



Australian Government

Department of Families,  
Housing, Community Services  
and Indigenous Affairs



2010–11  
Annual Report



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## Case study

# New approaches to engagement with Aboriginal and Torres Strait Islander Australians

Real gains for Aboriginal and Torres Strait Islander Australians can only be made in partnership with Indigenous communities. The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) believes that building better relationships with Indigenous Australians is a fundamental element in efforts to improve life outcomes for this priority group. The Department has increased its efforts to fulfil the Australian Government's commitment to meaningful engagement with Indigenous Australians through a range of initiatives during 2010–11. Examples of these initiatives are outlined below.

### Stronger futures in the Northern Territory

The Government released the *Stronger futures in the Northern Territory* discussion paper in June 2011 as the starting point for consulting with Aboriginal people in the Northern Territory to seek their views on future approaches to addressing Indigenous disadvantage.

The discussion paper set out what the Government sees as priority areas for action to build a stronger future for Aboriginal people in the Northern Territory. These include giving children the best start in life by making sure they attend school, getting more Aboriginal people into paid employment, and dealing with the devastating effects of alcohol abuse.

Consultations on the *Stronger futures* discussion paper were held across the Northern Territory from late June 2011 to mid August 2011. The consultation process was designed to enable the Government to hear what people had to say—about what works, what needs to be improved, and what more needs to be done—before it makes decisions about the future.

The consultation process was structured to include whole-of-community meetings as well as opportunities for less formal discussions with individuals and small groups in remote communities. Public meetings in urban and regional centres and discussions with key stakeholder groups were also planned. These were seen as building on the ongoing feedback that Aboriginal people have been providing to

the Government over the past few years, either directly to ministers or through government business managers in communities, including through the extensive consultations undertaken in 2009 that helped inform the redesign of the Northern Territory Emergency Response.

### Remote service delivery

Under the National Partnership Agreement on Remote Service Delivery, FaHCSIA is working to improve the delivery of services to Indigenous people in remote locations. Intensive work is currently proceeding in 29 priority locations across the Northern Territory, Western Australia, Queensland, New South Wales and South Australia. The Agreement establishes a new remote service delivery model to fundamentally change the way governments deliver vital services and infrastructure to ensure that Indigenous Australians living in the 29 priority remote communities receive and actively participate in services to close the gap in Indigenous disadvantage.

Strong progress is being made in engagement at the community level. An expanded network of Indigenous engagement officers provides a critical coordination and communication role within Indigenous communities. They work closely with their local communities in remote service delivery locations to increase their community's knowledge and understanding of government business.

Indigenous engagement officers have also played an important role, alongside government business managers, in helping communities develop local implementations plans which have been developed for each of the 29 remote service delivery locations during 2011. Local implementation plans are essentially negotiated agreements between Indigenous communities and all levels of government. They include clear commitments to action on the part of governments and communities, and therefore provide an important accountability mechanism. The engagement for these plans has involved the development of genuine collaborative trust-based partnerships with local community representatives, and other sectors within communities.



*FaHCSIA is committed to engaging with Aboriginal and Torres Strait Islander peoples*

### **Gathering to heal**

The Government has provided \$26.6 million over four years to establish the Healing Foundation to support community-based healing initiatives that address the traumatic legacy of colonisation, forced removals and other past government policies.

In 2011 the newly formed Aboriginal and Torres Strait Islander Healing Foundation successfully completed its first annual funding round, providing funding to 21 Indigenous organisations across Australia to support community-based initiatives.

These initiatives are being developed and delivered by Aboriginal and Torres Strait Islander people and communities. The projects will promote connection to culture and are driven by local community need and locally developed solutions.

### **National Congress of Australia's First Peoples**

The board of the National Congress of Australia's First Peoples held its first annual meeting with all 120 delegates in June 2011. The National Congress offers a forum where governments and the corporate and community sectors can engage and partner on reform initiatives. The National Congress will bring to the table an informed and strong national voice for the goals, aspirations, interests and values of Aboriginal and Torres Strait Islander peoples.

### **Constitutional recognition**

Substantial progress has also been made in the area of constitutional reform since the Prime Minister announced the membership of the Expert Panel on Constitutional Recognition of Indigenous Australians in late 2010. Throughout 2011 the Expert Panel has led consultations across the whole Australian community aimed at building consensus on the recognition of Indigenous people in the Constitution. The panel will advise the Government on how to improve the Constitution to reflect modern Australian values and for the first time formally recognise the unique place of Aboriginal and Torres Strait Islander peoples in the history of Australia. *You Me Unity* is the national conversation about updating our Constitution to recognise our first peoples and define equality for all Australians.

### **Public service engagement framework**

To mark National Reconciliation Week in May 2011, the Department released *Engaging Today, Building Tomorrow*, a new Australian Public Service framework that guides engagement practices with Indigenous Australians. The framework is built around the principle that the way we engage should set an example of democratic practice and help build the capacity of Indigenous people to work with government.

## About this report

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This report was prepared according to parliamentary reporting requirements and legislative requirements. It provides details of the operations and performance of the Department of Families, Housing, Community Services and Indigenous Affairs for the financial year ending 30 June 2011.

## How to use this report

**Part 1** provides an overview of the Department, with a review of the year from the Secretary and a description of the portfolio and the Department.

**Part 2** reports on the Department's performance against the outcomes and programs set out in the 2010–11 Portfolio Budget Statements.

**Part 3** details management and accountability processes, including corporate governance, external scrutiny, human resources management and financial management.

**Part 4** contains the audited financial statements for 2010–11 of the Department, the Aboriginals Benefit Account, and the Aboriginal and Torres Strait Islander Land Account.

The **appendixes** provide additional information, reports required under specific legislation and the annual reports of the Aboriginals Benefit Account and the Coordinator General for Remote Indigenous Services. They also include a list of requirements showing the locations of information in the report.



Australian Government  
Department of Families, Housing,  
Community Services and Indigenous Affairs

Finn Pratt PSM  
Secretary

The Hon. Jenny Macklin, MP  
Minister for Families, Housing, Community Services and Indigenous Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Annual Report for 2010–11 of the Department of Families, Housing, Community Services and Indigenous Affairs for your presentation to the Parliament in accordance with subsection 63(1) of the *Public Service Act 1999*.

This report has been prepared pursuant to the *Requirements for Annual Reports* approved by the Joint Committee of Public Accounts and Audit as required by subsection 63(2) of the *Public Service Act 1999*.

The report also meets my reporting requirements under the Child Support Scheme, the social security law and the family assistance law.

Yours sincerely

Finn Pratt

cc The Hon. Kate Ellis, MP  
Minister for the Status of Women

Senator the Hon. Mark Arbib  
Minister for Social Housing and Homelessness

Senator the Hon. Jan McLucas  
Parliamentary Secretary for Disabilities and Carers

The Hon. Julie Collins MP  
Parliamentary Secretary for Community Services

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# Part One Overview

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# Chapter 1

## Secretary's review

# 1

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*Secretary Finn Pratt*

I am pleased to present the 2010–11 annual report of the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), my first as Secretary of the Department. My first few months at FaHCSIA have been both exciting and challenging, and I have been greatly impressed by the hard work and professionalism shown by staff throughout the Department. The many achievements outlined in this annual report are a testament to the dedication of the Department's staff and the outstanding leadership of my predecessor, Dr Jeff Harmer AO.

The Department made a number of substantial contributions to the Government's agenda in 2010–11. Several initiatives were instrumental in enhancing the wellbeing of Australian individuals and families, including Australia's first Paid Parental Leave scheme, reform of the Family Support Program, and innovations in family payments and income management.

The Department was involved in important measures to boost economic and social participation, including developing the National Disability Strategy to provide a long-term vision of support for and engagement with people with disability, recognising the vital role of carers through the landmark *Carer Recognition Act 2010*, and developing and implementing the National Plan to Reduce Violence against Women and their Children.

These substantial achievements complement the Department's continuing work to improve the lives of Indigenous Australians, ensure access to affordable housing, and build the capacity of vulnerable individuals, families and communities.

## Significant achievements

### Paid Parental Leave

The Government's historic Paid Parental Leave scheme, introduced on 1 January 2011, gives working parents more flexibility in balancing work and family responsibilities. By providing the financial security to spend time at home with a new baby in the critical early months, the Paid Parental Leave scheme will improve the wellbeing of families and assist parents, particularly women, to maintain a connection with the workforce.

It is estimated that around 148,000 families each year will be eligible for the scheme and that it will enable employers to attract and retain valuable staff. Many working parents, particularly the self-employed and those in part-time, casual, seasonal or contract work, will have access to secure, paid parental leave arrangements for the first time. FaHCSIA worked collaboratively with other policy and service delivery agencies to ensure the seamless implementation of this important new measure.

### Support for families

The Department has overseen the reform of the Family Support Program, improvements to family payments, and the introduction of a non-discriminatory model of income management across the Northern Territory.

The streamlined Family Support Program ensures more flexible, collaborative and coordinated support for vulnerable and disadvantaged families, while reducing red tape for service providers.

Throughout 2010–11, the Department worked toward implementing the Government's election commitments to make the family payment system fairer, simpler and more responsive to the needs of families. From 1 July 2011, families have access to more flexible advance payments of Family Tax Benefit Part A, giving them more options to choose the amount and timing of advances. Also from 1 July 2011, receipt of the Family Tax Benefit Part A supplement for families on income support will require early childhood health checks for 4-year-olds, to help identify any health issues before children start school, so that they start school ready to learn. For children born or adopted after 1 July 2011, the first fortnightly payment of Baby Bonus is \$500 more than the remaining 12 payments, to help with upfront costs. From 1 January 2012, the maximum rate of Family Tax Benefit Part A will be increased for teenagers in recognition of the costs of raising older children and to encourage teenagers to achieve a Year 12 or equivalent qualification.

On 1 July 2010, the Government introduced a new non-discriminatory model of income management across the Northern Territory to replace the previous scheme operating under the Northern Territory Emergency Response. The model applies to targeted categories of disengaged and disadvantaged welfare recipients across the Northern Territory, including families referred by the Northern Territory Department of Children and Families. The introduction of this new model was supported by the reinstatement of the *Racial Discrimination Act 1975*.

## National Disability Strategy and Carer Recognition Act

On 13 February 2011, the Council of Australian Governments endorsed the National Disability Strategy, a long-term road map for improving the lives of Australians with disability and their families and carers. For the first time, all levels of government have committed to a unified, national approach to disability issues. FaHCSIA will continue to play a key role in developing and implementing the strategy.

The strategy establishes a 10-year reform agenda for governments, industry and the community to address the barriers faced by Australians with disability. It aims to create better services, programs and community infrastructure to ensure that people with disability can access quality education, health care and job support, as well as buildings, transport and media, so that people with disability can participate as equal citizens.

The *Carer Recognition Act 2010*, passed on 28 October 2010, formally acknowledges at a national level the roles of carers. This legislation delivers on the Government's commitment to increase recognition and awareness of the role carers play in providing daily care and support to people with disability, medical conditions, mental illness and those who are frail aged.

## National Plan to Reduce Violence against Women and their Children

In February 2011 the National Plan to Reduce Violence against Women and their Children was announced. The plan is a 12-year initiative of the Council of Australian Governments aimed at reducing violence against women and their children. The national plan sets out a framework for action over the next 12 years and will be implemented through four three-year plans. The *First Action Plan—Building Strong Foundations* was published in the national plan and covers the 2010–13 period.

For the first time, the plan sets out ways to coordinate action across jurisdictions. It is focused strongly on promoting primary prevention, building respectful relationships, working to increase gender equality to prevent violence from occurring in the first place, and holding perpetrators accountable and encouraging behavioural change.

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## Our strategic direction

Throughout 2010–11, our work was guided by the 2008–10 FaHCSIA Strategic Framework. The framework is our highest-level planning document and provides the foundation for strategic decision making, business planning and budget allocations. The framework expired on 30 June 2011.

During 2010–11, we developed the 2011–14 FaHCSIA Strategic Framework. The new framework reflects our strategic direction for the next three years, to ensure that we remain a strong and effective agency and an employer of choice. The new framework took effect on 1 July 2011 and is available on our website, [www.fahcsia.gov.au](http://www.fahcsia.gov.au).

For further information on our strategic and business planning, see Chapter 12—Corporate governance.

## Strong financial management

The Department faced a challenging year that required tight financial discipline. By quickly redeploying staff to high-priority activities and at the same time achieving significant supplier savings, a range of new pressures were managed within a tight budget overall. However, some one-off pressures were not fully offset, including the final cost of Centrelink's transition to direct appropriations as well as the impact of actuarial assessments on employee leave provisions.

## Ongoing policy directions

### Problem gambling

The Department is playing a central role in addressing problem gambling and the negative impacts it has on individuals, families and communities. The Problem Gambling Taskforce, established in October 2010, provides policy advice to the Government on implementing its commitment to reduce problem gambling, including the implementation of a full pre-commitment scheme for electronic gaming machines.

### Disability Long-term Care and Support Report

The Department has been working to support the Government to consider the report of the Productivity Commission Inquiry into Disability Care and Support. The Productivity Commission's draft report was released on 28 February 2011, and public hearings were held in April 2011. The final report was provided to Government on 1 August 2011 and was released on 10 August 2011.

### Supporting people with disability to participate in work and the community

The Department will continue working with the Department of Education, Employment and Workplace Relations and the Department of Human Services to implement measures announced in the 2011–12 Budget, which aim to assist Disability Support Pension recipients who have some capacity to work to participate in the workforce and to improve the quality of Disability Support Pension assessments.

## Closing the Gap

FaHCSIA continues to play a critical role in the Government's national effort to close the gap in life outcomes and opportunities between Indigenous and non-Indigenous Australians. The Government's agenda to close the gap in Indigenous disadvantage is driven by three important imperatives: to overcome decades of underinvestment in services and infrastructure; to encourage and support personal responsibility as the foundation for healthy, functional families and communities; and to build new understanding and respect between Indigenous and non-Indigenous Australians.

FaHCSIA has a lead role in implementing the Council of Australian Governments' National Partnership Agreement on Remote Indigenous Housing, which is now producing new and refurbished housing on an unprecedented scale. FaHCSIA is also the lead agency for the Commonwealth in the Cape York Welfare Reform trial, which is improving school attendance, care and protection of children and community safety.

The Government sees the formation of the National Congress of Australia's First Peoples as another important step in strengthening Indigenous and non-Indigenous relations. I am pleased that my Department has played an instrumental role in establishing and funding this body, which aims to be a vehicle to provide a voice for Aboriginal and Torres Strait Islander people in national policy making.

FaHCSIA and other departments, through the Council of Australian Governments, are working with jurisdictions to help close the gap and have made historic investments across Australia under a number of national partnership agreements. These landmark agreements are critical to overcoming decades of underinvestment in essential infrastructure and services for Indigenous people, and include:

- ▶ \$5.5 billion over ten years from 2008–09 to 2017–18 to build and refurbish homes and related infrastructure under the National Partnership Agreement on Remote Indigenous Housing
- ▶ \$1.6 billion over four years from 2009–10 to 2012–13 to improve the health of Indigenous people under the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes
- ▶ \$564.6 million over six years from 2008–09 to 2013–14 to help ensure Indigenous children get a good start in life under the National Partnership Agreement on Indigenous Early Childhood Development
- ▶ \$228.9 million over five years from 2008–09 to 2012–13 to create real jobs in Indigenous communities in government service delivery, along with additional measures to help Indigenous people get jobs and generate business income, under the National Partnership Agreement on Indigenous Economic Participation
- ▶ \$291.2 million over five years from 2009–10 to 2013–14 to improve remote services under the National Partnership Agreement on Remote Service Delivery
- ▶ \$890.5 million over three years from 2009–10 to 2011–12 to continue work in the Northern Territory under the Closing the Gap in the Northern Territory National Partnership Agreement.

## Indigenous constitutional recognition

In 2011–12, one of the Department's key tasks will be supporting the Government's commitment to reform the Constitution, to formally recognise the unique place of Aboriginal and Torres Strait Islander peoples in the history of Australia.

Constitutional recognition of Aboriginal and Torres Strait Islander peoples would be an important step towards building a nation based on strong relationships and mutual respect, and the Government has announced its intention to hold a national referendum during the current term of government or at the next federal election.

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As an important part of this process, the Government announced the membership and terms of reference of the Expert Panel on Constitutional Recognition of Indigenous Australians in November 2010. FaHCSIA is providing secretariat support to the panel as it considers how best to work towards constitutional recognition. The panel will report to government by December 2011.

## Housing and homelessness

FaHCSIA continues to work to deliver the Government's social housing and homelessness reform agenda, ensuring Australians have access to affordable, safe and sustainable housing. Much of this work is done in partnership with states and territories under the National Affordable Housing Agreement and associated national partnership agreements including the National Partnership Agreements on Homelessness and Remote Indigenous Housing.

In 2010–11, the Department continued to implement the Social Housing Initiative, a key component of the Government's Nation Building—Economic Stimulus Plan. Construction commenced on a further 3,000 new social housing dwellings during the year.

In total the Department has supported the delivery of over 14,000 dwellings in 2010–11. These dwellings are located throughout Australian urban, regional and remote locations.

## Acknowledgments

I would like to thank all the staff of FaHCSIA for the support and commitment they have provided over the year and without whom many of our achievements would not have been possible.

In particular I would like to thank my predecessor, Dr Jeff Harmer AO, and my deputy secretaries, including Rob Heferen who moved to a new position at Treasury during 2010–11, who have made an enormous contribution to the direction and outcomes of the Department, as well as assisting my transition into the Department as Secretary.

## Chapter 2

### Portfolio overview

# 2

This chapter provides an overview of the FaHCSIA portfolio, including the ministers responsible for the portfolio and its agencies, the structure of the portfolio and summary information on the roles and reporting arrangements of the portfolio bodies.

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## Ministers and portfolio responsibilities

Until 14 September 2010, the ministers and parliamentary secretaries responsible for the portfolio and its agencies were:

- ▶ The Hon. Jenny Macklin MP, Minister for Families, Housing, Community Services and Indigenous Affairs
- ▶ The Hon. Tanya Plibersek MP, Minister for Housing and Minister for the Status of Women
- ▶ The Hon. Bill Shorten MP, Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction
- ▶ Senator the Hon. Ursula Stephens, Parliamentary Secretary for Social Inclusion and the Voluntary Sector.

The current ministers and parliamentary secretaries, sworn in on 14 September 2010, are:

- ▶ The Hon. Jenny Macklin MP, Minister for Families, Housing, Community Services and Indigenous Affairs
- ▶ The Hon. Kate Ellis MP, Minister for Employment Participation and Child Care and Minister for the Status of Women
- ▶ Senator the Hon. Mark Arbib, Minister for Indigenous Employment and Economic Development, Minister for Sport and Minister for Social Housing and Homelessness
- ▶ Senator the Hon. Jan McLucas, Parliamentary Secretary for Disabilities and Carers
- ▶ The Hon. Julie Collins MP, Parliamentary Secretary for Community Services.

## Portfolio structure

The portfolio comprises FaHCSIA and 16 statutory and non-statutory bodies, each of which is described briefly below. Figure 2.1 on page 12 shows the portfolio structure.

### Portfolio agencies and statutory bodies

#### **Department of Families, Housing, Community Services and Indigenous Affairs**

FaHCSIA is a key source of advice to the Australian Government on social policy and works in partnership with other Commonwealth and state and territory government agencies and non-government organisations to manage a diverse range of agreements, programs and services designed to support and improve the lives of Australians.

FaHCSIA has whole-of-government responsibilities in relation to Indigenous affairs and women.

The Department is subject to the *Financial Management and Accountability Act 1997* (FMA Act).

Website: [www.fahcsia.gov.au](http://www.fahcsia.gov.au)



## Aboriginal Hostels Limited

Aboriginal Hostels Limited is a company owned by the Australian Government and managed by an independent board of directors under the *Corporations Act 2001* and the *Commonwealth Authorities and Companies Act 1997* (CAC Act). Aboriginal Hostels Limited provides safe, culturally appropriate and affordable accommodation for Indigenous Australians who must live away from home to access services and economic opportunity through a national network of hostels and houses. It employs more than 500 staff, 78 per cent of whom identify as Aboriginal or Torres Strait Islanders. Aboriginal Hostels Limited is funded through an appropriation from the Australian Government, from revenues from contracting governments, and from client tariffs. Its services directly support the Closing the Gap agenda relating to health, education and employment.

Website: [www.ahl.gov.au](http://www.ahl.gov.au)

## Equal Opportunity for Women in the Workplace Agency

The Equal Opportunity for Women in the Workplace Agency is a statutory authority that administers the *Equal Opportunity for Women in the Workplace Act 1999* and is subject to the FMA Act. The principal functions of the agency are to promote employment for women on the basis of merit, to promote equal opportunity, to eliminate discrimination and to foster workplace consultation between employers and employees on these issues. The agency contributes to the portfolio's goals by working with business to develop work practices that improve women's workforce participation in an environment free of discrimination.

In March 2011 a package of detailed reforms was announced to retain and improve the agency and the Act. The reforms will strengthen the Act's and the agency's focus on gender equality, highlighting pay equity and caring and unpaid responsibilities as key elements for achieving the improved outcomes for business and working women and men. The Act will be renamed the Workplace Gender Equality Act and the agency will be known as the Workplace Gender Equality Agency. Reporting by business will be streamlined to focus on outcomes. The agency's role in supporting and advising employers will be significantly enhanced.

Website: [www.eowa.gov.au](http://www.eowa.gov.au)

## Indigenous Business Australia

Indigenous Business Australia is a statutory authority established under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is subject to the CAC Act. Its vision is for a nation in which Indigenous Australians are economically independent and an integral part of the economy.

Indigenous Business Australia contributes to the portfolio's goals through Indigenous economic development. It manages programs that provide the means for Indigenous Australians to create wealth and accumulate assets, take up investment opportunities, own businesses and purchase homes.

Website: [www.iba.gov.au](http://www.iba.gov.au)

## Indigenous Land Corporation

The Indigenous Land Corporation is a statutory authority established under the ATSI Act and is subject to the CAC Act. It assists Aboriginal and Torres Strait Islander people to acquire and manage land to provide economic, environmental, social and cultural benefits. The corporation contributes to the goals of the portfolio by assisting in the delivery of sustainable benefits through land acquisition and by providing land management assistance. Its policy is determined by a seven-member board of directors of which five, including the chairperson, must be Indigenous.

The National Indigenous Land Strategy 2007–2012 prioritises education, training and sustainable employment as key outcomes for the corporation's land-based projects. The board has identified the tourism and pastoral sectors as providing strategic opportunities for increasing Indigenous training and employment outcomes in regional and remote areas.

Website: [www.ilc.gov.au](http://www.ilc.gov.au)

### **Outback Stores Pty Ltd**

Outback Stores Pty Ltd became an Australian Government company on 2 March 2010. It was originally established in 2007 as a subsidiary of Indigenous Business Australia and is subject to the Corporations Act and the CAC Act. Outback Stores Pty Ltd improves the health, employment and economic conditions of remote Indigenous communities by providing retail management services to community-owned stores. These services improve the quality, affordability and availability of food, a key component of the Australian Government's food security policy. Outback Stores Pty Ltd contributes to the portfolio's goals by helping Indigenous people to improve their standard of living and to achieve health goals.

Website: [www.outbackstores.com.au](http://www.outbackstores.com.au)

### **Northern Territory Land Councils**

The Northern Land Council, the Central Land Council, the Anindilyakwa Land Council and the Tiwi Land Council are the four Northern Territory land councils established under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA). The land councils are subject to the CAC Act. Each is an independent statutory body established to represent Aboriginal interests in a range of processes related to the ALRA.

Websites:

Northern Land Council: [www.nlc.org.au](http://www.nlc.org.au)

Central Land Council: [www.clc.org.au](http://www.clc.org.au)

Anindilyakwa Land Council: [www.anindilyakwa.com.au](http://www.anindilyakwa.com.au)

Tiwi Land Council: [www.tiwilandcouncil.net.au](http://www.tiwilandcouncil.net.au)

### **Social Security Appeals Tribunal**

The Social Security Appeals Tribunal was established by Ministerial Instruction in 1975 and then by the *Social Security Act 1947* in 1988. Its existence was continued by the *Social Security Act 1991* and then by the *Social Security (Administration) Act 1999*. It is subject to the FMA Act.

Eleven Acts confer jurisdiction on the tribunal to conduct reviews of decisions. It mostly reviews decisions made by officers of Centrelink or the Child Support Agency under the social security law, the family assistance law and the child support law.

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

Website: [www.ssat.gov.au](http://www.ssat.gov.au)

### Torres Strait Regional Authority

The Torres Strait Regional Authority is a statutory authority established by the ATSI Act and is subject to CAC Act. It formulates, implements and monitors the effectiveness of programs for Aboriginal and Torres Strait Islander people living in the Torres Strait and advises the Minister for Families, Housing, Community Services and Indigenous Affairs on issues related to the Torres Strait.

The authority contributes to the goals of the portfolio by working to empower Aboriginal and Torres Strait Islander people living in the Torres Strait to determine their own affairs based on the *ailan kastom* (island custom) of the Torres Strait, which is a source of unity and strength.

Website: [www.tsra.gov.au](http://www.tsra.gov.au)

### Wreck Bay Aboriginal Community Council

The Wreck Bay Aboriginal Community Council is an independent statutory body established by the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* and is subject to the CAC Act. The council holds title to land and provides services to the Aboriginal community of Jervis Bay.

Website: [www.wbacc.gov.au](http://www.wbacc.gov.au)

## Statutory office holders

### Aboriginal Land Commissioner, Northern Territory

The Aboriginal Land Commissioner is an independent statutory office holder under the ALRA and is subject to the FMA Act. The principal function of the commissioner is to consider applications from Aboriginal and Torres Strait Islander people for claims to traditional land and to provide recommendations to the Minister for Families, Housing, Community Services and Indigenous Affairs on the granting of land.

Website: No website is available.

### Coordinator General for Remote Indigenous Services

The Coordinator General for Remote Indigenous Services is a statutory officer established under the *Coordinator-General for Remote Indigenous Services Act 2009*. The Office of the Coordinator General for Remote Indigenous Services supports the Coordinator General and is subject to the FMA Act. The central functions of the Coordinator General are to monitor, assess, advise on and drive the development and delivery of government services and facilities in each of the specified remote communities to a standard broadly comparable with that in non-Indigenous communities of similar size, location and needs, and to monitor, assess, advise on and drive progress toward achieving Closing the Gap targets in those communities.

Website: [www.cgris.gov.au](http://www.cgris.gov.au)

### Executive Director of Township Leasing

The position of Executive Director of Township Leasing is established under the ALRA and came into effect on 1 July 2007. The Executive Director of Township Leasing is an independent statutory office holder who enters into leases, on behalf of the Australian Government, on Aboriginal-held land in the Northern Territory and administers subleases and other rights and interests derived from those leases.

Website: [www.otl.gov.au](http://www.otl.gov.au)

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### Registrar of Indigenous Corporations

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The Registrar of Indigenous Corporations is an independent statutory office holder who administers the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. The Registrar of Indigenous Corporations regulates and provides support services to Aboriginal and Torres Strait Islander corporations.

Website: [www.oric.gov.au](http://www.oric.gov.au)

Staff of the statutory office holders are part of FaHCSIA, for FMA Act and *Public Service Act 1999* purposes.

Figure 2.1 Portfolio structure, 30 June 2011



Note: The outcomes and objectives for the Department can be found in Figure 3.1 in Chapter 3—Departmental overview.

# Chapter 3

## Departmental overview

# 3

### Our purpose

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FaHCSIA's purpose is to improve the lives of Australians by creating opportunities for economic and social participation by individuals, families and communities.

### Our role and functions

FaHCSIA has a key role in the delivery of the Australian Government's social policy agenda.

Our seven outcomes reflect the core areas in which the Department seeks to assist people. Figure 3.1 outlines the Department's outcomes and objectives.

**Figure 3.1 FaHCSIA's outcomes and objectives**

<b>Outcome 1—Families and Children</b>
Improved child development, safety and family functioning through support services for all Australians, payments for low and medium income families with children and child support policy.
<b>Outcome 2—Housing</b>
Access to affordable, safe housing through: payments and support services; and rental subsidies to low and moderate income households.
<b>Outcome 3—Community Capability and the Vulnerable</b>
Improved capacity for vulnerable people and communities to participate economically and socially and to manage life-transitions through payments, targeted support services and community capability building initiatives.
<b>Outcome 4—Seniors</b>
An adequate standard of living and improved capacity to productively manage resources and life-transitions for senior Australians through the delivery of payments, concessions and information services.
<b>Outcome 5—Disability and Carers</b>
An adequate standard of living, improved capacity to participate economically and socially and manage life-transitions for people with disability and/or mental illness and carers through payments, concessions, support and care services.
<b>Outcome 6—Women</b>
Improved gender equality through coordinated whole of government advice and support for women's economic security, safety and status.
<b>Outcome 7—Indigenous</b>
Closing the gap in Indigenous disadvantage with improved wellbeing, capacity to participate economically and socially and to manage life-transitions for Indigenous Australians through Indigenous engagement, coordinated whole of government policy advice and targeted support services.

We work to achieve these outcomes in four main ways:

- ▶ Payments to individuals—FaHCSIA makes direct payments to individuals through Centrelink and other agencies. Primary examples include the Age Pension, the Disability Support Pension and the Family Tax Benefit.
- ▶ Working with the states and territories—FaHCSIA works with the states and territories to achieve outcomes in their areas of responsibility, including housing, disability services, addressing Indigenous disadvantage, concessions, women and the welfare of children.

- ▶ Payments for community services—FaHCSIA funds community-based organisations to deliver a range of local services, including family relationship services, emergency relief and supported employment for people with disability.
- ▶ Policy development, leadership, advice and coordination—FaHCSIA supports its portfolio ministers in their policy roles by providing advice on social policy, building the evidence base for action and coordinating whole-of-government policy for Indigenous affairs and for women.

## Our 2008–10 Strategic Framework

During 2010–11 our key objectives, corporate and governance priorities, leadership principles and values were guided by the FaHCSIA 2008–10 Strategic Framework.

### Our key objectives

Our key objectives provide strategic direction so that we can deliver on government commitments and achieve our purpose for the Australian public:

- ▶ Close the gap between Indigenous and non-Indigenous Australians.
- ▶ Build a modern social and income support system.
- ▶ Provide better support and services for those in need.
- ▶ Deliver family policy that best fosters the development, wellbeing and safety of children.
- ▶ Reduce homelessness and make housing more affordable.
- ▶ Promote women's safety, economic security and participation.

Chapters 4 to 11 of this report provide information on our key objectives for 2010–11 and our outlook for 2011–12.

### Our corporate and governance priorities

Our corporate and governance priorities describe the key enabling activities that FaHCSIA staff contribute to and support in their day-to-day work. They are all equally important and address areas we must focus on to achieve our key objectives. There are five such priorities:

- ▶ Our business is based on the evidence.
- ▶ We are effective and inclusive.
- ▶ We value our people.
- ▶ We manage effectively and with integrity.
- ▶ We set the direction and plan for the future.

### Our leadership principles

Our leadership principles describe the capabilities and behaviours that leaders in FaHCSIA must focus on. They are assessed in our individual performance management system.

FaHCSIA leaders at all levels will:

- ▶ set the direction
- ▶ provide clear and consistent guidance
- ▶ achieve results
- ▶ set the example
- ▶ value and develop staff.

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## Our values

As public servants we uphold the APS Values, which include impartiality, accountability and responsiveness to government. As a department, we choose to complement these with a small set of guiding principles that are meaningful to our staff:

- ▶ respect
- ▶ collaboration
- ▶ professionalism
- ▶ results
- ▶ innovation.

## Our operating environment

### Who we are

FaHCSIA is a dynamic and diverse department. Our work touches the lives of almost every Australian at some time. We have around 3,400 staff based in many locations across the whole of Australia, including in a number of remote Indigenous communities. We have a national office in Canberra, offices in each of the other capital cities and a range of regional locations. Figure 3.2 shows our organisational structure.

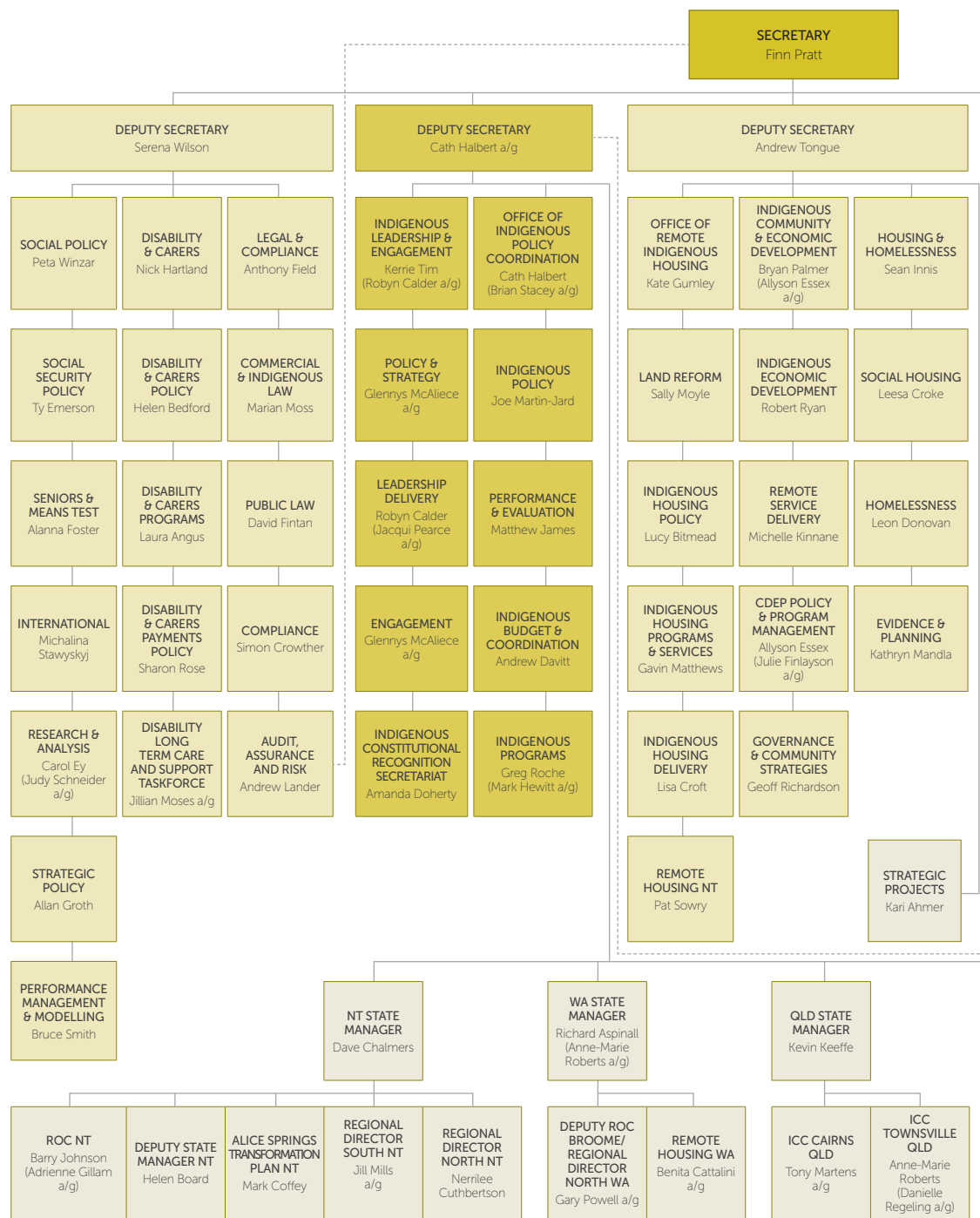
We aspire to be a leader in the Australian Government and continue in our efforts in the employment of Indigenous people and people with disability. On 30 June 2011, we had 296 Indigenous staff (8.73 per cent) and 171 staff with a disability (5.04 per cent). We have a strong gender balance at all levels of the organisation.

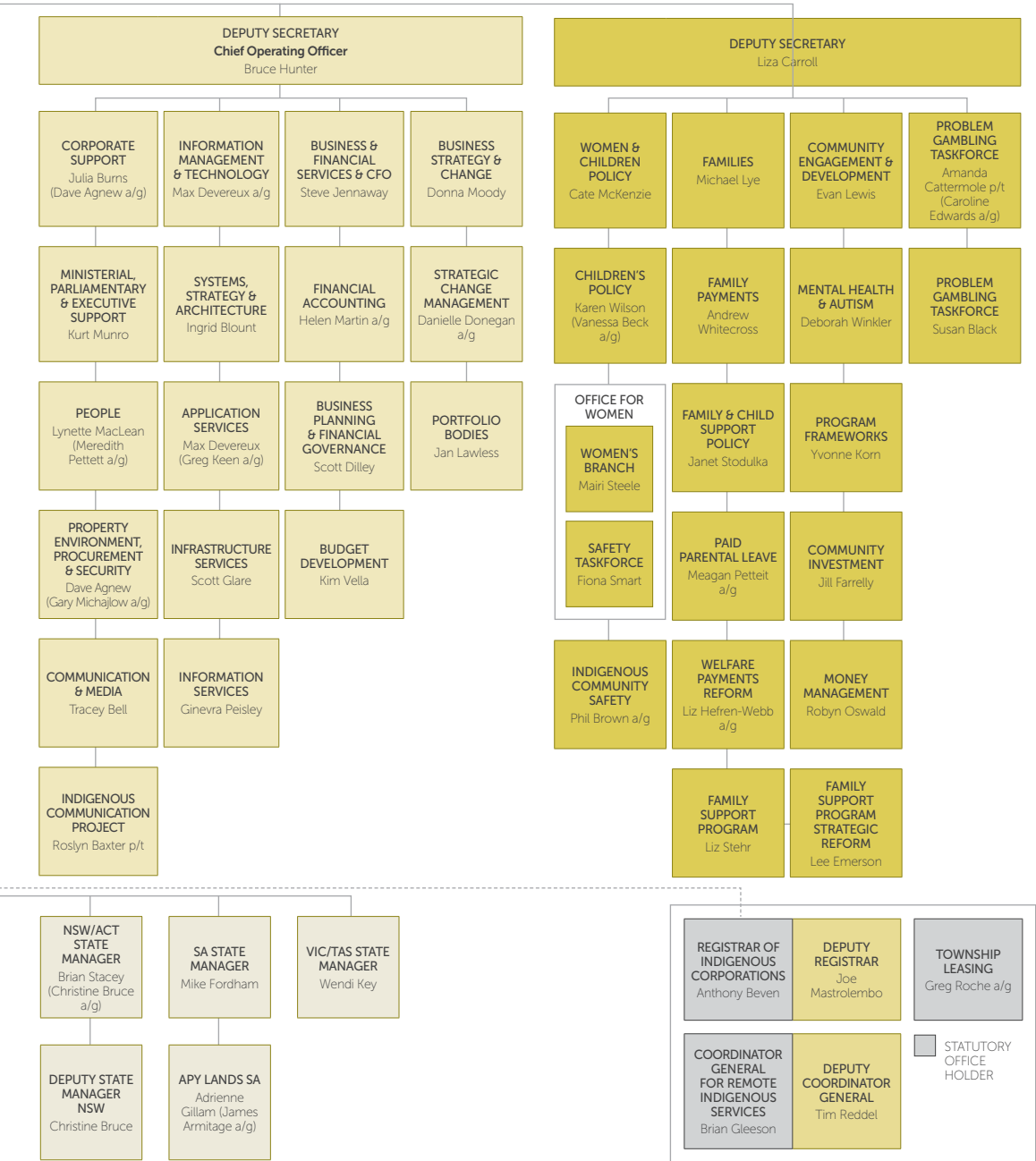
FaHCSIA's staff provide policy advice to the Government, coordinate whole-of-government policy for Indigenous and women's issues, conduct research, analyse ongoing and emerging issues, and work in partnership with other government and non-government organisations to manage a diverse range of programs and services designed to support and improve the lives of Australians.

