this year in each of our key focus areas.
Stemming debt and collecting more dollars for children at home and abroad

Gross maintenance debt grew by only $3.5 million in 2003–04 compared with an increase of $85.4 million in 2002–03. This resulted from an overall decrease in debt of $13 million associated with Australian cases and an increase in debt of $16.5 million in international cases.

This is a significant achievement, reflecting the increased efforts of all of CSA’s people, and particularly the targeting of outstanding debt provided through the Intensive Debt Collection (IDC) Budget Initiative. The latter has resulted in contact with 15,100 parents and the collection of an additional $19.3 million in child support payments for children as at 30 June 2004. The late payment penalty incentive offer has been highly successful, with 27 per cent of parents targeted agreeing to accept the offer and pay their child support debt.

CSA has also strengthened its working relationship with the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) in order to better facilitate the transfer of monies from our international customers. Hand in hand with this process has been the significant increase of international cases with very high debts, in particular from New Zealand. Unfortunately this growth has contributed considerably to offsetting the significant gains made over the last financial year in reducing domestic debt. CSA is currently in discussions with New Zealand Inland Revenue/Child Support on how best to deal with this issue. Some of the joint approaches include more effective scrutiny before transfers start and joint case management. Early results from these endeavours look promising.

Supporting Parliament

As part of FaCS, CSA provided information and suggested improvements relating to the Child Support Scheme to the House of Representatives Standing Committee on Family and Community Affairs throughout its Inquiry into Child Custody Arrangements in the Event of Family Separation. Since the committee’s report was released in December 2003, CSA has participated in a FaCS working group analysing and responding to the short- and long-term recommendations of the inquiry. This will continue to be one of our priorities, and some advances, such as improved communications with parents, have already been made.

Making connections across the community and across government

In May 2004 we launched an exciting new workplace program called ‘Staying Connected’, which was developed in consultation with a NSW-based community organisation, Interrelate.

This program addresses the needs of separated parents (in particular, men) by providing them with practical tips and hints on how to stay connected with their children post-separation. It deals with:

- the importance of taking care of their own physical and emotional wellbeing
- how to develop a businesslike relationship with the other parent
- how to maintain positive relationships with their children post-separation.

The program has been enthusiastically piloted by the Australian Defence Force and Australia Post. Since the launch in Kalgoorlie, local mining...
industry groups have undertaken to implement this program. The successful pilots and positive response from the private sector are a sound endorsement of the ‘Staying Connected’ program that recognise its positive contribution to the organisations’ corporate bottom line as well as to the emotional and physical wellbeing of their workers.

Another successful pilot, implemented in May 2003 by CSA, is the Direct Telephone Support Service (DTSS), providing newly separated parents with referrals to appropriate counselling, legal, financial and other support services in the community. The referral service is designed to have a positive effect on supporting the physical and emotional wellbeing of separated parents. In the 2003–04 period, approximately 3323 parents were referred.

Some other initiatives that have been developed in response to research into the factors that contribute to voluntary payment of child support are:

- The Newly Separated Unemployed Parents initiative (NSUP). This program aims to help increase the earning capacity and parenting skills of some 31 500 unemployed non-resident parents over a four-year-period. Initial consultation with a range of community, government and job network providers has been completed. Information resources and a dedicated telephone counselling service have been made available to these parents as a part of the first phase of this initiative.

- The ‘Me and My’ series of self-help booklets is designed to address the financial and emotional needs of our parents, with a strong focus on children. This range has been expanded to include a revamped money management booklet, *Me and My Money*, and *What about Me?*, which deals with individual wellbeing post-separation. There are also plans to introduce two new booklets in 2004–05, which will address building a businesslike relationship with the other parent and managing issues related to re-partnering.
CSA’s continuing focus to improve services to parents and the community

In addition to receiving feedback from parents and other direct sources, CSA this year embraced comments by the report on the Inquiry into Child Custody Arrangements in the Event of Family Separation—Every Picture Tells a Story. We have reviewed our communication with parents and will soon be launching revised products for newly separated parents. We have enthusiastically embraced the opportunity to enhance communication with Members of Parliament. We will continue our efforts next year.

Our annual Professionalism Survey was conducted with excellent results. This survey measures and tracks parents’ perceptions of the professionalism of CSA staff, a key corporate outcome in CSA’s Agency Agreement. This year I am pleased to report that we recorded significant improvements in all four components of our Professionalism Index, with the highest overall client satisfaction score since 1998.

CSA is also looking at innovative ways to evaluate our service standards with the introduction of a new national client satisfaction survey. An interactive voice recording system allows parents to confidentially provide feedback on how to improve our services. This client satisfaction measure is also aligned with our new Client Charter, which outlines our commitment to client service.

Into the future

CSA has plans for another busy year in 2004–05. We are continuing to focus on collecting outstanding child support and developing connections across the community and across government to provide holistic solutions for separated parents aimed at reducing conflict and focusing on the needs of children. We are developing infrastructure that supports future e-business solutions to enhance service options for parents.

CSA will ensure that any changes in legislation or recommendations that may result from the Government’s response to the parliamentary inquiry into child custody arrangements are implemented effectively.

In short, the CSA will continue to build on the strong foundations already established, promote the principles of parental self-reliance and adapt to the changing needs of the Australian community. We will continue to strive to be a world leader in child support and work tirelessly towards our vision that all Australian parents meet their child support responsibilities.
About Catherine Argall

Catherine Argall, PSM, is General Manager of the CSA within the Australian Government Department of Family and Community Services. Since joining CSA in 1996, Catherine has built a leadership team and business development framework that are driving the transformation of what was once described as the most complained about agency in government.

Catherine was awarded the Public Service Medal in 1995 for outstanding service to public sector management as General Manager, Australian Property Group, and was further recognised last year as a recipient of the Centenary Medal. Over a career of 30 years Catherine has served the Australian Government in positions spanning other departments including Finance, Veterans’ Affairs and Administrative Services.

“It is really satisfying to work in such a difficult and complex area of government administration with people who are not only highly skilled but also dedicated in making a difference to the lives of parents and children and building stronger families and community.”
Part 2 | Achievements and challenges—
performance insights
Building the evidence base

Key points

▶ Data collection for the Growing Up in Australia: Longitudinal Study of Australian Children (LSAC) commenced.
▶ Data from the second wave of the Household, Income and Labour Dynamics in Australia (HILDA) survey were released to more than 200 researchers and analysts.
▶ Significant contributions were made to parliamentary committee inquiries on child custody arrangements and participation in paid work.

Social policy research

Understanding the social trends making an impact on Australian society, and finding evidence of the policies that work and why, are critical to FaCS’ policy advising and implementation. Social policy research supports the creation of this knowledge.

Research findings have deepened our understanding of key social policy issues and enriched our contribution to social policy debates. Key research outcomes in 2003–04 are outlined below.

Milestones in the development of our longitudinal initiatives

▶ In March 2004, data collection from 10 000 families of babies and four-year-olds across Australia commenced as part of the first wave of the Longitudinal Study of Australian Children (LSAC).
▶ In January 2004, the second wave of data from the Household, Income and Labour Dynamics in Australia (HILDA) survey was released, including new data on the wealth of Australian households and changes in household income over the twelve months between late 2001 and late 2002. The first wave of HILDA data was collected in the second half of 2001. The same people were interviewed again for the second wave of HILDA in late 2002.
▶ The Longitudinal Study of Indigenous Children (LSIC) is being developed, including formation of a steering committee chaired by Professor Mick Dodson. Consultations with Aboriginal and Torres Strait Islander people and communities on the design and content of the study began across Australia.
▶ A longitudinal administrative data set on workforce-age customers was created, with income support and jobseeker data, as part of the collaborative jobseeker data project jointly undertaken by FaCS and the Department of Employment and Workplace Relations (DEWR).
▶ The complete three-year data set from our General Customer Survey (GCS) for respondents first interviewed in 2001
was released. The GCS is a longitudinal survey that has collected a broad range of information from three cohorts of respondents (those first interviewed in 2000, 2001 and 2002) constituting a representative sample of FaCS customers.

**Early findings from FaCS’ investments in data**

- Early longitudinal data analysis from HILDA showed that:
  - around 70 per cent of people employed at some time in the 12 months between late 2001 and late 2002 were continuously employed with the same employer, while about one-quarter ceased at least one job during this period
  - around 60 per cent of people in the lowest 10 per cent of the income scale (after-tax incomes) in 2001 moved above the lowest decile in 2002, while around 50 per cent of individuals in the highest 10 per cent of the income scale in 2001 moved below the highest decile in 2002
  - the median level of household net worth in Australia is around $186,500 (comprising about $203,000 of assets minus about $17,000 of debts, including mortgages)
  - the wealthiest 10 per cent of households own almost 45 per cent of total household wealth
  - middle-aged working households hold more wealth than do younger households or retired households because they have had the opportunity to save for many years, have not yet retired and have not yet drawn down on their savings
  - HILDA is informing FaCS’ understanding of wealth and debt in the community and people’s attitudes to wellbeing and participation.

- Early data from the LSAC pilot test that questioned 500 families in Victoria, New South Wales and Queensland highlighted the diversity of information that will be provided by the study, including:
  - around 96 per cent of parents rated their child’s health as being ‘good’, ‘very good’ or ‘excellent’
  - around 96 per cent of four-year-olds are read to by someone in their family at least once a week, with 59 per cent reporting that this happened daily
  - around 89 per cent of parents of four-year-olds who have educational or child care arrangements for their child reported satisfaction with these arrangements
  - around 59 per cent of four-year-olds spend time with their grandparents weekly or more frequently.

The LSAC database is expected to become a major element of the evidence base for policy and practice regarding children and their families and will help inform the National Agenda for Early Childhood.

- The FaCS Longitudinal Data Set (LDS) contains fortnightly data on FaCS income support and non-income support customers extracted from Centrelink operational databases. A study on part-time work using data from the LDS found that people who had earnings while they were on income support were more likely to move off income support altogether and less likely to return to income support once they had left the system.
Sharing of research and data

- As at June 2004, over 200 researchers and analysts were licensed to use the first and second waves of HILDA survey data.
- More than 40 research papers have been produced by Australian and international academics using HILDA data.
- The Australian Conference of Economists in late 2003 devoted a session to research papers drawing on HILDA data.
- The Globalisation, Families and Work conference, organised by Families Australia and held in early 2004, included a number of papers on work and family issues using HILDA data.