The Department works with the states and territories to achieve outcomes in a number of shared policy areas. Through the Council of Australian Governments (COAG) reforms, FaHCSIA has the lead policy advisory role for three national agreements (on disability, affordable housing and Indigenous reform). FaHCSIA also has primary responsibility for setting the policy and reform directions for several COAG national partnerships, including those on social housing, homelessness, remote Indigenous housing and remote service delivery.



16 **Figure 3.2 Organisational structure on 30 June 2011**





## Our network

Approximately 27 per cent of our staff work in operational areas outside Canberra in our network of state and territory offices, Indigenous coordination centres and regional operations centres. Government business managers and Indigenous engagement officers are also part of our network.

Network staff manage funding agreements across most programs. In 2010–11, network staff managed over 5,000 funding contracts, ranging from contracts worth several million dollars to very small community-based grants. In total, this represented administered funding in excess of \$1.2 billion. Network staff also provide critical support to portfolio ministers, parliamentary secretaries and the Department by contributing to the design of government programs through environmental scanning, identifying areas of need and reporting on implementation progress and issues.

Network staff also play a key role in building and maintaining effective relationships with partners and stakeholders; anticipating, analysing and responding to important and emerging issues; and ensuring that the Department's work contributes effectively to whole-of-government initiatives.

During 2010–11, network staff had a critical role in implementing many of the COAG national partnership agreements, especially those on remote Indigenous housing and remote service delivery. Implementing the housing agreement required close engagement with state and territory governments to ensure the construction and refurbishment of houses in remote Indigenous towns and communities. Network staff focused on developing local implementation plans in partnership with 29 priority remote Indigenous communities under the National Partnership Agreement on Remote Service Delivery. As each plan was developed and agreed, attention then turned towards implementation of the plan's actions and commitments.

## Capital city presence

FaHCSIA has an office in each capital city except the Australian Capital Territory. The ACT office is administered by the New South Wales office. The state offices represent FaHCSIA at the state, regional and local level and work to improve the impact of relevant Australian Government policies, programs and initiatives.

## Regional footprint

The network includes 28 Indigenous coordination centres across Australia that engage with Aboriginal and Torres Strait Islander people and act as the coordination point for many government programs to assist Aboriginal and Torres Strait Islander people. The centres combine coordination, planning and service functions and—in some cases—house staff from several departments. A number of the centres, particularly those in regional and remote areas, also operate as regional FaHCSIA offices.

Six regional operations centres have been established by the Australian Government and the relevant state or territory government to serve as a single face of government for designated remote service delivery communities. Within each centre, Australian Government staff and state or territory government staff work together to support government business managers and Indigenous engagement officers and work with government agencies to ensure effective and timely service delivery.

Remote footprint

FaHCSIA has more than 65 government business managers\* across the Northern Territory, Western Australia, Queensland and New South Wales. They work closely with staff in regional operations centres and Indigenous coordination centres and focus on specific communities or groups of communities. They are responsible for leadership, strategic oversight, and coordination of Australian Government services provided in Indigenous communities and several town camp regions. They work with relevant agencies to maximise benefits to the community.

FaHCSIA employs 37 Indigenous engagement officers in many of the communities with government business managers. They have strong links to the community in which they work. Their role is to support government business managers, their communities and government; promote the community's role in defining needs, setting goals and formulating policies and plans; and work with community groups to bring greater community input into government decision making. They have received training in personal leadership, as well as specialised training in community engagement tools, techniques and theory to ensure that they are best placed to represent the needs of their communities.

Program and policy groups

Table 3.1 summarises the functions of the Department's business groups.

Table 3.1 Business groups—summary of functions

Group	Functions
Business and Financial Services	The Business and Financial Services Group is responsible for the overall financial management of the Department and coordinates the Department's input into the Commonwealth Budget. The group is also responsible for managing the Department's business planning arrangements as an integral part of the Department's work.
Business Strategy and Change	<p>The Business Strategy and Change Group works across the Department in a range of areas including portfolio governance and network support. The group led the development and implementation of the 2011–14 FaHCSIA Strategic Framework.</p> <p>The group supports the Minister and the Executive by providing advice on strategic governance and performance issues associated with portfolio bodies. It also manages the Department's complaints and enquiry functions.</p>
Community Engagement and Development	<p>The Community Engagement and Development Group delivers programs that build resilient communities and reduce vulnerability to social exclusion for people facing challenging life circumstances. Individuals and families are assisted through financial and community support including early intervention and mental health services.</p> <p>The group also has responsibility for reducing red tape for service providers, providing strategic direction, guidance and support for FaHCSIA's programs as well as leading reforms aimed at improving program management and delivery of FaHCSIA's national office, state office network, other government agencies and service providers.</p>

\* Also known as local area coordinators in Western Australia and government engagement and coordination officers in Queensland remote service delivery sites in the Gulf.

Group	Functions
Corporate Support	The Corporate Support Group provides a wide range of services to the Department, the Executive and ministers. These encompass ministerial and parliamentary services; secretariat and administrative support for the Executive; communication, public relations, media strategies and campaigns, and online content publishing; protective security services; accommodation and property services, including policies and advice on the Department's sustainability and environmental performance; procurement; and the Department's human resource strategy, policy and services.
Disability and Carers	<p>The Disability and Carers Group is responsible for strategies, policies and programs to support and recognise people with disability, their families and carers and encourage their full participation in Australian life through the delivery of payments, services and programs.</p> <p>The group works closely with state and territory governments on the National Disability Strategy and the National Disability Agreement.</p>
Families	<p>The Families Group develops policy and implements and monitors the performance of a range of budget measures relating to family policy, child support policy and family payments; designs welfare payments reforms, including income management; and implements the Government's commitment in relation to the Paid Parental Leave scheme.</p> <p>The programs and payments administered by the group help strengthen the capacity and wellbeing of families by promoting healthy family relationships, helping families adapt to changing economic and social circumstances, and working with local communities to identify solutions to their local issues.</p>
Housing and Homelessness	<p>The Housing and Homelessness Group plays a key role in helping low-income households, including Indigenous Australians and their communities, to access affordable and appropriate housing and to support people to move out of homelessness.</p> <p>The group is responsible for coordination of housing policy and programs aimed at increasing access to social housing and programs to reduce homelessness.</p> <p>The group collaborates with states and territories in the delivery of the National Affordable Housing Agreement, the Social Housing Initiative and the National Partnership Agreements on Homelessness and Social Housing.</p> <p>The group is responsible for policy, research and analysis relating to social housing and homelessness. The group gathers and analyses evidence to inform planning and policy development relating to social housing and homelessness.</p>
Indigenous Community and Economic Development	<p>The Indigenous Community and Economic Development Group has a diverse range of responsibilities, including administering the National Partnership Agreement on Remote Service Delivery with four states and the Northern Territory and the Community Development Employment Projects program, both of which are focused on development for Aboriginal and Torres Strait Islander people living in remote communities.</p> <p>The group also has responsibility for elements of the Indigenous Economic Development Strategy.</p> <p>It also coordinates an integrated community development approach to support the Government's capacity to design and implement Indigenous policy and programs.</p>

Group	Functions
Indigenous Leadership and Engagement	<p>The Indigenous Leadership and Engagement Group develops strategic policy that contributes to outcomes in governance and leadership, one of the seven building blocks that support closing the gap on Indigenous disadvantage.</p> <p>Key focuses for the group include the development of Indigenous leadership capability, stronger partnerships, and reconciliation with Indigenous people.</p> <p>This is achieved through the Indigenous Leadership Program, the Indigenous Women's Program, leadership and governance activities in targeted regions and communities, and reconciliation-related activities, including constitutional recognition of Indigenous Australians.</p> <p>The group also works to support stronger engagement with Aboriginal and Torres Strait Islander people, including the Stolen Generations, and the Aboriginal and Torres Strait Islander Healing Foundation.</p>
Information Management and Technology	<p>The Information Management and Technology Group provides information and communications technology (ICT) and information management services and support to the Department. The group hosts a range of ICT and library services for external organisations such as the Social Security Appeals Tribunal, the Department of Education, Employment and Workplace Relations, the Department of the Prime Minister and Cabinet and the Department of Sustainability, Environment, Water, Population and Communities.</p>
Legal and Compliance	<p>The Legal and Compliance Group helps clients within FaHCSIA by providing a range of services in legal, audit, risk and investigation matters. The group provides the full range of legal services, focuses on risk management and business improvement through internal audits and minimises fraud through compliance and investigation activities. The group also oversees the Department's activities under the <i>Freedom of Information Act 1982</i> and the <i>Privacy Act 1988</i>.</p>
Office of Indigenous Policy Coordination	<p>The Office of Indigenous Policy Coordination (OIPC) is responsible for supporting the Minister in leading and coordinating whole-of-government policy development and evaluations to drive progress on the Closing the Gap framework agreed to by COAG.</p> <p>OIPC works closely with other Commonwealth, state and territory agencies to develop and implement strategic reforms that contribute to Closing the Gap. This includes development of new budget proposals through the annual whole-of-government Indigenous budget process, and the monitoring and evaluation of key whole-of-government initiatives, including progress on the Closing the Gap targets.</p> <p>OIPC also manages other major government initiatives such as the Northern Territory Emergency Response, which the Government is now reviewing with Indigenous Territorians and others before deciding on its future. OIPC also leads and coordinates the development of new budget proposals through the annual whole-of-government Indigenous budget process, and monitors and evaluates key whole of government initiatives. It also plays a key role in assessing achievements against the Closing the Gap targets agreed by COAG. OIPC also contributes to Indigenous economic development through management of programs such as the Indigenous Communities Strategic Investment and several national Indigenous programs including funding for native title representative bodies.</p>

Group	Functions
Office of Remote Indigenous Housing	The Office of Remote Indigenous Housing is responsible for driving the delivery of reforms under the National Partnership Agreement on Remote Indigenous Housing, which focuses on improving housing, housing management and reforming land tenure arrangements in remote Indigenous communities. The office works in partnership with our state network, state and territory governments, the private sector and contracted service providers.
Problem Gambling Taskforce	The Problem Gambling Taskforce was established in October 2010. The taskforce provides policy advice to the Australian Government on implementing its commitment to reduce problem gambling.
Social Policy	The Social Policy Group works to enhance the Department’s policy capacity by providing research, evaluation, strategic analysis and coordination services; managing key programs, including seniors’ issues (Age Pension), international social security agreements and compliance strategies; and effectively managing the Department’s business relationship with Centrelink and social policy agencies.
Women and Children Policy	<p>The Women and Children Policy group, including the Office for Women, monitors and reports on Australia’s obligations under the United Nations Convention on the Elimination of All Forms of Discrimination against Women.</p> <p>The group is responsible for policy and implementation of reforms for women and children. The group works in partnership with state and territory governments and the non-government sector to implement the National Framework for Protecting Australia’s Children. It provides leadership in Australian Government policy and program management on issues affecting women and gender equality; National Women’s Alliances; Indigenous family and community safety; and the delivery of women’s safety initiatives. It also provides support to victims of people trafficking. It is implementing the National Plan to Reduce Violence against Women and their Children.</p>

# Part Two

## Report on performance

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## Chapter 4

### Our performance framework

# 4

24 The Department's annual report has a dual role: it is a key document that is part of the Department's accountability to the Parliament and it is an informative record of our progress towards our outcomes. A strong emphasis is placed on reporting against program objectives rather than simply reporting the level of program activity.

FaHCSIA has developed a performance framework to improve the consistency and transparency of performance information and reporting at several levels. The main purpose of the framework is to assist programs to set clear performance expectations, assess whether levels of performance have been met, set benchmarks to monitor trends and offer feedback to services on their performance.

Performance reporting in this annual report is based on the outcome and program structure and performance information contained in the 2010–11 Portfolio Budget Statements (PB Statements) and 2010–11 Portfolio Additional Estimates Statements (PAES).

FaHCSIA's 2010–11 PB Statements did not contain targets as the Department took on the task of reviewing and redefining key performance indicators and deliverables. As a result of this work targets for annual appropriations have been reported in the 2011–12 Portfolio Budget Statements.

This chapter also includes a report on FaHCSIA's contribution to the Australian Government's social inclusion agenda across the Department's outcomes and purchaser–provider arrangements.

## Outcome and program structure

Table 4.1 shows the Department's seven outcomes and their associated programs and program objectives for the 2010–11 reporting period.

**Table 4.1 Outcomes, programs and objectives, 2010–11**

Outcome 1: Families and Children	
<i>Improved child development, safety and family functioning through support services for all Australians, payments for low and medium income families with children and child support policy.</i>	
Program	Objective
1.1: Family Support	To increase access to and timely provision of integrated services for families, particularly vulnerable and at risk families, to improve child development, safety and family functioning.
1.2: Family Tax Benefit	To make payments to assist low and medium income families with the direct and indirect costs of raising dependent children.
1.3: Parental Payments and Care Incentives	To make payments to families to assist with the costs of a newborn or adopted child, extend the period that parents can be away from work to spend time with their new baby and encourage all families to fully immunise their children.

Outcome 2: Housing	
<i>Access to affordable, safe housing through: payments and support services; and rental subsidies to low and moderate income households.</i>	
Program	Objective
2.2: Housing Assistance and Homelessness Prevention	<p>To provide financial incentives to increase the housing supply and provide rental subsidies for low and moderate income households, and to fund homelessness prevention initiatives to reduce the impact of homelessness.</p> <p>As a result of Administrative Arrangement Order changes, responsibility for Affordable Housing (former FaHCSIA program 2.1) was transferred to the Department of Sustainability, Environment, Water, Population and Communities. The Housing Assistance and Homelessness Prevention program is now the sole program reported on in Outcome 2.</p>
Outcome 3: Community Capability and the Vulnerable	
<i>Improved capacity for vulnerable people and communities to participate economically and socially and to manage life-transitions through payments, targeted support services and community capability building initiatives.</i>	
Program	Objective
3.1: Financial Management	To improve the financial knowledge, skills, capabilities and financial resilience of vulnerable individuals and families to alleviate the immediate impact of financial stress, and to coordinate a national approach to reduce problem gambling.
3.2: Community Investment	To provide grants and ongoing funding to improve the responsiveness and integration of local community services to increase participation of vulnerable people in community life. As a result of Administrative Arrangements Order changes, deliverables for Volunteer Management have been transferred to the Department of the Prime Minister and Cabinet.
3.3: Income Support for Vulnerable People	To make payments to financially assist eligible people in severe financial hardship who do not have any other means of support.
3.4: Support for People in Special Circumstances	To make payments to Australians in circumstances beyond their control to support them in overcoming those circumstances and maintaining their financial wellbeing. As a result of Administrative Arrangements Order changes, key performance indicators and deliverables for the Australian Government Disaster Recovery Payment have been transferred to the Attorney-General's Department.
3.5: Supplementary Payments and Support for Income Support Recipients	To make payments and subsidise services to certain income support recipients to assist them financially and to help them continue to participate economically and socially.

Outcome 4: Seniors	
<i>An adequate standard of living and improved capacity to productively manage resources and life-transitions for senior Australians through the delivery of payments, concessions and information services.</i>	
Program	Objective
4.1: Income Support for Seniors	To make payments to senior Australians to assist them financially in a manner that encourages them to productively manage resources and life-transitions.
4.2: Allowances, Concessions and Services for Seniors	To make payments and provide services to senior Australians to assist with household expenses, enabling them to maintain their standard of living and increase their access to information and community resources.
Outcome 5: Disability and Carers	
<i>An adequate standard of living, improved capacity to participate economically and socially and manage life-transitions for people with disability and/or mental illness and carers through payments, concessions, support and care services.</i>	
Program	Objective
5.1: Targeted Community Care	To implement community mental health initiatives to assist people with mental illness and their families and carers.
5.2: Disability Support Pension	To make payments to eligible people with disability who are unable to achieve financial independence through sustained mainstream employment.
5.3: Income Support for Carers	To make payments and allowances to financially assist eligible carers of people with disability, a severe medical condition or who are frail aged.
5.4: Services and Support for People with Disability	To provide supported employment and improve access to information, advocacy and services for people with disability so they can develop their capabilities and actively participate in community and economic life.
5.5: Support for Carers	To provide peer support, respite and information services for carers to help them balance their care responsibilities with social participation and, in the case of young carers, completion of their education.
Outcome 6: Women	
<i>Improved gender equality through coordinated whole of government advice and support for women's economic security, safety and status.</i>	
Program	Objective
6.1: Gender Equality for Women	<p>To implement strategies in priority areas to achieve gender equality for women. These priority areas include:</p> <ul style="list-style-type: none"> <li>▶ reducing violence against women</li> <li>▶ improving economic outcomes for women</li> <li>▶ ensuring women's equal place in society.</li> </ul>

Outcome 7: Indigenous	
Closing the gap in Indigenous disadvantage with improved wellbeing, capacity to participate economically and socially and to manage life-transitions for Indigenous Australians through Indigenous engagement, coordinated whole of government policy advice and targeted support services.	
Program	Objective
7.1: Economic Development and Participation	To improve the capacity of Indigenous Australians to participate in the economy.
7.2: Indigenous Housing and Infrastructure	To improve the quality of Indigenous housing and tackle overcrowding and homelessness in remote communities.
7.3: Native Title and Land Rights	To support Indigenous rights to land recognised or provided for through Commonwealth land rights legislation and facilitate the representation and assistance of native title claimants and holders in the pursuit and exercise of native title rights.
7.4: Indigenous Capability and Development	<p>To provide engagement and support for individuals, families and communities to improve wellbeing and capability.</p> <p>As a result of Administrative Arrangement Order changes, the Repatriation of Indigenous Remains function has been transferred to the Department of the Prime Minister and Cabinet.</p>
7.5: Closing the Gap in the Northern Territory	To provide whole of government policy coordination and to implement targeted measures in relation to the National Partnership Agreement on Closing the Gap in the Northern Territory, which aims to protect women and children, improve community capacity and provide sustainable community development in prescribed communities.

## Improvements to performance reporting in 2010–11

FaHCSIA is committed to ensuring that performance measures appropriately reflect the desired outcome and intent of the programs it delivers. Performance indicators are continually reviewed to ensure that they align with changes to program parameters and Australian Government priorities, reflect customer trends and deliver client outcomes.

FaHCSIA made a number of improvements to its performance reporting for 2010–11 as outlined in the 2010–11 Portfolio Budget Statements.

## Key performance indicators

Changes to key performance indicators in 2010–11 affected a significant number of programs within FaHCSIA. Overall, these changes resulted in increased consistency and integrity of reporting across programs in FaHCSIA. Improvements to indicators were a result of many factors, including changes to Administrative Arrangements Orders and exercises to streamline FaHCSIA's performance measures.

## Deliverables

In 2010–11, FaHCSIA made significant changes to the way it reports program deliverables. The changes focused on providing more detailed and measurable deliverables in line with the intent of each program. The changes ensure better measurement of a program's implementation and effectiveness. Other changes made to deliverables resulted from the Administrative Arrangements Orders changes and new government priorities.

## Commitment to excellence in performance reporting

The Department's commitment to reporting excellence has again been recognised: FaHCSIA's 2009–10 annual report received a Silver Award in the Australasian Reporting Awards. The Department was also awarded the Annual Reports Awards Shield for cooperation and contribution by the Institute of Public Administration Australia (ACT Division). This is only the second time that the shield has been presented and it recognises the Department's significant contribution and ongoing commitment to ensuring accuracy and transparency in government reporting.

FaHCSIA is continuing to improve performance reporting, and a number of changes were made for 2011–12. For the first time, FaHCSIA has provided performance targets for all programs under *Appropriation Act (No. 1) 2011–12* and *Appropriation Act (No. 2) 2011–12* as part of the 2011–12 Portfolio Budget Statements.

## Summary of 2010–11 financial performance

After excluding depreciation, the department reported an operating deficit for 2010–11 of \$9.2 million, notwithstanding that a break-even operating result was forecast in the 2011–12 Portfolio Budget Statements. The operating result reflects the impact of several factors including:

- ▶ Centrelink's transition to direct appropriations
- ▶ the effect of actuarial variations on employee leave provisions.

The Department's full departmental and administered results are shown in the audited financial statements in Part 4 of this report.

## Council of Australian Governments

The Intergovernmental Agreement on Federal Financial Relations, which began on 1 January 2009, provides the framework for the Commonwealth's financial relations with the states and territories.

Under the framework's centralised payment arrangements, the Department of the Treasury is responsible and accountable for estimates, payments and financial reporting for payments from the Commonwealth to each state and territory treasury.

The intergovernmental agreement aims to improve the wellbeing of all Australians by:

- ▶ reducing Commonwealth prescriptions on how the states and territories should deliver services
- ▶ clarifying Commonwealth and state and territory roles and responsibilities
- ▶ enhancing accountability to the public for outcomes achieved or outputs delivered under national agreements and national partnerships.

National agreements are broad, overarching policy documents recording COAG-agreed objectives, outcomes, outputs and performance benchmarks in broad service sectors. National agreements are not funding agreements, but may be associated with a national specific purpose payment that provides funding to the states for a sector covered by the national agreement.

FaHCSIA has portfolio leadership for three national agreements:

- ▶ National Affordable Housing Agreement (outcomes 2 and 7)
- ▶ National Disability Agreement (outcomes 5 and 7)
- ▶ National Indigenous Reform Agreement (Outcome 7).

National partnership agreements enable collaboration on policy or projects and, in most cases, provide for financial transfers between the Commonwealth and the states and territories to support that collaboration.

In 2010–11 FaHCSIA had portfolio leadership for the following national partnership agreements:

- ▶ Certain Concessions for Pensioners and Seniors Card Holders (outcomes 3 and 4)
- ▶ Closing the Gap in the Northern Territory (Outcome 7)
- ▶ Homelessness (outcomes 2, 3 and 7)
- ▶ Indigenous Clearinghouse (Outcome 7)
- ▶ Nation Building and Jobs Plan—Social Housing (outcomes 2 and 7)
- ▶ Remote Indigenous Housing (outcomes 2 and 7)
- ▶ Remote Service Delivery (Outcome 7)
- ▶ Social Housing (outcomes 2 and 7)
- ▶ Victorian Bushfire Reconstruction and Recovery Plan (Outcome 3).

FaHCSIA significantly contributes to the following national partnership agreements led by other Australian Government departments:

- ▶ Indigenous Early Childhood Development (Outcome 1)
- ▶ Indigenous Economic Participation (Outcome 7).

FaHCSIA's 2010–11 PB Statements included COAG performance indicators for information purposes only; they are not reported against in the annual report.

On 8 June 2011, the COAG Reform Council released its second-year reports on the National Affordable Housing Agreement, the National Disability Agreement and the National Indigenous Reform Agreement.

Further information about COAG can be found on the COAG website ([www.coag.gov.au](http://www.coag.gov.au)). Further information about the federal financial framework and performance information about specific national agreements and national partnerships can be found on the Ministerial Council for Federal Financial Relations website ([www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au)).

## Changes to disability reporting in annual reports

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010–11, departments and agencies are no longer required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a 10-year national policy framework for improving life for Australians with disability, their families and carers. A high-level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to COAG and will be available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au). The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular *How Australia is faring* report and, if appropriate, in strategic change indicators in agency annual reports. More detail on social inclusion matters can be found at [www.socialinclusion.gov.au](http://www.socialinclusion.gov.au).

## Social inclusion, social justice and equity impact

The Australian Government's vision of a socially inclusive society is closely reflected in and advanced by many of FaHCSIA's activities. Advancing social inclusion, social justice and equity and supporting opportunity are all critical aspects of what drives our work.

Through its programs, FaHCSIA supports the social inclusion vision of building a nation where all Australians have the opportunity and support they need to participate in the nation's economic and community life, develop their own potential and be treated with dignity and respect. All Australians should have the resources, opportunities and capability they need to:

- ▶ **learn**, by participating in education and training
- ▶ **work**, by participating in employment or voluntary work, including family and carer responsibilities
- ▶ **engage**, by connecting with people, using local services and participating in local civic, cultural and recreational activities
- ▶ **have a voice** in influencing decisions that affect them.

The Government's social inclusion agenda identifies six specific priorities based on evidence about the causes and consequences of social and economic disadvantage in Australia. These priorities are:

- ▶ targeting jobless families with children to increase work opportunities, improve parenting and build capacity
- ▶ improving the life chances of children at greatest risk of long-term disadvantage
- ▶ reducing the incidence of homelessness
- ▶ improving outcomes for people living with disability or mental illness and their carers
- ▶ closing the gap for Indigenous Australians
- ▶ breaking the cycle of entrenched and multiple disadvantage in particular neighbourhoods and communities.

## Policies and programs that improve and maintain social inclusion

FaHCSIA plays an important role in assisting to achieve the Government's vision of social inclusion for all Australians. Many of the policies and programs delivered through the portfolio support and maintain social inclusion for the priority groups identified and for the broader population.

Access to income support and family payments is a key component of ensuring that Australians have adequate material resources and the ability to participate, both economically and socially.

Significant changes in 2010–11 included the commencement of the Paid Parental Leave scheme; the ability to access more flexible advances for a range of family payments; and ongoing pension rate and work bonus adjustments. More details can be found under the relevant outcomes in chapters 5 to 11 of this report.

The 2011–12 Budget also saw the announcement of Building Australia's Future Workforce, including a suite of place-based initiatives that will further assist some of the most disadvantaged communities. These initiatives will commence in 2012 (subject to the passage of legislation).

Progress on a number of national partnerships between the Commonwealth and state and territory governments continued and strengthened our capacity to collaborate in delivering the services and supports people need.

## Strategic change indicators

This year, FaHCSIA is reporting on specific social inclusion program-level indicators. These strategic change indicators provide a snapshot of how particular programs may be impacting on certain priority areas of social inclusion. While these indicators reflect only a small part of the broader work that FaHCSIA undertakes, they provide a useful gauge of progress in some key areas. Further details on each indicator can be found in specific outcome chapters.

## Improving the life chances of children at greatest risk of long-term disadvantage

FaHCSIA worked closely with the states and territories, the non-government sector, academics, carers and young people to develop Australia's first National Framework for Protecting Australia's Children (2009–2020), a comprehensive national approach to reducing child abuse and neglect. A key achievement in 2010–11 was the finalisation with the states and territories, and the non-government sector, of the first-ever National Standards for Out-of-Home Care.

Income management is a key part of the Australian Government's approach to assisting children at risk:

- ▶ Non-discriminatory income management is now in operation across the Northern Territory.
- ▶ Voluntary income management is available in metropolitan Perth, the Kimberley region in Western Australia, and across the Northern Territory. It allows income support recipients to volunteer for income management to assist them to meet their priority needs and to learn how to manage their finances for themselves and their family in the long term.
- ▶ Child protection income management is in operation in metropolitan Perth, the Kimberley region in Western Australia, and across the Northern Territory. Under this measure, state or territory child protection authorities can refer families to Centrelink where a child is at risk of neglect.
- ▶ As part of the Cape York Welfare Reform trial, in the four Cape York communities of Aurukun, Coen, Hope Vale and Mossman Gorge, income management is facilitated through the Queensland Government's Families Responsibilities Commission. The commission can request Centrelink to put income management in place for families from these communities for reasons of child safety, school absences, non-school enrolment, conviction in the Magistrates Court or breaches of tenancy.



Indicator: Number of people on Income Management.

As at 30 June 2011, 18,583 people were on Income Management across Queensland, Western Australia and the Northern Territory.

The Family Support Program, of which the Family Relationship Services are a component, contributes to the Government's social inclusion agenda by providing coordinated and integrated services to the most vulnerable and disadvantaged families and children. Family Support Program services work with state, territory and local governments as well as the community sector to ensure that families are connected with local services appropriate to their needs. The program is also moving towards a 'no wrong door' approach so that clients requiring assistance can access services through any Family Support Program service. Further information is contained in Chapter 5—Outcome 1.

Indicator: Percentage and number of clients reporting improved family functioning including child wellbeing under the Family Support Program.

93% of respondents (549) of Family Relationship Services (a component of the Family Support Program) reported improved family functioning including child wellbeing. A sample of 589 registered clients responded.

Indicator: Percentage and number of clients with improved knowledge and skills related to family functioning, parenting, family safety or child development under the Family Support Program.

96.5% of respondents (14,430) reported increased knowledge and skills. A sample of 14,957 registered clients responded.

The data paints a positive picture of intermediate outcomes for clients using Family Relationship Services. Clients reported that they were better able to deal or cope with the issues that they had received help with.

### Reducing the incidence of homelessness

The government response to homelessness is administered under the National Affordable Housing Agreement and related national partnership agreements. These agreements encompass people who are homeless and those who are at risk of homelessness, with a focus on the reduction and prevention of homelessness. Further information is contained in Chapter 6—Outcome 2.

Indicator: Number of people who are homeless or at risk of homelessness who are assisted to secure and sustain their tenancies.

Indicator: Number of people who are assisted to move from crisis accommodation or primary homelessness to sustainable accommodation.

Final complete data for these indicators for 2010–11 is not yet available; relevant data available at the time of publishing is provided. The Reconnect program in 2010–11 provided support in approximately 6,015 cases. This support was offered through 104 services located nationally in metropolitan, regional and remote locations. (This figure is subject to change as Reconnect services still have the ability to retrospectively update data for the 2010–11 financial year.)

The Household Organisational Management Expenses (HOME) Advice program assisted 431 families from July 2010 to March 2011. (Data for the HOME Advice program is provided quarterly; final figures for 2010–11 were not available at the time of publication.)

### Improving outcomes for people living with disability or mental illness and their carers

The Disability Support Pension (DSP) is an income support payment for people who are unable to adequately support themselves through work due to a permanent physical, intellectual or psychiatric impairment. The objective of Carer Payment is to make payments to financially assist carers whose caring responsibilities for people with disability, frailty because of age or a severe medical condition severely restrict their ability to undertake paid employment. The objective of Wife Pension (DSP) is

to make payments to female partners of DSP recipients to assist them financially. This payment was closed to new entrants from 1 July 1995. Wife Pension (DSP) is income and assets tested and paid at the same rate as other social security pensions. Further information is provided in Chapter 9—Outcome 5.

Indicator: Percentage and number of Disability Support Pension recipients reporting employment income.

8.5%; 69,470

Indicator: Percentage and number of Carer Payment recipients reporting employment income.

10.6%; 19,671

Indicator: Percentage and number of Wife Pension (DSP) recipients reporting employment income.

23.2%; 2,754

This data represents the number of people on the respective payments who are reporting employment income. The data indicates that relatively few of the recipients of these payments have employment income. The majority of recipients rely almost exclusively on income support and not employment income.

The Services and Support for People with Disability Program provides support to people with disability, and their families and carers, through grants and funding to organisations that deliver services for people with disability. Further information is provided in Chapter 9.

Indicator: Percentage and number of supported employees/clients with reduced reliance on income support payments (sufficient income to affect Disability Support Pension).

46.9%; 10,190 supported employees

This data suggests that almost 47 per cent of supported employees earn sufficient income from working in an Australian Disability Enterprise to improve their overall financial wellbeing and to reduce their reliance on income support payments.

## Factors, events or trends influencing performance

Throughout 2010–11 FaHCSIA continued to support those most at risk of economic and social disconnection, particularly following the effects of the global economic downturn. Ongoing fiscal constraints in the wake of the downturn have meant that effort is focused on sustainability of outlays and investment in measures that focus on the needs of disadvantaged Australians. FaHCSIA's programs and services provide support and seek to stabilise the circumstances of the most vulnerable members of the community, and support greater participation once that stability has been achieved.

FaHCSIA's work to meet the immediate needs of Australians, support families to raise their children and strengthen capacity to address future challenges contributes to the Government's broader priorities to improve participation, manage the challenges presented through structural ageing, and support the capacity of regional Australia, among others.

Our relationship with key partners has provided opportunities to improve our performance in a number of areas. The way we manage our responsibilities under the COAG reform agenda continues to evolve in recognition of the need for improved coordination of service delivery and collaboration with the business and community sectors. FaHCSIA has portfolio leadership for the National Affordable Housing Agreement (Outcome 2), the National Disability Agreement (Outcome 5), the National Indigenous Reform Agreement (Outcome 7), and a range of national partnerships.

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## Purchaser–provider arrangements

Purchaser–provider arrangements are arrangements under which the services of one agency are purchased by another agency to contribute to outcomes.

FaHCSIA continues to implement the common business model for community program funding in response to the Government's reform agenda. The model supports the achievement of the seven FaHCSIA outcomes, is consistent with government priorities to reduce red tape, supports provider engagement and provides a greater focus on program performance and impact.

Improvements are achieved through:

- ▶ a risk-based approach to controls, such as funding agreements, selection, acquittals, reporting and monitoring
- ▶ greater standardisation in funding management practices while providing flexibility in management across programs and providers
- ▶ implementation of an overarching accountability framework
- ▶ development of agreed provider relationship strategies and protocols, with a particular focus on how the Department engages with providers who receive funding from multiple program areas
- ▶ clarification of the roles and responsibilities of FaHCSIA's national office and its network.

# Chapter 5

## Outcome 1—Families and Children

# 5

### Outcome 1 at a glance

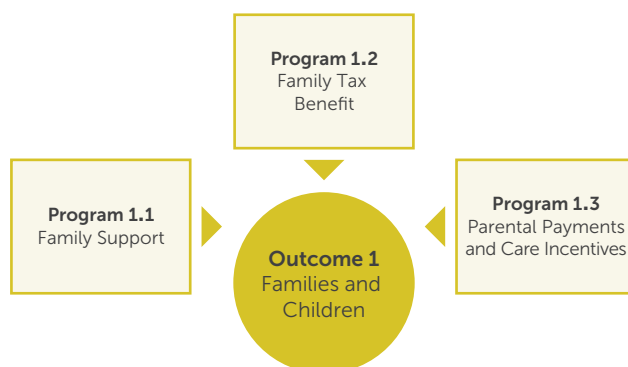
35

Improved child development, safety and family functioning through support services for all Australians, payments for low and medium income families with children and child support policy.

### Outcome and programs

Figure 5.1 shows the Outcome 1 program structure.

**Figure 5.1 Outcome 1 programs**



### Highlights

- ▶ From 1 July 2010, all young people aged 16 to 20 years without a Year 12 or equivalent qualification must study full-time towards one to qualify for the Family Tax Benefit Part A (FTB A). This change was designed to encourage young people to complete their secondary education, and to contribute to the Australian Government's goal of achieving a 90 per cent Year 12 attainment rate by 2015.
- ▶ From July 2010, separated families benefited from simpler interactions between the Family Assistance Office and the Child Support Agency about care determinations.
- ▶ From October 2010, families can claim family assistance before the birth of a child so that there is less paperwork after the birth.
- ▶ From 1 January 2011, under the Paid Parental Leave scheme, eligible working parents of newborn or newly adopted children started to receive Parental Leave Pay for up to 18 weeks at the rate of the national minimum wage.
- ▶ From 1 July 2011, the new Family Support Program commenced. The new program reduces the administrative burden on services and allows greater flexibility to tailor services to the needs of families. The new Family Support Program makes an important contribution towards the Government's social inclusion agenda by incorporating measures to better focus services on helping the most vulnerable and disadvantaged families.
- ▶ In the first two years of the implementation of the National Framework for Protecting Australia's Children, significant progress was made. Achievements include the first-ever national standards for out-of-home care, which will provide a nationally consistent benchmark for the care of children and young people who are unable to live with their parents. The national standards are the result of extensive consultation with the state and territory governments, the non-government sector and children and young people who are living in or who have left care, and their carers. The 13 national standards will be introduced from 1 July 2011, along with a schedule of national measurement and reporting arrangements.

- ▶ The Department worked in partnership with states and territories and the non-government sector to progress a staged implementation of the suite of Find and Connect services for Forgotten Australians and Former Child Migrants. Enhanced services are being provided to coordinate family tracing and support services for care leavers to help them locate personal information, reunite with their families where possible and heal from their childhood experiences.
- ▶ In response to the recommendations of the Report of the Board of Inquiry into the Child Protection System in the Northern Territory, the Australian Government committed \$34 million to introduce an Intensive Family Support Service, child protection income management, additional Remote Aboriginal Family and Community Workers, a second Mobile Child Protection Team and a plan to work with the Northern Territory Government to expand the ID card system to support alcohol restrictions.

## Program 1.1: Family Support

The objective of program 1.1 is to increase access to and timely provision of integrated services for families, particularly vulnerable and at-risk families, to improve child development, safety and family functioning.

Before the start of the new Family Support Program, the program had the following components:

- ▶ Family Relationship Services
- ▶ Children and Parenting Services.

From 1 July 2011, the Government's investment in family support services was streamlined from more than 20 family and children's programs into four new activities. The reforms give services greater flexibility to respond to the needs of families and to better assist vulnerable and disadvantaged families, Indigenous families and those with multiple and complex needs. Around 160 projects previously funded under the Community Investment Program also transferred to the Family Support Program because of their strong focus on supporting families and children.

To assist in implementing the reforms, FaHCSIA held 21 consultations across 18 locations with providers and other stakeholders in the family services sector. New three-year funding agreements were offered to services to provide greater funding certainty while reducing administrative burden.

The four new family support services activities are:

- ▶ Communities for Children services, which are aimed at prevention and early intervention for families with children up to 12 years and who are disadvantaged or at risk of becoming disadvantaged, including Indigenous families in remote locations
- ▶ Family and Relationship Services, which help adults with relationship issues, provide counselling for young people and children, and provide broader parenting education and support
- ▶ Specialist Services, which help families affected by drugs, violence and trauma
- ▶ Community Playgroups, which are operated by parents to provide a friendly and safe environment for parents and children to access early learning development resources and peer support.

As part of the Family Support Program redesign, FaHCSIA, in partnership with service providers, developed a draft performance framework to improve data collection. The Department invited all Family Relationship Services to participate in pilot testing of data collection methods in 2010, and conducted separate pilot testing with selected Children and Parenting Services in 2011. Consultants supported Family Relationship Services providers to collect data on longer-term client outcomes in 2010–11. The results contributed to the draft performance framework and refinement of program performance indicators. The new Family Support Program performance framework aims to:

- ▶ ensure that services are clearly focused on achieving positive outcomes for clients, including improved social and economic engagement
- ▶ provide a logical and consistent approach for measuring outcomes across the program by defining a common set of high-level outcomes and performance indicators that apply to all program services, and that can be adapted to measure specific activities
- ▶ link the performance reporting of specific activities to the overall program performance, including the achievement of program outcomes.

## Family Relationship Services

The objective of Family Relationship Services is to increase access to and timely provision of services for families, particularly disadvantaged and at-risk families, to improve family functioning, including safety, and reduce the impact of family breakdown, family violence and substance abuse.

Some Family Relationship Services, including Men and Family Relationship Services, Family Counselling, Specialised Family Violence Services and Adolescent Mediation and Family Therapy, have been jointly funded by FaHCSIA and the Attorney-General's Department since 2006.

In 2010–11 the Kids in Focus services commenced in each state and territory. The new services provide intensive parenting support for children in families where parents have alcohol- or drug-related problems. In March 2011 Kids in Focus service practitioners and service staff met in Canberra for the first time to share knowledge and experiences.

In 2010–11, Family Support Drought Response Teams assisted almost 13,000 individuals in rural and regional Australia who were experiencing emotional and financial stress due to prolonged drought conditions. These teams operate in areas that have been declared as experiencing exceptional circumstances due to prolonged periods of drought. Teams comprise social workers, psychologists and community welfare workers who collaborate with other community service providers to ensure that clients receive holistic and integrated family relationship services. The Department worked closely with the Department of Agriculture, Fisheries and Forestry to enhance and better target services for drought-affected communities experiencing the greatest need.

As part of the Western Australian drought pilot in 2010–11, three Rural and Regional Family Support Service providers undertook outreach services and home visits to deliver whole-of-family services in rural and remote communities. The Rural and Regional Family Support Service has been very successful. At 31 May 2011, more than 2,200 individuals had received practical support, including counselling and crisis support, relationship education and skills training. Service providers engage with communities through activities that promote community cohesion, build networks and improve referral pathways.

The Think Family, Think Community initiative provided one-off grants to non-government organisations to run community-based events to promote positive family relationships between young people and their families. Events were held in 20 locations around Australia in 2010, many during National Youth Week and Families Week.

In 2010–11, 48 Indigenous family safety projects were funded throughout Australia. The projects assist Indigenous communities to help prevent child abuse, neglect and family violence, to break the cycle of family violence and prevent future harm, to provide support and skills acquisition for victims of family violence and to build safer Indigenous families and communities.

## Children and Parenting Services

Children and Parenting Services provide intensive, targeted and coordinated support for parents and children who are vulnerable, at risk or in disadvantaged communities to improve child development, child safety and family functioning. These investments aim to build more resilient communities through responsive place-based services. The emphasis is on early intervention and prevention, and building capacity and skills in parenting.

Children and Parenting Services play a critical role particularly for parents and children aged from birth to 12 years in reducing barriers to effective parenting and building capacity and confidence to prepare children for school and their parents for work by building parenting skills and confidence and by ensuring that children are physically, developmentally and socially ready for school.

Children and Parenting Services also fund a range of universal information, early intervention and prevention services such as the Raising Children Network website and the Australia-wide network of playgroups. Playgroups promote children's social, emotional, physical and intellectual development, and provide social and support networks for parents and caregivers to encourage and assist them in their parenting role.

The Communities for Children services include 49 Communities for Children sites (8 of these deliver Communities for Children Plus services), 35 Locational Supported Playgroups, 24 Intensive Support Playgroups, 51 Indigenous Parenting Support Services, 33 Indigenous Children's Programs, 40 Responding Early Assisting Children services, and 53 Invest to Grow (including Child Care Links) projects.

Two new Communities for Children services opened in 2010–11. On 2 February 2011 Anglicare NT was funded as a facilitating partner in a new site based in Alice Springs. The service is playing an important role in the Alice Springs Transformation Plan. This brings the total number of Communities for Children services in the Northern Territory to four. On 19 April 2011 the Government opened a Communities for Children Plus service in Midland, Western Australia, bringing the total number of Communities for Children and Communities for Children Plus sites in Western Australia to seven.

In response to the flooding in Victoria and Queensland and Cyclone Yasi in Far North Queensland, the Government provided additional temporary funding of \$660,000 for a number of Family Support Program service providers to deliver additional counselling, playgroup and parenting support services to affected communities.

A new Intensive Family Support Service was established in 2010–11 as part of a package of measures announced by the Australian Government in response to the *Growing them strong, together* report of the Board of Inquiry into the Child Protection System in the Northern Territory 2010. The new service provides intensive parenting support and education for clients referred by Northern Territory child protection workers. The \$25 million service is being rolled out over four years in urban, regional and remote areas. Service providers are collaborating with the Parenting Research Centre and Menzies School of Research to develop an evidence-based model of service delivery that will inform family support intervention with Indigenous families.

## National Framework for Protecting Australia's Children

The National Framework for Protecting Australia's Children, endorsed by COAG on 30 April 2009, is an ambitious, long-term approach to ensuring the safety and wellbeing of Australian children. It aims to deliver a substantial and sustained reduction in levels of child abuse and neglect.

Significant progress has been made in the first 18 months, including:

- ▶ agreeing on National Standards for Out-of-Home Care, which will take effect from 1 July 2011
- ▶ introducing more than 50 new Indigenous Parenting Support Services
- ▶ opening eight new Communities for Children Plus sites across Australia, which provide community-wide services for children at risk
- ▶ establishing new information-sharing processes between Commonwealth agencies, including Centrelink and Medicare, and state child protection agencies
- ▶ increasing payments for young people leaving care
- ▶ trialling a new tool to assess the needs of vulnerable children and their families in four communities across Australia
- ▶ releasing the first annual report on the National Framework for Protecting Australia's Children on 10 March 2011
- ▶ planning for a network of 25 grandparent peer support groups, to be established across Australia from 1 July 2011.

## National Standards for Out-of-Home Care

In December 2010, Community and Disability Services Ministers agreed to 13 National Standards for Out-of-Home Care, to be introduced from July 2011. These national standards focus on key areas, including access to health, education and training, increased support for carers and enhanced transition planning for all young people.

In April 2011, ministers also agreed to a schedule of national measurement and public reporting arrangements for the national standards. Public reporting on the standards will be through the annual report to COAG. The standards will be the vehicle for driving continuous improvement and developing national consistency in reporting on outcomes for children and young people in out-of-home care.

Initial reporting in the next annual report to COAG will be based on five measures for which data is currently collected and reported nationally. Measures will be progressively introduced so that by 2015 there will be 22 measures reported against the full set of national standards.

## Summary of performance

Table 5.1 summarises the Department's results for program 1.1 against the key performance indicators published in the 2010–11 PB Statements.



**Table 5.1 Program 1.1—key performance indicators**

Key performance indicator	Result
<i>Family Relationship Services<sup>a</sup>/Children and Parenting Services</i>	
Percentage and number of clients reporting improved family functioning, including child wellbeing	<p>This indicator measures program success in making a lasting difference in improving family functioning, including child wellbeing. It is based on self-reports 3–6 months after the end of the intervention.</p> <p><b>Family Relationship Services:</b> 93% of respondents (549) reported improved family functioning. A sample of 589 registered clients responded.<sup>b</sup></p> <p><b>Children and Parenting Services:</b> N/A<sup>c</sup></p>
Percentage and number of clients with improved knowledge and skills related to family functioning, parenting, family safety or child development	<p>This indicator measures program success in making an immediate difference in increasing client knowledge and skills related to family functioning, parenting, family safety or child development. It is based on self-reports at the end of the intervention.</p> <p><b>Family Relationship Services:</b> 96.5% of respondents (14,430) reported increased knowledge and skills. A sample of 14,957 registered clients responded.</p> <p><b>Children and Parenting Services:</b> 89.1% of respondents (48,739) reported increased knowledge and skills. A sample of 54,696 clients responded.</p>
Percentage and number of clients satisfied with assistance received	<p>This indicator measures client satisfaction with services received. It is based on self-reports at the end of the intervention.</p> <p><b>Family Relationship Services:</b> 97.1% of respondents (14,927) reported satisfaction with the support services received. A sample of 15,382 registered clients responded.</p> <p><b>Children and Parenting Services:</b> 93.2% of clients (123,009) reported satisfaction with the support services received. A sample of 131,988 clients responded.</p>

Key performance indicator	Result
<i>Family Relationship Services<sup>a</sup>/Children and Parenting Services</i>	
Percentage and number of clients assisted from priority groups	<p>This indicator measures the program's ability to attract and engage priority groups and is taken from the number of registered clients of Early Intervention Services and the number of Children and Parenting Services participants.</p> <p><b>Family Relationship Services:</b>            Aboriginal and Torres Strait Islander: 4.8% (5,455)            Culturally and linguistically diverse: 4.7% (5,363)            Children: 9.2% (10,369)            Men: 40.3% (45,614)</p> <p><b>Children and Parenting Services:</b>            Aboriginal and Torres Strait Islander: 12.4% (67,829)            Culturally and linguistically diverse: 9.5% (52,316)            Children: 54.6% (299,726)</p>
Percentage and number of service sites in the most disadvantaged or targeted communities	<p>This indicator measures the reach of the program into disadvantaged communities. It is based on the two most disadvantaged deciles of the Socio-Economic Indexes for Areas index of disadvantage.</p> <p><b>Family Relationship Services:</b>            N/A<sup>d</sup></p> <p><b>Children and Parenting Services:</b>            44.2% of service sites (962) are located in the most disadvantaged or targeted communities<sup>e</sup></p>

a Includes Family Counselling services, which are jointly funded by FaHCSIA and the Attorney-General's Department.

b A statistically significant sampling methodology was used.

c Available for Family Relationship Services only. Based on a successful pilot conducted in 2010–11, the survey has been extended to incorporate all of the Family Support Program in 2011–12.

d Not relevant for Family Relationship Services as these are not locationally based.

e Data from locationally based Children and Parenting Services July–December 2010.

Table 5.2 summarises the Department's results for program 1.1 against the deliverables published in the 2010–11 PB Statements.

**Table 5.2 Program 1.1—deliverables**

Deliverable	Result
<i>Family Relationship Services</i>	
Number of clients assisted <sup>a</sup>	113,181 registered 124,477 unregistered 51,308 Mensline calls
<i>Children and Parenting Services</i>	
Number of clients assisted <sup>b</sup>	549,105
<i>Find and Connect</i>	
An agreed Find and Connect Service delivery model is developed and commenced	Comprehensive capacity building in the sector, driven by Government, is required in the short-term. This will enable the Government's Find and Connect vision to be implemented, through a phased approach, over the next 12 months.
Strategies are in place that support improved access by care leavers to their records	The Find and Connect web resource will be launched in 2011–12.

a As at 15 August 2011. Figures include Family Counselling services, which are jointly funded by FaHCSIA and the Attorney-General's Department.

b Includes both engagement with low-intensity services, such as community playgroups, and more intensive assistance, such as Responding Early Assisting Children.

## Program 1.2: Family Tax Benefit

The objective of program 1.2 is to make payments to assist low- and medium-income families with the costs of raising dependent children.

The program has the following components:

- ▶ Family Tax Benefit Part A
- ▶ Family Tax Benefit Part B.

An estimated 73 per cent of families with children aged under 16 were eligible for Family Tax Benefit (FTB), and around 71 per cent of families were eligible for FTB A and 59 per cent for Family Tax Benefit Part B (FTB B).\*

Over the course of a year, FTB helped approximately 7 million people (parents and children), or roughly a third of the total population.†

### Family Tax Benefit Part A

The objective of FTB A is to make payments to assist low- and medium-income families with the costs of raising dependent children. The payments support better family functioning by improving the financial wellbeing of low- and medium-income families with children.

\* Proportions are based on FTB eligible customers and estimated number of Australian families with children under 16 years old based on the Australian Bureau of Statistics *Survey of Income and Housing June 2009* and *Labour Force Survey* for June 2009.

† Estimate is based on FTB population eligible for the 2008–09 entitlement year.

FTB A is the primary family assistance payment and is paid in respect of each eligible child to assist families with the direct cost of raising their children. Eligibility for FTB A is based on the combined income of a family (families that receive income support are not income tested) to ensure that family assistance is targeted to low- and medium-income families.

### Family Tax Benefit Part B

The objective of FTB B is to make payments to assist low- and medium-income families with one main income, including single parents, to enable them to exercise choices to balance labour force participation and child care responsibilities.

FTB B is paid, on a per family basis, to single-parent or couple families in which the second earner's income is low. Eligibility for FTB B is limited to families in which the primary earner has an income of \$150,000 or less. Eligible single-parent families receive the maximum rate. The level of assistance paid for eligible couple families is determined by the secondary earner income test.

### Summary of performance

Table 5.3 summarises the Department's results for program 1.2 against the key performance indicators published in the 2010–11 PB Statements for FTB A and FTB B.

**Table 5.3 Program 1.2—key performance indicators**

Key performance indicator	Result
<i>Family Tax Benefit Part A and Part B</i>	
Total number of recipients	2 million families for 2008–09 entitlement year
Percentage and number of recipients paid by instalment	1,887,000 (92%) of customers were entitled to fortnightly payments for the 2008–09 entitlement year
Percentage and number of recipients paid by lump sum	156,000 (8%) of customers were entitled to a lump-sum payment for the 2008–09 entitlement year
Proportion and amount of administered outlays paid by instalment and by lump sum	\$17.3 billion (96%) of administered outlays paid by instalment and \$673 million (4%) paid as a lump sum
Percentage and number of recipients obtaining a qualification debt	104,000 customers (5%) of the total FTB instalment population for the 2008–09 entitlement year had a qualification debt
Percentage and number of recipients obtaining a debt following reconciliation	161,000 customer (7%) of the total FTB population for the 2008–09 entitlement year had a reconciliation debt
Percentage and number of recipients obtaining a non-lodger debt	37,000 customers (2%) of the total FTB population for the 2008–09 entitlement year had a non-lodger debt <sup>a</sup>
Payment accuracy	96.7%
Percentage and number of families with children under 16 years of age receiving FTB Part A and/or FTB Part B <sup>b</sup>	1.77 million families with dependent children under 16 years of age received FTB A and/or FTB B FTB A: 71% (1,719,000 families) FTB B: 59% (1,416,00 families) FTB (A and/or B): 73% (1,772,000 families)

Key performance indicator	Result
Agreements are in place with all service delivery agencies	Agreements are in place with Centrelink and Medicare Australia.
Strategies are in place to ensure that requirements are fulfilled under agreements with service delivery agencies	In accordance with the bilateral management arrangement with Centrelink and the service agreement with Medicare Australia the Department provided quarterly reports (including information exchanges) to ensure that all risks are being managed. Business discussions were held on a quarterly basis with each agency.
<b>Family Tax Benefit Part A</b>	
Percentage and number of families in receipt of FTB Part A within income test categories (instalment customers only— as at 24 June 2011)	<p><b>Maximum rate</b></p> <p><i>With income support:</i> 408,000 families (25% of all FTB A recipients)</p> <p><i>No income support:</i> 175,000 families (11% of all FTB A recipients)</p> <p><b>Broken rate</b></p> <p><i>With income support:</i> 190,000 families (12% of all FTB A recipients)</p> <p><i>No income support:</i> 338,000 families (21% of all FTB A recipients)</p> <p><b>Base rate</b></p> <p><i>With income support:</i> 33,000 families (2% of all FTB A recipients)</p> <p><i>No income support:</i> 376,000 families (23% of all FTB A recipients)</p> <p><b>Tapered rate</b></p> <p><i>No income support:</i> 115,000 families (7% of all FTB A recipients)</p>
<b>Family Tax Benefit Part B</b>	
Percentage and number of families in receipt of FTB Part B within income test categories (instalment customers only— as at 24 June 2011)	<p><b>Maximum rate</b></p> <p><i>With income support:</i> 427,000 single families (31% of all FTB B recipients) 21,000 couple families (2% of all FTB B recipients)</p> <p><i>No income support:</i> 172,000 single families (13% of all FTB B recipients) 296,000 couple families (22% of all FTB B recipients)</p> <p><b>Broken rate</b></p> <p><i>With income support:</i> 163,000 couple families (12% of all FTB B recipients)</p> <p><i>No income support:</i> 277,000 couple families (20% of all FTB B recipients)</p>

a Customers with an unresolved non-lodger debt at 30 June 2011.

b Proportions are based on FTB eligible customers and estimated number of Australian families with children under 16 years old based on the Australian Bureau of Statistics *Survey of Income and Housing June 2009* and *Labour Force Survey, June 2009*.

Table 5.4 summarises the Department's result for program 1.2 against the deliverable published in the 2010–11 PB Statements.

**Table 5.4 Program 1.2—deliverable**

Deliverable	Result
Payments are made through Centrelink and Medicare Australia to eligible claimants under the provisions of family assistance law	Payments were made as described

## Program 1.3: Parental Payments and Care Incentives

The objective of program 1.3 is to make payments to families to assist with the associated costs of a newborn or adopted child, to maximise the period that parents can be away from work to spend time with their new baby or adopted child and to encourage all families to fully immunise their children.

The program has the following components:

- ▶ Paid Parental Leave
- ▶ Baby Bonus
- ▶ Maternity Immunisation Allowance
- ▶ Double Orphan Pension.

### Paid Parental Leave

The objective of the PPL scheme is to provide financial support to working parents to enable them to take time off work to care for their child, to enhance maternal and child health and development, to facilitate workforce participation and to promote gender equity and work–family balance.

The scheme provides Parental Leave Pay for a maximum period of 18 weeks at the rate of the national minimum wage (currently \$589.40 per week before tax) to eligible working parents whose child is born or adopted from 1 January 2011.

To be eligible for the scheme a person must be the primary carer of a child born or adopted from 1 January 2011, be an Australian resident, meet the work test and have an individual adjusted taxable income of \$150,000 or less in the previous financial year. Only the primary carer's income counts towards the income test, not the household income. To meet the work test, a person must have worked for at least 10 of the 13 months prior to the birth or adoption of their child, and worked for at least 330 hours (just over one day a week) in that 10-month period, with no more than an eight-week gap between two consecutive working days.

Employers are required to provide government-funded Parental Leave Pay to their eligible, long-term, continuing employees who have or adopt a child from 1 July 2011. Employers are able to opt in to provide Parental Leave Pay to those employees whom they are not required to pay. The opt-in has been possible from the start of the scheme.

During 2010–11, 42,975 parents received Parental Leave Pay, with 11,859 of these completing their PPL period.

## Baby Bonus

The objective of Baby Bonus is to make payments to families to assist with the costs arising from the birth or adoption of a child.

The Baby Bonus is a per child payment, paid in 13 fortnightly instalments to families following the birth or adoption of a child to help with the costs associated with a newborn or adopted child. Payment is subject to a family income test that limits eligibility to families with a combined income of \$75,000 or less in the six-month period after the birth or after the child enters care.

In 2010–11 the Baby Bonus was paid to 219,000 families for 223,000 births or adoptions. Of these, 131,000 families were paid the Baby Bonus for 133,000 children between 1 July and 31 December 2010, and 88,000 families were paid the Baby Bonus for 90,000 births or adoptions between 1 January and 30 June 2011. The lower number of Baby Bonus claims in the second half of 2010–11 was due to the introduction of the PPL scheme.

## Maternity Immunisation Allowance

The objective of Maternity Immunisation Allowance is to make payments to encourage families to fully immunise their natural and adopted children in accordance with Australian standards. The allowance supports improved child development and safety in all families by impeding the spread of infectious diseases within the Australian community.

The Maternity Immunisation Allowance is one component of the Government's broader strategy for reaching high levels of immunisation among Australian children. The allowance is a non-income tested payment that is generally paid in two instalments to the parent or carer of a child who has been fully immunised. The first amount is paid if a child is fully immunised between the ages of 18 months and 24 months and the second amount is paid if a child is fully immunised between four and five years of age.

## Double Orphan Pension

The objective of Double Orphan Pension is to make non-means tested payments to guardians or approved care organisations to assist in meeting the costs of dependent children who are double orphans.

Double Orphan Pension is a supplementary payment to a guardian or approved care organisation responsible for the care and control of a child aged under 16 or to full-time students aged 16 to 21 who do not receive Youth Allowance. The payment applies in cases where both parents have died or one parent has died and the other parent is unable or unavailable to care for the child or student for specific reasons. A child who has been granted refugee status by the Australian Government and has never lived in Australia with either or both parents, and whose parents are outside Australia or their whereabouts are unknown, may also be eligible for the payment. Double Orphan Pension is usually paid in addition to Family Tax Benefit Part A.

During 2010–11, approximately 1,300 carers received Double Orphan Pension for 1,900 children at a cost of approximately \$3.26 million. Double Orphan Pension was most commonly paid in situations where one parent had died and the other parent's whereabouts were unknown (531); to refugee children (499); and for children whose parents had both died (700).

## Summary of performance

Table 5.5 summarises the Department's results for program 1.3 against the key performance indicators published in the 2010–11 PB Statements.

Table 5.5 Program 1.3—key performance indicators

Key performance indicator	Result
<i>Paid Parental Leave (PPL)</i>	
Number of mothers for whom PPL has been paid as a proportion of all mothers in the same year	15% (43,000) of all mothers in 2010–11 based on the Australian Bureau of Statistics publication 3222.0 Series B estimates <sup>a</sup>
Percentage and number of parents paid PPL by employers	2.2% (939) of parents whose payment had commenced or finished during 2010–11 <sup>b</sup>
Percentage and number of families who take the full 18 weeks of PPL	98.7% (11,522) of families whose payment was finalised during 2010–11
<i>Baby Bonus</i>	
Number and percentage of children for whom Baby Bonus is paid as a proportion of all children born in the same year	223,000 children for whom Baby Bonus is paid 78%, as a proportion of all children born in 2010–11 based on the Australian Bureau of Statistics publication 3222.0 Series B estimates
<i>Maternity Immunisation Allowance</i>	
Percentage and number of children vaccinated to the highest level appropriate for their age in the Australian community	Children fully immunised (by age group): 12–15 months: 75,000 (90%) 24–27 months: 74,000 (93%) 60–63 months: 73,000 (90%)
<i>Baby Bonus/Maternity Immunisation Allowance</i>	
Number of recipients	219,000 families received Baby Bonus in 2010–11 267,000 families received Maternity Immunisation Allowance in 2010–11
Administered outlays	Baby Bonus: \$1,176.97 million Maternity Immunisation Allowance: \$35.81 million
Payment accuracy	Payment accuracy for the Baby Bonus and the Maternity Immunisation Allowance was not measured in 2010–11, as these payments were not included in the random sample survey program.
Service delivery agreements are in place with all service delivery agencies	Agreements are in place with Centrelink and Medicare Australia.
Strategies are in place to ensure that requirements are fulfilled under agreements with service delivery agencies	In accordance with the bilateral management arrangement with Centrelink and the service agreement with Medicare Australia, the Department provided quarterly reports (including information exchanges) to ensure that all risks are being managed. Business discussions were held on a quarterly basis with each agency.

a An additional 11,500 families are eligible for PPL for births prior to 1 July 2011, but had not commenced payment by early August. PPL was introduced on 1 January 2011, so information can only be provided for half of 2010–11.

b The full phase of the PPL employer role did not begin until 1 July 2011.

Table 5.6 summarises the Department's results for program 1.3 against the deliverables published in the 2010–11 PB Statements.



**Table 5.6 Program 1.3—deliverables**

Deliverable	Result
Payments are made through Centrelink and Medicare Australia to eligible claimants under the provisions of family assistance law	Payments were made as described
Double Orphan Pension is paid through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described
Paid Parental Leave is proposed to be paid under a new Act of Parliament	Payments were made as described

## Outlook for Outcome 1

In 2011–12 the Department will implement the new Family Support Program arrangements in a way that ensures that services are targeting the most vulnerable and disadvantaged children and families. The Department will continue to develop the performance framework to ensure that the Department is strongly positioned to track outcomes for clients, including their participation in work.

During 2010–11, the Department developed several 2010 election commitment measures that were subsequently included in the 2011–12 Budget. The measures included:

- ▶ increasing support through FTB A for families with teenagers aged 16 to 19 in full-time secondary study (to be implemented on 1 January 2012). This change will make FTB A the primary form of government assistance for dependent children under 18 who are in full-time secondary education. Families will no longer experience a reduction in government assistance when their dependent child in secondary study turns 16. Over the next five years families of around 650,000 teenagers turning 16 may be eligible for the increased assistance if their child stays on at school
- ▶ making payment of the FTB A supplement for a child turning four in the relevant financial year conditional on the child undergoing a health assessment (to be implemented on 1 July 2011). The health check requirement will apply to children whose parents or carers receive income support during the relevant financial year. It is intended to improve the health and wellbeing of Australian children, particularly those in low-income families
- ▶ under the 'Better access to family payments' election commitment, improving families' access to their family payments by offering more flexible advance payment arrangements for FTB A and by paying a greater proportion of the total amount of a family's Baby Bonus in the first instalment (both measures are due to be implemented on 1 July 2011). The measures are intended to help families cope with cost-of-living pressures, especially for large and often unexpected household expenses
- ▶ providing 25 MyTime for Grandparents peer support groups to support grandparent carers who are the full-time carers of their grandchildren in recognition of the additional support they require and the social isolation they may experience.

In 2011–12, the Department will work on expanding and enhancing the Communities for Children service to support the Government's Building Australia's Future Workforce package.

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The enhanced service will work with teenage parents and jobless families to provide them with the support they need to give their children the best start in life by building parenting skills and confidence, and by ensuring their children are physically, developmentally and socially ready for school. This new approach is being trialled in 10 targeted locations, seven of which are sites with existing Communities for Children services: Burnie (Tasmania), Hume (Victoria), Logan (Queensland), Kwinana (Western Australia), Playford (South Australia), Shellharbour (New South Wales) and Wyong (New South Wales); and three of which will have new Communities for Children services established: Bankstown (New South Wales), Shepparton (Victoria) and Rockhampton (Queensland)

The Department will continue to develop policy and legislation in consultation with business, industry and families and prepare for the implementation of Dad and Partner Pay on 1 January 2013. Dad and Partner Pay will provide eligible fathers or partners caring for a child born or adopted on or after 1 January 2013 with two weeks' pay at the rate of the national minimum wage.

In 2011–12, the Department will continue to evaluate the PPL scheme, focusing on the operations of the scheme in the first 12 months.

The Department will continue to complete work on national priority projects outlined in *Implementing the first three-year action plan 2009–12* for the National Framework for Protecting Australia's Children by 2012. A second action plan will be developed in consultation with state and territory governments and the non-government sector.

## Case study

### Communities for Children: Healthy Take-Away project and op shop



*Adults learn to prepare healthy food to enhance children's development*

Under the Communities for Children Facilitating Partner model, services develop and facilitate a whole of community approach to support and enhance early childhood development. To address the standards of health for children in the Yarralin community the Healthy Take-Away project was established. The success of this program has enabled the community to develop other innovative projects.

As part of the Healthy Take-Away project, discussions were held with women in the community about simple ways to make baby food and prepare a variety of healthy meals, as well as the principles of safe food handling and occupational health and safety in a kitchen.

The project funding enabled local Aboriginal women to set up and run a healthy take-away cafe. Profits made from selling meals like kangaroo stir-fry, toasted ham and cheese sandwiches and fried rice have been reinvested into new ventures such as making bush medicine soap.

The increased focus on children's health and wellbeing in the Yarralin community has seen flow-on effects already. Community members had long regarded clothing from the local store as too expensive, an issue in a community where

temperatures drop sharply at night, and where there are many young children and babies.

Enterprise Learning Projects, a partner in the Healthy Take-Away project, took clothing donated by the St Vincent de Paul Society to Yarralin for an op shop sale. This was so popular that the community set up its own regular op shop, supported by St Vincent de Paul. Another local community organisation has agreed to provide stock for the op shop at a discounted price.

The profit from the initial sale is being used to set up the shop properly with clothes racks, hangers and calculators, and the Shire Services office will also act as a bank for the op shop. A local resident said, 'Lots of new babies in the community. These nights are cold. Now we've got warm clothes.'

As a result of the Communities for Children Facilitating Partner Activity program, Yarralin people are learning business skills to implement sustainable projects that are valued by the community. 'We're learning now, about all this business stuff,' one resident happily announced. In the process, the community is developing its own ways to improve health outcomes for children and families.

# Chapter 6

## Outcome 2—Housing

# 6

### Outcome 2 at a glance

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Access to affordable, safe housing through: payments and support services; and rental subsidies to low and moderate income households.

### Outcome and programs

Figure 6.1 shows the Outcome 2 program structure.

**Figure 6.1 Outcome 2 program**



### Highlights

- ▶ In 2010–11, the Department continued to implement the Social Housing Initiative, a key component of the Government's Nation Building—Economic Stimulus Plan. Construction started on 3,000 new social housing dwellings and over 12,700 were completed this financial year alone.
- ▶ Under the National Partnership Agreement on Social Housing, 680 dwellings were completed, bringing the total number of completed dwellings to 1,540 of the 1,960 approved dwellings.
- ▶ A new automated rent verification system was introduced on 1 January 2011. The new system allows participating community housing organisations to provide secure, electronic updates of rent paid by Rent Assistance recipients.
- ▶ Following the public consultation process on the regulation and growth of the not-for-profit housing sector held in 2010, significant progress was made towards establishing a national regulatory system for housing providers. Housing ministers agreed to the development of a national regulatory system based on six core elements. It was also agreed that national legislation be hosted by one state or territory and adopted or applied by all jurisdictions by the end of 2012.
- ▶ More than 70,000 instances of support were provided under the National Partnership Agreement on Homelessness in its first year.
- ▶ The Department is funding Australia's first large-scale longitudinal study of factors affecting housing stability, Journeys Home. A pilot of Journeys Home occurred in April and May 2011.
- ▶ On 9 October 2010, the Minister for Social Housing and Homelessness, Senator the Hon. Mark Arbib, announced the extension of the Reconnect and Household Organisational Management Expenses Advice programs for one year. Current funding agreements will continue until 30 June 2012.

\* Under the Administrative Arrangements Orders of 14 September and 14 October 2010, responsibility for the National Rental Affordability Scheme and the Housing Affordability Fund was transferred from FaHCSIA to the Department of Sustainability, Environment, Water, Population and Communities.  
The Department no longer reports on the Affordable Housing program (former program 2.1). As a result, the Housing Assistance and Homelessness Prevention program is now the sole program reported on in Outcome 2.

## Program 2.2: Housing Assistance and Homelessness Prevention

The objective of program 2.2 is to provide financial incentives to increase the housing supply and provide rental subsidies for low- and moderate-income households, and to fund homelessness prevention initiatives to reduce the impact of homelessness.

The program has the following components:

- ▶ Housing Assistance
- ▶ Homelessness Prevention
- ▶ Rent Assistance.

Responsibility for the Housing Affordability Fund component of the program was transferred to the Department of Sustainability, Environment, Water, Population and Communities under the Administrative Arrangements Orders.

### Housing Assistance

The objectives of the Housing Assistance component are to ensure that all Australians have access to affordable, safe and sustainable housing through the National Affordable Housing Agreement and to increase the supply of affordable safe housing to low- and moderate-income households in each state and territory under the Social Housing Initiative and the National Partnership Agreement on Social Housing.

#### Social Housing Initiative

The Social Housing Initiative, a key component of the Nation Building—Economic Stimulus Plan, is the largest investment by an Australian Government in social housing. The initiative provides \$5.238 billion for new construction over three-and-a-half years, from 2008–09 to 2011–12. A further \$400 million was allocated over two years from 2008–09 to 2009–10 to undertake repair and maintenance work that benefited existing social housing dwellings.

At 30 June 2011, construction had begun on over 19,200 new social housing dwellings, and over 15,400 had been completed. Repairs and maintenance had been completed on approximately 80,000 existing social housing dwellings, 12,000 of which would have been lost to the social housing stock without this work.

#### National Partnership Agreement on Social Housing

The National Partnership Agreement on Social Housing provided \$400 million to build between 1,600 and 2,100 new dwellings. The increased supply of housing contributed to reducing homelessness and improving outcomes for homeless and Indigenous Australians.

As at 30 June 2011, 1,540 dwellings had been completed. Of the 1,322 dwellings for which tenant data is available, 708 (54 per cent) went to people who were homeless or at risk of homelessness.

### Homelessness Prevention

The objective of the Homelessness Prevention component is to provide funding to support innovative prevention and early intervention initiatives to reduce homelessness and its impact, particularly on families and young people, and to build the evidence base to support future policy and planning.

### National Partnership Agreement on Homelessness

FaHCSIA works in partnership with states and territories to improve the housing outcomes of Australians. The Department is also responsible for a range of initiatives to address homelessness and leads whole-of-government efforts to achieve the Government's homelessness targets. Much of this work is done in partnership with states and territories under the National Partnership Agreement on Homelessness that supports the National Affordable Housing Agreement. Payments under COAG national agreements are made by the Treasury.

Under the National Partnership Agreement on Homelessness, states and territories submitted annual performance reports for 2009–10. The reports focus on achievements and results in service delivery. Copies of the reports are on the FaHCSIA website.

FaHCSIA reviewed implementation plans with states and territories in May and June 2011 to ensure that they reflect the activity that is planned or underway under the National Partnership Agreement on Homelessness.

### Prime Minister's Council on Homelessness

The Prime Minister's Council on Homelessness was established as an independent body in July 2009 as an initiative under the White Paper on Homelessness, *The road home*. The council's role is to provide advice on and monitor implementation of the homelessness reform agenda, and to advise the Government on progress, risks and emerging issues. FaHCSIA provides secretariat support to the council.

The council met four times in 2010–11 and considered prominent issues in homelessness prevention and support, including Indigenous homelessness, youth homelessness, aged care, health and mental health, economic participation, homelessness data development and regional homelessness. The council hosted workshops on rough sleeping at the Sixth National Homelessness Conference and made representations to the *Counting the homeless* methodological review conducted by the Australian Bureau of Statistics and the Employment Services 2012 Consultations conducted by the Department of Education, Employment and Workplace Relations 2012 Taskforce.

### Homelessness Delivery Review Board

The Homelessness Delivery Review Board is a high-level governance mechanism led by deputy secretaries of agencies with responsibilities for homelessness reforms. The board, established in late 2009, met 11 times in 2010–11. Nine of these were board meetings and two were workshops.

The board is responsible for:

- ▶ ensuring that individual agency policies and programs support achievement of the Government's commitments to reduce homelessness and contribute to a decrease in the number of homeless people
- ▶ developing and overseeing the implementation of agency contributions to the board's strategic plan
- ▶ addressing cross-government implementation issues
- ▶ supporting the Government to oversee agency implementation of the Government's homelessness agenda.

## Household Organisational Management Expenses Advice Program

The Household Organisational Management Expenses (HOME) Advice Program assists families who face difficulty in maintaining tenancies or home ownership due to personal or financial circumstances. The Department delivers the program through a partnership with Centrelink and community agencies in eight locations throughout Australia—one in each state and territory. The program was allocated \$1.398 million in 2010–11.

## Reconnect services

The Reconnect program uses family-focused early intervention strategies to help young people stabilise their living situation, achieve family reconciliation, and improve their level of engagement with work, education, training and the community. Reconnect services work collaboratively with other agencies to build community capacity to prevent homelessness. There are 104 Reconnect services in metropolitan, regional, rural and remote locations around Australia, including a number of specialist services such as 10 Indigenous and 13 Newly Arrived Youth specialists. The Reconnect program was allocated \$23.516 million in 2010–11 and 6,015 cases of support were provided.\*

## National Homelessness Strategy

In 2010–11, the National Homelessness Strategy focused on disseminating knowledge about homelessness and raising awareness of best practice models that prevent and respond to homelessness. The Commonwealth is funding the states to trial 11 one-off proposals for new ways of service integration over two years, 2009–10 and 2010–11, at a cost of \$3.1 million.

## National Homelessness Research Agenda

The National Homelessness Research Agenda sets out the national priorities for research that will contribute to the whole-of-government response to homelessness.

The four major components of the National Homelessness Research Agenda are:

- ▶ Journeys Home: Longitudinal Study of Factors Affecting Housing Stability
- ▶ National Homelessness Research Partnerships
- ▶ National Homelessness Research Projects
- ▶ National Homelessness Information Clearinghouse.

The Journeys Home study aims to improve the understanding of homelessness and the risk of becoming homeless. The fieldwork will run from September 2011 to May 2013.

Research partnerships are multi-year partnerships that focus on an agreed program of research. Projects include examining street-to-home programs across Australia, assessing the capacity of homeless people to obtain work and developing service responses to homeless Indigenous people. In 2010–11, \$1,052,400 (GST exclusive) was invested in the partnerships.

Research projects are an important bottom-up approach to give non-government organisations and researchers the capacity to respond to emerging priorities. In 2010–11, \$642,277 (GST exclusive) was invested in the research projects.

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\* Please note: Figures on client data can change daily due to service providers' capacity to continually update data.

The National Homelessness Information Clearinghouse provides an online site to share resources, ideas and information to help address homelessness in Australia. The clearinghouse is funded by FaHCSIA and \$160,000 (GST exclusive) was allocated in 2010–11.

## Rent Assistance

Rent Assistance is a non-taxable income supplement paid to eligible Australian residents who rent accommodation in the private rental market and community housing.

To be eligible for Rent Assistance, a person must first qualify for an income support payment, more than the base rate of FTB A, or a service pension, and must pay a minimum amount of rent, called the 'rent threshold'. Rent Assistance is paid at the rate of 75 cents for each dollar above the rent threshold up to a maximum rate. Rent Assistance rates are based on a person's family situation and the amount of rent they pay.

## Summary of performance

Table 6.1 summarises the Department's results for program 2.2 against the key performance indicators published in the 2010–11 PB Statements.

**Table 6.1 Program 2.2—key performance indicators**

Key performance indicator	Result
<i>Homelessness Prevention</i>	
Proportion of clients reporting an improved situation after assistance from homelessness prevention programs	84%
<i>Rent Assistance</i>	
Proportion of Rent Assistance recipients in rental stress before and after receiving Rent Assistance	Before Rent Assistance: 68% After Rent Assistance: 40%
Proportion of Rent Assistance recipients paying enough rent to receive the maximum rate of assistance	74.5%
Proportion of clients assisted who are Aboriginal or Torres Strait Islander	4.1%
Number of recipients	1,213,373 individuals and families
Administered outlays	\$3.13 billion

Note: Data for the Housing Affordability Fund is not reported because responsibility for this component was transferred to the Department of Sustainability, Environment, Water, Population and Communities under the Administrative Arrangements Orders.