Research collaborations

- FaCS currently has four-year Social Policy Research Services (SPRS) agreements with three university research institutions to provide ongoing, independent and high-quality social policy research. The institutions are the Social Policy Evaluation, Analysis and Research (SPEAR) Centre at the Australian National University, the Social Policy Research Centre (SPRC) at the University of New South Wales, and the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne. In late 2003, FaCS commenced a tender process for the 2005–09 SPRS funding round.
- FaCS is an industry partner with the Australian Institute of Family Studies (AIFS) and SPEAR in an Australian Research Council (ARC) Linkage Grant project investigating the dynamics of low incomes, welfare reliance and changes in the family structure of parents with dependent children.
- FaCS is a major industry partner with SPEAR, Centrelink, the University of Melbourne and the University of Wisconsin in a five-year ARC Linkage Grant research initiative, which is expected to shed new light on the causes and patterns of intergenerational welfare dependence in the Australian community.
- FaCS has continued its partnership with state and territory governments on youth-specific research through its contribution to, and active participation in, the National Youth Affairs Research Scheme, which has been in operation for almost twenty years. In 2003–04, four projects were in train and three new studies were commissioned.

Evaluation work

- The evaluation of the Australians Working Together (AWT) package, which is currently under way, will broadly assess the impact of AWT on the main target groups—mature-age, parents, people with disabilities and Indigenous customers. The evaluation will also assess the effectiveness of specific measures introduced as part of the AWT package and aims to provide evidence for further policy development as part of the welfare reform process.
- The evaluation of the case-based funding trial has been used to develop a package of measures to improve employment services for people with disabilities.

Building on previous work

Research being produced by SPEAR is using the first and second waves of HILDA to assess the impact of social participation on economic activities and personal outcomes for recipients of income support. This work is building on the analysis and results of similar research using data from the Welfare Reform Pilots.
Contributions to parliamentary committees and inquiries

The department has continued to make significant contributions to parliamentary committees through the committee inquiry process. A number of inquiries into aspects of Australia’s social policy were undertaken during 2003–04 and FaCS was pleased to be able to participate in this process. As the key Australian Government agency responsible for shaping social policies, FaCS is able to draw on a large body of expertise in providing assistance and information to parliamentary committees.

In 2002–03, FaCS contributed to a number of committee inquiries, including:

- the House of Representatives Standing Committee on Ageing Inquiry into Long Term Strategies to Address the Ageing of the Australian Population over the Next 40 Years
- the Senate Standing Committee on Community Affairs Inquiry into Poverty and Financial Hardship
- the Joint Committee on Corporations and Financial Services Inquiry into the Level of Banking and Financial Services in Rural, Regional and Remote Areas of Australia.

Furthermore, we were commended for our input into the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Inquiry into Capacity Building in Indigenous Communities.

This year’s work has focused on submissions to the following committee inquiries:

- House of Representatives Standing Committee on Family and Community Affairs Inquiry into Child Custody Arrangements in the Event of Family Separation
- FaCS contributed a number of detailed and extensive submissions to this inquiry, and appeared before the committee to give further evidence on a number of occasions. FaCS’ submissions focused on providing the committee with an understanding of the complexity and dynamic nature of contemporary Australian families; the range of family relationships services available to families and children with relationship difficulties; and information about policy issues and administration of the Child Support Scheme.

- House of Representatives Standing Committee on Employment and Workplace Relations Inquiry into Employment: Increasing Participation in Paid Work
- FaCS is strongly committed to increasing participation in paid work because of the positive impact that employment has on the wellbeing of individuals and families. Not only does paid work contribute to family and retirement income and help protect against financial hardship, but children generally have better outcomes if their parents work. The FaCS submission described some key social and labour market trends, which show that there is considerable scope for increasing the participation levels of people on income support. It then discussed the role FaCS plays in supporting participation across the life cycle through programs aimed at building capacity at the individual, family and community level. Finally, the submission surveyed evidence that shows that the most effective way to increase participation is by effectively balancing appropriate assistance, incentives and requirements.

FaCS contributed to other inquiries during 2003–04. Further detail is in Volume two, Part two, ‘Ministerial and parliamentary services’.
Partnerships

Key points

- The National Community Business Partnerships Brokerage Service was launched to help promote partnerships between, and offer practical resources to, businesses and community groups.
- The Prime Minister’s Community Business Partnership, supported by FaCS, continues to encourage fruitful collaboration between the community sector, the business sector and government.
- The Prime Minister’s Awards for Excellence in Community Business Partnerships, held annually since 1999, recognise the joint contributions of business and community to projects addressing community concerns.

While there is no single model or design for strengthening communities, the enduring approaches appear to be those tailored to local circumstances. Partnerships between communities, government, business and non-government organisations can be effective in developing local solutions, and in creating lasting benefit for local communities.

Business, for example, has long recognised the benefits of linking its reputation to what it is doing environmentally and socially. Community organisations find that partnerships with governments and business are helping to develop stronger and more dynamic approaches to meeting the needs of their community.

National Community Business Partnerships Brokerage Service

Launched in December 2003 by the Prime Minister, the National Community Business Partnerships Brokerage Service is an initiative of the Prime Minister’s Community Business Partnership. It targets community groups and businesses that want to connect, make a difference in their community and find out more about forming a partnership. The contract to deliver this service was awarded to Our Community Pty Ltd and its partners, the Municipal Association of Victoria and the Australian Chamber of Commerce and Industry.

The brokerage service is a key tool for promoting and facilitating collaboration between small- to medium-sized businesses and community groups. Major features include an online matching service, a brokerage resource kit, and a regional seminar series. The service is designed
to be a national, long-term approach to bringing the community and business sectors together to make our communities stronger, and is creating much interest already. The Government is providing seed funding but the service is to be self-sufficient in future years.

Cape York Family Income Management project

An example of partnerships in action is the Cape York Family Income Management project that helps Indigenous communities to improve their financial management. The project involves participation from the community, Cape York Partnerships, Australian Government agencies, and Westpac (for more information please refer to page 45).

Prime Minister’s Awards for Excellence in Community Business Partnerships

The Prime Minister’s Awards for Excellence in Community Business Partnerships are another initiative of the Prime Minister’s Community Business Partnership. They recognise the joint contributions of business and community to projects addressing community concerns, and raise awareness of the many businesses contributing to the social and economic wellbeing of the communities in which they operate. FaCS provides secretariat support for the awards.

The awards, held annually since 1999, show a steady increase in the number and quality of nominations each year. The 2003 awards were the most successful to date, with a record 306 nominations from all parts of Australia. The high quality of the nominations led the judges to give a number of judges' encouragement awards in addition to the state, territory and national awards. The Prime Minister presented the national awards at a gala dinner in Sydney on 17 December 2003.

The 2003 five national winners in each category were as follows:

- **Small Business: Blackwood Centre for Adolescent Development and the Centre for Executive Development, Royal Sun Alliance**

  The Blackwood Adolescent Centre, Victoria offers an alternative secondary school program for young people at risk. For many years it struggled for funding but through its partnership with the Executive Development Centre and Royal Sun Alliance, Blackwood has been able to secure financial support and improve the professional expertise of staff. Blackwood is now offering education programs that have been recognised as models of excellence.
Medium Business: Blackwood Waterwatch Program and WA Plantation Resources

This Western Australian partnership supports a broad-based community program involving schools, environmental groups and community organisations in monitoring the water quality in the Blackwood River catchment area and raising awareness of environmental issues relating to the area. The program covers an area of 30 000 square kilometres.

Large Business: Ngarda Ngarli Yarndu Foundation and Henry Walker Eltin, Indigenous Business Australia

This Western Australian partnership has created a business, Ngarda Civil and Mining, which aims to provide cost-effective contracting services to the mining and construction industries in conjunction with a dedicated employment and training program for the integration of Indigenous people with all its operations.

Special Award, Impact on a Community: BHP Billiton

In 2000 BHP Billiton adopted a new Community Programs Strategy to deliver sustainable long-term community benefits. The business moved away from supporting numerous one-off projects and instead decided to form significant long-term partnerships that address issues of mutual interest to the company and its community partners. Since that time BHP has worked with Conservation Volunteers, the School of Volunteer Management, the Smith Family with its Learning for Life program, the Foundation for Young Australians and the Bell Shakespeare Company.

Special Award, Longevity: Greening Australia and Alcoa World Alumina

Since this partnership began in 1982, it has brought to fruition a range of initiatives that support the sustainable management of Australia’s land and water resources. Outcomes have included provision of practical tools for environmental restoration, improved seed supply for revegetation, and extensive and ongoing environmental education.

The five national winners in the 2003 Prime Minister’s Awards for Excellence in Community Business Partnerships represent the diversity of community business partnerships operating across Australia. Further information about each partnership and the state and territory award winners can be found on the Prime Minister’s Community Business Partnership web site at www.partnerships.gov.au.

International partnerships

Minister Kay Patterson opened the Australia–Vietnam Sectoral Conference on Retirement Incomes in Hanoi on 26 April 2004. The conference, which was held from 26 to 28 April 2004, was attended by a delegation from various government and private sector agencies in Australia. The conference stimulated useful discussions among participants on issues relating to the reform of pension systems and established a network for Australian and Vietnamese private sector agencies.
Volunteering

Key points

➢ The FaCS suite of volunteering support programs trains, supports and refers around 19 000 volunteers annually.
➢ Voluntary work builds capacity for individuals to participate, and strengthens community capacity.
➢ Around 4000 organisations that support the volunteering effort received small equipment grants in 2003–04.

Volunteers make a significant contribution to Australian communities and are supported through the FaCS portfolio in a number of ways. The FaCS suite of programs provides training, placement support, opportunities to use volunteering as a stepping stone to paid work, opportunities to fulfil mutual obligation commitments through volunteering, and practical assistance through small equipment grants.

The Volunteer Management Program supports organisations by providing appropriate training for volunteers and volunteer managers. The Voluntary Work Initiative (VWI) helps income support recipients fulfil their obligations through voluntary work that builds their capacity to participate, and the capacity of their communities.

Both programs continued to provide valuable support to the volunteer sector in Australia, and to make an important contribution to the Australians Working Together initiative. This was evidenced in the Government’s commitment of funding of $7.3 million over four years for VWI in the 2004–05 Budget, following a review of the programs in late 2002.

The Volunteer Small Equipment Grants program (VSEG) continued to provide an important boost for community organisations that support volunteers. The program provides grants of up to $5000 to help community organisations purchase equipment that will make the work of their volunteers easier, safer and more enjoyable. There have been six grant rounds since 2001, the International Year of Volunteers. Since 2001 the Government has provided around $20 million to over 10 000 volunteer community organisations.
Katanning Breakfast Club (Western Australia)

One of the organisations to receive funding under the first round of VSEG in 2003–04 was the Katanning Breakfast Club in Katanning, Western Australia. The club provides a nutritional daily breakfast to children whose families are unable to provide this necessity at home.

Before receiving the grant, the club’s volunteers were providing breakfast to 20 to 25 children each morning with a couple of very old two-slice toasters. They are now able to purchase two new four-slice toasters to make the jobs of their 15 to 20 volunteers easier and safer.

The breakfast club provides an incentive for disadvantaged children to attend school by providing them with breakfast. After the children have eaten, not only are they attending school but they also have higher concentration levels. With reduced truancy rates, the incidence of juvenile crime is lowered.
Indigenous communities

Key points

- Financial management projects in Indigenous communities are helping families to build financial literacy, increase their purchasing power and improve living standards.
- Twelve Remote Area Service Centres (RASCs) are being progressively established in Indigenous communities across Australia—just one example of the Australian Government’s commitment to improve access to programs and services for Indigenous Australians in rural and remote areas.

While most FaCS customers, like many Australians, live in cities, our most disadvantaged are Indigenous people living in remote locations. Over 25 per cent of Indigenous people live in remote areas compared to only two per cent of other Australians. Australia’s Indigenous population is currently increasing at a rate twice that of the general population. High birth rates in many remote communities see their populations increasing at rates above 5 per cent a year. The implications for our work are significant. For example, in the next ten years in a typical remote region it is projected that there will be at least 30 per cent more working-age people in a population that is currently highly dependent on welfare.

FaCS’ Statement of Commitment to Aboriginal and Torres Strait Islander People provides an integrated and comprehensive approach to improving outcomes for Indigenous people. FaCS has adopted the motto ‘Indigenous business is everybody’s business’—our pledge to tackle the entrenched social and economic disadvantages experienced by many Indigenous Australians.

The statement commits FaCS to doing things differently. In particular, it recognises the need for a more collaborative approach. FaCS and key stakeholders—both within and outside the organisation—need to combine energies, expertise and resources to build on existing strengths, assets and capacities and forge partnerships that help solve the complex problems facing many Indigenous people. These important partnerships will help FaCS develop policies and deliver services that better meet the needs of all Indigenous people. The recent transfer of ATSIS functions to FaCS, including the FaCS presence in Indigenous Coordination Centres around Australia, will require ongoing commitment to collaboration and partnership with Indigenous communities.
FaCS not only administers a number of Indigenous-specific programs but also keeps a focus within mainstream programs on Indigenous services and projects that support communities, families, young people and children. For example, each of the following initiatives funds a number of Indigenous-focused projects:

- the Stronger Families and Communities Strategy
- the Family and Community Networks Initiative
- the Reconnect program
- the Child Abuse Prevention Program
- the National Disability Advocacy Program
- the National Illicit Drugs Strategy.

In 2003–04 FaCS, in close consultation with Indigenous people, communities and organisations, commenced management of the Longitudinal Study of Indigenous Children. This study will help us better understand the links between early childhood experiences and outcomes in later life for Indigenous children.

FaCS continues to fund the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University. The centre is building a significant evidence base that will assist FaCS in its future policy development and advising role.

New measures under the Australians Working Together package, such as the Community Participation Agreements initiative, Remote Area Service Centres, Personal Support Programme and Personal Adviser service, are also benefiting Indigenous people.
Family Income Management projects—improving Indigenous financial literacy and money management

A significant action research project has been operating in three communities in Cape York, northern Queensland, since mid-2002. The project has focused on improving living standards and family functioning by helping Indigenous families in Aurukun, Coen and Mossman Gorge budget and save.

The Cape York Family Income Management (FIM) project was designed by Indigenous people to build financial literacy, stabilise family functioning, improve living standards and contribute to economic development in a culturally sensitive and practical way. The project is overseen by a working group comprising representatives from the community, Australian Government agencies, Westpac and Cape York Partnerships. Westpac employees work alongside financial management workers for one month every quarter.

Outcomes to date have been so positive that the Government committed an additional $1.5 million in 2003–04 to increase the number of participating sites in Cape York and to establish a similar project in Wadeye, Northern Territory. The Office of the Status of Women, the Department of Health and Ageing, the Department of Education, Science and Training and the Department of Employment and Workplace Relations have also contributed to this funding commitment.

The following feedback from families, highlighted in Australian Institute of Family Studies reports of August 2003 and May 2004, shows how Financial Income Management projects are helping Indigenous communities:

- ‘FIM has made me want to come to work for tourism and rangers and to teach the little ones our culture and stories.’ (man, 40+ yrs)
- ‘Kids are coming to school more regularly, happier and have lunch so have better health.’ (teacher)
- ‘I am saving $30 per week in a family account with my mother, sister, brothers and uncles for our outstation. We want to build a house on the outstation, buy a generator, boat and truck to take us there. I am also saving $30 per week in my own account to buy DVDs, etc.’ (woman, 16–21 yrs)
‘My family are comfortable with my involvement in FIM. My relationship with my daughter has improved and the $10 per week I provide for her (in school education account) makes it better for her at school.’ (man, 22–40 yrs)

‘Definitely much happier and better because I’m participating. Family life is easier (since I) started the family on FIM.’ (woman, 16–21 yrs)

Workers in each site help families negotiate budget and savings agreements, set up direct deductions from accounts and provide bill-paying and purchasing assistance. Outcomes include debt reduction and debt management, better coverage of essential living costs, increased spending on food and reduced spending on alcohol and gambling, reduction in stress and conflict, and the ability to purchase whitegoods, furniture, TVs, videos and other household items.

Some participants have also purchased cars and boats, and set up small businesses. Arrangements with local stores, schools and pharmacies facilitate payment for food, education costs and medications. Financial Income Management is also increasing motivation to work or study as people can see material results for their effort, and there is a general change in orientation from daily survival to long-term planning. Building consumer capacity is contributing to the viability of local enterprises as FIM participants can purchase locally produced goods.

The Government announced in the 2004–05 Budget that $4 million in additional funding would be provided to establish similar programs in other sites.
The Stronger Families and Communities Strategy (SFCS) aims to help build family and community capacity to deal with challenges and take advantage of opportunities that come along. Its focus on early intervention and prevention aims to help families and communities deal with issues before they become serious problems. The strategy gives communities the chance to think about local issues and what solutions they can put in place to deal with them.

Over the financial years 2000–01 to 2003–04, the strategy:

- assisted more than 35,000 family members through more than 1,600 networks that connect disadvantaged families more effectively with their communities
- supported almost 700 services and projects, assisting at least 13,000 people through services such as home visits for at-risk and isolated families, and parenting and life skills courses for vulnerable teenage parents and Indigenous parents.

On 7 April 2004, the Prime Minister announced funding of $365.8 million over four years for a new SFCS. The new strategy will build on the achievements of the initial strategy by focusing more strongly on early childhood, linking to the National Agenda for Early Childhood and offering a swifter funding process. The funding has been allocated to four streams of activity over the next four years to 2008:

- Communities for Children ($110 million): Non-government organisations will work with local stakeholders to deliver early childhood development programs and services in up to 35 disadvantaged communities.
- Early Childhood—Invest to Grow ($70.5 million): Programs, resources and tools will be developed for parents, community groups and professionals working in the area of early childhood.
- Local Answers ($60 million): Organisations will receive funding and support to develop a range of small-scale local initiatives, focusing on opportunities that communities can create for themselves.
Choice and Flexibility in Child Care ($125.3 million): The funding will support innovative and flexible child care arrangements, expand in-home care to help families with no other child care options and provide incentives to establish long day care in areas of high demand.

Communities for Children will use a new service delivery model, designed to help communities identify their needs and develop appropriate responses. Non-government organisations will be funded to facilitate collaborative partnerships with other relevant stakeholders across the community, develop and deliver coordinated and responsive community action plans, and undertake comprehensive evaluations. This new approach uses local knowledge to determine priorities and achieve agreed outcomes.
Enfield Primary School Café (Children and Families Everywhere), Enfield, South Australia

The Enfield area has been identified as one of the most disadvantaged areas in South Australia, with high numbers of single-parent, low-income families, Indigenous and culturally diverse communities. Many families live in a 'cycle of crisis' with a range of complex issues and often experience isolation from their wider community.

Research shows that disadvantaged children and families benefit from integrated service delivery and this support is most effective when it starts at the earliest point in a child’s life.

Enfield has created an environment where families can safely come together in their chosen activities or to have a coffee and a chat. It has helped create strengths within the community. From the parent support groups to community consultations, Café Enfield has become a vital support for local families. The project has been funded by the Stronger Families and Communities Strategy for three years, beginning in 2001.

The Enfield Early Learning Service will receive $200 000 over the next two years for an extension of the Café project. This funding will enable the continuation of a child development and parenting centre in Enfield that provides opportunities for young children and their families in the surrounding areas to maximise their potential.

The project will achieve its ends through the use of a central place where services can be provided and where families can get together to identify their needs and develop possible solutions. A range of early childhood and parenting programs, community activities and children’s activities will also be provided.

The project will rely on volunteer participation and community consultations that respond to community need. Integrated service delivery will enable families to get complete help and access to health, education and community services.