Table 6.2 summarises the Department's results for program 2.2 against the deliverables published in the 2010–11 PB Statements.



Table 6.2 Program 2.2—deliverables

Deliverable	Result
<i>Homelessness Prevention</i>	
Number of individuals/families assisted through homelessness prevention services	Individuals: 7,491 Families: 2,233
<i>Rent Assistance</i>	
Rent Assistance payments are made through Centrelink to eligible claimants under the provisions of social security and family assistance law	Payments were made as described

Note: Data for the Housing Affordability Fund is not reported because responsibility for this component was transferred to the Department of Sustainability, Environment, Water, Population and Communities under Administrative Arrangements Orders.

## Outlook for Outcome 2

FaHCSIA will continue to play a leading role in providing low-income rental assistance, and in developing policy on social housing and homelessness. Responsibilities in housing complement FaHCSIA's policy roles in disability, mental health, families, Indigenous affairs and community development.

In 2011–12, FaHCSIA will continue to work with states and territories to deliver the social housing and homelessness reform agenda, and to provide Commonwealth assistance under the National Affordable Housing Agreement and associated national partnership agreements.

FaHCSIA will continue to deliver safety net assistance to allow low-income earners to access safe and secure housing, including approximately \$3 billion annually in Rent Assistance payments to support low-income households in the private rental market.

The Social Housing Initiative will continue in 2011–12. The Department expects that 19,600 new dwellings will be completed by the end of June 2012.

In 2011–12 the Department will continue to focus on improving multi-agency responses to homelessness. This whole-of-government approach aims to improve efforts to identify those who are experiencing or are at risk of entrenched homelessness, assess their needs and coordinate support.

A strong commitment to cross-portfolio approaches to reducing homelessness will ensure a consistent, integrated response to homelessness prevention across departments.

In 2011–12, FaHCSIA will continue to work with states and territories, the homelessness services sector and people experiencing homelessness to develop a national quality framework to improve the quality and integration of services for people experiencing or at risk of homelessness. Core elements of the framework include a national homelessness charter, national quality standards and nationally consistent complaints mechanisms.

The term of the Prime Minister's Council on Homelessness has been extended from June 2011 to June 2013 so that the council can continue to provide independent advice on homelessness.

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The mid-term review of the National Partnership Agreement on Homelessness will be completed in late 2011 and will focus on improving performance reporting and the measurement of progress towards agreed outcomes. The Review Working Group is expected to recommend a revised performance reporting framework to COAG that will enable better measurement of homelessness outcomes for the final two years of the agreement.

In 2010–11, COAG announced that the performance frameworks of each national agreement will be reviewed to ensure that progress is measured and that all jurisdictions are clearly accountable to the public and COAG for their efforts. The review of the National Affordable Housing Agreement will begin in August 2011 and conclude by June 2012.

FaHCSIA is working with the Australian Institute of Health and Welfare to implement a new Specialist Homelessness Services collection and client management system that will provide a more detailed and accurate picture of homelessness. The Specialist Homelessness Services collection begins on 1 July 2011 and replaces the Supported Accommodation Assistance Program collection. The new collection will provide improved data and more timely information about clients and the services they receive, support the management of services to homeless people and help inform future policy.

## Case study

### Social Housing Initiative—Gillies Street, Wendouree



*The housing facility 'Karrung', in Gillies Street, Wendouree, Victoria was built to help disadvantaged and homeless youth in the local area*

Disadvantaged and homeless youth in the Ballarat area of Victoria are the beneficiaries of a new development in Gillies Street, Wendouree. Built by funds from FaHCSIA through the Nation Building—Economic Stimulus Plan—Social Housing Initiative, the centre integrates both learning and accommodation. It was formally opened on 17 March 2011 and is named Karrung, which can mean 'my place', 'hut', 'home' or 'camp' in the local Wada Wurrung language.

It is designed for youth aged 16 to 25 who are moving from dependence to independence, providing these young people with affordable accommodation for up to two years while they undertake training and seek employment.

The purpose-built facility incorporates self-contained units that help to promote independent living skills, while the communal spaces can be used for study and socialising. The facility ensures tenant safety through a CCTV system and zoned access areas that allow entry only to tenants and staff. These features ensure that all tenants feel safe in their homes and have a sense of responsibility for their neighbours. The service is staffed 24 hours a day, seven days a week.

Ongoing funding for support services is provided by the Australian and Victorian governments through the National Partnership Agreement on Homelessness.

## Chapter 7

# Outcome 3—Community Capability and the Vulnerable

## Outcome 3 at a glance

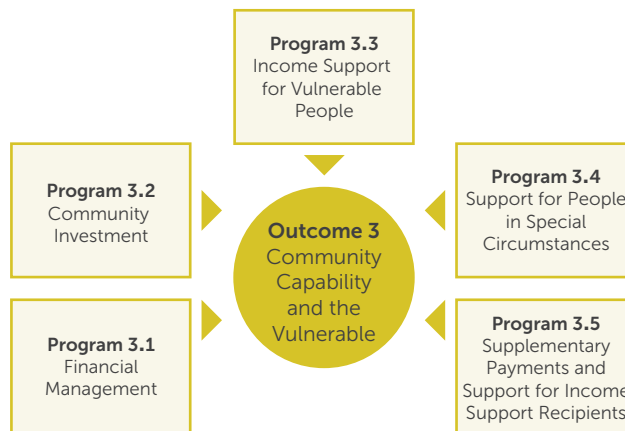
59

Improved capacity for vulnerable people and communities to participate economically and socially and to manage life-transitions through payments, targeted support services and community capability building initiatives.

### Outcome and programs

Figure 7.1 shows the Outcome 3 program structure.

**Figure 7.1 Outcome 3 programs**



### Highlights

- ▶ The Community Support Service continued to provide support, advice and assistance for Indigenous people, families and communities. There was a positive increase of 2,304 individuals accessing the service (an increase from 16,679 in 2009–10 to 18,983 in 2010–11). The clear majority of clients (96 per cent) reported that they were satisfied with the service provided and that the assistance received met their needs.
- ▶ More than 6,000 not-for-profit organisations and 253,000 volunteers benefited from \$21 million under Volunteer Grants 2010. The funding provided grants of up to \$5,000 to assist with the cost of training courses and background screening checks for volunteers, the purchase of small equipment items, and contributions towards fuel reimbursement for volunteers.
- ▶ By 30 June 2011, 99.5 per cent of people who had been subject to Income Management under the Northern Territory Emergency Response had either exited or had been transitioned to the new non-discriminatory model of Income Management. Of the 8,000 people who could have exited Income Management, more than half chose Voluntary Income Management, demonstrating that many recognised the benefits of Income Management. A total of 4,597 people across the Northern Territory and Western Australia who volunteered for Income Management and stayed on for a period of six months received a Voluntary Income Management Incentive Payment of \$250.

- ▶ In 2010–11, additional funds were allocated to emergency relief and financial counselling service providers to help them respond to increased demand as a result of the global financial crisis. Money management services continue to support Indigenous Australians to increase their financial capability in over 220 locations, predominantly in remote areas. More than 120 workers are employed in these remote locations, including 94 local Indigenous people.
- ▶ In February 2011, five organisations received funding as part of a new Community Development Financial Institutions pilot. The pilot aims to address financial exclusion by attracting investment and injecting funding into community finance organisations that offer financial services and products to Australians who are otherwise excluded from mainstream banking sources.

## Program 3.1: Financial Management

The objective of program 3.1 is to improve the financial knowledge, skills, capabilities and resilience of vulnerable individuals and families to alleviate the immediate impact of financial stress, and to coordinate a national approach to reduce problem gambling.

The program has the following components:

- ▶ Financial Management Information and Assistance
- ▶ Income Management.

### Financial Management Information and Assistance

The Financial Management Information and Assistance component aims to improve the financial resilience of vulnerable individuals and families through financial counselling, information and education, crisis assistance, asset-building incentives such as matched savings schemes and zero- and low-interest loans, and finding ways to minimise the impacts of problem gambling. Funding for these initiatives totalled \$123 million in 2010–11.

### Crisis and capability

In 2010–11, additional funds were allocated to emergency relief service providers to help them respond to increased demand as a result of the global financial crisis.

Emergency Relief Services assisted 994,719 people in 2010–11.

The Government funds money management services to provide practical and essential support to help people build longer-term capability to manage their money better and to increase financial resilience. The services, available mainly in remote locations with high Aboriginal and Torres Strait Islander populations, help participants increase their confidence in managing their money, budgeting, shopping around for the best price, knowing where to go for help and developing savings goals and plans. The services also link people with financial counselling and crisis support and affordable credit products. In remote parts of the Northern Territory, the MoneyMob Talkabout mobile education unit raises awareness of money management and financial counselling services through a program of fun, engaging and culturally appropriate activities.

### Financial counselling, information and education

Additional Commonwealth Financial Counselling services continued to support high demand through funding provided in 2009–10 and 2010–11 in response to the global financial crisis and natural disasters. In 2010–11, 40,935 people were assisted, including 13,740 telephone financial counselling clients.

The 1800 007 007 national financial counselling telephone hotline has helped more Australians access free financial counselling, with approximately 55 per cent of calls to the hotline number in 2010–11 coming from outside the capital cities. The Department improved the hotline by developing national policies and procedures and a complementary website. Financial counsellors continued to participate in Centrelink Job Expos and the Department worked with Financial Counselling Australia to further develop and professionalise the sector.

The National Information Centre on Retirement Investments continues to provide free information on planning and saving for retirement, including an information service on equity release and reverse mortgage products.

### Financial inclusion

As part of a \$50 million measure to support innovative projects for financial resilience, the Government allocated \$39 million over two years for microfinance programs to help vulnerable Australians build their financial self-reliance.

The objective of these services is to assist people, particularly those on low incomes, to develop long-term practical financial skills and to increase their understanding of financial products and services.

Through this funding, the Brotherhood of St Laurence's proven matched savings program, Saver Plus, has been made available in 60 communities nationally, and the Good Shepherd Youth and Family Service's No Interest Loan Scheme has been expanded to over 350 communities.

Funding of \$6 million was provided in 2011 to five community development financial institutions. These organisations provide microfinance and microenterprise loans and financial literacy to marginalised Australians who are not able to access mainstream financial services, including Indigenous Australians and low-income individuals.

### Supporting people participating in income management

Financial management support services are assisting vulnerable individuals and families in urban, regional and remote locations in the Northern Territory, Western Australia and Queensland.

Financial management support ranges from basic advocacy and assistance with financial matters to practical financial capability education, crisis support and access to financial counselling.

The services help to build practical financial literacy skills and knowledge, link people to affordable and safe credit, increase understanding of consumer rights, and help people deal with immediate financial crisis and complex financial stress. Services include the Approved Money Management Course, which is one of the eligibility requirements for the income management matched savings payment initiative.

## Problem gambling

The Government is continuing to work with state and territory governments to develop a national approach to reduce problem gambling and is committed to introducing a full pre-commitment system on electronic gaming machines, starting in 2014, introducing dynamic warnings and cost-of-play displays on the machines, and restricting ATM daily withdrawal limits in gaming venues to \$250 (excluding casinos).

The Government is also continuing to work with state and territory governments to expand the evidence base for problem gambling. The Department provided funding to Gambling Research Australia to commission national research into problem gambling. Gambling Research Australia is jointly funded by the Commonwealth and state and territory governments.

The Department also funded the evaluation of voluntary pre-commitment trials in South Australia, and the evaluation of the Gambling Help Online website ([www.gamblinghelponline.org.au](http://www.gamblinghelponline.org.au)), which is jointly funded by state and territory governments.

## Income Management

Income Management aims to assist families and individuals to budget and protect and provide for themselves and their children. It ensures that money is available for essentials, such as food, rent, clothing and utilities, and limits expenditure on excluded items, such as alcohol, tobacco, pornography and gambling.

Income Management offers a budgeting tool by directing a percentage of a person's welfare payments towards their own priority needs and those of their children and families. This helps to ensure that:

- ▶ money paid by the Government for the benefit of children is directed to the priority needs of children
- ▶ women, the elderly and other vulnerable community members are provided with better financial security
- ▶ the amount of cash in communities is reduced to help counter substance abuse, gambling and other anti-social behaviours that can lead to child abuse and community dysfunction.

## Income Management in Cape York

Income Management in Cape York is facilitated through the Queensland Government's Family Responsibilities Commission (FRC). The primary purpose of the FRC is to hold conferences, so local people can sit down to talk together about what is going wrong and what can be done to improve things. During conferences, the FRC talks with people about their behaviour. The FRC always tries to discuss the issues with the person and reach agreement on what should happen next.

The FRC considers each person's particular circumstances and the final approach adopted depends on how the person responds. Upon receiving a notification of a breach of social obligation, the main approaches used by the FRC to increase personal responsibility are:

- ▶ inviting clients to conference
- ▶ conferencing to discuss behaviour and reach solutions
- ▶ Family Responsibility Agreements
- ▶ referrals to support services (agreed by the client)
- ▶ notices to attend support services (ordered by the FRC)
- ▶ Income Management
- ▶ follow-up monitoring and case management
- ▶ re-conferencing and intensive case management where required.

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## Income Management in the Northern Territory

Income Management was first introduced in 2007 as part of the Northern Territory Emergency Response (NTER). The initial rollout of Income Management only affected people who received income support or family assistance payments and who lived in 73 prescribed communities, their associated outstations and the 10 town camp regions of the Northern Territory.

A new non-discriminatory model of Income Management commenced on 9 August 2010 following the reinstatement of the *Racial Discrimination Act 1975* in June 2010. At 30 June 2011, 17,747 people (99.95 per cent) had either transitioned to the new Income Management system or had exited Income Management. A total of 3,384 new people commenced Income Management.

Welfare recipients in the Territory who are not subject to compulsory Income Management can choose Voluntary Income Management. More than 8,000 people who had been on NTER Income Management were no longer required to be income managed under the new model, and more than half of them chose Voluntary Income Management, demonstrating that many recognised the benefits of Income Management.

## Child Protection Scheme of Income Management and Voluntary Income Management

The Child Protection Scheme of Income Management is in operation in metropolitan Perth and the Kimberley region in Western Australia, and across the Northern Territory. Under this measure, the state or territory child protection authority notifies Centrelink to manage a person's income support and family assistance payments in cases where poor money management is contributing to child neglect or other negative outcomes for the child.

Voluntary Income Management is available in metropolitan Perth and the Kimberley region in Western Australia, and across the Northern Territory. It allows income support recipients to volunteer for Income Management to assist them to meet their priority needs and to learn how to manage their finances for themselves and their family in the long-term.

People on Voluntary Income Management may be eligible for a Voluntary Income Management Incentive Payment of \$250. This payment is automatically paid to people for every 26 continuous weeks they remain on Voluntary Income Management. At 30 June 2011, 4,597 incentive payments had been made.

## BasicsCard

The BasicsCard is a PIN-protected card that operates through the existing EFTPOS infrastructure and can be used at approved BasicsCard merchants. It provides a secure way for customers to receive their income-managed funds. At 30 June 2011, 97.4 per cent (18,103 people) of people on Income Management had an active BasicsCard. Over \$156 million was spent through the BasicsCard in 2010–11, and over \$330 million since the BasicsCard was introduced in 2007.

BasicsCard holders can check their BasicsCard balances at eight purpose-built kiosks, located in Darwin, Perth, Palmerston, Katherine and Alice Springs. BasicsCard holders can also check their balances using a free call number, online, and through Centrelink's Call Centres and Customer Service Centres.



Future expansion of income management

In the 2011–12 Budget, the Government announced the expansion of targeted income management to assist vulnerable individuals and families in five disadvantaged communities: Bankstown, New South Wales; Logan, Queensland; Playford, South Australia; Rockhampton, Queensland; and Shepparton, Victoria.

Summary of performance

Table 7.1 summarises the Department’s results for program 3.1 against the key performance indicators published in the 2010–11 PB Statements.

Table 7.1 Program 3.1—key performance indicators

Key performance indicator	Result
Financial Management Information and Assistance	
Percentage and number of clients who have their immediate crisis needs met <sup>a</sup>	Emergency relief: 93%; 925,089 Commonwealth financial counselling: 93%; 26,889
Percentage and number of clients with increased money management knowledge and skills <sup>b</sup>	87%; 25,134
Percentage and number of clients adhering to agreed financial management strategies to manage life transitions <sup>c</sup>	89%; 19,215
Income Management	
Amount and percentage of income-managed funds spent on priority needs	Since Income Management began in mid-2007, goods or services to the value of \$330 million have been purchased using the BasicsCard (based on main business activity of merchant). <sup>d</sup>
	<div><div>Main business activity</div><div>Amount (\$)</div><div>Percentage</div></div>
	<div>Food244,876,870.2274</div>
	<div>Clothing50,935,213.3915</div>
	<div>Fuel19,169,396.106</div>
	<div>Other<sup>e</sup>15,846,118.625</div>
	<div>Total330,827,598.33100</div>

a Derived estimate of number of emergency relief and Commonwealth financial counselling clients assisted for 2010–11.

b Derived estimate of number of Commonwealth financial counselling clients assisted for 2010–11.

c Derived estimate of number of money management and microfinance clients assisted for 2010–11.

d The data provided is BasicsCard expenditure only. In addition to allocating income managed funds to the BasicsCard, people allocate income managed funds to housing, including rent, School Meals Programs, child care, utilities and other priority needs and expenses.

e ‘Other’ includes merchants with the main business activity of transport, household goods, second-hand goods, hardware, health, motor vehicle, education and white goods.

Table 7.2 summarises the Department’s results for program 3.1 against the deliverables published in the 2010–11 PB Statements.

**Table 7.2 Program 3.1—deliverables**

Deliverable	Result
<i>Financial Management Information and Assistance</i>	
Number of clients assisted through the Financial Management Program	1,049,421
<i>Income Management</i>	
Number of people on Income Management	18,583

Table 7.3 shows the movement of funds through the Income Management Record.

**Table 7.3 Program 3.1—Income Management Record**

Income Management Record (Administered)	2009–10 (\$'000)	2010–11 (\$'000)
Balance brought forward from previous period	2,202	760
Contributions	159,608	181,429
Other receipts (returned payments from third-party organisations)	752	583
Total increase	162,562	182,012
Payments made	(161,802)	(181,526)
Total decrease	(161,802)	(181,526)
Balance carried to next period (excluding investment balances) and represented by cash held in the Official Public Account	760	1,246

Note: Appropriation is through section 123ZN of the *Social Security (Administration) Act 1999*. The establishing instrument is section 123VA of the *Social Security (Administration) Act 1999*. The record holds individual Centrelink entitlements and Centrelink makes payments on behalf of the individual. It is not an interest-bearing account. As of 1 July 2010, the Income Management Record replaced the Income Management Special Account. The Income Management Record is a ledger recording the movement of income-managed funds held on behalf of individuals.

## Program 3.2: Community Investment

The objective of program 3.2 is to provide grants and ongoing funding to improve the responsiveness and integration of local community services to increase the participation of vulnerable people in community life.

The program has one component: Community Investment.

Under the Administrative Arrangements Order of 14 October 2010, responsibility for Volunteer Management was transferred from FaHCSIA to the Department of the Prime Minister and Cabinet.

Under the Administrative Arrangements Order changes on 14 October 2010, the Department's lead Commonwealth recovery responsibilities, including activation of the Australian Government Disaster Recovery Payment, were transferred to the Attorney-General's Department. The residual elements of the Disaster Preparedness and Recovery Branch were transferred to the Community Investment Branch, and FaHCSIA retained responsibility for coordinating the Commonwealth's response to the 2009 Victorian bushfires. In January 2011, a Flood and Natural Disaster Coordination Unit was established in the Money Management Branch to coordinate the Department's contribution to the whole-of-government recovery response to the multiple flooding and natural disaster events across Australia.

66 Community Investment

In 2010–11, the Government provided funding to nearly 200 not-for-profit community organisations to deliver around 220 community projects to help disadvantaged and vulnerable Australians participate in community life. These diverse projects helped strengthen communities and families, developed solutions to meet local community needs, and delivered responsive and integrated services.

The Community Support Service supports Aboriginal and Torres Strait Islander community members and their families by providing links and referrals to a range of mainstream and Indigenous services, including welfare and social support, employment, family violence, health (including drug and alcohol services), housing, child care and legal services. In 2010–11, the Community Support Service provided support through 63 organisations and in 87 locations to reach more than 140 communities across Australia.

In 2010–11, seven applications were approved for entry onto the Harm Prevention Charities Register, a Commonwealth tax deductibility scheme for charities whose principal activity is to promote prevention or control of harmful behaviour, including emotional abuse, physical and sexual abuse, suicide, self-harm, substance abuse and harmful gambling. In 2010–11, 56 institutions were on the register.

More than 6,000 not-for-profit organisations across Australia benefited from Volunteer Grants 2010, supporting around 253,000 volunteers. The funding provided grants of up to \$5,000 to assist with the cost of training courses and background screening checks for volunteers, purchase small equipment items, and contribute towards fuel reimbursement for volunteers who use their cars to transport others to activities, deliver food and assist people in need.

Summary of performance

Table 7.4 summarises the Department’s results for program 3.2 against the key performance indicators published in the 2010–11 PB Statements.

Table 7.4 Program 3.2—key performance indicators

Key performance indicator	Result
<i>Community Investment</i>	
Percentage and number of individuals who indicated they were satisfied with the Community Support Service	97%; 20,472
Percentage and number of individuals assisted from Indigenous and culturally and linguistically diverse backgrounds	35%; 42,297

Note: The percentage and number of individuals assisted from Indigenous and culturally and linguistically diverse backgrounds indicator is for the Community Investment Program, including the Community Support Service and Community Projects. This indicator excludes Volunteer Grants where data is not collected at the individual level.

Table 7.5 summarises the Department’s results for program 3.2 against the deliverables published in the 2010–11 PB Statements.

**Table 7.5 Program 3.2—deliverables**

Deliverable	Result
Number of individuals assisted through the Community Investment Program	374,768
Number of individuals assisted through Volunteer Grants	253,000
Number of individuals assisted (excluding volunteers)	121,768

Note: Data for Volunteer Management is not reported because responsibility for this component was transferred to the Department of the Prime Minister and Cabinet under the Administrative Arrangements Orders.

## Program 3.3: Income Support for Vulnerable People

The objective of program 3.3 is to make payments to assist eligible people in severe financial hardship who do not have any other means of support.

Special Benefit is an income support payment for people in severe financial hardship who are not eligible for any other type of payment and who have no other means of support or capacity to earn a sufficient livelihood.

### Summary of performance

Table 7.6 summarises the Department's results for program 3.3 against the key performance indicators published in the 2010–11 PB Statements.

**Table 7.6 Program 3.3—key performance indicators**

Key performance indicator	Result
<i>Income Support for Vulnerable People (Special Benefit)</i>	
Percentage and number of recipients on part rate due to the means test	73.4%; 4,687
Number of recipients	6,385
Administered outlays	\$73.25 million
Duration on payment	111 weeks
Payment accuracy	96.35% Confidence interval +/- 2.10%
Agreements are in place with all service providers	An agreement is in place with Centrelink.
Strategies are in place to ensure that requirements are fulfilled under agreements with service delivery providers	The bilateral management arrangement with Centrelink requires quarterly reports or information exchanges to ensure that all risks are being managed. Business discussions are also held on a quarterly basis with Centrelink.

Table 7.7 summarises the Department's result for program 3.3 against the deliverable published in the 2010–11 PB Statements.

Table 7.7 Program 3.3—deliverable

Deliverable	Result
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described

## Program 3.4: Support for People in Special Circumstances

The objective of program 3.4 is to make payments to Australians in circumstances beyond their control to support them in overcoming those circumstances and maintaining their financial wellbeing.

The program has the following components:

- ▶ Bereavement Allowance
- ▶ Payments under Special Circumstances.

Responsibility for the Australian Government Disaster Recovery Payment was transferred to the Attorney-General’s Department under the Administrative Arrangements Orders.

### Bereavement Allowance

The objective of Bereavement Allowance is to make payments for up to 14 weeks to a recently widowed person following the death of their partner to enable them to maintain an adequate standard of living during that time.

Bereavement Allowance is paid at the same rate as the adult pension and is subject to the pension income and assets test. In 2010–11, 856 people were paid Bereavement Allowance.

### Payments under Special Circumstances

The objective of Payments under Special Circumstances is to help individuals and families experiencing circumstances beyond their control to recover and maintain their financial wellbeing. These payments include act of grace payments made under section 33 of the *Financial Management and Accountability Act 1997* and ex gratia payments to individuals and families affected by disasters and other crises.

For example, support continues to be provided to Australians affected by the 2002 and 2005 Bali bombings. FaHCSIA provided support towards personal rehabilitation including home, vehicle and work modifications to help victims transition back to normal living. The Reconnecting People Assistance Package provides ex gratia assistance to Australian citizens or permanent residents who have been adversely affected as a direct result of inappropriate immigration detention. The assistance package continues to support eligible individuals in re-establishing their lives and reconnecting with families and communities.

### Summary of performance

Table 7.8 summarises the Department’s results for program 3.4 against the key performance indicators published in the 2010–11 PB Statements.

Table 7.8 Program 3.4—key performance indicators

Key performance indicator	Result
<i>Payments under Special Circumstances</i>	
Number of recipients	Not provided <sup>a</sup>
Administered outlays	\$0.922 million
<i>Bereavement Allowance</i>	
Number of recipients	856
Administered outlays	\$3.10 million
Timeliness of receipt of assistance	All Bereavement Allowance claims were processed in accordance with social security law.

a 'Payments under Special Circumstances' refers to assistance provided under the Department's Bali Lifetime Rehabilitation Package. Specific data reporting on the number of recipients is not possible as the number of recipients is less than 20, which means the privacy provisions under the *Social Security (Administration) Act 1999* apply.

Note: Data for the Australian Government Disaster Recovery Payment is not reported because responsibility for this component was transferred to the Attorney-General's Department under the Administrative Arrangements Orders. Expenditure reported by FaHCSIA prior to the program transfer to the Attorney-General's Department on 14 October 2010 was approximately \$10.41 million.

Table 7.9 summarises the Department's results for program 3.4 against the deliverable published in the 2010–11 PB Statements.

Table 7.9 Program 3.4—deliverables

Deliverable	Result
Payments are made through Centrelink to eligible claimants under the provisions of social security law and the <i>Financial Management and Accountability Act 1997</i>	Payments were made as described

## Program 3.5: Supplementary Payments and Support for Income Support Recipients

The objective of program 3.5 is to make payments and subsidise services to certain income support recipients to assist them financially and to help them continue to participate economically and socially.

The program has the following components:

- ▶ Reimbursement to Great Southern Rail for Concessional Fares
- ▶ Utilities Allowance.

Reimbursement to Great Southern Rail for Concessional Fares

The objective of the Reimbursement to Great Southern Rail for Concessional Fares component is to reimburse Great Southern Rail for the provision of concessional fares on its services (the *Indian Pacific*, the *Ghan* and the *Overland*) to pensioners, certain veterans, and holders of the Commonwealth Seniors Health Card and state Seniors Card holders.

The Department reimburses Great Southern Rail for concessional fares on a demand-driven basis for actual concessional travel by eligible groups. The discretionary nature of the program makes it difficult to estimate numbers from year to year. In 2010–11, the Department reimbursed Great Southern Rail for 61,421 concessional journeys.

Utilities Allowance

The objective of the Utilities Allowance component is to assist certain income support recipients with utility costs such as gas and electricity.

From 20 September 2009, the value of Utilities Allowance was incorporated into the Pension Supplement as part of the Secure and Sustainable Pensions reforms. The Pension Supplement is automatically paid fortnightly to most pensioners, and certain income support recipients who have reached the qualifying age for Age Pension.

As such, the Utilities Allowance is now only paid to Disability Support Pensioners who are under 21 without children, and to Department of Education, Employment and Workplace Relations recipients of Widow or Partner Allowance who are under the qualifying age for Age Pension.

Summary of performance

Table 7.10 summarises the Department’s results for program 3.5 against the key performance indicators published in the 2010–11 PB Statements.

Table 7.10 Program 3.5—key performance indicators

Key performance indicator	Result
Reimbursement to Great Southern Rail for Concessional Fares	
Administered outlays	\$6.77 million
Number of recipients	42,974 passengers
Number of journeys	61,421 concessional journeys under the Government’s funding agreement with Great Southern Rail in 2010–11
Utilities Allowance	
Administered outlays	\$13.41 million
Number of recipients	Current at 30 June 2011: 23,124

Table 7.11 summarises the Department’s results for program 3.5 against the deliverables published in the 2010–11 PB Statements.

**Table 7.11 Program 3.5—deliverables**

Deliverable	Result
<i>Reimbursement to Great Southern Rail for Concessional Fares</i>	
Great Southern Rail is under agreement to provide concessional fares on its services to pensioners, certain veterans and holders of Commonwealth Seniors Health Card and state Seniors Card holders	100%
<i>Utilities Allowance</i>	
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described

## Outlook for Outcome 3

FaHCSIA will continue to provide support to not-for-profit organisations that aim to improve and promote the social inclusion of disadvantaged and vulnerable Australians. Funding is provided for integrated and responsive projects that address the specific needs of local communities. The Government will continue to assist not-for-profit organisations across Australia through Volunteer Grants. The funding provides grants of up to \$5,000 to assist with the cost of training courses and background screening checks for volunteers, purchase small equipment items, and contribute towards fuel reimbursement for volunteers who use their cars to transport others to activities, deliver food and assist people in need.

The Department will continue to deliver financial assistance to eligible people in severe financial hardship who are not eligible for any other type of payment and who do not have any other means of support or capacity to earn a sufficient livelihood through the payment of Special Benefit.

The Department will continue to reimburse Great Southern Rail as it provides concession fares to pensioners and other eligible groups.

Utilities Allowance will continue to be paid quarterly to assist certain income support recipients with utility bills such as gas and electricity and Bereavement Allowance will continue to be available to recently widowed people to assist with financial affairs following the death of their partner.

Through the Financial Management Program, the Department will continue to fund a range of services that assist people to overcome financial adversity and achieve greater financial resilience. A temporary funding boost provided during the global financial crisis enabled emergency relief services to be enhanced by introducing case management and financial literacy education in some outlets and expanded access to financial counselling, no-interest loans and matched savings schemes. Emergency relief and financial counselling services continue to experience strong demand and additional ongoing funding of \$171.9 million over four years for emergency relief, financial counselling and microfinance services was provided as part of the 2011–12 Budget. Over the next 12 months the Department will continue the focus on building longer-term capability and resilience for vulnerable individuals and families through improved access to case management, money management education and professional financial counselling. The Department will also continue to support community sector workers by funding training and professional development opportunities and other resources.

The Department will continue to work closely with Centrelink to deliver income management, which aims to ensure that people who receive welfare payments use those payments in a socially responsible way and that children and vulnerable people are protected, across all of the Northern Territory, in parts of Western Australia and in parts of Cape York in Queensland.



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In addition, the Department is currently preparing to implement income management in five new sites across Australia, as announced under the Building Australia's Future Workforce package in the 2011–12 Budget. Selected not-for-profit organisations will receive funding to provide additional financial management services in each of these locations.

The Department will continue to play a central role in addressing problem gambling and the negative impact it has on individuals, families and communities by implementing its commitment to reduce problem gambling, including the implementation of a full pre-commitment scheme for electronic gaming machines.

## Case study

### Community Support Service



Photo © Debrah Novak / APN Australian Regional Media

*The Community Support Service provided assistance to people in Northern New South Wales following severe flooding*

The FaHCSIA-funded Community Support Service helps Indigenous people and families by providing links and referrals to a range of mainstream and Indigenous services such as welfare and social support, employment, family violence, health (including drug and alcohol services), legal, child care and housing services.

Colin\* lives in the severely flood-damaged Maclean area in northern New South Wales. Colin's house had been badly damaged by heavy rain and the outside area of his home was covered with debris, with sections of the backyard under water.

Water damage inside his home resulted in the loss of many of his possessions. His bedroom and bedding had been particularly affected. Left to sleep on the floor, Colin contacted his local Community Support Service seeking assistance with bedding.

The Community Support Service officer acted immediately and put Colin in touch with providers who replaced his bed, bedding and other necessary items. A local garden maintenance organisation removed debris from the yard, cleaned the outside walls of mould and mud, and planted native shrubs.

A follow-up visit with Colin highlighted the value of the service. Colin's living environment and his quality of life had improved noticeably. He was grateful for the assistance and the boost to his confidence. This and his sense of pride were evident as he gave a tour of his home. It was an uplifting experience, not only for Colin but also for the Community Support Service representative who assisted him.

\* Name has been changed to protect privacy.

## Chapter 8

### Outcome 4—Seniors



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## Outcome 4 at a glance

An adequate standard of living and improved capacity to productively manage resources and life-transitions for senior Australians through the delivery of payments, concessions and information services.

### Outcome and programs

Figure 8.1 shows the Outcome 4 program structure.

**Figure 8.1 Outcome 4 programs**



### Highlights

- ▶ In 2010–11, the Department implemented two more of the reforms introduced as part of the Secure and Sustainable Pensions reform package. On 1 July 2010, the new rules for advance payments to pensioners took effect, as well as the option for pensioners to receive a proportion of their Pension Supplement quarterly.
- ▶ Indexation arrangements changed under the Secure and Sustainable Pensions reform package. Indexation was driven by the Pensioner and Beneficiary Living Cost Index in September 2010 and by the new Male Total Average Weekly Earnings benchmark in March 2011.
- ▶ The Department worked towards implementing the enhanced Work Bonus arrangements, which started on 1 July 2011. The arrangements include a \$250 fortnightly employment income disregard amount and an employment income concession bank. Pensioners accrue unused amounts of their fortnightly exemption to offset future employment income that would be otherwise assessable under the pension income test.
- ▶ The Department released an updated edition of *Accommodation Choices for Older Australians and their Families*.
- ▶ The Department continued to assist senior Australians through income support, allowances and concessions, and completed the rollout of the Broadband for Seniors kiosks.
- ▶ New social security agreements commenced in 2010–11 with Poland and the former Yugoslav Republic of Macedonia, and a further agreement with the Czech Republic scheduled to start on 1 July 2011. The agreements will enable many Australian residents to claim pensions from those countries and will allow former Australian residents living in those countries to claim the Australian Age Pension. Two other social security agreements were concluded in 2010–11, with the Slovak Republic and Hungary. These agreements are expected to take effect in 2012, after the necessary treaty and legislative requirements have been completed. At 30 June 2011, Australia had social security agreements with 25 countries.

## Program 4.1: Income Support for Seniors

The objective of program 4.1 is to make payments to senior Australians to assist them financially in a manner that encourages them to productively manage resources and life transitions.

The program has the following components:

- ▶ Age Pension
- ▶ Widow B Pension
- ▶ Wife Pension (Age).

### Age Pension

The objective of the Age Pension is to provide income support payments to senior Australians who need financial assistance and to encourage senior Australians to maximise their total retirement income.

The Age Pension is paid to people who meet age and residency requirements and the rate of payment a person receives depends on their level of income and assets. The Age Pension is funded from general taxation revenue; that is, entitlement is not based on a person's individual contributions while in the workforce.

A pensioner can have up to a specified amount of income and assets to receive the maximum rate of Age Pension. If a person's income and assets exceed those thresholds, the rate of Age Pension reduces on a sliding scale. For age pensioners who choose to work, the Work Bonus enables employment earnings to be treated concessional under the pension income test.

Around 60 per cent of age pensioners receive the maximum rate of pension. In 2010–11, as a result of indexation in September 2010 and March 2011, total pension rates, which include base rate and pension supplement, increased by \$28.20 a fortnight for single pensioners and \$42.40 a fortnight for a pensioner couple combined. At 30 June 2011, total annual maximum pension rates are \$18,961.80 for single pensioners and \$28,584.40 for pensioner couples combined.

The Secure and Sustainable Pensions reform package was announced in the 2009–10 Budget. Except for the measure to increase the pension age from 2017, all the pension reforms have been successfully implemented. Most of the reforms were introduced from September 2009. Some 2.23 million age pensioners continue to benefit from the pension reform changes, including an initial increase in pension rates, improved indexation, better targeting and greater flexibility in some payment arrangements. Between September 2009 and March 2011, the pension reforms delivered increases to the maximum total pension of around \$128 a fortnight for single pensioners and around \$116 a fortnight for pensioner couples combined.

From July 2010, pension advance payments were improved by allowing multiple advances over a 12-month period, increasing the maximum and minimum advance amounts, and linking them to pension rates. The advance payment rules enable pensioners to meet large or unforeseen costs. At 30 June 2011, around 143,400 age pensioners had taken advantage of the new advance payment arrangements.

The Pension Supplement is paid automatically as part of a person's fortnightly Age Pension. From 1 July 2010, pensioners can elect to receive part of their Pension Supplement quarterly. This option gives pensioners more flexibility in managing their budgets. At 30 June 2011, 7,518 age pensioners received their Pension Supplement quarterly rather than fortnightly.

76 During 2010–11, the Department developed an enhanced Work Bonus, which commenced on 1 July 2011. Under the new and improved Work Bonus, eligible pensioners can earn up to \$250 a fortnight without it being taken into account as income under the pension income test.

Widow B Pension

The objective of Widow B Pension is to make payments to widowed, divorced and separated women to assist them financially. This payment was closed to new entrants from 20 March 1997.

Wife Pension (Age)

The objective of Wife Pension (Age) is to make payments to female partners of Age Pension recipients, where those partners are not eligible in their own right for Age Pension, to assist them financially. This payment was closed to new entrants from 1 July 1995.

Summary of performance

Table 8.1 summarises the Department’s results for program 4.1 against the key performance indicators published in the 2010–11 PB Statements.

Table 8.1 Program 4.1—key performance indicators

Key performance indicator	Result		
Age Pension/Widow B Pension/Wife Pension (Age)	Age Pension	Widow B	Wife Pension (Age)
Percentage and number of recipients on part rate due to the means test	40.3%	37.6%	21.7%
	896,895	213	2,029
Number of recipients	2.23 million	566	9,333
Administered outlays	\$32.15 billion	\$6.99 million	\$134.35 million
Age Pension			
Ratio of assessed income of pensioners to their total income	\$24.10 of assessed income to every \$100 of total income in 2010–11		
Percentage and number of senior Australians who receive payment	68.5% (2.23 million)		
Percentage and number of recipients with employment income	3.5% (77,782)		
Percentage and number of new entrants with employment income	10.7% (17,008)		
Payment accuracy	98.02%		
Agreements are in place with all service delivery agencies	Agreements are in place with Centrelink and the Department of Veterans' Affairs.		
Strategies are in place to ensure that the requirements are fulfilled under agreements with providers	The agreements specify regular reports and are supported by ongoing business discussions.		
Wife Pension (Age)			
Ratio of current number of Wife Pension (Age) recipients to the number of Wife Pension (Age) recipients at 1 July 1995	23.6%		

Table 8.2 summarises the Department’s results for program 4.1 against the deliverable published in the 2010–11 PB Statements.

**Table 8.2 Program 4.1—deliverable**

Deliverable	Result
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described

## Program 4.2: Allowances, Concessions and Services for Seniors

The objective of program 4.2 is to make payments and provide services to senior Australians to assist with household expenses, enabling them to maintain their standard of living and increase their access to information and community resources.

The program has the following components:

- ▶ Seniors Supplement
- ▶ Broadband for Seniors.

### Seniors Supplement

The objective of the Seniors Supplement component is to make payments to senior Australians to assist with the cost of general living expenses.

Seniors Supplement is paid to Commonwealth Seniors Health Card holders and eligible Department of Veterans’ Affairs Gold Card holders. The supplement incorporates the former Seniors Concession Allowance and Telephone Allowance for Commonwealth Seniors Health Card holders. It accrues on a daily basis and is paid quarterly in March, June, September and December.

### Concession cards

Australian Government concession cards provide access to a range of concessions, including cheaper Pharmaceutical Benefits Scheme prescription items and a lower threshold for the extended Medicare Safety Net. Cardholders may be offered other concessions, including those offered by state, territory or local governments and authorities, and some private organisations.

Concession cards issued by the Australian Government include:

- ▶ the Pensioner Concession Card for pensioners and certain older long-term social security allowees
- ▶ the Health Care Card for social security allowees, families receiving maximum rate FTB A by fortnightly instalment and people with an income below a certain level
- ▶ the Commonwealth Seniors Health Card for eligible self-funded retirees who have reached the qualifying age for the Age Pension.

Table 8.3 shows the number of concession card holders by card type.

**Table 8.3 Number of concession card holders, 30 June 2011**

Card type	Card holder numbers
Health Care Card	1,130,512
(Low Income) Health Care Card	435,745
Pensioner Concession Card	3,617,579
Commonwealth Seniors Health Card	282,186
<b>Total</b>	<b>5,466,022</b>

## Broadband for Seniors

Broadband for Seniors is a network of internet kiosks in locations frequented by seniors to address barriers that limit seniors' capacity to access the information and community resources needed to remain involved in social and community activities.

Broadband for Seniors offers senior Australians free broadband internet access and training at seniors internet kiosks across Australia. The initiative aims to build seniors' confidence in using new technology.

In 2010–11, the Department completed the rollout of the Government's commitment to establish 2,000 Broadband for Seniors kiosks across Australia. To celebrate this milestone, the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin MP, joined seniors at the Yarraville Senior Citizens Centre to help launch their new kiosk in February 2011.

Since the initiative was launched, around 160,000 seniors are estimated to have accessed a kiosk. Of these, around a third reported that they had never used a computer before, and almost half reported that they had never used the internet.

## Summary of performance

Table 8.4 summarises the Department's results for program 4.2 against the key performance indicators published in the 2010–11 PB Statements.

**Table 8.4 Program 4.2—key performance indicators**

Key performance indicator	Result
<i>Seniors Supplement</i>	
Number of recipients	278,247
Administered outlays	\$179.17 million
<i>Broadband for Seniors</i>	
Percentage and number of seniors' internet kiosk users reporting improved skills and confidence in using the internet	92.5%; 385 out of 416 users surveyed reported improved skills 90.6%; 377 out of 416 users surveyed reported increased confidence in using new technology
Number of seniors using an internet kiosk	160,000 <sup>a</sup>

<sup>a</sup> The number of seniors using an internet kiosk is the number of seniors who have accessed a Broadband for Seniors kiosk since the initiative was launched in September 2009.

Table 8.5 summarises the Department's results for program 4.2 against the deliverables published in the 2010–11 PB Statements.

**Table 8.5 Program 4.2—deliverables**

Deliverable	Result
<i>Seniors Supplement</i>	
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described
<i>Broadband for Seniors</i>	
Number of seniors' internet kiosks established	2,000

## Outlook for Outcome 4

The Age Pension program is a key pillar of Australia's retirement income system. In 2010–11, Age Pension outlays were \$32 billion, or approximately 9 per cent of total Commonwealth expenditure. At 30 June 2011, there were around 2.23 million age pensioners, representing more than two-thirds of the Australian population over pension age. Expenditure on the Age Pension program has been growing due to policy changes and Australia's ageing population. In 2011–12, it is estimated that Age Pension expenditure will rise to \$34 billion.

In June 2011, Parliament passed legislation to enhance the Work Bonus. The new Work Bonus, which took effect on 1 July 2011, has two components:

- ▶ fortnightly employment income exemption—the first \$250 of fortnightly employment income is excluded from assessment under the pension income test
- ▶ employment income concession bank—where a pensioner earns income from employment less than the \$250 exemption amount in a fortnight, the difference builds up in the pensioner's employment income concession bank. The maximum amount allowed in this income bank is \$6,500. When a pensioner earns more than \$250 from employment in a fortnight, any balance in the income bank offsets the amount above \$250 that would otherwise be counted under the income test. Any balance in the income bank carries forward across financial years.

In 2011–12, the Department will support the work of the Australian Government Advisory Panel on the Economic Potential of Senior Australians, established in March 2011. The panel has been asked to consider what new opportunities will arise in the future with a larger, and more active, community of senior Australians.

The Government will also continue to fund the network of Broadband for Seniors kiosks that provide free broadband internet to help seniors stay in touch with family and friends, and access the information and resources they need to remain involved in social and community activities.



## Case study

### Broadband for Seniors



*Minister Jenny Macklin with John McMahon and Maria Dabrowa at the official opening of the 2,000th Broadband for Seniors kiosk, at Yarraville Senior Citizens Club, Victoria in February 2011*

Many Australian senior citizens struggle with modern IT communication systems and can miss out on communicating with friends and family in ways that others take for granted. Broadband for Seniors is an initiative funded by FaHCSIA and implemented through the private company NEC Australia to provide older Australians with free access to computers and the internet, as well as training in basic computing skills.

A Broadband for Seniors kiosk hosted by Queensland's Diamantina Shire Council is a popular site for senior members of the Aboriginal community. They love the kiosk and use it constantly to improve their computer skills and communicate with relatives in other towns.

Volunteer tutors teach seniors, who learn at their own pace how to use the internet and send emails. The local council reports that the kiosk is a great community asset and has allowed seniors to overcome their fear of computers. It is not just the locals who benefit from this initiative; seniors visiting the Diamantina community often stop in to use the kiosk.

The Lions Club of Toukley in New South Wales also hosts a Broadband for Seniors internet kiosk and has assisted more than 120 seniors to complete the introductory syllabus. The volunteer tutors at the kiosk have expressed their enjoyment and satisfaction at working with a group of people who were initially apprehensive but are now eager to learn and explore the internet. One 95-year-old now keeps in touch with friends and family through regular emails. Other kiosk users have stated that Broadband for Seniors has helped them relate better to their grandchildren and great-grandchildren.

## Chapter 9

### Outcome 5—Disability and Carers

# 9

#### Outcome 5 at a glance

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An adequate standard of living, improved capacity to participate economically and socially and manage life-transitions for people with disability and/or mental illness and carers through payments, concessions, support and care services.

#### Outcome and programs

**Figure 9.1 Outcome 5 programs**



#### Highlights

- In 2010–11, the Department commenced the implementation of the National Disability Strategy with state and territory governments, the National People with Disabilities and Carer Council and other Commonwealth agencies. Along with its partners, the Department promoted initiatives to support an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens. The National Disability Strategy was formally endorsed by the Council of Australian Governments (COAG) on 13 February 2011. The strategy's 10-year national framework will guide public policy across governments and aims to bring about change in all mainstream services and programs and community infrastructure to ensure that people with disability have the same opportunities as other Australians—a quality education, health care, a job where possible, and access to buildings, transport and social activities.
- FaHCSIA co-chairs the National Disability Strategy Development Officials Working Group with the Department of the Prime Minister and Cabinet. The working group, with membership from all levels of government including the Australian Local Government Association, will advance the implementation of the strategy and reports to the Standing Council on Community, Housing and Disability Services, which in turn reports to COAG. FaHCSIA also co-chairs the Interdepartmental Committee for the National Disability Strategy with the Department of the Prime Minister and Cabinet.
- The National Disability Awards ceremony was held on 23 November 2010. In 2011, following the release of the National Disability Strategy, the Department realigned the awards categories with the priorities of the strategy.

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- ▶ The Department, with state and territory governments, continued to implement the National Disability Agreement and reforms to the disability service system.
  - ▶ The first element of the National Carer Recognition Framework, the *Carer Recognition Act 2010*, came into effect on 18 November 2010. A guide to the Act was also developed.
  - ▶ FaHCSIA, with the Department of Health and Ageing, Carers Australia, and Children with Disability Australia, conducted Australia-wide consultations on the National Carer Strategy between October and December 2010. The Department led the development of the National Carer Strategy, which was released on 3 August 2011. The strategy is a long-term national plan to improve the lives of carers of people with disability, mental illness or a medical condition or of the frail aged.
  - ▶ Most elements of the 2009–10 Budget measure *Disability Support Pension—Better and Fairer Assessments*, which introduced improved assessment processes for the Disability Support Pension and measures to support re-engagement with the workforce, were implemented on 1 July 2010. The measure included fast-tracking certain claimants, support for complex decision making from a Health Professional Advice Unit in Centrelink, a Workforce Re-engagement Contact Pilot for new entrants, introduction of senior appropriately qualified assessors to conduct work capacity assessments for claimants and new work capacity assessment guidelines.
  - ▶ A review of the tables for the assessment of work-related impairment for Disability Support Pension was completed by an advisory committee. (This was the remaining element of the 2009–10 Budget measure *Disability Support Pension—Better and Fairer Assessments*.) The revised impairment tables are on track to be implemented on 1 January 2012.
  - ▶ On 1 July 2010, the Department introduced a single assessment process for Carer Allowance (child) and Carer Payment (child) and an easier transition process from Carer Payment (child) to Carer Payment (adult) when a child turns 16. The initiatives completed the Government's response to the Report of the Carer Payment (child) Review Taskforce under the 2008–09 Budget measure *Carers—Improved Support*.
  - ▶ A new third-party quality assurance system for the National Disability Advocacy Program was successfully trialled from November 2009 to September 2010. The evaluation of the trial recommended formal implementation of the new system.
  - ▶ In 2010, work began on developing an Australian Government vision for inclusion for people with disability through sustainable supported employment. Preliminary work included the release of a discussion paper, a consultation process, and secretariat support to an independent advisory group appointed by the Parliamentary Secretary for Disabilities and Carers to provide strategic advice to government. The vision is expected to be released in 2011–12.
  - ▶ The Department supported an independent panel established to support the Productivity Commission's inquiry into disability care and support. The panel consists of Mr Bruce Bonyhady AM, Mr David Bowen, Dr Rhonda Galbally AO, Mr Phil Grano OAM, Ms Robyn McKay, Dr Andrew Pesce, Ms Ann Sherry AO and Mr Ian Silk. The panel met 11 times in 2010–11.
  - ▶ The Department supported disability and carers' organisations to engage people with disability, their families and carers in the Productivity Commission's inquiry into options for long-term care and support arrangements for people with disability.
  - ▶ FaHCSIA completed the process for renewal of service for organisations funded through the FaHCSIA Targeted Community Care (Mental Health) Program for three additional years. A remote service delivery model for the Personal Helpers and Mentors (PHaMs) service was fully implemented. Eleven remote sites now provide increased recovery support for Aboriginal and Torres Strait Islander Australians whose lives have been severely affected by mental illness.

- ▶ The Government released the evaluation of the Targeted Community Care (Mental Health) Program. The evaluation found that the services deliver outcomes for people with a mental illness and their families and are well received and accepted in the community and in the community mental health sector generally.
- ▶ The Helping Children with Autism package continued to improve access to services with a particular focus on assisting families of children with autism in rural and regional areas. All six Autism Specific Early Learning and Care Centres are operating. The centres provide early learning programs and specific support to children with autism spectrum disorder.
- ▶ Work began on preparing for the new Better Start for Children with Disability initiative that commenced on 1 July 2011, providing funding for early intervention services for children with certain disabilities.

## Program 5.1: Targeted Community Care

The objective of program 5.1 is to implement community mental health initiatives to assist people with mental illness and their families and carers.

The program has one component: Mental Health.

### Mental Health

The objective of the Mental Health component is to assist people with mental illness and their families and carers to manage the impact of mental illness.

The Targeted Community Care (Mental Health) Program funds flexible community-based mental health services that assist individuals affected by mental illness to live more independent lives and provide practical assistance and support to their families and carers.

### Personal Helpers and Mentors

The Personal Helpers and Mentors (PHaMs) initiative provides recovery support for individuals whose lives have been severely affected by mental illness.

In 2010–11, PHaMs providers in all states and territories continued to deliver services that support individuals towards recovery by improving life skills and quality of life.

PHaMs services provide targeted support for vulnerable groups in all states and territories, such as humanitarian entrants, Indigenous Australians and people who are homeless or at risk of homelessness. Eleven sites provide services for Indigenous Australians living with mental illness in remote communities. Sixty-nine non-metropolitan PHaMs sites provide services for Australians living in regional Australia.

### Family Mental Health Support Services

The Family Mental Health Support Services initiative provides early intervention to assist vulnerable families with children and young people who are affected by mental illness.

In 2010–11, Family Mental Health Support Services providers in all states and territories continued to deliver services aimed at building on family strengths and improving resilience and family functioning.

84 Mandatory evaluations conducted by the providers showed that the services, through mixed methodologies, have been effective in prevention and early intervention. These evaluations, some of which were done in conjunction with universities, have made significant contributions to the evidence base for mental health promotion, prevention and early intervention at a local level.

Mental Health Respite

The Mental Health Respite services provide carers and families of people with mental illness with a range of services, including respite care and activities such as peer support and education that assist them in their caring role.

Respite services in all states and territories continued to deliver flexible services that were responsive to both the support needs of carers and the needs of the care recipients, allowing family members to participate more actively in the community.

Summary of performance

Table 9.1 summarises the Department’s results for program 5.1 against the key performance indicators published in the 2010–11 PB Statements.

Table 9.1 Program 5.1—key performance indicators

Key performance indicator	Result
Mental Health	
Percentage and number of clients, families and carers maintaining progress against individual goals	98%; 1,314 Based on a client satisfaction survey from a sample of 1,341 service recipients
Percentage and number of clients who report that they are satisfied that the service they received was appropriate to their needs	99%; 1,387 Based on a client satisfaction survey from a sample of 1,401 service recipients
Percentage and number of clients from Indigenous and culturally and linguistically diverse backgrounds	9%; 9,496 Indigenous 21%; 22,642 culturally and linguistically diverse

Table 9.2 Program 5.1—deliverable

Deliverable	Result
Mental Health	
Percentage and number of clients, families and carers whose lives are affected by mental illness accessing support services	95%; 107,052 Based on the number of registered clients as a proportion of all eligible people who have applied for assistance

## Program 5.2: Disability Support Pension

The objective of program 5.2 is to make payments to eligible people with disability who are unable to support themselves to achieve financial independence.

The program has no components.

The Disability Support Pension (DSP) is an income support payment for people who are unable to adequately support themselves through work due to a permanent physical, intellectual or psychiatric impairment.

During 2010–11, the Department advanced work on the *Job Capacity Assessment—more efficient and accurate assessments for Disability Support Pension and employment services* measure announced in the 2010–11 Budget. From 1 July 2011, responsibility for DSP job capacity assessments will transfer from the Department of Education, Employment and Workplace Relations to FaHCSIA so that all DSP-related policy will be in one place. Also from 1 July 2011, all DSP job capacity assessments will be completed by Centrelink and CRS Australia.

In the 2011–12 Budget the Government announced that a key component of the more efficient and accurate assessments measure would begin on 3 September 2011 instead of 1 January 2012. This component requires DSP claimants with mild or moderate impairment to provide evidence that they cannot be assisted back to work. The requirement will provide a greater focus on a person's potential to work, with appropriate capacity building and rehabilitation.

The Department also worked extensively with the advisory committee on the review of the tables for the assessment of work-related impairment for Disability Support Pension. Draft revised tables were prepared and tested by the advisory committee. Legislation is being drafted and the revised tables are due to be implemented on 1 January 2012.

The Department also worked on developing a number of new measures, announced in the 2011–12 Budget, which aim to assist DSP recipients to participate in the workforce and to improve the quality of DSP assessments. The new measures include:

- ▶ participation interviews for certain DSP recipients under age 35 who have some capacity to work
- ▶ allowing DSP recipients granted on or after 11 May 2005 to work up to 30 hours a week continuously for up to two years without their payment being cancelled or suspended.

### Summary of performance

Table 9.3 summarises the Department's results for program 5.2 against the key performance indicators published in the 2010–11 PB Statements.

**Table 9.3 Program 5.2—key performance indicators**

Key performance indicator	Result
<i>Disability Support Pension</i>	
Duration on payment	627 weeks This result is a point-in-time, overall average duration of income support recipients and includes duration on other income support payments prior to claiming DSP where there has been no break.
Percentage and number of recipients reporting employment income	8.5%; 69,470 recipients This result is a point-in-time count of the number of recipients who reported earnings.
Percentage and number of recipients on part rate due to the means test	19.5%; 159,947 recipients This result is a point-in-time count of the number of recipients who receive less than the maximum rate of payment due to income or assets means testing.
Number of recipients	818,850 This result is a point-in-time count (frequency) of DSP recipients and includes recipients whose payment status is current or suspended.
Administered outlays	\$13,355.63 million
Payment accuracy	98.5% Confidence interval +/- 2.7% <sup>a</sup>
Agreements are in place with all service delivery agencies	An agreement is in place with Centrelink.
Strategies are in place to ensure that requirements are fulfilled under agreements with service delivery agencies	The bilateral management arrangement with Centrelink requires quarterly reports or information exchanges to ensure that all risks are being managed. Business discussions are also held on a quarterly basis with Centrelink.
Percentage and number of estimated population of people with disability who receive payment	20.3%; 818,850/4,026,200 The result for this indicator is derived using the denominator from the Australian Bureau of Statistics <i>Survey of Disability, Ageing and Carers</i> (cat. no. 4430.0) and is the number of people with disability. Not all people with disability have a work limitation or rely on DSP.
Percentage and number of DSP population as a proportion of the total Australian working-age population	5.3%; 798,269/15,094,269 This result is a point-in-time count of DSP recipients aged 15 to 64 years and a point-in-time count of the Australian Bureau of Statistics data on the working-age population aged 15 to 64 years.

<sup>a</sup> During 2010–11, there was a reduced sample size as a number of the selected customers were exempt due to the various natural disasters that occurred during survey periods.

Table 9.4 summarises the Department's results for program 5.2 against the deliverable published in the 2010–11 PB Statements.

**Table 9.4 Program 5.2—deliverable**

Deliverable	Result
<i>Disability Support Pension</i>	
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described

## Program 5.3: Income Support for Carers

The objective of program 5.3 is to make payments and allowances to financially assist eligible carers of people with disability or a severe medical condition, or of people who are frail aged.

The program has the following components:

- ▶ Ex gratia payments to unsuccessful applicants of Carer Payment (child)
- ▶ Carer Allowance (adult)
- ▶ Carer Allowance (child)
- ▶ Child Disability Assistance Payment
- ▶ Carer Payment
- ▶ Carer Supplement
- ▶ Wife Pension (DSP).

### Ex gratia payments to unsuccessful applicants of Carer Payment (child)

The objective of ex gratia payments to unsuccessful applicants of Carer Payment (child) (also known as Carer Adjustment Payment) is to make one-off payments to families not eligible for income support where, following a catastrophic event involving a child aged 0 to 6 years, the family is going through a period of significant adjustment as a result of the care needs of the child.

### Carer Allowance (adult)

The objective of Carer Allowance (adult) is to make payments to financially assist carers who provide daily care and attention in a private home to a person with a disability or a severe medical condition.

### Carer Allowance (child)

The objective of Carer Allowance (child) is to make payments to financially assist carers who provide daily care and attention in a private home to a child under 16 years with a disability or a severe medical condition.

Carer Allowance is not taxable or income and assets tested, and it can be paid in addition to a social security income support payment. A carer who qualifies for Carer Payment (child) automatically qualifies for Carer Allowance (child).

On 1 July 2010, a single assessment process was introduced for Carer Allowance (child) and Carer Payment (child). Qualification for Carer Allowance (child) is now assessed and scored using the same process and scoring as used for Carer Payment (child).



The transition from Carer Allowance (child) to Carer Allowance (adult) when a child turns 16 was simplified. These carers do not need to complete a full claim for Carer Allowance (adult). They are now given a pre-populated form three months before the child's sixteenth birthday. These carers remain qualified for Carer Allowance (child) for up to three months after the child turns 16 years of age.

### Child Disability Assistance Payment

The objective of the Child Disability Assistance Payment is to make payments annually to Carer Allowance (child) recipients to assist families to purchase support, aids, therapies or respite for their child with disability.

### Carer Payment

The objective of Carer Payment is to make payments to financially assist carers whose caring responsibilities for people with disability, frailty because of age or a severe medical condition severely restrict their ability to undertake paid employment.

The carer must personally provide constant care in the home of the care receiver, and meet an income and assets test. A person cannot receive Carer Payment and another income support payment at the same time.

Care receivers are subject to a separate income and assets test.

### Carer Supplement

The objective of the Carer Supplement is to make payments annually to eligible carers to provide additional financial security and alleviate financial pressures.

A carer is qualified for Carer Supplement if they receive a qualifying payment in respect of a period that includes 1 July.

### Wife Pension (DSP)

The objective of Wife Pension (DSP) is to make payments to female partners of DSP recipients to assist them financially. This payment was closed to new entrants from 1 July 1995. Wife Pension (DSP) is income and assets tested and paid at the same rate as other social security pensions.

### Summary of performance

Table 9.5 summarises the Department's results for program 5.3 against the key performance indicators published in the 2010–11 PB Statements.

Table 9.5 Program 5.3—key performance indicators

Key performance indicator	Result
<i>Carer Allowance (adult and child)/Carer Payment/Child Disability Assistance Payment/Wife Pension (DSP)/Carer Supplement</i>	
Number of recipients	<p>Carer Allowance (adult and child): 521,033 (plus 18,593 Health Care Card—only recipients)</p> <p>Carer Payment: 186,065</p> <p>Child Disability Assistance Payment: 141,514</p> <p>Wife Pension (DSP): 11,882</p> <p>Carer Supplement: 525,192</p> <p>These results are a point-in-time count (frequency) of recipients and include recipients whose payment status is current or suspended.</p>
Administered outlays	<p>Carer Allowance (child): \$453.57 million</p> <p>Carer Allowance (adult): \$1,151.17 million</p> <p>Carer Payment: \$2,729.64 million</p> <p>Child Disability Assistance Payment: \$160.17 million</p> <p>Wife Pension (DSP): \$160.55 million</p> <p>Carer Supplement: \$451.85 million</p>
Payment accuracy	<p>Carer Payment: 97.6%</p> <p>Confidence interval +/-1.0%</p> <p>Carer Allowance: 98.7%</p> <p>Confidence interval +/-1.7%</p>
<i>Carer Allowance (adult and child)/Carer Payment</i>	
Agreements are in place with all service delivery agencies	An agreement is in place with Centrelink.
Strategies are in place to ensure that requirements are fulfilled under agreements with service delivery agencies	The bilateral management arrangement with Centrelink requires quarterly reports or information exchanges to ensure that all risks are being managed. Business discussions are also held on a quarterly basis with Centrelink.
Percentage and number of primary carers who are receiving payment	<p>Carer Payment: 24.1%; 186,065/771,400</p> <p>Carer Allowance: 67.5%; 521,033/771,400</p> <p>The results for this indicator rely on the definition of primary carer used by the Australian Bureau of Statistics <i>Survey of Disability, Ageing and Carers</i> (cat. no. 4430.0) and represent the number of people who provided the most informal help needed by a person with disability. Eligibility for Carer Payment or Carer Allowance is not determined by the Australian Bureau of Statistics definition of a primary carer.</p>

Table 9.5 Program 5.3—key performance indicators (continued)

Key performance indicator	Result
<i>Carer Payment/Wife Pension (DSP)</i>	
Percentage and number of recipients reporting employment income	Carer Payment: 10.6%; 19,671 Wife Pension (DSP): 23.2%; 2,754  The results are a point-in-time count of the number of recipients who reported earnings.
Percentage and number of recipients on full rate and on part rate due to the means test	Carer Payment: Full rate: 74.2%; 138,148 Part rate: 25.8%; 47,917 Wife Pension (DSP): Full rate: 70.1%; 8,328 Part rate: 29.9%; 3,554  These results are a point-in-time count of the number of recipients who receive less than the maximum rate of payment due to income or assets means testing.
<i>Wife Pension (DSP)</i>	
Ratio of current number of Wife Pension (DSP) recipients to the number of Wife Pension (DSP) recipients at 1 July 1995	9.8%; 11,882/121,839

Table 9.6 summarises the Department’s results for program 5.3 against the deliverables published in the 2010–11 PB Statements.

Table 9.6 Program 5.3—deliverables

Deliverable	Result
Payments are made through Centrelink to eligible claimants under the provisions of social security law	Payments were made as described
Ex gratia payments to unsuccessful applicants for Carer Payment (child) (Carer Adjustment Payment) are paid under the provisions of the <i>Financial Management and Accountability Act 1997</i>	Payments were made as described

## Program 5.4: Services and Support for People with Disability

The objective of program 5.4 is to provide supported employment and improve access to information, advocacy and services for people with disability, so they can develop their capabilities and actively participate in community and economic life.

The program has one component: Services for People with Disability.

## Services for People with Disability

The objective of the Services for People with Disability component is to provide social support and community-based care for people with disability, their carers and their families, to promote independence, self-reliance and participation in the community.

### Helping Children with Autism package

The Government (through FaHCSIA, the Department of Health and Ageing and the Department of Education, Employment and Workplace Relations) delivers the Helping Children with Autism package.

The FaHCSIA components of the package, with \$175.9 million in funding over four years to 2012, provide the autism advisor service, early intervention funding, Early Days workshops, Autism Specific Early Learning and Care centres and PlayConnect playgroups. The funding includes \$29.7 million provided by the Government to meet the increased demand for Early Intervention Services.

The package is a major breakthrough in support and recognition of the enormous challenges for children with autism spectrum disorder, their families and carers.

In 2010–11 the package continued to assist eligible children aged up to 6 years who have the disorder, and their families and carers, through over 850 service providers across Australia who provide early intervention services and support to more than 14,000 eligible children.

### Autism Specific Early Learning and Care centres

The Government has established six Autism Specific Early Learning and Care centres. The centres combine specialist early intervention services and early childhood education in a long-day care setting. Each centre offers a minimum of 20 approved child care places for children with autism spectrum disorder up to 6 years of age. Centres operate in Adelaide (Prospect), Brisbane (Griffith University's Nathan Campus), Perth (Warwick), south-western Sydney (Liverpool), Melbourne (La Trobe University) and north-west Tasmania (Burnie). These centres will further contribute to the evidence base for early intervention service provision for children with autism spectrum disorder.

### Supported employment services

Australian Disability Enterprises provide supported employment for people with disability. In 2010–11, 202 organisations in 321 outlets were funded across Australia to provide supported employment to 22,531 people with disability.

In 2010–11, the Department continued to assist in the development of the Australian Government's vision for inclusion for people with disability through sustainable supported employment. The Department engaged a financial consultant to conduct an independent review of the funding model for Australian Disability Enterprises.

In 2010–11, 93 per cent of supported employees achieved an employment outcome of at least eight hours per week for 13 weeks or more. Program results included 10,190 (46.9 per cent) of supported employees with reduced reliance on income support payments (sufficient income to affect Disability Support Pension).

### Information and advocacy

The National Information Service provides information on recreation, tourism, sport, accommodation and the arts for all people with disability, their carers and families through a national database via telephone, post, fax, email or internet.

The National Disability Advocacy Program provides people with disability with access to effective disability advocacy that promotes, protects and ensures their full and equal enjoyment of all human rights, to enable full community participation. In 2010–11, 62 organisations were funded across Australia to provide advocacy support to people with disability. A new quality assurance system for the program was trialled from November 2009 to September 2010. The new system requires third-party certification and a revised set of disability advocacy standards. The final report on the trial evaluation recommended that the Department consider further development and implementation of the program's quality assurance system.

### **Special Disability Trusts**

The purpose of a Special Disability Trust is to assist immediate family members and carers who have the financial means to do so to make private financial provision for the current and future care and accommodation needs of a family member with severe disability.

Special Disability Trusts attract generous social security means test concessions for the beneficiary and eligible contributors. The beneficiary's immediate family members who are of Age Pension age can gift up to \$500,000 into the trust without having the social security gifting rules applied. In addition, a Special Disability Trust can have assets worth up to \$578,500 (as at 1 July 2011, indexed annually) without affecting the beneficiary's social security pension, such as the Disability Support Pension.

### **Progress on the new initiatives under the National Disability Strategy**

On 24 July 2010, the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin MP, and the former Parliamentary Secretary for Disabilities and Children's Services, the Hon. Bill Shorten MP, announced an accessibility package to support one of the outcomes under the new National Disability Strategy—inclusive and accessible communities.

In 2010–11, progress was made on the new initiatives, to ensure that people with disability and their carers have the same opportunities as other Australians to play a part in their local community and access local facilities and public spaces.

#### ***Accessible communities***

The Government announced \$5 million in 2010–11 for funding of up to \$100,000 to local governments with matched funding. The initiative aims to make local buildings and public spaces more accessible for people with disability so that they can fully participate in the community.

Applications for funding were invited from interested local government authorities. Successful applicants were announced on 6 June 2011 by the Parliamentary Secretary for Disabilities and Carers, Senator the Hon. Jan McLucas. The initiative approved 78 projects through 68 local governments. Successful access projects include swimming pool modifications, access paths to community facilities such as parks, and inclusive children's playgrounds. All the projects will be completed by 30 June 2012.

#### ***Improved access to digital content in public libraries***

The Australian Government provided \$1 million in 2010–11 for playback devices to improve access to print material in a digital format for people with print disability. Through this initiative, 1,250 playback devices are being provided to around 170 selected public libraries (and their outlets and services) across the country. The playback devices enable people with print disability to benefit from recent improvements in digital technology and increase access to the vast range of material available through public libraries. The Australian Library and Information Association was selected to implement the library initiative.

*Leaders for Tomorrow*

The Australian Government is providing \$3 million over four years to provide 200 people with disability with up to 12 months of leadership support. By linking people with disability with appropriate training, support and mentoring, they will develop the skills and confidence to become leaders in business, the community and government.

TAFE NSW Hunter Institute, leading a consortium with disability consultants E-QUAL (Enhancing Quality), will deliver the Leaders for Tomorrow initiative. The first participants are expected to begin the program in September 2011.

*Ramp Up website*

FaHCSIA partnered with the Australian Broadcasting Corporation to improve access to information for people with disability and increase general community awareness through an interactive website that focuses on disability. The website, *Ramp Up*, was launched on 3 December 2010.

**Other services and initiatives***Access and inclusion*

The Australian Government committed \$3 million over three years to support the rollout of the Australian Disability Parking Scheme administered by state, territory and local government agencies. The scheme includes a new Australian disability parking permit and the development of new national eligibility criteria and national minimum standards for disability parking concessions, which will be introduced when each state and territory makes the necessary changes to its local laws and regulations.

Under the Accessible Cinemas initiative, the Australian Government provided funding to fast-track implementation of new audio description and captioning technology in cinemas. The project will significantly improve access to cinemas for people who are deaf, hearing impaired, blind or vision impaired by assisting Australia's major cinema chains to convert to digital-based technology.

The National Disability Conference initiative provides funding to assist eligible conference organisers to maximise the inclusion and participation of people with disability at disability-focused conferences held in Australia. In 2010–11, the initiative funded 27 organisations.

*Communications*

The Captioning Service program captions normally uncaptioned educational and community DVDs, including downloadable versions.

The Print Disability Services program provides funding for producing digital masters of print material that can then be easily converted into the alternative format of choice for people with print disability. The program funded five providers in 2010–11.

The National Auslan Interpreter Booking and Payment Service provides Auslan interpreters free of charge to deaf Auslan users attending specified private medical or health consultations that attract a Medicare rebate.

Under the Postal Concessions for the Blind program, FaHCSIA reimburses Australia Post for the cost of posting Braille documents, audio recordings and other eligible material for people who are blind.

*Outside School Hours Care for Teenagers with Disability*

More than 1,880 students with disability benefited from quality outside-school-hours care under the Outside School Hours Care for Teenagers with Disability program. The program provided funding to 44 organisations to deliver before-school, after-school and holiday care to this vulnerable group in 64 locations across Australia.

*Respite Support for Carers of Young People*

The Respite Support for Carers of Young People with Severe or Profound Disability Program provides immediate and short-term respite to carers of young people with severe or profound disability. The program provides access to information, respite care and other support or assistance appropriate for the individual needs and circumstances of both carers and care recipients. In 2010–11, the program supported 6,731 carers through access to much-needed respite.

*Housing*

The Australian Government is providing \$1 million in seed funding from 2011–12 to 2013–14 for the Livable Housing Design initiative (formerly Universal Design for Housing). The project was developed by the National Dialogue on Universal Housing Design, which involves all levels of government and the disability, aged, community, residential building and property sectors.

In 2010 the dialogue group released national guidelines and a strategic plan which provide aspirational targets for all new homes to be of an agreed universal housing design standard by 2020. In April 2011, the Parliamentary Secretary for Disabilities and Carers, Senator the Hon. Jan McLucas, announced that a new not-for-profit organisation, Livable Housing Australia, will be established to encourage Australians who are constructing new homes to comply with livable housing design standards.

*Supported accommodation*

The Supported Accommodation Innovation Fund was established to build up to 150 supported accommodation and respite places for people with disability. The places will be available to people with severe or profound disability who may have ageing carers and who may be on waiting lists. The fund supports innovation and collaborative partnerships to provide supported accommodation. After extensive consultation with the disability sector and housing organisations, in-principle agreement of the service delivery model was reached with all states and territories. An exposure draft of the program guidelines was placed on the FaHCSIA website for comment. The program guidelines were finalised and applications for funding of innovative proposals will be called for in September 2011.

**Summary of performance**

Table 9.7 summarises the Department's results for program 5.4 against the key performance indicators published in the 2010–11 PB Statements.

Table 9.7 Program 5.4—key performance indicators

Key performance indicator	Result
<i>Services for People with Disability</i>	
Percentage and number of supported employees who achieve an employment outcome (at least eight hours per week for at least 13 weeks from commencement in a supported employment place)	93%; 20,499
Percentage and number of individuals, parents and carers who report that they were assisted to access choices and options that enabled them to manage their needs	73%; 1,215
Percentage and number of supported employees/clients with reduced reliance on income support payments (sufficient income to affect Disability Support Pension)	46.9%; 10,190
Percentage and number of clients from Indigenous and culturally and linguistically diverse backgrounds	<b>Australian Disability Enterprises:</b> Indigenous: 2.3%; 512 Culturally and linguistically diverse: 7.1%; 1,595 <b>Respite Support for Carers of Young People with Severe or Profound Disability:</b> Indigenous: 4.5%; 304 Culturally and linguistically diverse: 14%; 930 <b>Outside School Hours Care for Teenagers with Disability:</b> Indigenous: 6%; 106 Culturally and linguistically diverse: 13%; 244
Percentage and number of clients reporting that the services received were appropriate to their needs as parents/carers	<b>Respite Support for Carers of Young People with Severe or Profound Disability:</b> 88%; 1,591 <b>Outside School Hours Care for Teenagers with Disability:</b> 97%; 1,823

Table 9.8 summarises the Department's results for program 5.4 against the deliverables published in the 2010–11 PB Statements.



Table 9.8 Program 5.4—deliverables

Deliverable	Result
Percentage and number of people with disability, including children with autism, receiving support services <sup>a</sup>	Helping Children with Autism: 14,492 <sup>b</sup> National Disability Advocacy Program: 11,500 <sup>b</sup> National Auslan Booking and Payment Service: 19,125 <sup>b</sup>
Percentage and number of supported employees assisted by supported employment services <sup>c</sup>	22,531
Percentage and number of carers of people with severe or profound disability assisted with short-term or immediate respite <sup>c, d</sup>	6,731
Percentage and number of clients receiving Outside School Hours Care for Teenagers with Disability Services <sup>c, d</sup>	1,882

- a The result for this deliverable does not include people with disability receiving support services in supported employment. The results are reported under percentage and number of supported employees assisted by supported employment services.
- b Percentage-based outcomes are not possible at this time as the total applicable population has not been determined.
- c Percentage-based outcomes are not possible at this time as data is not available to quantify the total applicable population.
- d Figures for Respite Support for Carers of Young People with Severe or Profound Disability and Outside School Hours for Teenagers with Disability are preliminary and subject to receipt of the final annual activity reports.

## Program 5.5: Support for Carers

The objective of program 5.5 is to provide peer support, respite and information services for carers to help them balance their care responsibilities with social participation and, in the case of young carers, completion of their education.

The program has no components.

### MyTime peer support groups

The MyTime Peer Support Groups for Parents of Young Children with Disability Program provides peer support groups for parents and carers of young children with disability or a chronic medical condition.

In 2010–11, 262 peer support groups were provided for parents and carers of children with disability aged up to 16 years. Parents of young children with disability are at significant risk of isolation and are often socially disconnected from family and friends due to the intensity of their caring role. The MyTime groups provide an important opportunity for parents and carers to socialise, share ideas and find out about community support services and research-based parenting information.

The program performed well in 2010–11, with 3,586 parents and carers attending a MyTime peer support group.

## Young Carers Respite and Information Services Program

The Young Carers Respite and Information Services Program assists young carers who need support to complete secondary education due to the demands of their caring role.

In 2010–11, the program's respite services continued to help young carers at school take time off to study, spend time with friends and enjoy regular activities that other young people take for granted. The program provided valuable respite and age-appropriate support to more than 3,800 young carers during the year.

The information, advice and referral services assisted an additional 1,560 young carers, up to and including 25 years of age, in managing the challenges they face in their caring role.

Some young carers have accessed both respite and information services.

## National Carer Recognition Framework

FaHCSIA led the introduction of the *Carer Recognition Act 2010* and a guide to the Act.

FaHCSIA, together with the Department of Health and Ageing, Carers Australia and Children with Disability Australia, conducted Australia-wide consultations on the National Carer Strategy between October and December 2010. The Australian Government released the National Carer Strategy on 3 August 2011. The National Carer Strategy complements the National Disability Strategy, which sets out a 10-year national plan for improving life for Australians with disability, their families and carers.