The project has been designed to facilitate the establishment of a new model for family centres that is underpinned by integrated services and community involvement. It focuses on early intervention strategies in the areas of education, health and care for families with children from infants to 12-year-olds. It also focuses on community empowerment through the families themselves deciding on the activities and supports they need in order to sustain a positive lifestyle.
More help for families

Over the last financial year, FaCS provided considered and comprehensive policy advice to government on family assistance, first through the Work and Family Taskforce chaired by the Department of the Prime Minister and Cabinet, and then, given our shared responsibility for the Family Tax Benefit (FTB) program, in joint work with the Department of the Treasury.

FaCS was instrumental in providing developed and fully costed options to the Government, which then announced the largest-ever single Budget initiative for families—$19.2 billion over five years.

FaCS was then called upon to deliver multibillion dollar program changes, working with other Australian Government agencies within a very tight timeframe, so families could benefit from these changes as soon as possible.

The Government was able to introduce legislation the day after the Budget speech, on the evening of Tuesday 11 May 2004, which was passed through the Parliament later that week. FaCS and Centrelink established clear business requirements for computer system changes and necessary interactions with the Tax Office. This enabled many one-off payments to be made to Family Tax Benefit Part A customers before the end of June 2004. Changes to the structure of Family Tax Benefit Part A and Family Tax Benefit Part B were also put in place, along with introduction of the new Maternity Payment from 1 July 2004—less than 45 days after the Budget announcement. Meanwhile, families were being informed of the changes through a range of communication approaches.

This has been a clear example of extensive cross-government collaboration, particularly between FaCS, the Department of the Treasury, Centrelink and the Tax Office, and FaCS is proud to have played a major role in implementing such a major set of initiatives in the challenging timeframe set by the Government.

Further work will be required in 2004–05 to continue implementing a number of changes, and FaCS will continue to manage this process effectively.

Key points

- In its 2004–05 Budget, the Government announced the More Help for Families package of $19.2 billion over five years—the largest-ever single Budget initiative for families.
- In the lead-up to the Budget, FaCS was instrumental in providing developed and fully costed options to government.
- Thanks to extensive cross-government collaboration, and in a challenging timeframe, FaCS and Centrelink established clear business requirements for computer system changes and necessary interactions with the Tax Office.
The More Help for Families package helps families raise their children, helps them balance their work and family responsibilities and improves the rewards from work. It includes:

- a $600 one-off per child payment for FTB Part A and for other eligible children, paid to most families before 30 June 2004
- a $1000 one-off payment for Carer Payment recipients and a one-off $600 payment for Carer Allowance recipients paid for each care receiver
- a universal Maternity Payment of $3000, which will be introduced from 1 July 2004, increasing to $4000 from July 2006 and $5000 from July 2008
- an ongoing increase in the rate of FTB Part A of $600 per child, which will be available as a lump sum after tax returns are lodged
- a reduction in the main FTB Part A taper rate and the FTB Part B taper rate from 30 cents in the dollar to 20 cents, to allow families to keep more assistance as their income increases
- an increase in the FTB Part B income threshold so that second earners in a couple can earn $4000 per year before their FTB Part B starts to reduce (up from the current threshold of $1825 per year)
- from 1 July 2005 when parents return to work after caring for a child, the FTB Part B they received during the financial year in which they return to work will not be affected by the FTB income test, no matter how much they earn afterwards.
Helping prevent homelessness

**Key points**

- The Family Homelessness Prevention and Early Intervention Pilot scheme has assisted more than 320 families (1100 customers) in eight communities across Australia.
- Seventy-eight per cent of families achieved an improved outcome in one or more of the following areas: financial situation; health; family relationships; personal skills; and community participation.
- Participating services operated in partnership with their local Centrelink office.
- From 1 July 2004 the program will operate as the Household Organisational Management Expenses (HOME) advice program, with funding of $10.4 million over four years in the 2004–05 Budget.

Housing is a basic need. Well-located affordable housing can provide stability for families and promote their independence and good health. Housing provides a base from which people can pursue employment opportunities and participate more fully in their communities.

Homelessness rarely has a single cause—people usually become homeless when they are unable to deal with a range of issues impacting on them. The Family Homelessness Prevention and Early Intervention Pilot (FHPEIP) scheme was introduced in 2001 to help families struggling to maintain their tenancies or home ownership and to address issues contributing to their instability.

Not-for-profit organisations received funding in 2003–04 to assist families with issues such as budgeting, family relationship matters, parenting skills and social security or public housing debt. They also assisted with links to education and training to address barriers to workforce participation.

Where necessary, families were referred to other services in the community, but case-managed by the FHPEIP service. This approach helped to build links between various community services working to assist people and families at risk of homelessness.

An innovative aspect of the FHPEIP was that participating services operated in partnership with their local Centrelink office. A Centrelink social worker referred families to the FHPEIP and continued to assist them during their participation in the program.

In 2003–04 an interim evaluation of the pilot revealed very strong outcomes for participating families:

- Ninety per cent of families stayed in their homes or were rehoused.
- Seventy-eight per cent of families also achieved an improved outcome in one or more of the following areas: financial situation; health; family relationships; personal skills; and community participation.
More than half of all adults who identified employment or education as key goals were successful in meeting those goals. Those in employment rose from 14 per cent to 22 per cent after receiving support, while participation in part-time education rose from 4.5 per cent to 10 per cent.

The pilot demonstrated the Government’s commitment to develop and fund programs that address the needs of Indigenous people. Of customers accessing the program, 32 per cent were Indigenous customers.

By May 2004, more than 320 families (1100 customers) had been assisted under the pilot program in eight communities across Australia.

The Australian Government committed further funding of $10.4 million over four years in the 2004–05 Budget to continue this work. From 1 July 2004 the program will operate as the Household Organisational Management Expenses (HOME) advice program.
Simon’s story

‘Simon’ became a sole parent three years ago. For single parents, life can be tough at the best of times but it has felt even tougher for ‘Simon’—a single dad trying to raise 10-year old ‘Sally’. There were the endless bills to pay, which made ‘Simon’ feel anxious, always wondering how he would make ends meet. He started to lose his confidence and became self-conscious. With a 15-year waiting list for Department of Housing accommodation at Wyong on the NSW Central Coast, there was a great risk of ‘Simon’ and ‘Sally’ becoming homeless because ‘Simon’ was having trouble paying the rent.

But six months ago, life took a dramatic turn for ‘Simon’ when he was referred to a FaCS-funded service through a social worker at Centrelink. The pilot program, Habitat, supports and builds the competencies of families at risk of homelessness in the Wyong Shire of New South Wales.

A number of agencies in the region work closely together to identify people who are at risk of homelessness. Referrals can come from Centrelink, the Central Coast Tenancy Advocacy Advisory Service, Wyong Hospital, Coastal Community Tenancy, NSW Department of Community Services, Child Abuse Prevention Service, Aboriginal Advisor Group, Men’s Advocacy and Practical Strategies or mental health services.

A Habitat caseworker visits ‘Simon’ each fortnight. ‘Simon’ has said that having someone to speak to about parenting and behavioural issues has really helped. The caseworker has also helped ‘Simon’ with his budget and linked him with other services to make life easier. The caseworker has been able to give him the advice and support he needs to keep on track and ‘Simon’ has really opened up. Many services focus on single mothers, so ‘Simon’ found it helpful to access a service that wants to engage equally with single fathers.

FaCS funds the Wyong Habitat program, which is run by the Uniting Care Burnside, Central Coast office. There is a similar pilot running in each state or territory. Each delivers services including family mediation, counselling, information giving and referral. The service strengthens families by helping them to develop their capabilities and strengthen their relationships. There is a focus on building support networks and establishing links between families and local services.
Giving children the best possible start in life

Key points

- The National Agenda for Early Childhood and its four key action areas will provide the overarching structure to guide future Australian Government investment to improve outcomes for children and will serve as the vehicle for collaboration with state and territory governments in supporting young children and their families.
- The Stronger Families and Communities Strategy for 2004–08 will have a specific focus on early childhood and is aligned with the National Agenda for Early Childhood’s four key action areas.

Early childhood is a time of rapid physical, intellectual and emotional growth and provides an important window of opportunity to help start children on positive pathways in life. How we as a society respond to the needs of young children can have a profound impact on their development, both now and into the future. This in turn has consequences for the economic and social growth of Australia as a whole.

The Government is committed to the development of a National Agenda for Early Childhood, to provide a structure for linking together and expanding the work that is being done by many people throughout Australia to improve the lives of young children.

Key messages emerging from extensive consultations held between March and August 2003 are summarised in the report *Towards a National Agenda for Early Childhood—What You Told Us* released on 25 October 2003. These included widespread support for:
- adopting a national approach to early childhood
- improving the way services are delivered
- assisting disadvantaged children
- supporting parents in their primary role during a child’s early years.

Relevant ministerial councils and their advisory bodies have been kept informed of progress under the National Agenda for Early Childhood. The framework document, which has been revised in light of consultation feedback, identifies four key action areas:
- healthy young families
- early learning and care
- supporting families and parenting
- child-friendly communities.

This framework will be the basis for further discussions with state and territory governments with a view to agreeing on priorities for working together.

In developing the national agenda and coordinated early childhood policy, FaCS has been working closely with other departments, through the Australian Government Taskforce on Child Development, Health and Wellbeing, established in September 2001.
During 2003–04, the national agenda has been a focus for a number of activities within FaCS. Significantly, the next four-year phase of the $365.8 million Stronger Families and Communities Strategy 2004–08 will have a specific focus on prevention and early intervention activities to promote optimal childhood development.

In addition, substantial progress has been made in a number of early childhood initiatives, announced in May 2004 as part of $10 million in funding allocated from the first phase of the Stronger Families and Communities Strategy. This includes the establishment of 19 Child Care Links sites across Australia, which will integrate early childhood services in areas of high disadvantage, and completion of a report available to all governments and the community sector to inform the provision of parenting information and support.

Complementary activities included:
- funding for an Australian Early Childhood Development Instrument, a measure of child development before school entry, for use at the community level, announced by Minister Anthony in January 2004
- working closely with other portfolios in organising a national workshop, held in March 2004 and hosted by the Australian Council for Children and Parenting, to explore options for better monitoring how children are faring.
The new Child Care Support Program

In September 2002, the Minister for Children and Youth Affairs, the Hon. Larry Anthony, MP, announced a consultative redevelopment of what was then known as the Child Care Support Broadband.