## Summary of performance

Table 9.9 summarises the Department's results for program 5.5 against the key performance indicators published in the 2010–11 PB Statements.

**Table 9.9 Program 5.5—key performance indicators**

Key performance indicator	Result
<b>Support for Carers</b>	
Percentage and number of clients from Indigenous and culturally and linguistically diverse backgrounds	<b>MyTime</b>
	Indigenous: 3%; 140
	Culturally and linguistically diverse: 11%; 558
	<b>Young Carers</b>
Number of young carers at risk of not completing education assisted with respite services	Indigenous: 8%; 320
	Culturally and linguistically diverse: 10%; 382
Number of young carers at risk of not completing education assisted with respite services	3,807
Number of parents and carers assisted by MyTime peer support groups	3,586 <sup>a</sup>

<sup>a</sup> This figure does not include results from the last quarterly report.

Table 9.10 summarises the Department's results for program 5.5 against the deliverables published in the 2010–11 PB Statements.

**Table 9.10 Program 5.5—deliverables**

Deliverable	Result
<i>Young Carers</i>	
Respite, support information, referral and advice for young carers at risk of not completing secondary education <sup>a</sup>	3,807
<i>MyTime</i>	
Peer support for parents of children with disability or chronic medical condition	3,586 <sup>b</sup>

a Figures for Young Carers Respite and Information Services are preliminary and subject to receipt of the final annual activity reports.

b This figure does not include results from the last quarterly report.

## Outlook for Outcome 5

### National agreements and strategies

In 2011–12, the Department will continue to implement and monitor the outcomes of reforms to the disability service system under the National Disability Agreement with state and territory governments, and to work towards achieving the Australian Government's vision for inclusion for people with disability through sustainable supported employment.

Together with state and territory governments and other Commonwealth agencies, the Department will continue work on implementing the National Disability Strategy, including additional initiatives in support of an inclusive Australian society that enables people with disability to fulfil their potential as equal citizens.

In February 2010, the Australian Government commissioned the Productivity Commission inquiry into the costs, benefits and feasibility of a national disability care and support scheme. The commission released a draft report on 28 February 2011, and provided the final report to the Government on 1 August 2011. On 10 August 2011, the Prime Minister released the Productivity Commission's final report into care and support for people with disability.

Following agreement by the Council of Australian Governments (COAG) the Department is working with the states and territories and other stakeholders, to progress work on foundation reforms and governance arrangements for a National Disability Insurance Scheme (NDIS). The Department will provide secretariat support to the Select Council of Treasurers and Disability Ministers established by COAG and the NDIS Advisory Group.

Following the release of the National Carer Strategy, FaHCSIA will work towards the implementation of the strategy with other Commonwealth agencies to ensure that carers have the opportunity and support that they need to balance their caring responsibilities with participation in economic, social and community life.

## Disability Support Pension

During 2011–12 the Department will:

- ▶ implement the 2010–11 Budget measures aimed at refining how Disability Support Pension (DSP) is assessed, so that from 3 September 2011, DSP assessments better focus on a person's potential to work
- ▶ complete work on the development and implementation of the revised tables for the assessment of work-related impairment for DSP, which are expected to be implemented on 1 January 2012 (subject to passage of legislation)
- ▶ work on measures that were announced in the 2011–12 Budget under the Building Australia's Future Workforce package, which will take effect on 1 July 2012 (subject to passage of legislation), including:
  - further developing the policy, procedural and systems changes for new participation interviews being introduced for certain DSP recipients under age 35
  - further developing policy, procedural and systems changes to allow DSP recipients granted on or after 11 May 2005 to work up to 30 hours a week
  - the audit by the Health Professional Advice Unit of a sample of DSP claim assessments, to run over 12 months from 1 July 2012.

## Mental health

The Australian Government announced funding of \$269.3 million over the next five years, as part of the National Mental Health Reform, to expand and introduce new community mental health services.

The reform provides an additional 40 Family Mental Health Support Services and includes initiatives to provide integrated early intervention and prevention services to vulnerable children and young people affected by or at risk of mental illness and their families. The reforms will also expand two key service strategies of the Targeted Community Care (Mental Health) Program, Personal Helpers and Mentors (PHaMs) and Mental Health Respite services, to provide improved support to people with severe mental illness and their families and carers.

The PHaMs expansion includes additional support for people with severe mental illness to access employment and training opportunities.

## Children with disability

An evaluation, to be completed by December 2011, will guide future directions for the Helping Children with Autism package. The evaluation will assess the extent to which the program objectives are being achieved, identify possible improvements and inform decisions about the future of the package.

The Better Start for Children with Disability initiative commenced on 1 July 2011. The initiative builds on the success of the Helping Children with Autism package and focuses on improving access to early intervention services for children with Down syndrome, cerebral palsy, Fragile X syndrome and moderate or greater vision or hearing impairments.

## Case study

### PlayConnect playgroups support children and families



*As part of the Helping Children with Autism package, playgroups have been set up to support children diagnosed with an autism spectrum disorder*

To help provide support and services for children with autism spectrum disorders, FaHCSIA has partnered with the Department of Health and Ageing and the Department of Education, Employment and Workplace Relations to deliver the \$190 million Helping Children with Autism package.

One part of the package funds playgroups to support families with children aged up to six years who are diagnosed with an autism spectrum disorder or who have autism spectrum disorder-like symptoms.

A support worker assisting in a playgroup setting noticed that one of the Indigenous children in the group was struggling with language. Three-year-old Emily's\* language development was delayed—she spoke very few words, and only to her mother, Shirley\*. The support worker put Shirley in contact with a PlayConnect playgroup specifically set up to support families who were concerned about their children's development. After assurance of support from the staff and a meeting with a PlayConnect development worker, Shirley and her family agreed to take Emily to the PlayConnect playgroup.

PlayConnect staff have helped Emily's family access other assistance, including a formal assessment for Emily. Child-focused play experiences have been based on Emily's needs and interests. Other families attending the playgroup have also been a wonderful support for Emily's family. They share speech and occupational therapy strategies they have learned, and share information about the range of supports and services available in the local community.

Shirley feels her daughter's speech and socialisation are improving through involvement in the playgroup. Emily recently told Shirley how she loves PlayConnect because she gets to decide what toys she will play with and which activities she is going to do next week.

\* Names have been changed to protect privacy.

## Chapter 10

### Outcome 6—Women

# 10

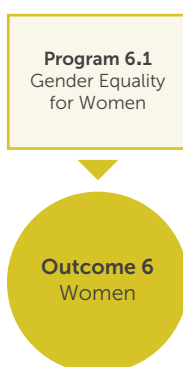
## Outcome 6 at a glance

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Improved gender equality through coordinated whole of government advice and support for women's economic security, safety and status.

### Outcome and programs

**Figure 10.1 Outcome 6 program**



### Highlights

- ▶ Australia's first National Plan to Reduce Violence against Women and their Children was agreed by the Council of Australian Governments in February 2011.
- ▶ Significant reforms to improve gender equality in the workplace through changes to the *Equal Opportunity for Women in the Workplace Act 1999* and the Equal Opportunity for Women in the Workplace Agency were announced in March 2011.
- ▶ In March 2011, the Minister for the Status of Women, the Hon. Tanya Plibersek MP, led the Australian delegation to the 55th session of the United Nations Commission on the Status of Women.
- ▶ More than 300 events celebrating the 100th anniversary of International Women's Day were supported by the Office for Women, including a public forum in Parliament House on 8 March.
- ▶ 1800 RESPECT commenced as a new professional national telephone counselling service for victims of domestic violence and sexual assault.
- ▶ In July 2010, Australia appeared before the United Nations to report on Australia's progress in implementing the UN Convention on the Elimination of All Forms of Discrimination against Women.
- ▶ The Department supported the Minister for the Status of Women to publish the 2011–12 Women's Budget Statement, providing information about how specific budget measures address gender inequality.
- ▶ Four webisodes and targeted projects specifically developed for young people from culturally and linguistically diverse backgrounds and Indigenous young people were released as part of *The Line* social marketing campaign.
- ▶ Over 62,000 people had signed up as fans of *The Line* on Facebook by June 2011, with 524,367 unique visits to the website and an average of 5,000 votes on the weekly polls.

- ▶ In partnership with the Australian Institute of Company Directors, 70 scholarships were awarded under the jointly funded Board Diversity Scholarship Program in January 2011.
- ▶ In June 2011, Alice Springs community members met with the Minister for the Status of Women and the Violence Against Women Advisory Group to share information about reducing violence against women and their children.
- ▶ The Office for Women provided support to six national women's alliances as the primary advocacy and consultation mechanism between the Government, women's groups and individual women across Australia, including through a major forum in May 2011.
- ▶ Seventy experts were appointed to the Gender Panel to assist departments to develop efficient and effective gender-related policy, programs and services.

## Program 6.1: Gender Equality for Women

The objective of program 6.1 is to implement strategies in priority areas to achieve gender equality. The priority areas include:

- ▶ improving economic outcomes for women
- ▶ reducing violence against women
- ▶ ensuring women's equal place in society.

The program has the following components:

- ▶ Gender Equality for Women
- ▶ Other Services—Services for other Government and Non-Government Bodies (Special Account).

### Gender Equality for Women

The objective of the Gender Equality for Women component is to implement strategies in priority areas to achieve gender equality.

#### Improving women's economic security

Women continue to have significantly less economic security over their life course compared to men. Women's earnings are lower and they participate in the workforce in fewer numbers, resulting in poorer retirement savings and income. Improving women's workforce participation and economic security are fundamental components of improving gender equality outcomes.

In 2010–11 the Office for Women supported the Minister for the Status of Women to develop the reform package following the review of the *Equal Opportunity for Women in the Workplace Act 1999*. Under the reforms, annual reporting to the Equal Opportunity for Women in the Workplace Agency will be made simpler and more transparent, focusing on outcomes for women and men in the workplace. It is proposed that the Act and agency be renamed, respectively, the Workplace Gender Equality Act and the Workplace Gender Equality Agency. The reforms are intended to strengthen the agency's focus on gender equality, highlighting pay equity and caring responsibilities as key concerns.

The Office for Women also provided advice to the Minister on matters such as pay equity, workplace flexibility, occupational segregation and superannuation.

Economic Security for Women is one of the six national women's alliances funded by the Government. The alliance undertakes projects to work towards the outcome of greater economic security for women and represents women on a range of issues across governments. Its focus in 2010–11 was on projects such as pay and gender workforce equity and education and training of girls and women.

## Reducing violence

Following COAG endorsement, the National Plan to Reduce Violence against Women and their Children was officially announced by the Minister for the Status of Women, the Hon. Kate Ellis MP, and the Attorney-General, the Hon. Robert McClelland MP, on 15 February 2011.

Building on the \$42 million package of immediate measures announced in April 2009, the Australian Government committed over \$44 million in August 2010 for a range of initiatives focused on supporting primary prevention, building the evidence base and improving the service system.

The Department began to implement these initiatives, including ongoing consultation with states and territories to ensure a national approach. The national plan is underpinned by the principle that involving all governments and the wider community is necessary to reduce violence in the short and longer terms. No government or group can tackle this problem alone.

The Violence Against Women Advisory Group is a diverse group of recognised experts in family violence and sexual assault fields, which provides valuable advice to the Government, including on the National Plan to Reduce Violence against Women and their Children. Since the national plan was announced the advisory group has actively engaged with the community and promotes the plan at relevant events. The advisory group met three times during 2010–11.

*The Line* is a social marketing campaign developed to encourage respectful relationships and change the attitudes and behaviours that contribute to violence. It is the first Australian Government communication campaign to use digital and social media as the primary tools for engaging with young people. The campaign was launched in June 2010.

One of the main features of the mainstream website is the webisodes. The first webisode, 'Sxting', went live in February 2011 and the fourth webisode, 'E-hacker', was released in April 2011. Other key events during 2010–11 included the launch of the culturally and linguistically diverse campaign; *Liner Notes*, a hip hop CD that uses the power of music to send a message about respectful relationships; the culturally and linguistically diverse webpage; the Indigenous campaign, comprising four plays, comics and lesson plans centred on respect; and the Indigenous webpage.

## Support for victims of people trafficking

The Support for Victims of People Trafficking Program provides individualised case management, including income assistance, access to accommodation, medical treatment, basic legal advice, counselling and social support, for victims of people trafficking. In 2010–11, the program assisted 80 clients, an increase of 15 from 2009–10.

Since 2004, the program has supported 184 clients, mainly women who have been trafficked into the sex industry (149 women). Increasing numbers of clients, both men (19) and women (16), are victims of labour trafficking.

## Women's leadership

In June 2011, the Minister for the Status of Women announced new funding for the national women's alliances to undertake projects on emerging issues affecting women and gender equality. The six successful projects were:

- Multicultural women's experiences in Australia—Australian Immigrant and Refugee Women's Alliance. The project will produce an online video and print advertising campaign highlighting the challenges immigrant and refugee women face in integrating into Australian society



- ▶ Impacts and opportunities of new media technologies for feminism—Equality Rights Alliance. The project will assess the impact of new technologies and communication on young women and develop a new website as an online place for young women to share views, connect with the women's movement and gain access to mentoring
- ▶ Gender appropriate economic responses to natural disasters—Economic Security for Women. The project will turn a gender lens on disaster-affected areas in Queensland and Victoria, and identify a range of gendered approaches addressing the economic empowerment needs of women affected by natural disasters
- ▶ Empowering rural women to lead their community in the implementation of the National Plan to Reduce Violence against Women and their Children—National Rural Women's Coalition and Network and Australian Women Against Violence Alliance. The project will develop a toolkit and guide to support women to implement the National Plan to Reduce Violence against Women and their Children
- ▶ Developing disaster resilient rural communities—National Rural Women's Coalition and Network. The project will develop a toolkit and manual supporting women in rural, regional and remote communities to undertake leadership roles in disaster preparation
- ▶ Superannuation issues for Indigenous women—National Aboriginal and Torres Strait Islander Women's Alliance. The project will focus on superannuation issues for Indigenous women through consultation with Indigenous women, government and industry stakeholders.

The Office for Women is coordinating across Commonwealth portfolios to meet the Government's target of 40 per cent representation of women on government boards by 2015. At 30 June 2010 representation was 34.5 per cent. Five portfolios had more than 40 per cent and seven portfolios were above 30 per cent.

The Australian Government, in partnership with the Australian Institute of Company Directors, awarded 70 scholarships under the jointly funded Board Diversity Scholarship Program. The program aims to increase gender diversity on private sector boards by enabling women to participate in targeted courses.

The Gender Panel supports the development of gender expertise across the Australian Government by providing a range of services to promote the integration of gender equality into policy, programs and research.

It is a panel of gender experts that has been established to make gender expertise available across all Commonwealth Government departments and agencies. The panel is managed by the Office for Women and will operate until 31 December 2013.

Any Australian Government agency may contract with panel members for the services covered by the panel. There are 41 panel members in total. They are organisations or individuals able to apply gender expertise to Australian Government policies, programs and administrative processes, through a broad range of activities including research, evaluation, training, provision of policy advice and development of educational materials.

### International leadership

At Australia's appearance before the United Nations, the UN Committee on the Elimination of All Forms of Discrimination against Women noted major developments in Australia's approach to eliminating discrimination against women, such as the *Fair Work Act 2009*, the *Paid Parental Leave Act 2010* and Australia's endorsement of the UN Declaration on the Rights of Indigenous Peoples.

Australia, supported by the Office for Women, participated in the 55th session of the United Nations Commission on the Status of Women. The Australian Government delegation, supported by the Office for Women, played an active role in negotiating the meeting's agreed conclusions and hosted a number of side events, raising Australia's profile internationally.

### Other Services—Services for other Government and Non-Government Bodies (Special Account)

The objective of the Other Services—Services for other Government and Non-Government Bodies (Special Account) component is to manage expenditure in connection with services performed on behalf of other governments and bodies that are not *Financial Management and Accountability Act 1997* agencies, including the Commonwealth, State, Territory and New Zealand Ministers' Conference on the Status of Women.

The conference was established in 1991 and has operated as the sole cross-jurisdictional mechanism to advance the economic, social and political status of women, and progress gender equality in Australia and New Zealand. With ministerial-level representation from the Commonwealth, state, territory and New Zealand governments, the conference facilitated action in areas of national significance, including women's safety, economic status and leadership. In 2010–11 the conference initiated the Australian gender indicators, which will provide an important high-level picture of how Australia is faring in achieving equality.

The Office for Women provided secretariat services to the conference; to the Women's Advisers Meeting, which served as the officials' group for the conference; and to the National Aboriginal and Torres Strait Islander Women's Gathering, a subcommittee of the conference.

Following a review in 2009–10, COAG agreed on 13 February 2011 to institute a new council system. The new system will better enable COAG to focus on and progress nationally significant reforms. Under the COAG reforms the current Commonwealth, State, Territory and New Zealand Ministers' Conference on the Status of Women and its subcommittees will cease to operate and a Select Council on Women's Issues will be established.

### Summary of performance

Table 10.1 summarises the Department's results for program 6.1 against the key performance indicators published in the 2010–11 PB Statements.

**Table 10.1 Program 6.1—key performance indicators**

Key performance indicator	Result
<i>Gender Equality for Women</i>	
Percentage and number of women representatives on Australian Government boards	34.5%; 1,574
Assessment by stakeholders on the contribution of the Office for Women to national debates affecting gender equality	100% of respondents agreed that the Office for Women contributed positively to national debates affecting gender equality.
Percentage and number of women contacting the national online and 1800 service	79% of individuals contacting the national online and 1800 service were women, totalling 9,593 women.

106 Table 10.2 summarises the Department’s result for program 6.1 against the deliverable published in the 2010–11 PB Statements.

Table 10.2 Program 6.1—deliverable

Deliverable	Result
Number of individuals contacting Helpline <sup>a</sup> programs	3,373 individuals contacted the Domestic Violence and Sexual Assault National Helpline. 67% of these were women. The 1800RESPECT service registered 8,730 contacts. 84% of these were with women.

a Helpline refers to the Domestic Violence and Sexual Assault National Helpline until 30 September 2010. The 1800RESPECT service commenced on 1 October 2010 and provides counselling, information, advice and referral.

## Outlook for Outcome 6

The Office for Women will focus on fully implementing the reforms to the *Equal Opportunity for Women in the Workplace Act 1999* in 2011–12. The Department will continue to consult with key stakeholders, including business and unions, to inform the development of the legislative amendments. The office will work closely with the Equal Opportunity for Women in the Workplace Agency to implement the new framework.

The six national women’s alliances submit annual activity work plans and identify new projects and priorities each year. The alliances’ priorities for 2011–12 include human rights, reducing violence against women, child protection, Aboriginal and Torres Strait Islander women’s public and political participation, and networking for rural women.

Australia, supported by the Office for Women, will participate in the 56th session of the Commission on the Status of Women from 27 February to 9 March 2012. The priority theme for discussion at the session is ‘empowerment of rural women and their role in poverty and hunger eradication, development and current challenges’.

The Office for Women will concentrate on implementing government priorities under the National Plan to Reduce Violence against Women and their Children. Under the first three-year action plan this work has a strong focus on primary prevention, building the evidence base and laying the groundwork for further developments in the service system.

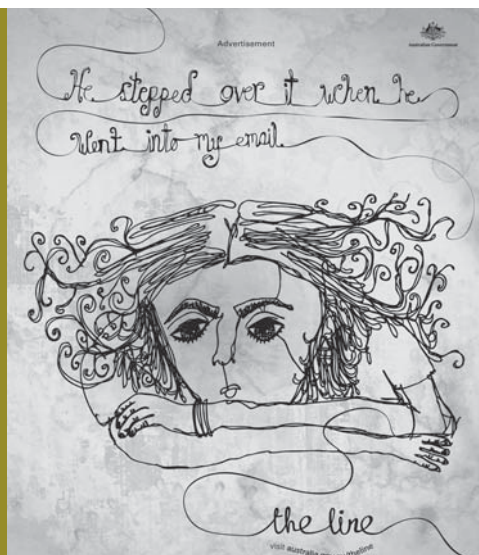
National plan initiatives to be progressed in 2011–12 include establishing a new national centre of excellence, data collection through the personal safety survey, research into responses for perpetrators of violence against women and projects to support improving service system responses for particularly vulnerable groups.

The Office for Women will work with Commonwealth portfolios to enable all portfolios to meet the Government’s target of 40 per cent representation of women on government boards by 2015.

In support of United Nations Resolution 1325, the Office for Women will coordinate the development of Australia’s National Plan on Women, Peace and Security and associated actions.

## Case study

### The National Plan to Reduce Violence against Women and their Children



*The Line campaign uses digital and social media to promote respectful relationships among young people aged 12 to 20 years*

FaHCSIA funds projects under the *National Plan to Reduce Violence against Women and their Children 2010–2020*. The plan is a COAG initiative and demonstrates the commitment by all Australian governments to reduce violence in our community.

One in three Australian women has experienced physical violence since the age of 15 and also one in five has experienced sexual violence. A study commissioned by the Australian Government in 2009 shows the enormous economic cost of violence—domestic violence and sexual assault perpetrated against women costs the nation \$13.6 billion each year.

The Plan incorporates various initiatives including *The Line*, a four-year social marketing campaign targeting youth aged 12 to 20. The campaign uses media and language young people relate to. Its short-term objectives include increasing young people's knowledge about what makes a respectful relationship as well as discussing forms of intimate partner violence and the effects of violence on relationships. It also is designed to increase positive behaviours in relationships.

To date, *The Line* website has attracted over 501,500 unique visits and its Facebook page has over 65,500 fans. There has been a huge demand for *Serpent Tales*, a set of printed resource kits distributed to schools and groups within Indigenous communities.

The campaign has had a positive impact on those it has reached. FaHCSIA surveyed participants, and found that many reported the campaign had reduced or stopped their 'crossing *The Line*' behaviour. Three-quarters of respondents reported they had done something positive as a result of the campaign.

The campaign's effectiveness continues to be evaluated through website monitoring and six-monthly tracking research.

# Chapter 11

## Outcome 7—Indigenous

# 11

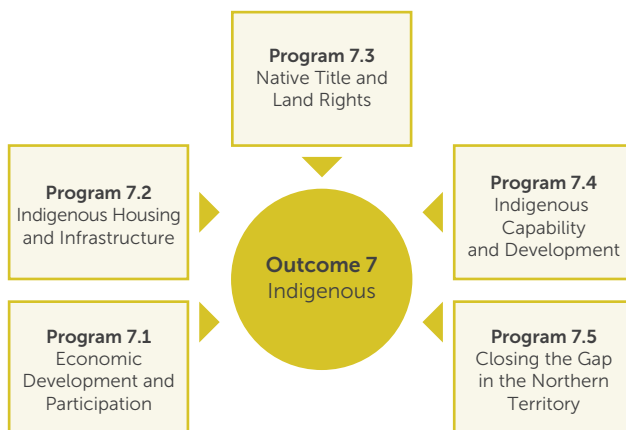
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## Outcome 7 at a glance

Closing the gap in Indigenous disadvantage with improved wellbeing, capacity to participate economically and socially and to manage life-transitions for Indigenous Australians through Indigenous engagement, coordinated whole of government policy advice and targeted support services.

### Outcome and programs

**Figure 11.1 Outcome 7 programs**



### Highlights

- ▶ In 2010–11 the Office of Remote Indigenous Housing worked with states and territories under the National Partnership Agreement on Remote Indigenous Housing to increase the supply of new houses, reduce overcrowding and improve the condition of existing houses in remote Indigenous communities across Australia. Targets for 2010–11 were met or exceeded by all states and the Northern Territory. Nationally 490 new houses were built, against a target of 463, and 2,288 houses were refurbished or rebuilt, against a target of 2,012.
- ▶ The Alice Springs Transformation Plan (ASTP) was announced in May 2009 as a joint Australian and Northern Territory Government initiative. Since this time, the Northern Territory Government has constructed 60 additional houses and upgraded 89 existing houses on the town camps, to bring housing and infrastructure on the camps to a standard similar to the rest of Alice Springs. This has resulted in regular weekly rubbish collection services and the naming of streets to facilitate postal delivery services.
- ▶ The ASTP has also completed four major accommodation projects to reduce homelessness and provide much needed transitional support for Indigenous people moving into public housing. One such project includes the 150-bed Apmere Mwerre Visitor Park, which was opened on 2 February 2011. Managed by Aboriginal Hostels Limited, the park provides a variety of accommodation options in a safe and secure environment for people visiting Alice Springs for short stays.
- ▶ To complement the additional accommodation, just under \$26 million has been allocated to strengthen social support services for Indigenous people across Alice Springs including family support services, tenancy management, early childhood and life skills.

- ▶ As part of the Government's commitment to increased community safety in the Northern Territory, the first of five new permanent police stations opened in Yarralin in April 2011. Stations in Arlparra, Gapuwiyak, Imanpa\* and Ramingining are scheduled to be built by June 2012.
- ▶ On 8 June 2011, Indigenous community members in the Northern Territory's Gove region, mining corporation Rio Tinto Alcan and the Prime Minister, Ministers Macklin and Snowden and the Chief Minister of the Northern Territory celebrated the signing of the Rio Tinto Alcan Gove Traditional Owners Agreement. This agreement under the *Aboriginal Land Rights (Northern Territory) Act 1976* secures the future operations of the Gove mine and provides a range of benefits for the traditional owners. Payments from mining will be directed to projects supporting local economic development and promoting local culture.
- ▶ The Department supported development of the 2011 Prime Minister's Statement and accompanying booklet, which the Prime Minister presented in Parliament on 9 February 2011.
- ▶ The Cape York Welfare Reform trial was extended until 31 December 2012, to consolidate the progress already made through local, Indigenous-led approaches to improving community safety, school attendance and the care and protection of children. The four communities participating in the trial are Aurukun, Coen, Hope Vale and Mossman Gorge.
- ▶ A discussion paper on the future of the NTER was launched on 22 June 2011 by the Prime Minister and the Minister for Indigenous Affairs. The paper, *Stronger futures in the Northern Territory*, provides the basis for ensuring that the views of people living in the Northern Territory will be at the centre of what the Government does next to tackle the unacceptable level of disadvantage still experienced by too many Indigenous people.
- ▶ FaHCSIA supported the establishment of the National Congress of Australia's First Peoples, which convened for the first time in June 2011 and elected its first six directors from the 120 delegates. The National Congress is a new advocate for Aboriginal and Torres Strait Islander people on policy issues across government.
- ▶ The Department, through the Indigenous Constitutional Recognition Secretariat, provided support to the Expert Panel on Constitutional Recognition of Indigenous Australians, which was announced in December 2010. The panel began national consultations that will extend to more than 60 locations in urban, regional and remote areas, and underpin its advice to the Government on possible reforms to the Constitution.

## Program 7.1: Economic Development and Participation

The objective of program 7.1 is to improve the capacity of Indigenous Australians to participate in the economy.

The program has one component: Community Development Employment Projects program.

### Community Development Employment Projects program

The objective of the Community Development Employment Projects (CDEP) program is to strengthen Indigenous communities and support Indigenous people in remote areas through community development and participation opportunities that develop skills; improve capacity, work readiness and employability; and link with local priorities.

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\* The Northern Territory has requested that an alternative location for this police station be considered. Discussions are continuing.

110 New initiatives are increasing pre-vocational preparation, young women’s participation and workforce development for children’s services.

A further \$48.3 million was invested in community action plans and the programs, training and infrastructure to support them. This is the second year of a \$172.4 million three-year package that enables Indigenous communities to respond to local opportunities. Under the plans, program providers delivered community development, accredited and non-accredited training, and infrastructure works. Many of the 360 mentors and community development officers that deliver CDEP programs are local Indigenous people.

Phase one of a quality assurance approach for CDEP services—the continuous improvement framework—was trialled successfully among 19 providers. Further evaluations were undertaken with the 19 providers at the six-month mark. The evaluations confirmed that the process was beneficial to both the providers and the Department.

Summary of performance

Table 11.1 summarises the Department’s results for program 7.1 against the key performance indicators published in the 2010–11 PB Statements.

Table 11.1 Program 7.1—key performance indicators

Key performance indicator	Result
<i>Community Development Employment Projects program</i>	
Percentage and number of the Community Action Plans which are progressing on schedule to meet community development goals for CDEP by 30 June 2012	92%; 68 out of 74
Percentage and number of CDEP participants who have commenced non-accredited training	5%; 1,271 <sup>a</sup>
Percentage and number of CDEP participants who commenced and completed accredited training	20%; 623 out of 3,159
Percentage and number of CDEP participants who commenced Work Experience who remained in continued Work Experience for 13 weeks or more	43%; 393
Percentage and number of CDEP participants who commenced off-CDEP employment	8%; 2,004
Percentage and number of CDEP participants who commenced off-CDEP employment that remained in continued employment for 13 weeks or more	69%; 1,386

a This figure is point-in-time on 30 June 2011.

Table 11.2 summarises the Department’s results for program 7.1 against the deliverables published in the 2010–11 PB Statements.

Table 11.2 Program 7.1—deliverables

Deliverable	Result
Number of Community Development Projects	464 <sup>a</sup>
Number of Work Readiness Services	830

a In addition, community development activities are funded under Community Action Plans.

## Program 7.2: Indigenous Housing and Infrastructure

The objective of program 7.2 is to improve the quality of Indigenous housing and tackle overcrowding and homelessness in remote communities.

The program has one component: National Programs and Projects.

### National Programs and Projects

The National Programs and Projects component has a number of elements that deliver a range of housing reforms, including the Army Aboriginal Community Assistance Program, the Indigenous Mothers' Accommodation Fund, the Fixing Houses for Better Health program, the Hope Vale Welfare Reform Agreement, and the Indigenous Boarding Hostels Partnerships initiative.

In addition, the Municipal and Essential Services program funds the delivery of some services to targeted remote Indigenous communities under existing arrangements, pending the implementation of revised roles, responsibilities and funding across governments, as agreed under the National Partnership Agreement on Remote Indigenous Housing. In 2010–11, the Department funded 70 organisations to deliver municipal and essential services to more than 400 communities across Australia.

In 2010, Pukatja, South Australia, was selected for the Army Aboriginal Community Assistance Program, which provides housing and infrastructure upgrades as well as capacity building in the community. Completed works in Pukatja included the construction of water bores, a power supply facility and three community houses, upgrades to school-oval drainage, classroom refurbishment, and road repairs. Health training and treatment, including veterinary services and community skills training to improve Indigenous employability, were also delivered.

Fitzroy Crossing, Western Australia, has been selected as the location for the program in 2011. The scope of works includes a new health clinic, four new houses, water supply upgrades and construction of a common effluent sewerage system and treatment ponds.

Through the Indigenous Mothers' Accommodation Fund, the Department completed a 24-bed facility in Cairns for Indigenous women who need to travel from their communities to access medical and other services during the final weeks of pregnancy.

Fixing Houses for Better Health was a targeted program of small-scale critical repairs and maintenance that serviced 547 houses in remote Indigenous communities from July 2009 to June 2011.

As part of the Hope Vale Welfare Reform Agreement 2007, the Department completed a new subdivision in Hope Vale, Queensland, in early 2011. Ownership of the subdivision has been handed over to the Hope Vale Aboriginal Shire Council.



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Construction began on the 120-bed purpose-built Western Cape Residential Campus in Weipa, Queensland, in May 2011. This facility will provide student accommodation and is scheduled to open in 2012.

Summary of performance

Table 11.3 summarises the Department’s results for program 7.2 against the key performance indicators published in the 2010–11 PB Statements.

Table 11.3 Program 7.2—key performance indicators

Key performance indicator	Result
National Programs and Projects	
Number of hostel beds for Indigenous students handed over to a hostel operator by 30 June 2012	N/A
Number of hostel beds for Indigenous mothers handed over to a hostel operator by 30 June 2011	24 beds
Number of houses where functional assessments and fix works have been completed under Fixing Houses for Better Health projects by 30 June 2011	547 houses

Table 11.4 summarises the Department’s results for program 7.2 against the deliverable published in the 2010–11 PB Statements.

Table 11.4 Program 7.2—deliverable

Deliverable	Result
National Programs and Projects	
Percentage and number of new hostel construction projects that met agreed construction milestones	100%; 1

Program 7.3: Native Title and Land Rights

The objective of program 7.3 is to support Indigenous rights to land recognised or provided for through Commonwealth land rights legislation and facilitate the representation and assistance of native title claimants and holders in the pursuit and exercise of native title rights.

The program has the following components:

- ▶ Native Title
- ▶ Land Rights.

Native Title

The objective of the Native Title component is to provide representation and assistance for native title holders and claimants in their efforts to gain formal recognition of native title rights and in the exercise of those rights.

## Native Title Act

The *Native Title Act 1993* provides a framework for the recognition and protection of native title. The Act also provides a framework to recognise and fund representative and service provider bodies to assist Aboriginal and Torres Strait Islander people to pursue their claims to native title.

The Minister for Families, Housing, Community Services and Indigenous Affairs has responsibilities under Division 6 of Part 2 and Part 11 of the Act in relation to the functions of prescribed bodies corporate and representative Aboriginal and Torres Strait Islander bodies. The Act details the functions to be performed by native title representative bodies and comprehensively deals with the recognition, funding, accountability and administration of representative bodies. FaHCSIA provides support to the Minister in administering those parts of the Act.

## Native title services

The Native Title component provides resources and support for a network of eight native title representative bodies (NTRBs) and six native title service providers, which are funded to perform the functions of an NTRB under the Act. The Torres Strait Regional Authority is also an NTRB, but receives its funding directly as part of its annual appropriation. These bodies represent and assist native title holders and claimants in their efforts to gain formal recognition of native title rights and in the exercise of those rights. The component also supports capacity building, training and research activities that are designed to support and enhance the operations of NTRBs.

When funds permit, the component makes small provisions for basic critical support on a needs basis for prescribed bodies corporate established to hold native title rights after claim determination. This assistance is generally provided through NTRBs.

In 2010–11, the program provided a total of \$71.853 million to 14 NTRBs and service providers for their operations, including \$1.5 million to provide basic support for 29 prescribed bodies corporate. In addition, \$3.378 million was applied to capacity building, training, research and other support activities.

At 30 June 2011, there were 463 current active native title applications, six more than at 30 June 2010 (457), comprising 20 non-claimant applications, eight compensation applications and 456 claimant applications. During 2010–11, there were 31 determinations of native title—27 positive and four negative (unopposed non-claimant applications)—compared with 11 in 2009–10. During 2010–11, 73 new applications were filed, including 11 non-claimant applications and one compensation application.

## Recognition period

All existing NTRBs have been recognised by the Minister as representative bodies under the Native Title Act for a period that expires on 30 June 2013. This alignment of recognition periods will facilitate a comprehensive comparative assessment of all NTRBs in 2012–13 to assist in formulating recommendations for future recognition periods.

## Native title policy developments

The native title environment in which NTRBs operate is in a state of change. NTRBs had been almost entirely devoted to resolving claims, but now there are increasing demands for post-settlement assistance. The pressures will grow as the rate of claim resolution increases and as governments continue to pursue alternative and broader settlements for some claims.

The Minister announced on 3 June 2010 that she would be reviewing the role and statutory functions of NTRBs to ensure that they meet the changing needs of the native title system. This review will take place in the second half of 2011. The Minister also announced that the Department would be looking at how it can provide structured and needs-based support for native title holders, and traditional owners who accept alternative settlements.

The number and value of native title agreements are increasing, as evidenced by the following major announcements in 2010–11:

- ▶ the Kimberley Liquid Natural Gas Processing Hub: \$1.5 billion, including a range of employment, training and economic opportunities
- ▶ the Pilbara operations of Rio Tinto: \$2 billion, including a range of employment, training and economic opportunities.

The Government is seeking to ensure that such agreements are structured to provide sustainable long-term benefits for current and future generations of the affected communities.

On 3 July 2010, the Government released a discussion paper, *Leading practice agreements: maximising outcomes from native title benefits*, that outlines a package of possible reforms to promote leading practice in sustainable agreement making and the governance of native payments. A complementary discussion paper, *Native title, Indigenous economic development and tax*, canvassed possible tax reforms.

Public consultations were held jointly on the two discussion papers in the second half of 2010. The Government is currently considering reform proposals in light of the feedback received.

The Australian Government has supported the negotiation of the Victorian Native Title Settlement Framework since 2008, and in 2010 concluded a National Partnership Agreement on Native Title with the Victorian Government, providing financial support for the first claims negotiated under the framework.

Following consultation throughout 2010, the Department is finalising amendments to the Native Title (Prescribed Body Corporate) Regulations 1999 that are designed to:

- ▶ improve the flexibility of the prescribed bodies corporate governance regime
- ▶ provide for the transfer of prescribed bodies corporate functions
- ▶ enable prescribed bodies corporate to charge a fee for costs incurred in providing certain services.

## Land Rights

The objective of the Land Rights component is to support Indigenous rights to land recognised or provided for through Commonwealth land rights legislation. In the Northern Territory support under the Land Rights component is complemented by funding allocated through the Aboriginals Benefit Account. The Land Rights component provides funding for the operations of the Office of the Aboriginal Land Commissioner, and some costs associated with administration of the *Aboriginal Land Rights (Northern Territory) Act 1976*.

The Land Rights component supports organisations that perform roles under the *Aboriginal Land Grant (Jervis Bay Territory) Act 1986* and the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*.

In Jervis Bay Territory, the Wreck Bay Aboriginal Community Council has a broad range of functions including management of Aboriginal land in the territory. During 2009–10 a special adviser was appointed to work with the council on various matters and to report on the council's operations

and the needs of the community. The special adviser’s report was completed in late 2010, and led to discussions with the community on future actions. FaHCSIA is working to negotiate a regional partnership agreement in conjunction with other agencies with a service delivery role in Wreck Bay.

In 2009–10, management of the former Lake Condah Mission, cemetery and associated lands in western Victoria transferred to the Gunditj Mirring Traditional Owners Aboriginal Corporation, the registered native title body corporate for the Gunditjmara native title holders. Framlingham Forest is in the traditional land of the Kirrae Whurrong, Tjap Whurrong and Peek Whurrong peoples.

In 2010–11 the Department expended \$1.3 million under the Land Rights component, comprising \$277,000 for the operations of the Office of the Aboriginal Land Commissioner, \$178,000 for the cost of surveys on Aboriginal land in the Northern Territory to facilitate the arrangement of leases under the relevant legislation, and \$845,000 for the operations of the Wreck Bay Aboriginal Community Council.

Summary of performance

Table 11.5 summarises the Department’s results for program 7.3 against the key performance indicators published in the 2010–11 PB Statements.