Community Link Australia was contracted to undertake national consultations to inform the redevelopment. More than 1200 people attended consultation meetings and some 560 written contributions were received. The report prepared by Community Link Australia identified a number of gaps in child care provision, particularly for families in rural and remote Australia, children with disabilities, Indigenous families, and families from diverse backgrounds.

On 2 June 2004, Minister Anthony announced the outcomes of the redevelopment and launched the new Child Care Support Program. The new program has clear objectives and principles to ensure resources are used efficiently to benefit families and children. Funding arrangements have been simplified, are better targeted and transparent, and there is an improved focus on providing access to quality child care for all children, regardless of their circumstances.

Funding under the program is targeted to support child care services, particularly in high-need rural, regional and Indigenous communities, and to ensure that children with additional needs can be provided with quality child care. The result will be improved outcomes for families and children who access child care services funded by the Australian Government.

Following the redevelopment there has been an overall increase of $25 million in funding for child care support, bringing the total funding for the new Child Care Support Program to $226 million for 2004–05.

The new program will start to be implemented from 1 July 2004, together with increased hourly rates for inclusion support workers. Other changes will take effect over the following 18 months, and the new Child Care Support Program will be fully implemented by 1 January 2006.

The successful redevelopment has been largely due to the enormous contribution to the consultations by child care services, families and individuals with an interest in child care. FaCS acknowledges the assistance of all those people within the child care sector who shared their time and knowledge during this process.

Key points

A new Child Care Support Program was launched in June 2004.

The program includes new measures to ensure access to quality child care for all children, whatever their circumstances.
Spotlight on Indigenous child care support

Child care services may not always be set up to meet the needs of Indigenous children and families. As part of recognising and supporting these special needs, FaCS manages a range of child care service initiatives specifically for Indigenous people. These include:

- Multifunctional Aboriginal Children’s Services (MACS)
- Indigenous playgroups
- Enrichment programs
- Before school, after school, outside school hours care and vacation care services
- Toy library services
- Flexible Indigenous services.

Profiles of two successful flexible Indigenous services— one from the bush and one from the city

GALIWIN’KU CHILD CARE CENTRE

The Galiwin’ku Child Care Centre in the Northern Territory has been operating successfully since April 2000. It is one of eleven innovative children’s services established in Indigenous communities in the territory. The centre is funded by FaCS and Territory Health Services and cares for up to 30 children a day. It is fully staffed by people from the community and many have successfully completed Certificate 3 in Early Childhood through Batchelor Indigenous Institute of Technology and Education.

Dawn Casey, Assistant Secretary, Child Care Services Branch, says, ‘Galiwin’ku is successful because it is “owned” and managed by the community. The child care provided has been specifically designed to meet their cultural needs. It provides a mixture of Yolngu and Balanda (whitefella) activities for the children who attend. The focus of the service is on all children who live in the community and as a result, strong links with other services have also been formed’.
YAPPERA MULTIFUNCTIONAL ABORIGINAL CHILDREN’S SERVICE (MACS), MELBOURNE, VICTORIA

Yappera is a Multifunctional Aboriginal Children’s Service located in Thornbury, an urban area in Melbourne. It assists Koori families in the surrounding area and cares for up to 35 children a day. Non-Koori children can attend the service but Koori children are the priority.

Yappera was developed in the early 1980s. It is run by an all-Koori committee of management and has between 20 and 30 staff, most of them Indigenous. The service has completed a planning process to develop a five-year plan for services to children and parents. The vision for Yappera is one that is not only about caring for the children, but also includes the parents—for example, by offering education programs after hours.

‘Yappera promotes a philosophy of strengthening culture. The service takes the children on cultural and bush excursions and also teaches how to give non-Koori children an understanding of Koori culture. In addition to the provision of child care services, the centre also provides a range of additional services for the children including dental care, immunisation, eye and ear tests. Parents are put in touch with other services such as housing, health, neonatal care and with each other,’ says Dawn.
Creative local approaches to early childhood and parenting

CHILD CARE SERVICES IN RURAL VICTORIA

FaCS staff work hard to build capacity in small rural communities and find ways of creating child care services that suit local needs.

In 1999, in conjunction with Kilmany Family Care, an innovative pilot service was established in three towns in East Gippsland—Omeo, Buchan and Orbost. The service model, which we called ‘in-venue family day care’, involves caring for a small number of children (up to four at any one time) in a community venue—rather than in a carer’s home (the standard family day care model) or the parent’s home (in-home care, available in certain circumstances).

This approach, developed in the Victorian STO, is allowed under the Victorian Government’s licensing regulations. In Victoria a venue that takes no more than four children does not need to be licensed as a child care centre. The model, unique to Victoria, would not be possible in other states or territories that regulate family day care.

Following the success of the three pilots, the program has been replicated, with around 66 of these services now operating throughout Victoria.

ON-SITE CLASSROOM CHILD CARE ON ELCHO ISLAND

While visiting the Child Care Centre in Galiwin’ku, Elcho Island (Northern Territory), a FaCS project officer was approached to discuss possible child care at Shepherdson College for the new Year 11 students. The school had started two new Year 11 classes and there were 97 enrolments. One class had many young mothers attending who were breastfeeding and needed on-site child care.

Discussions were held with the director of the child care centre and the assistant principal of the school. A meeting was scheduled to include the young mothers and other relevant community members. A follow-up teleconference meeting with all parties, the Jobs, Education and Training (JET) resource worker and a project officer from the Northern Territory Department of Employment, Education and Training was arranged to discuss the possibility of a JET on-site crèche at the school.

The outcome was that a JET crèche was to be set up as soon as possible at the back of the classroom for young mothers. The crèche would be sponsored by the school; it would operate in conjunction with the child care centre, which would offer support and training to the mothers and the new JET crèche staff. The FaCS project officer was also able to propose Indigenous Minor Capital Funding to make the necessary alterations to the classroom.
Helping parents support their children—
the Child Support Agency

Key points

- The Child Support Agency (CSA) had significant success in helping parents manage their own arrangements, with almost 52 per cent of parents now paying privately. Nearly 70 per cent of newly separated parents elect to transfer their child support privately.

- During 2003–04 CSA reversed a previous five-year trend of rising gross maintenance debt levels by successfully reducing domestic debt by $13 million. In particular, extra resources provided to target ‘hard debt’ have resulted in an additional $19.3 million in child support collections.

- By 30 June 2004, approximately 1.3 million parents had registered with CSA, resulting in child support payments of over $2.1 billion for the benefit of some 1.1 million children.

- CSA has significantly improved client satisfaction as measured by its annual Professionalism Survey and this is also reflected in reduced child support complaints.

- CSA won a Silver Award for its submission, Supporting Parents through Separation, in the Prime Minister’s Awards for Excellence in Public Sector Management.

The Child Support Agency (CSA) was established in 1988 to administer the Australian Government’s Child Support Scheme. The scheme aims to ensure that separated parents share in the cost of supporting their children according to their capacity. CSA’s role includes registration and assessment of child support, and the collection and transfer of child support payments for parents unable to do this privately.

By 30 June 2004, approximately 1.3 million parents had registered with CSA. Over 680 000 parents registered for private collection and 630 000 for CSA collection. This resulted in child support payments of over $2.1 billion for the benefit of some 1.1 million children.

The year 2003–04 has been a busy and productive one for CSA. The agency has built on the solid foundation established in previous years, which saw the introduction of integrated information technology, national telephone systems and improved workload scheduling, resulting in greater responsiveness to client needs. The CSA has worked to better promote its strategic intent of increasing parental self-reliance and independence by further investing in strategies and interventions designed to promote sound parenting, financial and relationship management skills. Projects include the Newly Separated Unemployed Parents initiative ‘Staying Connected’ (a workplace program) and the expansion of CSA’s separation support products and services. CSA’s success in this area can be seen in the continuous rise in the proportion of customers in private collect, to almost 52 per cent (see Figure 8).

CSA has successfully addressed the growth in gross maintenance debt of the previous five
years through a deliberate focus on increasing the capacity and capability of CSA staff in the area of debt collection. In particular, CSA has significantly reduced domestic gross maintenance debt by $13 million in 2003–04. The Intensive Debt Collection (IDC) Budget Initiative and collaborative efforts with international child support partners have also contributed to reducing CSA debt (see Figure 9).

The collection rate for CSA-collect cases since the inception of the Child Support Scheme is now 89.2 per cent, while the total transfer rate (including private collect cases) is 95.4 per cent. In 2003–04, $2.1 billion was transferred between parents for the benefit of children. Around $1.3 billion of this was transferred directly between parents and $790 million was transferred through collections.

Figure 8  Growth in private collect cases, 1994–2004

![Graph showing growth in private collect cases, 1994–2004](image_url)

Figure 9  Domestic gross maintenance debt and Intensive Debt Collection, 2003–04

![Graph showing domestic gross maintenance debt and IDC collections, 2003–04](image_url)
CSA focused its efforts in 2003–04 in four broad areas of business priority—stakeholders, parents, people and corporate governance—to address feedback received from agency stakeholders, parents and staff.

**CSA stakeholders**

CSA plays a lead role in working with other organisations in the family law system (including both government and non-government agencies) to encourage parents to access the range of services that help them build independence and self-reliance in meeting their child support responsibilities.

CSA has contributed to the outcomes of the House of Representatives Standing Committee on Family and Community Affairs Inquiry into Child Custody Arrangements in the Event of Family Separation.

**CSA parents**

CSA continued to be committed to providing quality customer service in 2003–04 in a number of ways.

- CSA has made substantial inroads in managing and reducing the growth of debt. The IDC Budget Initiative, targeting ‘hard debt’, has been part of the success in reversing previous trends of rising debt levels and resulted in contact with some 15,100 parents and the collection of an additional $19.3 million in child support payments.
- CSA continued to exceed its client service standards with a call answer rate of over 91 per cent within 30 seconds.

CSA developed and launched its new Client Service Charter and Staff Charter support package.

- CSA implemented a public sector first with the introduction of a national customer feedback program known as Clients Having a Say (CHAS) via the telephone system.
- The ‘Me and My’ series, a collection of self-help booklets, has been updated and expanded to include additional educational resources. The series includes:
  - *Me and My Kids: Parenting from a Distance*
  - *Me and My Money* — a revamped booklet on money management, with tips and hints on how to stretch your dollar further after separation
  - *What about Me?* — to be released in the second half of 2004, this booklet addresses the linkages between separation and emotional wellbeing

The series will be expanded further with the introduction of two new booklets in 2004–05 that deal with how parents can better manage relationships with the other parent and their new partners.

Two titles from the successful ‘Me and My’ series.
CSA, in partnership with the NSW-based community organisation Interrelate, designed an innovative workplace program for separated fathers, ‘Staying Connected’. This program is designed to address the needs of members of this at-risk group by helping them to look after themselves, build a businesslike relationship with the other parent, and develop strategies to build positive relationships with their children post-separation.

This program was successfully piloted with Australia Post and the Australian Defence Force.

The Newly Separated Unemployed Parents initiative commenced in July 2003 and will operate over the next four years. Consultation with other government organisations, community groups and parents has been completed. The project will support 31 500 newly separated non-resident parents receiving Newstart Allowance to improve their parenting and relationship skills and increase their motivation to return to the paid workforce.

The Direct Telephone Support Service (DTSS) pilot—funded by the Department of Health and Ageing National Suicide Prevention Strategy—supports separated parents through a direct telephone referral process. This involves CSA client service officers in an initial three-way telephone hook-up with the parent and the telephone counselling service. On-referrals are primarily to relationship counselling and legal services. At the end of the 2003–04 pilot period 3323 parents in the Queensland region were transferred at the conclusion of their call.

Professionalism

CSA conducted its annual Professionalism Survey in May 2004. This program measures and tracks CSA parents’ perceptions of the professionalism of CSA staff, a key corporate outcome in CSA’s Agency Agreement. A national telephone survey of approximately 600 CSA parents indicated significant improvements in all four components of the Professionalism Index—personal characteristics, client treatment, professional characteristics, and outcomes of the interaction (see Figure 10).

The results in May 2004 showed a significant increase in the level of customer satisfaction from the May 2003 survey. The result of 3.8 is not only a significant improvement from the result achieved in 2003, but it also exceeds the target of 3.7 and represents the highest result achieved since the survey began in 1998. Significantly higher levels of customer satisfaction were achieved for both payers and payees.

CSA people

CSA continued to build and increase staff capability by introducing business coaching to client service officers. In order to evaluate the success of this and other strategies, CSA conducted its fifth survey of corporate health (an employee work satisfaction survey) in December 2003. The findings indicate that corporate health generally remains buoyant in CSA. However, some clear areas for improvement have been identified. For example, the survey indicated that the lowest rated characteristic of the 23 able to be benchmarked between 2001 and 2003 concerned the Procedural Justice (job appointments) component questions. CSA has developed strategies to address these areas for improvement.
The year 2003–04 also saw the continuation of CSA’s disengagement from some services provided by the Tax Office. Some of these services have been (or soon will be) brought in-house or provided by other external service providers.

Corporate governance

CSA continued to incorporate business excellence principles into all areas of the organisation, maintaining its focus on continuous improvement.

Strategies outlined in CSA’s 2003–04 Business Plan were the direct result of opportunities for improvement identified in the feedback report from CSA’s 2001 Australian Business Excellence Awards submission and other external reports. During this year CSA conducted an organisational self-assessment against business excellence principles. The opportunities for improvement identified were incorporated into 2004–05 planning.

Awards

In November 2003, CSA was presented with a Silver Award for its submission, *Supporting Parents through Separation*, in the Prime Minister’s Awards for Excellence in Public Sector Management. This award aims to encourage and recognise better practice and innovation in government—in particular, the achievements of public sector work groups, units and teams with a focus on specific projects, initiatives or change processes.

The award was presented to CSA for its achievement in developing and piloting innovative products and services over four years to meet the needs of separated parents.
Work and family

Key points

- Work and family is one of the Australian Government’s strategic priority areas.
- In 2003–04, the Government funded 44,000 more child care places.
- A range of new family assistance and child care measures—in the More Help for Families package in the 2004–05 Budget, in the December 2003 announcements, and in the new Stronger Families and Communities Strategy—will help families balance their work and family responsibilities.

In November 2002, the Prime Minister announced that work and family was one of the Australian Government’s strategic priority areas for consideration during its current term and that it would work to develop policy options in this area. The Government’s objective has been to facilitate choice for families and individuals in balancing their work and family lives, rather than to mandate behaviour, given that individual families will differ in their priorities.

During 2003–04 the Government made available an extra 40,000 outside school hours care places and 4,000 more family day care places. These additional places represent a 17 per cent increase in the supply of outside school hours care and nearly a 6 per cent increase in the number of family day care places available. These places were sufficient to meet the current verified demand from service providers and have allowed 683 new outside school hours care services and two new family day care services to be established.

The availability of these extra places will assist many more families to access affordable, quality child care. Access to quality child care helps parents to participate in employment, training or community activities and to better balance their work and family responsibilities.

In addition, in the 2004–05 Budget the Government allocated additional funding of $219.9 million over four-and-a-half years to provide Child Care Benefit to eligible parents and provide establishment funding for new child care services in areas with demonstrated demand.
In combination, the More Help for Families package measures, outlined earlier in this volume, will provide greater assistance to families when they need help—while also providing better rewards for paid work and improving work incentives. The package includes a universal maternity payment for each new child born on or after 1 July 2004, and further increases in the availability of child care, vital in supporting parents’ participation in the workforce.

The package was developed following consideration by the Work and Family Taskforce, established by the Prime Minister to review policy and develop a range of options for financial assistance on the birth of a child, other financial support for families, and child care. The taskforce was chaired by the Department of the Prime Minister and Cabinet, with participation from the departments of Family and Community Services, the Treasury, Employment and Workplace Relations, and Finance and Administration.

FaCS will be responsible for implementing many of the measures that will help families balance their work and family responsibilities.
Encouraging participation

One of the department’s key priorities for 2003–04 has been to encourage greater participation by individuals and families in the labour force and in community life. It is vital that Australia’s social support system helps people fully develop their potential for participation and self-reliance as well as meet their immediate needs for income.

Achievements in 2003–04 include the successful implementation of the second phase of the Australians Working Together (AWT) package, progress with the evaluation of AWT and the reform of disability services.

Australians Working Together

The second phase of AWT came into effect on 20 September 2003, including:

- Working Credit
- the Language, Literacy and Numeracy Supplement
- the second phase of Helping Parents Return to Work
- flexible arrangements for mature-aged people on Newstart Allowance
- closing access to Mature Age Allowance and Partner Allowance
- participation interviews for Widow Allowance recipients
- the second tranche of Personal Advisers.

Working Credit aims to increase employment among customers of working age by allowing them to keep more of their income support payment when they first start work. Since its introduction on 20 September 2003, nearly 540 000 individuals have used their working credits. Customers receiving Newstart Allowance, Parenting Payment (Single), Youth Allowance (other) and Disability Support Pension are the biggest users of the credit. A new telephone voice-recognition self-service option for reporting earnings was implemented along with Working Credit. It has been received positively by customers.

The Language, Literacy and Numeracy Supplement took effect from 20 September 2003 and has already assisted approximately 18 000 customers. It encourages people to take up literacy and numeracy training to overcome barriers that they may have to employment by helping with the costs of participating in such training.
The second phase of the Helping Parents Return to Work measure extends compulsory participation planning interviews to parents whose youngest child is aged six or over and introduces participation requirements of up to 150 hours of approved activities in each six-month period for parents whose youngest child is aged 13 or over. From 20 September 2003 until 2 July 2004, approximately 78,000 Parenting Payment customers had attended an initial interview with a Personal Adviser or Jobs, Education and Training (JET) Adviser. Recipients of Parenting Payment now have access to expanded education, training, employment and support services and are able to volunteer for the Work for the Dole program in order to gain work experience opportunities.

Changes aimed at mature-age people include compulsory participation interviews and a more flexible activity test for Newstart Allowees aged 50 years and over; annual participation interviews for new claimants of Widow Allowance; and the closure of access to Mature Age Allowance and Partner Allowance to new customers.

Personal Advisers are employed in every Centrelink office in Australia. Personal Advisers provide individualised assessment and support for people on income support who need help to engage with the workforce or take up participation in social opportunities. By 16 April 2004, Personal Advisers had conducted initial participation interviews with around 250,000 customers targeted for assistance. Close to 98 per cent of these customers had developed a participation plan. Customers who have a participation interview are almost twice as likely to be referred to a funded program as customers in the same group who do not have an interview.

The number of interviews conducted by Personal Advisers was lower than initially estimated. FaCS is reviewing the appropriateness of the interview targets and has asked Centrelink to give priority to interviewing those parents who need the most assistance and who are not already participating in paid work.

The Personal Support Programme (PSP), which was introduced in July 2002 as part of AWT, provided its second year of support for people receiving income support who are unable to find work or benefit from employment programs because of multiple non-vocational barriers such as mental illness, homelessness and domestic violence. In 2003–04 PSP assisted some 40,000 people. PSP has achieved better-than-expected outcomes, with almost 16 per cent of people exiting the program achieving an economic outcome in 2003–04 (that is, employment or education/training or placement into an employment program that lasts for 26 weeks) and 29 per cent achieving a social outcome.
As part of AWT, additional funding was provided to disability employment services to increase their capacity to assist jobseekers with disabilities. In 2003–04 nearly 6000 new jobseekers received assistance from this additional funding. A key focus has been to identify and address unmet need in high-demand areas.

Additional funding was also provided to CRS Australia enabling them to provide vocational rehabilitation programs to 4800 more new jobseekers. A cost-benefit analysis of vocational rehabilitation was undertaken by Curtin University, indicating a total benefit-to-cost ratio of 30:1—that is, for every dollar spent by the Australian Government, there is over a $30 return in public and social benefits.

In 2003–04 FaCS also focused on improving the sustainability of the disability services sector. This work culminated in the announcement in April 2004 of a $99 million funding package, Security, Quality Services and Choice for People with Disabilities. More details about this package are in the next section.