Table 11.5 Program 7.3—key performance indicators

Key performance indicator	Result
<i>Native Title</i>	
Proportion of native title claims progressed	86%
Proportion of native title claims concluded	8.9%
Number of future act agreements progressed and concluded (six months to 31 December 2010) <sup>a</sup>	611

a Full-year figure was unavailable at the time of publication. The 2009–10 full-year result was 1,013.

Services under this program are demand driven, and completion rates are determined in a complex interaction with other stakeholders, often with conflicting interests. Because of this, deliverables cannot be forecast for forward years.

Program 7.4: Indigenous Capability and Development

The objective of program 7.4 is to enhance engagement with and support for individuals, families and communities to improve wellbeing and capability.

The program has the following components:

- ▶ Indigenous Capability and Development
- ▶ Flexible Funding
- ▶ Registrar of Indigenous Corporations
- ▶ Aboriginals Benefit Account (Special Appropriation)
- ▶ Aboriginal and Torres Strait Islander Land Account
- ▶ Ranger Agreement.

During 2010–11, responsibility for the Indigenous Cultural Remains Program was transferred to the Department of the Prime Minister and Cabinet under the Administrative Arrangements Orders.

## Indigenous Capability and Development

The Indigenous Capability and Development component focuses on capacity building; promoting Indigenous issues, culture and knowledge; and engagement with government. The component helps to support the Government's commitment to strengthen its relationship with Indigenous Australians.

### National Congress of Australia's First Peoples

The National Congress of Australia's First Peoples was formally launched on 2 May 2010 following years of work to establish a new national Indigenous representative body. The National Congress will provide a voice for Indigenous Australians, and provide the opportunity to build new relationships with governments and industry to secure the economic, social, cultural and environmental futures of Aboriginal and Torres Strait Islander peoples. The Australian Government has committed \$29.2 million over five years to support the National Congress.

The inaugural meeting of the National Congress delegates was held in June 2011. The delegates elected a board and decided on the priorities of the National Congress for the next 12 months. Support for the National Congress is one part of the Government's commitment to strengthening its relationship with Indigenous Australians.

### Constitutional recognition of Indigenous Australians—establishment of an expert panel

The Australian Government established the Expert Panel on Constitutional Recognition of Indigenous Australians in December 2010 to ensure appropriate public discussion and debate about proposed changes to recognise Aboriginal and Torres Strait Islander peoples in the Australian Constitution.

In 2010–11, the Department supported the independent panel to meet its terms of reference by providing secretariat services for panel meetings and organising the panel's broad national consultations. The panel is to report to the Government on options for constitutional change by December 2011.

### Indigenous Leadership Program

The Indigenous Leadership Program continued to develop the leadership capability of Aboriginal and Torres Strait Islander women, men and young people from urban, regional and remote communities across Australia. In 2010–11, 454 women and 294 men participated in the national leadership program. Participants developed a range of leadership activities, including educational and cultural awareness-raising resources and leadership information, and ran support groups and young women's camps.

An additional 396 women and men attended targeted, regional or special-interest leadership workshops. Participants included the South West Aboriginal Land and Sea Council, youth in the Illawarra region, and rangers from the Laynhapuy Homelands.

Advanced Leadership Opportunities were extended to 134 participants across 15 projects. The projects included accredited leadership training, a partnership with Youth Challenge Australia to sponsor 12 participants to develop leadership through participating in community development projects in Vanuatu, a partnership with Jobs Australia to sponsor 24 participants on a Kokoda Track leadership activity, and attendance at United Nations events.

Governance and leadership is one of the seven building blocks in the National Indigenous Reform Agreement. Through its national office and extensive network, the Department delivered additional leadership and community governance workshops and projects to enhance the leadership capabilities and political awareness of Indigenous people within their communities, and to promote better engagement with government. Leaders were encouraged to participate in local reference groups and local advisory boards and to join the National Congress of Australia's First Peoples.

The Department supported other leadership and governance activities in communities, including community-initiated projects.

### Indigenous engagement

An Indigenous engagement framework, *Engaging today, building tomorrow—a framework for engaging with Aboriginal and Torres Strait Islander Australians*, was released across the Australian Public Service in May 2011 as part of activities to mark National Reconciliation Week 2011.

The framework aims to improve relationships and engagement practice with Aboriginal and Torres Strait Islander Australians across the Australian Public Service. The Department led the development of the framework, which was endorsed by secretaries across agencies with key responsibilities in Indigenous affairs.

The framework encourages government departments to enable Aboriginal and Torres Strait Islander Australians to participate more directly in policy making and identifies three core objectives under which agencies can review their practice and take action:

- ▶ changing business processes
- ▶ building the capacity of Australian Public Service staff to better engage with Aboriginal and Torres Strait Islander people
- ▶ building the capacity of non-government organisations and communities.

### Indigenous Women's Program

In 2010–11, the Indigenous Women's Program provided \$4.894 million to fund 123 activities in response to the particular needs and circumstances of local Indigenous women in their communities. Activities include enhancing the leadership skills of Indigenous women in a range of areas, such as parenting skills, living skills, pathways to educational and employment opportunities, personal development, social and networking opportunities, and local leadership and governance issues.

### Remote service delivery

The National Partnership Agreement on Remote Service Delivery is a commitment by governments to work with Indigenous communities to improve the delivery of services to remote communities. Initial focus has been on 29 priority locations across the Northern Territory, Western Australia, Queensland, New South Wales and South Australia.

The national partnership committed its parties to new ways of working across governments and engaging with Indigenous people. A central plank of the partnership is to provide a single government contact point for people in each community to facilitate integrated service delivery.

In 2010–11, the Department worked with other government agencies and the 29 communities to develop local implementation plans to improve service delivery and infrastructure in each community. The Department also began to implement relevant actions set out in the plans.

The Department provided leadership training to people (including young people identified as potential leaders) from priority communities to increase their ability to drive change, and offered cultural awareness training to government staff to improve engagement. Integral to the changed approach has been the delivery of leadership and governance activities in the communities themselves. Workshops targeted members of the local reference groups established to negotiate and draft the local implementation plans for their community.

Australian, state and territory governments and local governments contributed to baseline mapping reports for local reference groups in each remote service delivery community. The reports describe government services and expenditure on existing service delivery and supporting infrastructure, and inform ongoing local implementation planning.

For example, in Mornington Island sewerage treatment was classified as below base-level standard in the baseline mapping. This is being addressed by local implementation planning through an action to deliver a range of essential infrastructure upgrades, including sewerage ponds upgrade and outfall, and construction of new landfill and rehabilitation.

In Mimili, animal management was considered below base-level standard in the baseline mapping. Through local implementation planning, action is being taken to address the issue by implementing an animal management and pest control strategy to address health and environmental issues associated with the overpopulation of dogs, feral horses, camels, donkeys and vermin.

In Numbulwar, the baseline mapping identified water quality as an issue, which is now being addressed through local implementation planning to provide information and education to the community on clean drinking water.

The Coordinator General for Remote Indigenous Services is a statutory officer responsible for monitoring, assessing, advising on and driving remote service delivery reform. The Coordinator General reports six-monthly to the Minister on the development and delivery of government services and facilities in each priority community, and on progress in meeting the Closing the Gap targets. See the annual report of the Coordinator General in Appendix K for more information.

### **Aboriginal and Torres Strait Islander Healing Foundation**

The Australian Government established the Aboriginal and Torres Strait Islander Healing Foundation in 2009 to support community-based healing and capacity-building projects and research.

Before the Healing Foundation was established, the Department facilitated broad consultation with Aboriginal and Torres Strait Islander people from across Australia about the foundation's structure and role. The foundation's philosophy is based on the theme 'Strong spirit, strong culture, strong people'. The first national Healing Foundation gathering, 'Let's talk healing', was held in Townsville in June 2010. Participants made recommendations at the gathering to guide the foundation's work.

The foundation's first funding round was announced in November 2010, and \$2 million was allocated to 21 organisations to support community-based healing initiatives. Funded projects included cultural revitalisation through healing workshops and retreats, yarning circles and passing on of traditional skills.

## Case study

### Constitutional recognition of Aboriginal and Torres Strait Islander peoples



*The Expert Panel on Constitutional Recognition of Indigenous Australians at Parliament House, Canberra on 25 February 2011*

National consultations on the constitutional recognition of Aboriginal and Torres Strait Islander peoples began in May 2011. The Prime Minister appointed an Expert Panel on Constitutional Recognition of Indigenous Australians in December 2010, saying, 'Recognition is an important step to building trust and respect ... and acknowledging that the first peoples of our nation have a unique and special place in our nation.'

The Indigenous Constitutional Recognition Secretariat within FaHCSIA provides support to the expert panel. Consultations are being held across the country so that as many Australians as possible can put forward their ideas and opinions on constitutional recognition.

The first consultations were held in the geographic heart of the nation, in the Mutitjulu community near Uluru, and in Umuwa, in the Anangu Pitjantjatjara Yankunytjatjara Lands. Aboriginal and Torres Strait Islander Social Justice Commissioner and ex officio panel member Mr Mick Gooda hosted these initial meetings.

Mr Gooda found that the Mutitjulu and Umuwa communities talked positively about constitutional recognition. Many senior elders and traditional owners attended both meetings, with many looking for amendments to the Constitution that embraced equality and recognition.

FaHCSIA's government business managers played a key role in ensuring the success of the consultations in remote communities. In the Mutitjulu and Umuwa communities, they provided background information to participants on the issues before the consultative meetings and supplied logistical support to the visiting party.



## Reconciliation Australia

Reconciliation Australia, established in 2000, is one of the primary drivers of community-level awareness and education to promote respectful relations between Indigenous and other Australians. Through its initiatives, including its Reconciliation Action Plan program, Reconciliation Australia encourages businesses, schools, organisations and individuals to commit to reconciliation. Reconciliation Australia is also supporting the Expert Panel on Indigenous Constitutional Recognition through a public awareness strategy.

The Australian Government continued its investment in reconciliation and provided an additional \$10.8 million over three years in the 2009–10 Budget for the continued operations of Reconciliation Australia, of which \$3.6 million was spent in 2010–11.

## Breaking the cycle of alcohol and substance abuse

The Australian Government will provide \$20 million over three years from 2011–12 to 2013–14 to assist Indigenous communities to develop and implement alcohol and substance abuse management plans, support community groups and non-profit organisations at a local level and provide prevention programs to tackle youth substance abuse. The Department will work with communities to implement innovative, community-led solutions to tackling alcohol and substance abuse.

## Flexible Funding

Flexible Funding enables strategic investment to address priority needs in remote service delivery communities and elsewhere. Flexible Funding allows government to make strategic investments that address Indigenous community needs when other funding is not available.

Flexible Funding has two subcomponents:

- ▶ Indigenous Communities Strategic Investment
- ▶ Indigenous Remote Service Delivery Special Account.

## Indigenous Communities Strategic Investment

The Indigenous Communities Strategic Investment component supports Indigenous communities to implement identified priorities and enable tailored responses to local community needs, particularly where there is a clear commitment to share responsibility between government and the community.

## Indigenous Remote Service Delivery Special Account

The Indigenous Remote Service Delivery Special Account was established in 2010–11 to fund projects in the 29 priority locations. The Department will contribute \$32 million of \$46 million being jointly provided by FaHCSIA, the Department of Education, Employment and Workplace Relations and the Department of Health and Ageing over three years, for high-priority projects that address community needs identified through local implementation planning. Examples of these high-priority projects are outlined below.

In Mornington Island, Queensland, an Innovative Learning and Young Mothers Centre is being established to deliver programs and support vocational training opportunities for school-aged mothers.

The Coen Aerodrome runway has been extensively upgraded to help ensure regular provision of services and supplies to Coen township as well as the ability to travel to and from the community.

Community-driven action planning activities have been funded, including environmental health action plans in the Kimberley, Western Australia, and community safety planning in Wilcannia, New South Wales.

In Wadeye in the Northern Territory, the Youth Drop-In Centre is being refurbished to provide recreation activities and programs for young people.

## Registrar of Indigenous Corporations

The Registrar of Indigenous Corporations is a statutory officer whose role is to regulate and deliver services under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The Office of the Registrar of Indigenous Corporations supports the Registrar.

In 2010–11, 96 per cent of registered corporations were compliant with their reporting obligations under the CATSI Act. The proportion of compliant registered corporations has increased each year from 24 per cent in 2002–03. Increased compliance significantly improves the accuracy and reliability of the Register of Aboriginal and Torres Strait Islander Corporations, and supports good governance and transparency in Aboriginal and Torres Strait Islander corporations.

The Registrar delivered 61 training programs to approximately 838 participants from 325 corporations, and 99.8 per cent of respondents to questionnaires indicated that they were either satisfied or very satisfied that the training met their needs. Training included:

- ▶ 22 Introduction to Corporate Governance programs in South Australia, New South Wales, Queensland, Western Australia, the Northern Territory and Tasmania
- ▶ 27 training programs to meet the specific needs of corporations, including annual general meeting support, post-administration and 'doorway' training programs, provided to groups seeking incorporation. The programs introduce participants to the principles of good governance
- ▶ six programs for remote service delivery sites, including Fitzroy Crossing, Beagle Bay and Ardyaloon
- ▶ four Building Strong Stores training programs for community stores under the Northern Territory community stores licensing scheme
- ▶ training programs provided in the Pilbara to four new native title bodies under a partnership established between the Office of the Registrar of Indigenous Corporations and Rio Tinto
- ▶ two Certificate IV in Business (Governance) courses started in 2010–11: one in Broome and the other in Port Macquarie. Participants will graduate in August 2011.

The Registrar launched two new services:

- ▶ LawHelp, which provides pro bono legal assistance to Aboriginal and Torres Strait Islander corporations registered under the CATSI Act. The service is a partnership with the Australian Government Solicitor and a number of Australia's leading private sector law firms
- ▶ the Registrar's Recruitment Assistance program, which helps corporations to build capacity by recruiting and keeping suitably skilled and experienced staff.

## Aboriginals Benefit Account (Special Appropriation)

The Aboriginals Benefit Account enables the receipt and administration of statutory royalty equivalent monies derived from mining on Aboriginal land in the Northern Territory. The account is established under Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* and is a special account for the purposes of the *Financial Management and Accountability Act 1997*.

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See the 2010–11 Aboriginals Benefit Account annual report (Appendix J) for detailed information on the management of the account, royalty equivalent income and expenditure for the benefit of Aboriginal people living in the Northern Territory.

Aboriginal and Torres Strait Islander Land Account

The objective of the Aboriginal and Torres Strait Islander Land Account is to provide a secure and ongoing source of funds to the Indigenous Land Corporation in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal and Torres Strait Islander people by assisting in the acquisition and management of an Indigenous land base.

The audited financial statements for the operation of the Aboriginal and Torres Strait Islander Land Account are in Part 4 of this report.

Ranger Agreement

The objective of the Ranger Agreement is to make payments to the Northern Land Council as a form of rental to provide access to the Ranger Project area for the purposes of mining.

Summary of performance

Table 11.6 summarises the Department’s results for program 7.4 against the key performance indicators published in the 2010–11 PB Statements.

Table 11.6 Program 7.4—key performance indicators

Key performance indicator	Result
<i>Indigenous Capability and Development</i>	
Percentage and number of participants in Indigenous leadership programs who reported that they benefited from increased knowledge, skills and capabilities gained from their participation	80%; 429 participants reported a benefit.  The result for this indicator is derived using voluntary post-program participant surveys that measure program success based on self-reported improvements. A total of 537 participants completed the surveys.
Percentage and number of Indigenous Women’s Program projects that met contractual requirements, including agreed outcomes	93.5%; 87 projects met contractual requirements.  The result for this indicator is derived using project officer assessment. Of the 123 projects, 93 were completed at the end of the reporting period, and 87 of the completed projects had met their contractual requirements and outcomes.
<i>Flexible Funding</i>	
Percentage and number of Flexible Funding projects that have met specified project objectives	98%; 328  The result for this indicator is derived using project officer assessment. Of the 454 projects, 328 were completed at the end of the reporting period with 98% meeting the specified project objectives.
<i>Registrar of Indigenous Corporations</i>	
Percentage and number of Aboriginal and Torres Strait Islander corporations that are compliant with reporting requirements under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i>	96%; 1,934

**Table 11.6 Program 7.4—key performance indicators (continued)**

Key performance indicator	Result
Percentage and number of participants in corporate governance capacity development programs who have reported a significant increase in corporate governance knowledge and skills	99.8%; 432 A total of 433 participants responded; 432 reported an increase in their corporate governance knowledge and skills. One participant gave a rating of undecided.
Percentage and number of clients satisfied that the services provided met their needs	99.8%; 432 A total of 433 participants completed the corporate governance surveys. Of those, one gave a rating of undecided.

Table 11.7 summarises the Department's results for program 7.4 against the deliverables published in the 2010–11 PB Statements.

**Table 11.7 Program 7.4—deliverables**

Deliverable	Result
<i>Indigenous Capability and Development</i>	
Number of people who participated in Indigenous leadership programs <sup>a</sup>	1,278
Number of Indigenous Women's Program projects	123
Number of Indigenous leadership capacity development workshops held in priority communities under the National Partnership Agreement on Remote Service Delivery	13
Number of Indigenous leadership capacity development workshops held in locations other than priority communities under the National Partnership Agreement on Remote Service Delivery, including national, place-based and targeted workshops	49
<i>Flexible Funding</i>	
Number of Flexible Funding projects	454
<i>Registrar of Indigenous Corporations</i>	
Number of participants in corporate governance capacity development programs	838

<sup>a</sup> Includes the number of participants who attended leadership programs, including national and regional programs and targeted workshops, and participants sponsored to undertake an Advanced Leadership Opportunity.

## Program 7.5: Closing the Gap in the Northern Territory

The objective of program 7.5 is to provide whole-of-government policy coordination and to implement targeted measures in relation to the National Partnership Agreement on Closing the Gap in the Northern Territory. The agreement aims to protect women and children, improve community capacity and provide sustainable community development in communities in prescribed areas.

The program has the following components:

- ▶ Family Support Package
- ▶ Youth in Communities
- ▶ Community Stores
- ▶ Leasing on Indigenous Land in the Northern Territory.

Closing the Gap in the Northern Territory builds on some of the measures that were initially part of the 2007 NTER announcement. The NTER is underpinned by legislation due to expire in August 2012 and the Government commenced consultations, with the support of the Department, before the end of 2010–11 about next steps.

### Family Support Package

The Family Support Package aims to provide a coordinated response to Indigenous family violence in a number of Northern Territory communities to protect Indigenous children and families from abuse and violence.

Federal funding of \$31.6 million over three years for the Family Support Package was announced in the 2009–10 Budget. The package funds 22 safe places in 15 remote communities and in Darwin and Alice Springs; a Mobile Child Protection Team; and Remote Aboriginal and Family Community Workers in 13 remote communities.

In October 2010, the Board of Inquiry into the Child Protection System in the Northern Territory released its report, titled *Growing them strong, together*. As part of its response to the report, the Australian Government announced funding of \$7.5 million for:

- ▶ 22 additional Remote Aboriginal and Family Community Workers
- ▶ an additional Mobile Child Protection Team comprising 15 workers.

These measures build on the existing investment under the Family Support Package.

### Youth in Communities

The objective of the Youth in Communities component is to deliver a comprehensive Indigenous youth strategy in the Northern Territory, to provide an effective diversion from at-risk behaviours and to improve life choices and outcomes.

Australian Government funding of \$28.4 million is available over three years (2009–12). Twenty-one projects have been funded for youth-worker services, youth diversion activities and infrastructure projects across 36 community locations in the Northern Territory. In 2010–11, \$8.97 million of this funding was released.

### Community Stores

The Community Stores component aims to enhance the contribution of community stores to achieving food security in remote communities and ensure that community stores are able to meet the requirements of the Income Management measure that was part of the NTER.

Under the Community Stores Licensing program, significant improvements have been made in how stores function. In May 2011, an independent evaluation reported a positive impact on food security from stores licensing. The program contributed to improvements in ongoing access to food that is safe and of sufficient quality and quantity to meet household needs. Retail management practices also improved, including stock management, storage, shelving, pricing, point of sale and freight management.

At June 2011, 62 of the 73 communities involved in the NTER had a licensed store (85 per cent coverage). In total, 91 licensed community stores operated in the Northern Territory.

## Leasing on Indigenous Land in the Northern Territory

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The Australian Government holds five-year leases over 64 NTER communities under the *Northern Territory National Emergency Response Act 2007*. The leases were acquired to facilitate the administration of the NTER, providing security of tenure to allow for the development of infrastructure in communities, enabling prompt access for the delivery of services and clarifying responsibility for the repair and maintenance of buildings.

The Australian Government is committed to making fair rent payments to the Indigenous owners of five-year leased land, backdated to the commencement of the leases. To date the Australian Government has paid \$3.08 million in rent payments to the Tiwi Land Council, the Central Land Council, the Northern Land Council on behalf of traditional owners and to the owner of the Rittarangu community living area. Payments will continue until the leases expire in August 2012.

The Australian Government aims to replace five-year leases with voluntarily negotiated leasing arrangements as quickly as possible to secure tenure of government assets and investments. This could be through a whole-of-township lease or other lease arrangements.

The Australian Government has offered whole-of-township leases to the larger NTER communities, where the opportunities for economic and township development are the greatest. Whole-of-township leases are the Government's preferred model for leasing in these communities because they provide a platform for enhanced service delivery including social housing and for long-term economic development and home ownership. Whole-of-township leases improve access to the land and give land users a long-term right to use the land, which encourages businesses to invest in the community, facilitates home ownership, and makes it easier for government to deliver services. A whole-of-township lease does not change the underlying ownership of the land, and land owners are paid rent for the use of their land.

Through the voluntary negotiation of housing precinct leases, the Government is pursuing an Indigenous land tenure reform agenda to support the expansion of public and social housing provision in remote communities. These arrangements will enable the implementation of stronger property and tenancy management reforms to continue.

Securing long-term leases in Northern Territory communities requires consent from the relevant Aboriginal land trust, as represented by the relevant land council.

## Community safety

Community safety and remote policing are key elements of the Australian Government's commitment to closing the gap on Indigenous disadvantage in the Northern Territory. Under the National Partnership Agreement on Closing the Gap in the Northern Territory, payments of \$128.6 million are being provided to the Northern Territory Government over three years from 2009–10 to 2011–12 for the following initiatives:

- ▶ 60 additional police across the Northern Territory
- ▶ five permanent police complexes
- ▶ operational costs for 18 temporary police stations in remote communities
- ▶ Substance Abuse Intelligence Desk and Dog Operations Unit
- ▶ Child Abuse Task Force.

In 2010–11, the first of five permanent police stations was completed at Yarralin. Opened in April 2011, the new station provides state-of-the-art police facilities, including police housing, visiting officers’ accommodation and a community room to provide a ‘bush court’.

Since the NTER began in 2007, Australian Federal Police have been deployed to the Northern Territory to conduct community policing duties. To enable a transition from Australian Federal Police to Northern Territory Police, the Department provided funding for the recruitment, training and allowances of an additional 60 permanent Northern Territory Police. Four squads of 15 recruits completed their training during 2009–10 and 2010–11, and on 15 June 2011, the Australian Federal Police completed the final drawdown of its members.

Summary of performance

Table 11.8 summarises the Department’s results for program 7.5 against the key performance indicators published in the 2010–11 PB Statements.

Table 11.8 Program 7.5—key performance indicators

Key performance indicator	Result
<i>Family Support Package</i>	
Strategies are in place to ensure a coordinated approach to family support services for remote communities in the Northern Territory	100%
<i>Youth in Communities<sup>a</sup></i>	
Percentage and number of priority communities with improved access to youth services	88.9%; 16 (of 18)
Percentage and number of priority communities where improved facilities are made available for providing youth services and activities	80%; 4 (of 5)
<i>Community Stores</i>	
Percentage and number of communities in prescribed areas served by a licensed store	85%; 62 (of 73)

a Although the wording ‘percentage and number of priority communities’ is applied to both Youth in Communities key performance indicators, the definition of ‘priority community’ varies slightly between programs due to differing program objectives. The number of priority communities is therefore not the same for the two indicators.

Table 11.9 summarises the Department’s results for program 7.5 against the deliverables published in the 2010–11 PB Statements.

**Table 11.9 Program 7.5—deliverables**

Deliverable	Result
Percentage and number of priority communities with improved access to family support services through the provision of a Remote Aboriginal Family and Community Worker presence over 12 months	92%; 12 communities
Number of cases in which the Mobile Child Protection team participates over 12 months	150 cases per month were achieved for the period February–June 2011 (1,514 per year).
Percentage and number of Safe Place facilities operating in priority communities over 12 months	All 14 Women's Safe Places were operational over 12 months (100%). The Men's Places achieved their target during eight months of the year (67%).
Number of youth workers employed in priority communities	25 <sup>a</sup>
Number of facilities made available for providing youth services and activities	4
Number of community stores licensed	91 <sup>a</sup>

a Youth in Communities service providers have reported that staffing fluctuations affect this number.

## Outlook for Outcome 7

The Department is continuing to drive the delivery, implementation and progress of programs and services designed to close the gap in Indigenous disadvantage, build on its role in coordinating whole-of-government commitments, and provide leadership and policy advice.

Following the Prime Minister's 2011 Closing the Gap report to Parliament, the 2011–12 Budget affirmed the Government's commitment to address Indigenous disadvantage. The Budget provides \$526.6 million to boost services to Indigenous Australians. This builds on the historic investments across Australia in the areas of early childhood, schooling, health, housing, jobs, safety and leadership.

The Department will continue to provide strategic oversight and advice to the Government on the Closing the Gap policy agenda. This is a long-term challenge facing the nation which will require sustained effort over many decades. Significant reforms have already been put in place through the National Indigenous Reform Agreement and a range of Indigenous-specific and -focused national partnership agreements, including Remote Housing, Early Childhood, Health, Remote Service Delivery and Economic Participation. The Department will continue to work with Indigenous and non-Indigenous people, businesses, non-government organisations and all levels of government to improve outcomes for Indigenous Australians.

With around three-quarters of Indigenous Australians living in cities, regional centres and towns, a diverse range of activities will continue to be delivered across the country to help close the gap on Indigenous disadvantage under the Council of Australian Governments' National Urban and Regional Service Delivery Strategy. FaHCSIA, as lead agency, is supporting the Australian Government and jurisdictional efforts aimed at increasing the contributions of Indigenous-specific and mainstream activities in health, housing and homelessness, early childhood, education and economic participation. In South Australia, for example, the Northern Adelaide Initiative, involving a partnership between the Australian Government, the South Australian Government and the local governments of Salisbury,



Playford and Gawler, will progress a joint commitment to working with the Aboriginal community and across governments to improve those services that are critical to closing the gap. A community partnership facilitator has been employed to assist in brokering solutions.

FaHCSIA, in collaboration with the Attorney-General's Department, will progress work on a range of fronts to equip native title groups to manage the challenges of the future, encourage efficient and effective claim resolution, and ensure native title agreements provide sustainable benefits for native title groups.

The Department, in partnership with the Northern Territory Government, will continue to move the NTER into a more sustainable development phase. Consultations with Indigenous communities on ways forward began in June 2011, to inform policy development in the new year. Those consultations are underpinned by a discussion paper, released by the Prime Minister and the Minister on 22 June 2011, titled *Stronger futures in the Northern Territory*. The Department is also advancing an evaluation of the NTER, which with the consultations underway, will inform the next stage.

The Department's support to the National Congress of Australia's First Peoples in strengthening its capacity to contribute to effective, well-informed policy development will facilitate mutual respect and genuine engagement between Indigenous Australians and the broader Australian community.

To advance recognition of Aboriginal and Torres Strait Islander Australians in the Australian Constitution, the Department will continue to support the expert panel as it develops options for constitutional change for presentation to the Government by December 2011.

The Department, in consultation with the four communities of Aurukun, Coen, Hope Vale and Mossman Gorge, will evaluate outcomes from the Cape York Welfare Reform trial in 2011. The results will inform the trial's future directions.

The Indigenous Economic Development Strategy is a whole-of-government policy that aims to support greater Indigenous economic participation and self-reliance. The strategy outlines five priority areas for increasing the personal and economic wellbeing of Indigenous Australians: education; jobs; business and entrepreneurship; financial security and independence; and strengthening foundations. The strategy will be implemented through a series of three-yearly action plans, which outline actions that address the strategy's priorities. The strategy will run until 2018 and will be used by government to guide the development of policies, programs and initiatives for Indigenous economic development. The strategy will be finalised in 2011–12.

## Case study

### The Tribal Warrior Association—mentoring Indigenous young people



*Tribal Warrior mentors and participants working out together*

FaHCSIA funded an innovative prison post-release program for young inner-city Indigenous people in Sydney in 2011. The Tribal Warrior Association received a \$200,000 grant from the Department to support its mentoring program.

The program began in 2009 when 10 young Indigenous men with their own histories of offending took up boxing and fitness training to help get their lives back on track. Their initiative grew into a mentoring program, which now employs seven Indigenous mentors and has mentored more than 70 young Indigenous people over the past 12 months.

The program focuses on life-skills training for young Indigenous people in Redfern as well as instilling pride through learning about Indigenous culture. Police report that the mentoring program provided by the Tribal Warriors is contributing to a significant reduction in crime in Redfern.

A young man living with parents struggling with substance abuse was being regularly charged with offences until he was taken into the mentoring program. He has not reoffended since joining the program. His mentors helped him gain a General Purpose Hand Certificate 1 (Maritime) qualification and part-time work on Sydney boats. He is now planning a career and talks of his aspirations for his life.

Tribal Warrior's Chairman Shane Phillips explains that mentors have been the drivers in almost all Koori communities.

'It's the grandparents, uncles, aunties, brothers and sisters who take it upon themselves to help people,' Shane says.

'Once these young people engage with their mentors they learn about the value of a work ethic and practical exercises to help them acquire life skills and build a sense of worth and belonging.'



# Part Three

## Management and accountability

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## Chapter 12

### Corporate governance

# 12

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*Executive Management Group—left to right, Bruce Hunter, Serena Wilson, Finn Pratt, Andrew Tongue and Liza Carroll*

FaHCSIA directs and controls its operations and sets and enacts its departmental objectives through its governance structure, which is led by the Secretary. He and the five deputy secretaries form the Executive Management Group, which is supported by committees that provide advice on the Department's administration and overall operation.

## Executive

### Finn Pratt PSM, Secretary



Finn Pratt was appointed Secretary of the Department in April 2011. He has more than 27 years of experience in various positions in the Australian Government.

In 2009, Finn was appointed Secretary of the Department of Human Services, where he was responsible for leading the major reform of Australian Government service delivery to give Australians better access to social, health and welfare services.

Finn's previous positions include serving as the Chief Executive Officer of Centrelink and Associate Secretary of the Department of Education, Employment and Workplace Relations.

As Secretary, Finn provides the leadership and strategic direction to the Department and the portfolio. He is responsible for high-level briefing of the portfolio ministers and parliamentary secretaries and leads the corporate governance structure of the Department by chairing the Executive Management Group and the Closing the Gap Committee.

Finn was awarded a Public Service Medal in 2008, for driving significant and innovative reforms to public employment services and workplace relations in Australia.

Finn has a Bachelor of Arts degree from the Australian National University.

### Liza Carroll, Deputy Secretary



As Deputy Secretary, Liza Carroll is responsible for assisting the Secretary in leadership of the Department and strategic outcomes in relation to families, women and children, including family payments, child support policy, paid parental leave, welfare payments, children's policy and the Office for Women. Liza is also responsible for the Community Engagement and Development Group, which looks after mental health and autism, program frameworks, community investment and money management. In September 2010 Liza was given responsibility for overseeing the Problem Gambling Taskforce, established in October 2010 to provide advice to government on implementing its commitment to reduce problem gambling in Australia.

Liza chairs the Payments Committee and the Program Management Committee and is deputy chair of the People and Culture Committee.

Liza has a Bachelor of Education and a Master's Degree with honours in educational sociology.

### Cath Halbert, Acting Deputy Secretary



Cath Halbert commenced acting as a Deputy Secretary when Rob Heferen left the Department in February 2011 to take up a position in Treasury. Cath is responsible for assisting the Secretary in leadership of the Department and for the Office of Indigenous Policy Coordination, the Indigenous Leadership and Engagement Group and the FaHCSIA state and territory network.

Cath is deputy chair of the Commonwealth–State Relations Committee, the Infrastructure Committee and the Research and Evaluation Committee.

Cath has an Arts Degree, majoring in law and history.

### Bruce Hunter, Deputy Secretary and Chief Operating Officer



Bruce Hunter has served as Deputy Secretary and Chief Operating Office since June 2008. Bruce is responsible for assisting the Secretary in leadership of the Department and for the Business and Financial Services Group, the Corporate Support Group, the Information Management and Technology Group and the Business Strategy and Change Group.

Bruce chairs the Remuneration Committee, the Infrastructure Committee, the People and Culture Committee, the Communications Committee, the Strategic Planning Steering Committee and the Department's Crisis Response Team and is joint chair of the Policy and Budget Committee.

Bruce is a Fellow of CPA Australia, has a Bachelor of Commerce (Accounting) and has completed the Advanced Management Programme at INSEAD in France.

## Andrew Tongue PSM, Deputy Secretary



Andrew Tongue joined FaHCSIA as a Deputy Secretary in 2009 and is responsible for assisting the Secretary in leadership of the Department and for Australian Government social housing programs, remote Indigenous housing, housing-related economic stimulus measures, remote service delivery, community employment programs and Indigenous economic development.

In the course of his career in the public sector, Andrew has worked in a number of Australian Government departments and dealt with a wide range of issues, such as housing, health and ageing, national security, immigration, local government, regional development and non-metropolitan service delivery.

Andrew chairs the whole-of-government Homelessness Delivery Review Board. Within FaHCSIA, he chairs the Commonwealth–State Relations Committee and is deputy chair of the Program Management Committee and the Communications Committee.

Andrew holds a Bachelor of Business degree and a Masters in Public Policy.



## Serena Wilson, Deputy Secretary

Serena Wilson was appointed as a Deputy Secretary of the Department in March 2009.

Serena is responsible for assisting the Secretary in leadership of the Department and for strategic policy and budget strategy, the Age Pension, social security relationships and compliance, research and international engagement, the Disability and Carers Group and the Legal and Compliance Group. She is chair of the Department's Research and Evaluation Committee and the Risk Assessment and Audit Committee, deputy chair of the Payments Committee and joint chair of the Policy and Budget Committee.

Serena is the FaHCSIA representative on the Board of the Australian Institute of Health and Welfare and is a member of the Australian Housing and Urban Research Institute Board.

Serena holds a Bachelor of Arts with honours from the University of Melbourne.

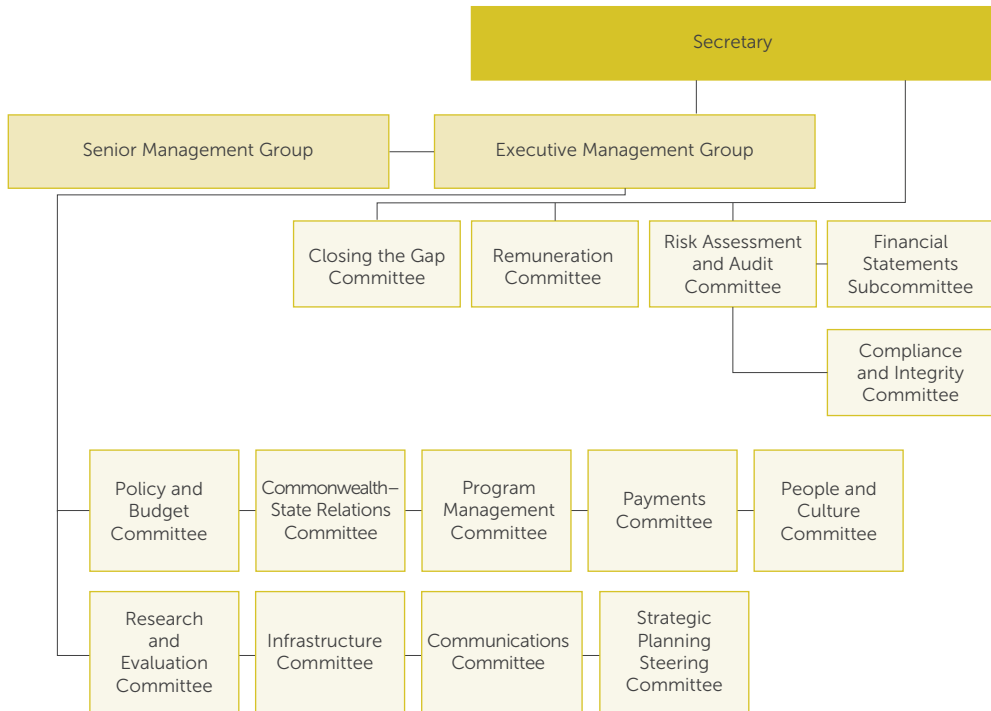
## Committees

FaHCSIA has a number of committees that provide advice and support to the Secretary and the Executive Management Group on the administration and overall operation of the Department. Internal committees are generally made up of FaHCSIA employees, although some internal committees may also have one or more independent members who are not FaHCSIA employees.

This section provides further information on FaHCSIA's internal committees, including membership details, roles and responsibilities, and reporting requirements.

Figure 12.1 shows the Department's governance structure.



**Figure 12.1 Governance structure on 30 June 2011**

## Committees reporting to the Secretary

### Executive Management Group

The Executive Management Group is the senior committee in FaHCSIA and provides advice to the Secretary on overall strategic direction, priorities, management and performance. In addition, the group manages the Department's financial performance by allocating resources, monitoring performance and risk, and ensuring that the Department meets its regulatory requirements.

The group also provides a forum for managing cross-departmental issues, and guides and champions organisational reform processes.

The Executive Management Group is chaired by the Secretary. Membership consists of the deputy secretaries.

### Senior Management Group

The Senior Management Group is FaHCSIA's primary forum for executive consultation with senior managers across the Department. It meets weekly to discuss strategic policy themes and issues and other high-level matters. The group is made up of the Secretary, who chairs the meetings, deputy secretaries, group managers, state and territory managers and the Registrar of Indigenous Corporations.



## Risk Assessment and Audit Committee

The Risk Assessment and Audit Committee was established by the Secretary under the *Financial Management and Accountability Act 1997*. Its role is to provide the Secretary and the Executive Management Group with independent assurance on the Department's compliance framework, external financial accountability responsibilities, and risk, governance and control processes.

The committee consists of four senior executive members from the Department and two external independent members, one of whom possesses financial management expertise. The committee is chaired by a deputy secretary appointed by the Secretary. The committee meets six times a year; its August meeting is devoted to reviewing the annual financial statements and providing assurance to the Secretary. The Chief Finance Officer, the Chief Information Officer and the Australian National Audit Office provide regular reports to the committee. It also invites senior executives to provide information and discuss significant risks to the Department.