Evaluation of the impact of AWT commenced in late 2002. The evaluation will broadly assess the impact of AWT on its main target groups—parents, people with disabilities, and mature-age and Indigenous customers. It will also evaluate the effectiveness of specific AWT measures, including Working Credit, Personal Advisers, the Personal Support Programme and Centrelink Remote Area Service Centres.

The first wave of a two-wave survey of people who have had a Personal Adviser interview was recently completed. The survey is designed to provide information on the impact of this intervention on target customer groups. Customers will be interviewed again after six months to gauge any change in their intentions, attitudes and motivation for increased participation. A telephone survey of Centrelink Personal Advisers and JET Advisers has also been completed, with the results still being analysed.

A specific investment has been made in the development of data sets for the evaluation. The joint FaCS and DEWR jobseeker data set and the Workforce Age Longitudinal Extract were delivered during 2003–04, bringing together for the first time longitudinal administrative data on customers as they progress through income support, employment assistance and training-related programs. Analysis for the AWT evaluation using these longitudinal data sets has begun, focusing to date on pre-AWT analysis.
Reforms to support people with disabilities

Open employment services help people with disabilities find and keep a job in the mainstream labour market. Key features of the Government’s broad reform agenda for employment assistance and rehabilitation services are the introduction of a new quality assurance strategy, including the introduction of award-based wages for business services—commercial enterprises whose workforce is comprised predominantly of people with disabilities—and the implementation of new outcome-based funding arrangements, known as case-based funding.

In the last two years the Australian Government has made significant investments towards the reforms: $161 million in the 2003–04 ‘Improving Employment Assistance for People with Disabilities’ Budget package; and $99 million in the ‘Security, Quality Services and Choice for People with Disabilities’ package in April 2004. Implementing these packages has been a priority for FaCS this year.

Improving Employment Assistance for People with Disabilities

The ‘Improving Employment Assistance for People with Disabilities’ package included $135 million to implement case-based funding and a $25 million front-end investment to improve the viability of business services.

Case-based funding providers are paid on a fee-for-service basis to help jobseekers with disabilities to find and keep employment. Fees are based on the individual’s needs and their employment outcomes. During 2003–04 FaCS has been working with providers in the disability sector to finalise arrangements for implementing case-based funding from 1 January 2005.

The $25 million investment in business services will ensure a viable, sustainable industry into the future. Particularly in rural communities, these businesses are important local employers and are often the only disability service in their area. Business services provide an important support service for their employees and their families.
This year FaCS has coordinated business reviews of over 200 services by independent consultants. Following the review, funding is being provided to offer services assistance tailored to meet their specific needs—for example, to purchase business equipment or software, carry out business planning, develop corporate governance policies and procedures, train staff or develop marketing strategies.

**Security, Quality Services and Choice for People with Disabilities**

In 2002, legislation was passed to introduce minimum service standards into services funded under the *Disability Services Act 1986*. Disability employment assistance services must be independently assessed against these standards by 31 December 2004 in order to continue to receive Australian Government funding. The disability service standards include a requirement that business services pay award-based wages to their employees with disabilities.

The ‘Security, Quality Services and Choice for People with Disabilities’ package aims to ensure that people with disabilities in business services will enjoy continued service, choices in their employment and payment of award wages in a quality environment. It includes a wage assessment tool to help business services determine pro-rata award-based wages for employees with disabilities. The package was developed in response to a range of issues raised by services, consumers and their representatives about the impact of the reforms on disability employment services. This package builds on the ‘Improving Employment Assistance for People with Disabilities’ package.

During the last year FaCS has concentrated on the development of this package. FaCS carried out consultations throughout Australia with business services, employees with disabilities and their families and carers as well as discussions with a range of consumer and industry representative bodies. The finalisation of the wage assessment tool has been another critical area of work in the last year.
FaCS–Centrelink Business Alliance

Key points

- The new FaCS–Centrelink business alliance agreement will focus more on outcomes.
- The business alliance will lead to better outcomes for customers and community, by improving accountability to government and the efficiency of the FaCS–Centrelink relationship.

Our business relationship with our major service delivery provider—Centrelink—is of fundamental importance to our effectiveness. Centrelink delivers services and programs on behalf of FaCS that make up more than a third of government outlays, provide assistance to the majority of Australian families with children and make payments to over four million individuals at any one time.

In 2003–04 FaCS and Centrelink developed a new model for doing business together that is based on the unique roles and different areas of expertise of the two agencies, and ensures that we work together collaboratively to maximise the impact that ministers and government want from us.

The business alliance model that we have developed is designed to provide our staff with a clear line of sight from what government wants from us—our portfolio outcomes and outputs—to our key performance indicators with Centrelink, to our risk management processes and to our funding inputs. The model addresses a number of aspects of our alliance, including performance, key risks, cost, governance, roles, responsibilities, and behaviours. Further information on the business alliance model is in Volume two, Part two, ‘Partnerships for people’.

Challenges for the future business alliance

There will be significant challenges in 2004–05 in consolidating the gains from the development of this new business alliance and embedding the five key aspirations that we have developed for our relationship: transparency; responsiveness; clarity of expectations and outcomes; trustworthiness; and appreciation of shared risks.
People are a priority in FaCS

Key points

- In March 2004 FaCS was the first Australian Public Service department to launch a comprehensive strategy designed to retain older workers—the Mature Workers Strategy.
- A diversity climate survey was conducted in May 2004, with more than three-quarters of respondents saying they felt positive about diversity in FaCS.
- A new departmental structure, formally commencing in July 2004, has better aligned corporate functions and recognises the importance of the People function within the department.

People are a priority in our department. Our staff are important because they ‘make a real and positive contribution to how well FaCS performs against its priorities’ (FaCS Priorities Plan 2003–04), and the People priority is one of our six business priorities. In line with this priority, highlights during the year have been the development of a Mature Workers Strategy, the implementation of a number of initiatives to support diversity and a restructuring of our resources to respond to workload pressures and meet policy priorities.

Mature Workers Strategy

Like the rest of the Australian Public Service, FaCS will be increasingly reliant on its mature-age workers. Thirty-seven percent of FaCS staff are aged 45 or older. Accordingly, FaCS was the first Australian Public Service department to launch a comprehensive strategy designed to retain older workers—those aged 45 years and over. The FaCS Mature Workers Strategy, launched on 18 March 2004, forms part of the FaCS Certified Agreement 2002–05.

The strategy marks a shift towards providing mature-age workers with more flexible options for continuing to work. FaCS aims to retain mature-age staff by enabling them to delay retirement as well as continue to work in some capacity after retirement. FaCS is also recruiting older workers.

For example, about 10 per cent of our initial Compass program recruits were over 40 years of age. The Compass program was developed after Workforce Planning identified a likely shortage of staff at middle levels within three to five years. In an effort to combat such a shortage, the
Compass program aims to recruit staff at entry level and develop them to fill these anticipated vacancies. The program has successfully recruited a range of people of all ages, from school leavers to mature workers.

Retaining corporate knowledge, an important factor in workforce planning, is being addressed through succession planning and the FaCS Individual Performance Management System (IPMS). Succession planning allows for corporate knowledge to be passed from one staff member to another without it being lost. FaCS’ Individual Performance Management System provides the vehicle for staff members to talk about their retirement options and time frames so that succession plans can be organised and implemented.

The approaches developed in the strategy stem in large part from a survey of mature-age staff about their retirement intentions carried out in June 2003. This survey ascertained retirement intentions and identified barriers to continuing work beyond an age at which many would normally retire. Twenty per cent of staff aged 45 and over responded to the survey.

FaCS’ Mature Workers Strategy recognises the wealth of knowledge and experience of our mature-age workers and their many valuable qualities: experience, loyalty, corporate knowledge, commitment, a strong work ethic, reliability and low absenteeism. The strategy benefits staff of any age, recognising as it does the diversity of our workforce as a reflection of the diversity of Australia’s population and the importance we place on offering all our staff the opportunity to contribute for as long as they choose to. Younger staff benefit from having older staff, who can pass on valuable corporate knowledge, available as mentors. As well, mature workers in the area of policy development often have greater insights into some of the problems older Australians are facing and are therefore well placed to align policy with the needs of these people.

The strategy comprises short-, medium- and long-term strategies to be implemented by June 2005. Since the launch in March the following short-term activities have been implemented:

- a working group to investigate and report on superannuation options for mature workers
- a list of mature workers who wish to be considered for employment by FaCS after they retire
- a FaCS reward and recognition strategy that will provide staff with certificates for milestone years of service
- articles published in FaCSination on mature workers who are continuing to work in FaCS
- workshops scheduled on managing risk in career and retirement planning
- delivery of a number of superannuation seminars
- data collected on statistical trends as well as learning and development activities.

Diversity Council

FaCS is serious about promoting and supporting our diverse workforce. In 2003, we formed a Diversity Council as one means of making this commitment more concrete. The council is chaired by our Secretary, with membership drawn from a cross-section of FaCS employees and diversity networks.

The council’s role is to highlight workplace diversity and think of new ways to promote cultural unity, collective growth and workplace harmony. It is currently reviewing workplace diversity issues, challenges and priorities as part of developing a new FaCS Diversity Plan.
Keeping on keeping on

Mike Reddy is a man with plans and he’s not about to let the idea of retirement interfere with them. Mike is 52 and he intends to keep on keeping on.

‘Full-time work is something I have done for more than 30 years and I intend to work as long as I can because I enjoy my work’, Mike says.

‘Work is a big chunk of my existence. I remain interested in the corporate and social life of my branch and FaCS in general.

‘I am the union representative for my branch and the occupational health and safety representative for my workplace. I also volunteer for coordinating jobs such as for my branch’s input into the Disability Action Plan.

‘Over the past six years, I have organised two very popular wine dinners a year for FaCS and Centrelink staff. These activities give variety to my working day and allow me to mix with a larger number of staff. It means that work is more than just pounding on a keyboard for seven hours and 25 minutes each day.’

Mike began working a nine-day fortnight when he turned 50. He has accumulated a fair bit of recreation leave and, thanks to working arrangements in FaCS, is able to take it at half-pay. This gives him 40 days a year to get away and helps keep him fresh.

‘My supervisor and I work together to ensure that the work of my section does not suffer because I work a nine-day fortnight. It is very likely I will work a six-day fortnight after I turn 55’, Mike says.

‘People over 50 can be typecast as clock-watchers who are counting the days to their retirement.

‘Since joining FaCS, it has been my policy to change jobs about every two years. Staying mobile shows my bosses that I am still looking for challenges and the chance to learn new things.

‘Getting older is not all bad: I find it satisfying to share some of my work experiences with younger people, because they often look to an older person to give them advice on career issues.’

Mike says that although he intends to keep working he has managed his affairs so that when he does reach ‘retirement age’, he will have the option to retire if he wants. However, that’s probably not going to happen as Mike continues to keep himself mentally and physically fit, and does not let stress poison his working day.
Diversity survey

The Diversity Council conducted a diversity climate survey in May 2004.

We were pleased to achieve a 42 per cent response rate and to find that responses were generally positive. More than three-quarters of respondents said they felt positive about diversity in FaCS, and at least four in every five respondents said they knew of their rights and responsibilities in relation to workplace diversity.

The survey captured new information on our workforce demographics, volunteered by people in describing personal factors that may impact upon them at work. This contributes to our understanding of the breadth of diversity within our workforce and is likely to be relevant to our diversity program development.

There were, however, some areas for improvement identified in the survey. These related in particular to interactions at a workgroup level, and the need for a continued focus on providing a safe and inclusive work environment, with an emphasis on understanding, respecting and drawing upon our diversity. These are matters that will be explored further in developing our Diversity Plan.

FaCS restructure

By the end of 2003 FaCS had recognised that there was a need to reorganise and better balance resources within the department in order to respond to workload pressures and emerging policy agendas. An important element in looking at a restructure was a decision not to increase the overall number of executive directors.

The agenda for families and children is an area of growing interest to the Australian Government and to the broader community. To ensure the department was in a position to effectively respond, a second cluster was established in the Family and Children's area. The restructure also took into account the need to strengthen the linkages between the Economic and Social Participation, Family and Children, and Community Development and Support areas of the department.

The restructure of the Participation area of the department supports a clearer emphasis on obtaining positive outcomes for working-age people, including better attention to policy integration and service quality, and alignment of key functional activities around evaluation, data and program management.

The new departmental structure, which took effect on 1 July 2004, allows for a better alignment of the corporate functions and recognises the importance of the people management function to the department by having that function report directly to a deputy secretary. The new structure also recognises the importance of effectively communicating the department’s policies and programs and of providing quality support to portfolio ministers.

Our state and territory offices play a significant role in providing ‘coal face’ intelligence. The restructure strengthens our ability to make better use of this information to assist in policy development and implementation.
FaCS community spirit

The Child Care Benefits Branch (CCB), always ready for a challenge, put down pen and paper and braved the elements to participate in two challenging projects.

There is a provision in our certified agreement for staff to get involved in community volunteering, so, after many hours of searching for the right match, we found two suitable projects.

MARYMEAD CHILD AND FAMILY CENTRE

Eight of us, armed with paint brushes and rollers, set off to work at the Marymead Child and Family Centre in Narrabundah, ACT. The project involved painting a four-bedroom cottage on the Marymead grounds. The large cottage, in need of a major makeover, provides long-term housing for young people with disabilities and in crisis. Our mission was to brighten up the cottage and paint as many rooms as possible in one day.

It was a great day, Marymead staff provided encouragement and lunch for the painters and, as expected, our CCB DIY team came up trumps and painted the entire place in one day—whew!

That night a few spas and early nights were had by our CCB Michelangelos. Flecks of paint were still visible several days later, a pleasant reminder of a job well done.

RSPCA

Not to be outdone by the first group, another 11 of us invaded the RSPCA in Weston, ACT to complete a CCB ‘ground force’ makeover. The Canberra bushfires of January 2003 had severely burnt the RSPCA grounds, and their gardens were devastated. Braving a very hot day, CCB ground force moved native gum trees, pulled out waist-high weeds, mulched, dug holes and watered plants by hand to give the RSPCA grounds a much-needed overhaul. When the going got tough, we stopped for a long, cool drink and played with lots of cute puppies and kittens. We all pitched in and had a BBQ lunch with RSPCA staff under the trees. With empty drink bottles, several blisters and one puppy later, CCB ground force accomplished a mammoth task and went home for some much-needed ‘R & R’.
FaCS released its first triple bottom line (TBL) report in October 2003, making FaCS the first Australian Government department to publish a TBL report. In its role as secretariat to the Prime Minister’s Community Business Partnership, FaCS is one of a number of organisations working to develop a national TBL reporting framework for Australian business. In that context, it makes good sense for FaCS to set an example and lead the way in the public sector.

Our reporting against a range of social, environmental and economic performance indicators has served FaCS well in a number of ways. FaCS is working to address the gaps in data that emerged during compilation of our first report, data that are needed to ensure more complete and sustainable management of our organisation and our efforts. The report also acknowledges to FaCS staff and the community at large that our operations have social, environmental and economic impacts—not just financial ones—and that these must be analysed and reported on transparently in the spirit of improvement.

FaCS triple bottom line reporting draws from indicators developed by the Department of the Environment and Heritage and underpinned by the 2002 Global Reporting Initiative (GRI) guidelines.
In October 2003 the Minister for Family and Community Services launched the first FaCS triple bottom line report at the Tuggeranong Enclosed Oval, a public sporting facility that had been severely damaged by the Canberra bushfires of January 2003. The event also promoted other FaCS TBL commitments and initiatives.

The report’s launch coincided with that of the FaCS Greenfleet membership drive. In conjunction with Greenfleet and the ACT Department of Urban Services, FaCS senior executives planted 120 trees to replace those lost in the fires. To date more than 100 FaCS staff have joined Greenfleet. FaCS is working with ACT Urban Services to maintain trees through the current drought with a mulching and watering program.

At the same event Howard Bamsey, Chief Executive of the Australian Greenhouse Office, presented FaCS Secretary Mark Sullivan with the FaCS Greenhouse Challenge membership certificate in recognition of the commitment that FaCS has made to better understanding, managing and reducing our greenhouse gas emissions.

Membership of the Challenge requires FaCS to report annually to the Australian Greenhouse Office on our greenhouse gas emissions and the work we are undertaking to reduce these.

This event also showcased the Toyota Prius hybrid car, which uses a combination of electric and petrol motors to reduce fuel consumption, greenhouse gas emissions and noxious gas emissions. In January 2004 FaCS leased a hybrid car for use by the ministerial courier. Since this date the car has travelled 12,539 kilometres and used 671.47 litres of fuel. The car used 29.1 per cent less fuel with the same percentage reduction in greenhouse gas emissions than the car it replaced for the same distance.

FaCS is currently considering increasing the number of hybrid vehicles in its fleet.
# List of acronyms and initialisms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AIFS</td>
<td>Australian Institute of Family Studies</td>
</tr>
<tr>
<td>ARC</td>
<td>Australian Research Council</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South-East Asian Nations</td>
</tr>
<tr>
<td>ATSIC</td>
<td>Aboriginal and Torres Strait Islander Commission</td>
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<tr>
<td>ATSIS</td>
<td>Aboriginal and Torres Strait Islander Services</td>
</tr>
<tr>
<td>AWT</td>
<td>Australians Working Together</td>
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<tr>
<td>CAEPR</td>
<td>Centre for Aboriginal Economic Policy Research</td>
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<tr>
<td>CCB</td>
<td>Child Care Benefit</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CHAS</td>
<td>Clients Having a Say</td>
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<tr>
<td>CHIP</td>
<td>Community Housing and Infrastructure Program</td>
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<tr>
<td>CSA</td>
<td>Child Support Agency</td>
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<tr>
<td>DEWR</td>
<td>Department of Employment and Workplace Relations</td>
</tr>
<tr>
<td>DIMIA</td>
<td>Department of Immigration and Multicultural and Indigenous Affairs</td>
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<tr>
<td>DTSS</td>
<td>Direct Telephone Support Service</td>
</tr>
<tr>
<td>DYI</td>
<td>do-it-yourself</td>
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<tr>
<td>FaCS</td>
<td>Department of Family and Community Services</td>
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<tr>
<td>FHPEIP</td>
<td>Family Homelessness Prevention and Early Intervention Pilot</td>
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<tr>
<td>FIM</td>
<td>Family Income Management</td>
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<tr>
<td>FTB</td>
<td>Family Tax Benefit</td>
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<tr>
<td>GCS</td>
<td>General Customer Survey</td>
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<tr>
<td>GRI</td>
<td>Global Reporting Initiative</td>
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<tr>
<td>HILDA</td>
<td>Household, Income and Labour Dynamics in Australia</td>
</tr>
<tr>
<td>HOME</td>
<td>Household Organisational Management Expenses</td>
</tr>
<tr>
<td>IDC</td>
<td>Intensive Debt Collection</td>
</tr>
<tr>
<td>IPMS</td>
<td>Individual Performance Management System</td>
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</table>
JET Jobs, Education and Training
LDS Longitudinal Data Set
LSAC Longitudinal Study of Australian Children
LSIC Longitudinal Study of Indigenous Children
MACS Multifunctional Aboriginal Children’s Services
NAIDOC National Aboriginal Islander Day Observance Committee
NSUP Newly Separated Unemployed Parents initiative
PSM Public Service Medal
PSP Personal Support Programme
RAPS Recognise and Appreciate People Scheme
RASC Remote Area Service Centre
RSPCA Royal Society for the Prevention of Cruelty to Animals
SBS Special Broadcasting Service
SFCS Stronger Families and Communities Strategy
SPEAR Social Policy Evaluation, Analysis and Research Centre (Australian National University)
SPRC Social Policy Research Centre (University of New South Wales)
SPRS Social Policy Research Services
SSAT Social Security Appeals Tribunal
STO state and territory office
TBL triple bottom line
VSEG Volunteer Small Equipment Grants
VWI Voluntary Work Initiative
VWP Voluntary Work Program
YWCA Young Women’s Christian Association
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