To assist with its role in financial management assurance, the committee established the Financial Statements Subcommittee, which is chaired by an independent external member who reports to the committee at each meeting. The Financial Statements Subcommittee provides overarching assurance for the Department's annual financial statements.

The Risk Assessment and Audit Committee operates in an oversight, review and advisory capacity. Although it has no executive or decision-making authority, it has authority to request information from any employee and to discuss any matter with the Chief Internal Auditor, the contracted service providers or the Australian National Audit Office. The committee can also obtain any independent professional advice it considers necessary.

## Compliance and Integrity Committee

The Compliance and Integrity Committee is a subcommittee of the Risk Assessment and Audit Committee. It supports the Risk Assessment and Audit Committee to drive and lead accountability, good governance and ethical practices within FaHCSIA and in relation to the entities with which FaHCSIA deals, particularly entities that receive and are accountable for public money. The committee is chaired by the Group Manager, Legal and Compliance and the deputy chair is the Group Manager, Corporate Support. Members include a deputy state manager (Northern Territory) and two branch managers (Portfolio Bodies and Systems, Strategy and Architecture).

The committee:

- ▶ contributes to the effective governance of FaHCSIA's accountability and ethical practices frameworks, including through fraud awareness and control, and the promotion, management and assurance of ethical behaviour by FaHCSIA employees
- ▶ oversees criminal investigation, compliance and APS Code of Conduct cases undertaken by FaHCSIA to ensure that they:
  - align with FaHCSIA's strategic objectives
  - conform to applicable laws, prescribed practices and mandated procedures
  - are conducted and completed effectively and in a proper and timely manner
  - stimulate appropriate and prompt reporting.

## Remuneration Committee

The Remuneration Committee advises the Secretary on the development and implementation of the Department's remuneration policy, including the collective agreement and individual remuneration arrangements.

The committee is chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter. Membership includes all deputy secretaries and the Group Manager, Corporate Support.

### Closing the Gap Committee

The Closing the Gap Committee ensures that FaHCSIA continues to deliver on its responsibilities in relation to the Closing the Gap agenda. The committee is chaired by the Secretary. Membership includes all FaHCSIA deputy secretaries, all group managers, and state and territory managers. A standing invitation is in place for the Coordinator General for Remote Indigenous Services and for the Registrar of Indigenous Corporations. The committee meets every four to six weeks and considers current and emerging issues relating to the Closing the Gap agenda.

The committee provides strategic oversight of policy development in Indigenous affairs relating to Closing the Gap targets and monitors the implementation of COAG policies and strategies relevant to FaHCSIA business. The committee promotes the integration and application of mainstream policy and program efforts, as well as Indigenous-specific policies and programs, to achieve better outcomes for Indigenous Australians.

### Committees reporting to the Executive Management Group

The Executive Management Group maintains a number of subcommittees, each of which has specific terms of reference. The role of the subcommittees is to develop and provide high-quality recommendations for consideration by the Executive Management Group.

### Corporate governance review

During 2010–11, FaHCSIA reviewed its corporate governance arrangements. The purpose of the review was to provide FaHCSIA's Executive Management Group with options to enhance FaHCSIA's governance committee structure and associated administrative processes. The review found that the Executive Management Group and its subcommittees are functioning well, and noted a high level of awareness among the committees of the need for good governance with broader committee membership. The review recommended a slight revision to the governance structure to provide an enhanced focus on priority areas, with respect to stakeholder engagement, service delivery, and policy development and implementation. The Executive Management Group adopted the principles of the review and implemented the new committee structure in April 2011, which has strengthened the Department's governance, capability and agility.

### Policy and Budget Committee

The Policy and Budget Committee manages the Department's policy agenda and its contribution to the federal budget process. The committee advises the Secretary and is jointly chaired by two Deputy Secretaries, Serena Wilson and Bruce Hunter. Membership includes the Secretary, all deputy secretaries, three group managers and the Budget Development Branch Manager. The Strategic Policy Branch Manager attends as a permanent observer.

The committee's role is to:

- ▶ determine the Department's overarching policy priorities and policy development through major reviews, whole-of-government reform processes and cabinet and budget submissions
- ▶ flexibly respond to the Government's policy agenda
- ▶ draw links between policy priorities, investment decisions and new policy development work
- ▶ prioritise policy development and contain unnecessary policy effort
- ▶ ensure policies are robust and joined up across the Department and other agencies.

## People and Culture Committee

The role of the People and Culture Committee is to determine the Department's overarching human resource priorities and ensure that the FaHCSIA People Strategy (our human capital plan) is aligned with and will deliver against the Department's strategic framework.

The committee is chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter. Deputy Secretary Liza Carroll is the deputy chair. Membership is drawn from senior executives across the Department.

The People and Culture Committee has authority and responsibility for:

- ▶ ensuring that the People Strategy:
  - is aligned with the Department's strategic framework
  - is responsive to changing business requirements, government policy, and emerging labour market issues
  - fosters and promotes a departmental culture that reflects the APS and FaHCSIA values and leadership principles
- ▶ ensuring that the Department's workforce risks are identified and mitigated appropriately
- ▶ monitoring the effectiveness of the People Strategy and its supporting strategies
- ▶ ensuring that the Department's human resource management business model is efficient and effective and consistently applied
- ▶ providing the Secretary and Executive Management Group with regular reports on progress and raising strategic issues for discussion and decision.

## Payments Committee

The Payments Committee is a departmental forum for discussion and development of coordinated advice to the Executive Management Group and the Secretary on the management of income support payments (pensions and allowances) and family assistance payments.

The committee is chaired by Deputy Secretary Liza Carroll and the deputy chair is Deputy Secretary Serena Wilson. Membership includes seven group managers and six branch managers.

The Payments Committee has authority and responsibility for:

- ▶ coordinating advice and providing guidance on the management of income support and family assistance payments with a cross-payment perspective
- ▶ providing assurance to the Risk Assessment and Audit Committee and the Secretary about payment performance and integrity
- ▶ providing a platform for sharing information on policy ideas and proposals, including implications across payments
- ▶ supporting the implementation of high-priority and sensitive initiatives and processes
- ▶ providing a coordinating role to support FaHCSIA's interaction with other agencies (such as the Department of Education, Employment and Workplace Relations and the Department of Human Services) on income support and family assistance payment matters and with Centrelink
- ▶ providing a forum to establish common approaches to address particular customer groups' needs
- ▶ meeting with the Program Management Committee quarterly to ensure close alignment between the two committees.

Utilising a work plan that is reviewed on a quarterly basis, the committee has a whole-of-FaHCSIA approach focusing on four streams of work:

- ▶ interagency and cross-payment issues
- ▶ specific payment policy issues
- ▶ ongoing monitoring
- ▶ governance.

### Infrastructure Committee

The Infrastructure Committee was formed in April 2011 to replace both the Information and Communications Technology Committee and the Project Investment Board. The committee is the major departmental decision-making body for long-term information and communications technology (ICT) strategic planning and ICT and property capital investment within FaHCSIA. The committee provides strategic direction and oversight of ICT and property services, and provides investment advice to the Executive Management Group to ensure better business outcomes.

The committee is chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter. Acting Deputy Secretary Cath Halbert is deputy chair of the committee. Membership is drawn from senior executives across the Department.

The Infrastructure Committee has authority and responsibility for:

- ▶ managing the capital strategic planning and resource allocation processes
- ▶ providing leadership, long-term focus and governance on ICT and major property projects and developing options for balancing demands on capital
- ▶ advising project committees and groups on the strategic direction for future financial years
- ▶ overseeing the Department's infrastructure and ICT planning to ensure that funds are invested prudently and that there is a focus on deriving maximum benefit for the Department
- ▶ providing robust project and portfolio governance by ensuring that the appropriate governance mechanisms are in place and functioning well
- ▶ managing infrastructure investment within the Department of Finance and Deregulation capital resource allocation strategies and decisions.

### Program Management Committee

The Program Management Committee supports the Executive Management Group by providing strategic advice on the priorities of FaHCSIA's grant programs, the efficiency and effectiveness of program delivery and the risks and opportunities arising from program management activities.

The committee also provides direction on program management policies, common business processes, compliance requirements and strengthening program management capability.

The committee is chaired by Deputy Secretary Liza Carroll. Committee members include the deputy chair, Deputy Secretary Andrew Tongue, and group managers, state managers and branch managers representing a diverse range of FaHCSIA's policy and program areas.

To ensure close alignment between committees, the Program Management Committee meets with the Payments Committee on a quarterly basis.

### Research and Evaluation Committee

The Research and Evaluation Committee's role is to facilitate the development of evidence-based policy by providing strategic advice on FaHCSIA's research, evaluation and data management activities. The committee has overall responsibility for the Department's research and evaluation program and approves all research and evaluation projects.

The committee is chaired by Deputy Secretary Serena Wilson. It comprises five group managers and five branch managers.

The committee supports the Executive Management Group in its governance responsibilities relating to research, evaluation and data management to ensure that:

- ▶ the research and evaluation program is focused on the Government's policy agenda and aligned with FaHCSIA's strategic themes
- ▶ high-quality research standards are established and maintained
- ▶ potential risks related to the research and evaluation program are identified and managed appropriately
- ▶ research and evaluation activities comply with relevant legislation, regulations and codes of conduct
- ▶ data management activities align with FaHCSIA's business needs and priorities.

### Commonwealth–State Relations Committee

The Commonwealth–State Relations Committee discusses ongoing and emerging issues, develops solutions and provides coordinated advice to the Executive Management Group and the Secretary on the management of the Department's Commonwealth–state business.

The committee is chaired by Deputy Secretary Andrew Tongue and the deputy chair is Acting Deputy Secretary Cath Halbert. Committee members are group, branch and state managers drawn from across the Department.

The committee's role is to:

- ▶ oversee, support and monitor the implementation of the Department's Commonwealth–state business
- ▶ oversee FaHCSIA-wide processes and responsibilities under the COAG framework for federal financial relations
- ▶ ensure that FaHCSIA works effectively with ministerial councils and working groups to achieve desired policy outcomes
- ▶ ensure that FaHCSIA has access to accurate and timely information to assist the policy development process
- ▶ advise the Executive Management Group on current and emerging Commonwealth–state issues
- ▶ liaise and engage with other key FaHCSIA committees.

The committee meets quarterly or by arrangement each year.

### Communications Committee

The role of the Communications Committee is to oversee the strategic direction of the Department's communication function. The committee ensures clear alignment between communication priorities and FaHCSIA's business priorities, and champions an internal culture to deliver high-quality communication outcomes.

The committee is chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter and Deputy Secretary Andrew Tongue is deputy chair. It comprises three group managers, four branch managers and one state manager.

### Strategic Planning Steering Committee

The Strategic Planning Steering Committee was established for a limited time period (January to June 2011) to advise on and contribute to developing the 2011–14 FaHCSIA Strategic Framework.

The new framework clearly articulates the Department's key priorities, objectives and purpose. It is supported by a strategic change agenda for bringing about the changes envisaged as part of the framework.

The committee's role was to:

- ▶ add value to the development of the strategic framework
- ▶ act as change agents in implementing the new strategic framework
- ▶ contribute to the development of a communication and engagement strategy to embed the new strategic framework and further develop it as necessary
- ▶ contribute to identifying the changes the Department needs to make in the way it does business, and explaining why the changes are needed
- ▶ participate in presenting proposed recommendations and a proposed change agenda to the Executive Management Group
- ▶ identify the projects required to support the change agenda.

The committee was chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter, with membership drawn from the senior management group.

## Business planning and risk management

### Strategic and business planning

FaHCSIA develops business plans at the beginning of the financial year to establish business objectives, align priorities with available resources and prepare for opportunities and challenges that may arise. Beginning in 2011–12, the planning process will evolve with the Department's new strategic framework, which took effect on 1 July 2011.

Business planning is the process that defines required business outcomes and current priorities at all levels in the Department. Effective business planning is critical to ensuring that we are able to meet the Government's expectations and achieve the Department's key objectives.

In developing our 2010–11 business plans, we focused on directions set in the 2008–10 FaHCSIA Strategic Framework and identified strategic risks.

Business planning provides a clear line of sight between individuals' work and FaHCSIA's strategic objectives, by aligning day-to-day business objectives and activities with the Department's strategic framework. The business priorities articulated in the framework cascade into group and state business plans. Individual performance agreements, entered into by FaHCSIA staff with their managers, then reflect relevant priorities from the business plans.

## 142 Next steps in strategic and business planning

In 2010–11, FaHCSIA developed:

- ▶ the 2011–14 FaHCSIA Strategic Framework, which sets the Department’s strategic direction for the next three years. The new framework took effect on 1 July 2011 and is available on the Department’s website ([www.fahcsia.gov.au](http://www.fahcsia.gov.au))
- ▶ the 2011–12 FaHCSIA Plan, which complements the framework by focusing on our most critical and immediate priorities for Government and for effective and efficient organisational performance in the year ahead
- ▶ a new business planning framework, which focuses planning activities towards directions set in the strategic framework and the achievement of key priorities articulated in the FaHCSIA plan.

### Risk management

FaHCSIA’s risk management policy, guidelines and tools are based on the Australian and New Zealand International Standard on Risk Management (AS/NZS/ISO 31000:2009).

The Executive Management Group is responsible for FaHCSIA’s management of risk, supported by the Risk Assessment and Audit Committee, which oversees the implementation and effectiveness of the Department’s risk management strategy.

The Executive has identified five strategic risks (covering programs, policy, compliance, workforce and whole of government), and an Executive Management Group member has been nominated as the ‘owner’ of each risk. Each owner is supported by groups across the Department with key responsibilities for activities related to each risk.

Reference to the strategic risks is built into the risk plans prepared at every level of the Department. Offices and business units are required to specify in their plans the strategic risks to which their identified program-level or operational risks relate.

Broadly, risks in FaHCSIA are managed at each level of the organisation as follows:

- ▶ Strategic risks are identified, treated and monitored at a high level by the Executive and group managers and at an operational level throughout the Department.
- ▶ Program-level risks are identified, treated and monitored by branch, section and state managers.
- ▶ Project and other operational risks are identified, treated and monitored by section managers and their staff.

In 2010–11, FaHCSIA initiated a project to strengthen the Department’s risk management maturity. The outcome of the project will be a new risk management framework that will build upon and further improve the current framework.

### Business continuity planning

Our business continuity planning aims to ensure that the Department is prepared to deal with any interruptions to critical service delivery. As part of our commitment to effective risk management, we maintain robust business continuity plans across all of our critical business processes and enabling services. The plans are designed to ensure that we can deliver our mission-critical services to portfolio ministers, the community, service providers, suppliers, staff and other governments.

If a disaster with the potential to significantly disrupt our service delivery occurs, we are well prepared to implement alternative strategies to ensure that our critical business processes continue with minimal interruption. We regularly review and test all business continuity plans to ensure that they remain valid and effective.

The Crisis Response Team, chaired by Deputy Secretary and Chief Operating Officer Bruce Hunter, has the authority to officially declare a disaster and activate the Department's business continuity response. The team comprises senior executive staff drawn from all critical business areas. At least once a year, FaHCSIA conducts half-day scenario exercises involving senior executive staff with a designated role on the Crisis Response Team. FaHCSIA conducted a Crisis Response Team scenario exercise on 2 March 2011. The Department's crisis response strategies were required at a local level during the Queensland floods and cyclone and during other national disasters affecting our staff or our property.

## Internal audit assurance activities

In 2010–11, FaHCSIA conducted internal risk-based assurance audits across the Department and monitored the management actions to reduce FaHCSIA's risk exposure against the agreed audit recommendations. The audits promoted compliance and operational efficiency and effectiveness through better practice. All audit recommendations were closely monitored throughout the year. The internal audits undertaken during 2010–11 covered the following topics:

- ▶ strategic and operational priority setting
- ▶ regulatory compliance and business processes
- ▶ Northern Territory state office corporate functions
- ▶ Queensland state office corporate functions
- ▶ remote service delivery implementation arrangements
- ▶ financial controls over third-party service providers
- ▶ accounts receivable
- ▶ travel approvals
- ▶ executive dashboard reporting tools
- ▶ change management practices
- ▶ project management practices
- ▶ information technology change management
- ▶ information systems interfaces
- ▶ online forms post-implementation review
- ▶ follow-up of high-risk internal audit recommendations
- ▶ adherence to Commonwealth Procurement Guidelines
- ▶ administration of employee delegations
- ▶ records management
- ▶ FaHCSIA's Strategic Framework system under development assurance
- ▶ IT Refresh Project system under development assurance.



## Protective security

Protective security entails an integrated system of security measures designed to protect activities and assets—namely our people, information, infrastructure, resources, business reputation and operations.

In June 2010, the Attorney-General's Department released the Protective Security Policy Framework, which sets out 33 core values that government agencies are required to implement.

In April 2011, FaHCSIA implemented a new departmental security policy across the Department. The policy aligns with the mandatory requirements detailed in the framework, which themselves have a basis in legislation and behavioural standards such as the *Crimes Act 1914* and APS Code of Conduct.

Our protective security policies and security measures are designed to provide a practical, risk-based approach to either eliminate or reduce to an acceptable level the threats and risks to the Department.

All FaHCSIA staff and contractors have an obligation to comply with these policies to ensure that the integrity of the Department is maintained and that we continue to enjoy the trust and confidence of the Australian Government and the public.

## Privacy

FaHCSIA takes seriously its privacy obligations, including those concerning the collection of personal information from staff and the use and disclosure of that personal information. FaHCSIA ensures that complaints or alleged breaches of privacy are investigated.

FaHCSIA has a strong framework in place to protect the privacy of individuals. This framework includes adherence to secrecy and privacy legislation, arrangements with service delivery agencies and a number of other measures, such as confidentiality deeds and declarations from service providers and staff.

In addition to the obligations imposed by the *Privacy Act 1988*, legislation administered by FaHCSIA contains secrecy provisions that expressly prohibit the release of customer information, except in limited circumstances. Those provisions include criminal offences that may result in a term of imprisonment.

FaHCSIA's bilateral management arrangement with its partner agencies includes mechanisms that allow FaHCSIA to monitor and contribute to the protection of customer privacy and enable parties to cooperate in handling matters related to privacy (see also 'Fraud and compliance' below).

### Investigations by the Office of the Australian Information Commissioner

Before 1 November 2010, privacy functions under the Privacy Act were carried out by the Office of the Privacy Commissioner. On 1 November 2010, the privacy functions were transferred to the Office of the Australian Information Commissioner (OAIC). However, the position of the Privacy Commissioner and its functions have continued under the OAIC.

FaHCSIA liaises with the Australian Information Commissioner and the Privacy Commissioner on privacy policy development relating to social security, family assistance, Indigenous affairs and the handling of personal information.

The OAIC may investigate a privacy issue, whether or not a complaint has been made, and issue a report or determination following that investigation. During 2010–11, the OAIC and Office of the Privacy Commissioner received no complaints about FaHCSIA.

## Fraud and compliance

FaHCSIA's compliance framework aims to build and support a compliance culture that focuses on FaHCSIA's outcomes and reflects:

- ▶ a commitment to best practice
- ▶ the application of risk-based decision making
- ▶ transparency and accountability
- ▶ the pursuit of continuous improvement.

FaHCSIA's fraud control framework ensures that the Department has a robust and reliable system in place to aid in preventing, detecting, reporting and responding to fraud allegations. The framework incorporates FaHCSIA's corporate priorities, policies and guidelines and is based on Commonwealth legislation, Australian Standards and the Australian National Audit Office's better practice guide on fraud control and compliance.

The Compliance Branch provides operational support to FaHCSIA's state and territory network. The support ranges from advising on program compliance to assisting with compliance reviews of FaHCSIA-funded service providers where serious and complex noncompliance is suspected.

### Fraud control

FaHCSIA's fraud control plan serves a number of purposes, all of which assist in preventing, detecting and deterring fraud. The plan includes:

- ▶ an outline of FaHCSIA's structure and culture
- ▶ a statement of FaHCSIA's policy on and approach to fraud
- ▶ a description of FaHCSIA's fraud control responsibilities and strategies
- ▶ an assessment of FaHCSIA's fraud risk exposure
- ▶ direction for FaHCSIA's fraud capabilities, especially in the areas of control, response and education
- ▶ a description of fraud reporting obligations across and external to FaHCSIA.

The fraud control plan is reviewed annually. The risk assessment supporting the plan is reviewed and updated on an ongoing basis through a targeted fraud risk assessment and response approach. As part of the review process, the Fraud Control Team consults extensively with staff across all levels in the Department, including throughout the network and in the national office.

### Fraud awareness

The FaHCSIA fraud awareness strategy meets the different training needs of staff in the national office and the state and territory network. The strategy incorporates a number of delivery methods, including face to face, videoconferencing and an online e-learning module. The strategy also provides regular fraud-related messages to staff through email and intranet news articles.

### Fraud investigation

During the year, the Compliance Branch investigated allegations of fraud involving FaHCSIA programs and services and allegations of criminal conduct by FaHCSIA employees. Risks identified through the course of investigations were reported to relevant governance committees and program and network areas.

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All FaHCSIA investigators have the mandatory qualifications outlined in the Australian Government Investigation Standards and the *Commonwealth Fraud Control Guidelines 2011*.

FaHCSIA works closely with other Australian Government agencies responsible for fraud prevention and investigation by sharing information and developing knowledge of fraud risks, fraud intelligence and trends affecting FaHCSIA's program areas.

### Fraud control certification



## Assurance mechanisms for payments and services

### Bilateral management arrangement

A bilateral management arrangement between Centrelink (as the Commonwealth service delivery agency) and FaHCSIA was developed and agreed by the Strategic Partnerships Interdepartmental Committee on 24 November 2009. The arrangement provides the mechanism for assurance in relation to payments and programs relevant to the relationship between FaHCSIA and Centrelink.

The arrangement is a risk management agreement to support the multilateral strategic partnership arrangement. It encompasses relevant relationship, governance and reporting requirements, and specifies the objectives, principles, mechanisms and respective roles and responsibilities of the organisations.

The arrangement has streamlined administration and reporting, providing a more strategic focus on outcome performance and business improvement between agencies.

## Control framework

The FaHCSIA control framework focuses on detecting and preventing incorrect payments and fraud and maximising payment accuracy. It relies on a risk-management approach to optimise compliance. FaHCSIA works with Centrelink to:

- ▶ develop, implement and support systems and procedures to prevent, identify and investigate incorrect payments and fraud
- ▶ undertake activities in debt prevention, reviews, analysis, identification, debt raising and recovery, as well as investigation and prosecution
- ▶ monitor, analyse and report on performance
- ▶ provide information on compliance issues, trends, projects and results.

Controls are designed to be cost-effective, while minimising customer impacts. Customers are promptly notified of determinations resulting from reviews that affect a rate of payment or result in a debt or action to recover a debt.

## Measuring the accuracy of program outlays

The Department's random sample survey program provides an estimate of the accuracy of program outlays and intelligence about emerging outlay risks. The surveys also provide information that assists in the policy development process.

The program provides assurance information required under the bilateral management arrangement. Random samples enable a point-in-time analysis of customers' circumstances.

During 2010–11, on FaHCSIA's behalf, Centrelink conducted random sample surveys of FaHCSIA's customers.

The surveys are designed to measure inaccuracy as a result of negligence, circumstance or error; they do not capture payment errors due to deliberate fraud. Accuracy can then be derived as the complement of inaccuracy. The results are presented in Table 12.1.

**Table 12.1 Payment accuracy by payment type, 30 June 2011**

Payment type	Number of customers surveyed	Accuracy (%)	Confidence interval (%)
Age Pension	5,000	98.02	2.13
Carer Allowance	250	98.74	1.72
Family Tax Benefit	2,250	97.60	1.23
Special Benefit	500	96.35	2.10
Disability Support Pension	2,745	98.45	2.66
Carer Payment	1,500	97.60	1.01
Overall rate of accuracy	12,245	97.99	0.92

## Debt raising and recovery

Centrelink raised 555,310 FaHCSIA debts valued at \$294.36 million during 2010–11. Of that amount, debts raised for recovery totalled \$274.60 million; a further \$19.76 million was waived at determination.

Recoveries of FaHCSIA and Family Assistance Office debts by cash and withholdings amounted to \$232.66 million.

These figures include compensation debts and exclude FTB reconciliation and tax return non-lodger debts.

## Compensation payments

The compensation provisions in the *Social Security Act 1991* are structured to encourage people to use private financial resources, such as compensation payments, before accessing the taxpayer-funded social security system. The provisions also ensure that people who receive compensation for an injury or illness have those payments considered in the calculation of any social security benefits.

Under the compensation provisions in the Social Security Act:

- ▶ people can be compelled to claim for compensation where compensation may be payable
- ▶ past payments of social security can be recovered from arrears payments of periodic compensation payments and lump-sum compensation payments
- ▶ social security payments cannot be paid within preclusion periods due to the receipt of lump-sum compensation payments
- ▶ periodic payments, such as weekly workers compensation payments, reduce directly, dollar for dollar, the rate of social security payments otherwise payable—any excess is treated as income for partners of compensation recipients.

To ensure that the community understands the effect of compensation on social security benefits, Centrelink provides information on its website for compensation recipients, compensation authorities, and legal, insurance, union and community representatives.

## Grant management

FaHCSIA has introduced a common business model for community program funding which supports the achievement of the seven FaHCSIA outcomes. The model is consistent with government priorities to reduce red tape, support provider engagement and provide a greater focus on program performance and impact. It was developed in response to Operation Sunlight, the Government's reform agenda to improve the openness and transparency of public sector budgetary and financial management and to promote good governance practices.

The common business model is underpinned by a risk-based approach to funding processes and aims to achieve greater consistency in grant management. Importantly, the model is not a one-size-fits-all approach; flexibility across programs and service providers is integral. This means applying a differentiated approach to controls (funding agreements, selection, acquittals, monitoring and reporting), determined by the level of risk assessed for the program, provider and service delivery within a common framework.

## Act of grace payments

An act of grace payment is a benevolent payment made to anyone in the public interest for a loss or incurred expenditure for which the Commonwealth has no legal or financial responsibility or liability. Payments are available (but not guaranteed) only when no other statutory, regulatory or policy avenues exist for the granting of financial relief.

During 2010–11, the total amount of act of grace payments was \$0.491 million and the total number of payments was 44.

## Ethical standards

The Department has continued to roll out its strategy for the promotion, management and assurance of ethical behaviour in FaHCSIA.

In February 2011, a DVD informing staff about the impact of bullying in the workplace and highlighting the Department's systems for dealing with bullying and harassment was jointly launched by the then Secretary of FaHCSIA, Dr Jeff Harmer AO, and Comcare CEO Paul O'Connor. The DVD was distributed with a training package to FaHCSIA managers, harassment contact officers and health and safety representatives in the national office and across the state and territory network.

During the reporting period, a campaign aimed at raising awareness of the existence of, and services provided by, the Australian Public Service Commission's Ethics Advisory Service was also held.

The FaHCSIA People and Culture Committee regularly evaluates the effectiveness of the ethical behaviour strategy, which includes policies and employee information on:

- ▶ the reporting and handling of suspected breaches of the APS Code of Conduct
- ▶ the handling of whistleblower reports
- ▶ identifying and addressing conflicts of interest
- ▶ the lobbying code of conduct
- ▶ interactions of employees with ministers and ministerial staff
- ▶ registration of employee financial and other private interests
- ▶ handling and release of official information
- ▶ the appropriate use of social media
- ▶ receipt by employees of gifts or benefits.

The FaHCSIA staff survey conducted in February 2010 showed that 96 per cent of FaHCSIA employees are aware of and have a good understanding of the APS Values and Code of Conduct.

## Service charter

The FaHCSIA Service Charter sets out the standard of service that people who deal with the Department can expect and the ways they can help the Department to improve service to customers, such as by providing feedback. The charter also helps FaHCSIA staff to develop a better understanding of their roles and responsibilities. Further information on the charter can be found on FaHCSIA's website.

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## Complaints management

A new complaints management system was implemented during 2010–11 enabling the Department to better identify systemic issues and trends on the nature and volume of complaints received.

The goals of the FaHCSIA complaints management system are to:

- ▶ provide our clients with a timely, professional and consistent approach to handling complaints
- ▶ provide information to assist us to improve our customer service and administrative processes.

The complaints handling team provides a central point of contact for clients wishing to express concerns about the Department or one of its funded service providers.

In 2010–11, 175 approaches were made to the Department. Of these approaches, 64 complaints were recorded. This compares with 73 complaints recorded in 2009–10. Of the 64 complaints received in 2010–11, 46 have been resolved and 18 are currently being looked into. The complaints received by the Department are categorised under the seven outcomes reflecting the core areas in which the Department seeks to assist people. The majority of the complaints in 2010–11 related to organisations providing services to people with disability.

The Department's operations are subject to scrutiny from external entities, including the Australian National Audit Office (ANAO), the Commonwealth Ombudsman and parliamentary committees.

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## Reports by the Australian National Audit Office

FaHCSIA's operations were subject to external audit by the ANAO during 2010–11. The Auditor-General tabled four audit reports in Parliament that were directly relevant to departmental operations. The reports were associated with government business managers in the Northern Territory, Army assistance to Aboriginal communities, Indigenous housing initiatives, and home ownership on Indigenous land.

The ANAO also tabled three cross-agency audit reports that included FaHCSIA's operations as an element of the evaluation. FaHCSIA formally responds to ANAO reports in writing, and the ANAO includes the responses in its reports. The ANAO makes its reports available on its website ([www.anao.gov.au](http://www.anao.gov.au)).

## Reports by the Commonwealth Ombudsman

The Department works with the Commonwealth Ombudsman to assist in the resolution of issues identified in complaints in relation to FaHCSIA funded service provision or FaHCSIA administrative processes.

The Commonwealth Ombudsman received 131 approaches about the Department in 2010–11, a decrease of 52 approaches compared with 2009–10. Of the approaches, 40 were by telephone, 12 in writing, 66 in person, 9 by email, 0 by fax and 4 through the Ombudsman's online complaints form.

During 2010–11, the Commonwealth Ombudsman closed 216 matters (relating to FaHCSIA). In four of these matters, a finding of administrative deficiency was recorded.

## Judicial decisions

### Federal Court

There was one judicial decision of major significance to the Department in 2010–11.

In *Poniatowska v DPP (Cth)* (2010) 271 ALR 610; [2010] SASCFC 19, the full court of the Supreme Court of South Australia (majority decision) indicated that in prosecuting a case under section 135.2 of the *Crimes Act 1914*, not only does the Commonwealth Director of Public Prosecutions have to prove that the person failed to inform the Department of a change in circumstances, but it also has to show that the person had a legal duty to do so. This matter is currently the subject of a High Court appeal.

The Australian Parliament has recently passed legislation to protect the integrity of the social security system. The legislation, among other things, inserts a standalone obligation for a person to inform the Department of events or changes of circumstances that might affect the payment of a social security payment to the person or the person's qualification for a concession card.



## 152 Administrative tribunal decisions

Outside of the matters dealt with by Centrelink, no decisions of an administrative tribunal have had a significant impact on the operations of the Department during 2010–11.

Centrelink is responsible for the management of the review of decisions for FaHCSIA and other departments. In consultation with the relevant portfolio departments, Centrelink considers decisions made by the Social Security Appeals Tribunal to determine whether, based on issues of fact or law, the decision should be appealed to the Administrative Appeals Tribunal. For information about the review of decisions made by Centrelink, see Centrelink's annual report.

## Reports by parliamentary committees

The portfolio appeared before the Senate Community Affairs Committee Estimates inquiry on three occasions during 2010–11. The portfolio also gave evidence and/or made submissions to a number of parliamentary committee inquiries. These are summarised below.

### House of Representatives Standing Committee on Economics—Inquiry into Indigenous economic development in Queensland and review of the Wild Rivers (Environmental Management) Bill 2010

The House of Representatives Standing Committee on Economics examined the scope for increasing sustainable Indigenous economic development in Queensland including in the Cape York region. The committee had regard to the aspirations of Indigenous people and the social and cultural context surrounding their participation in the economy.

Witnesses from the Department attended a public hearing on 26 November 2010. The committee tabled its report on 12 May 2011.

### Senate Legal and Constitutional Affairs Committee—Inquiry into the Wild Rivers (Environmental Management) Bill 2011

The Senate Legal and Constitutional Affairs Committee inquired into the Wild Rivers (Environmental Management) Bill 2011.

The Department provided a written submission to the committee and appeared before it on 27 April 2011. The committee tabled its report on 10 May 2011.

### Senate Legal and Constitutional Affairs Committee—Commonwealth Commissioner for Children and Young People Bill 2010

The Senate Legal and Constitutional Affairs Committee inquired into the Commonwealth Commissioner for Children and Young People Bill 2010.

This private senator's bill sought to establish an independent statutory office of Commonwealth Commissioner for Children and Young People, to advocate at a national level for the needs, rights and views of people below the age of 18.

The Department appeared before the committee on 30 March 2011 and prepared an answer to a question taken on notice during the hearing. The committee tabled its report on 12 May 2011.

### Senate Legal and Constitutional Affairs Committee—Inquiry into Schedule 4 of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010

The Department provided a written submission to the Senate Legal and Constitutional Affairs Committee inquiry into Schedule 4 of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010.

Schedule 4 sought to amend the *Aboriginal and Torres Strait Islander Act 2005* to include a power for the Minister to make guidelines that would apply to the Indigenous Land Corporation when it performs its functions to support native title settlement.

The committee tabled its report on 9 February 2011.

### Senate Legal and Constitutional Affairs References Committee—Review of Government Compensation Payments

The Senate Legal and Constitutional Affairs References Committee inquired into the administration and effectiveness of current mechanisms used by federal and state and territory governments to provide discretionary payments in special circumstances, or to provide financial relief from amounts owing to governments, namely:

- ▶ state statutory schemes relating to children in care
- ▶ payments made under 'defective administration' schemes, such as the Commonwealth Scheme for Compensation for Detriment caused by Defective Administration
- ▶ act of grace and ex gratia payments
- ▶ waiver of debt schemes.

The Department provided a written submission to the committee.

The Department appeared before the committee on 29 October 2010 and prepared answers to questions taken on notice during the hearing. The committee tabled its report on 6 December 2010.

### Senate Community Affairs Legislation Committee—Inquiry into the Family Assistance and Other Legislation Amendment Bill 2011

The Senate Community Affairs Legislation Committee inquired into the Family Assistance and Other Legislation Amendment Bill 2011.

The Department appeared before the committee on 15 June 2011 and prepared answers to questions taken on notice during the hearing. The committee tabled its report on 22 June 2011.

### Senate Community Affairs Legislation Committee—Inquiry into Schedule 2 of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010 (Changes to Disability Support Pension)

The Department provided a written submission to the Senate Community Affairs Legislation Committee inquiry into Schedule 2 of the Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Budget and Other Measures) Bill 2010. This schedule sought to introduce an ongoing requirement for residence in Australia for a Disability Support Pension.

The Department appeared before the committee on 15 November 2010 and prepared answers to questions taken on notice during the hearing. The committee tabled its report on 22 November 2010.

### Senate Community Affairs References Committee—Inquiry into Planning Options and Services for People Ageing with a Disability

The Senate Community Affairs References Committee inquired into access to options for and services to assist people with disability and their carers to plan for the future, including:

- ▶ inadequacies in the choice and funding of planning options currently available to people ageing with a disability and their carers
- ▶ ways to ensure the continued quality of life for people with disability as they and their carers age
- ▶ the types of options and services that could be developed to help people with disability and their carers to plan for the future
- ▶ any other matters which would assist carers to find an adequate and appropriate answer to the question: 'What happens when I/we can no longer care?'

The Department appeared before the committee on 8 November 2010 and 18 February 2011 and prepared answers to questions taken on notice during the hearings. The committee has yet to table its report.

### Senate Community Affairs References Committee—Commonwealth Contribution to Former Forced Adoption Policies and Practices

In April 2011, the Department provided a written submission to the Senate Community Affairs References Committee in relation to its inquiry into the role, if any, of the Commonwealth Government, its policies and practices in contributing to forced adoptions and the potential role of the Commonwealth in developing a national framework to assist states and territories to address the consequences for the mothers, their families and children who were subject to forced adoption policies.

The committee has yet to table its report.

### Joint Select Committee on Gambling Reform—Inquiry into pre-commitments scheme

On 30 September 2010, the Parliament agreed that a Joint Select Committee on Gambling Reform would be appointed to inquire into and report on:

- ▶ the Productivity Commission report on gambling, released in June 2010, including a national response to the full set of its recommendations
- ▶ the design and implementation of a best practice full pre-commitment scheme that is uniform across all states and territories and machines—consistent with the recommendations and findings of the Productivity Commission
- ▶ legal advice commissioned and received by the Commonwealth by 1 February 2011 regarding the Commonwealth's constitutional competence and prospects for successfully legislating in this area, including the reasoning supporting the legal advice and financial and other consequences flowing from it
- ▶ any gambling-related legislation that has been tabled in either House, either as a first reading or exposure draft

- ▶ appropriate terms of reference, to be set by no later than 30 June 2013, of a further Productivity Commission inquiry to examine the impact of pre-commitment schemes on problem gambling and to determine what further harm minimisation measures may be necessary
- ▶ monitoring the impact of reforms to address problem gambling
- ▶ other such matters relating to gambling referred by either House.

The committee was also requested to make recommendations to the Minister for Families, Housing, Community Services and Indigenous Affairs and the Assistant Treasurer, to inform any position that the Commonwealth will take to the COAG Select Council on Gambling Reform.

Witnesses from the Department appeared before the committee on 15 February 2011. The committee tabled its report on 6 May 2011.

### Joint Select Committee on Gambling Reform—Inquiry into interactive and online gambling and gambling advertising

On 30 June 2011, the Department provided a submission to the Joint Select Committee on Gambling Reform in relation to its inquiry into interactive and online gambling and gambling advertising.

The committee has yet to table its report.

### Joint Standing Committee on Treaties—Review into Treaties

The Joint Standing Committee on Treaties reviews and reports on all treaties proposed by the Government before action that binds Australia to the terms of the treaty is taken.

On 25 February 2011, the Department appeared before the committee for the Agreement between Australia and the Slovak Republic on Social Security. The committee tabled its report on 14 June 2011, recommending that binding treaty action be taken.

### Joint Standing Committee of Public Accounts and Audit—Review of Auditor-General's Reports Nos. 39 (2009/10) to 15 (2010/11)

The Joint Committee of Public Accounts and Audit examines all of the reports of the Auditor-General tabled in Parliament.

The Department appeared before the committee on 3 March 2011 to give evidence in relation to the Auditor-General's Report No. 11 2010–11 on direct source procurement. The Department also prepared answers to questions taken on notice during the hearing.

The committee has yet to table its report.

## Chapter 14

### Human resources management

# 14

156 FaHCSIA relies on the capabilities and commitment of its staff to achieve its purpose of improving the lives of Australians. We are proud of, and value, the diversity of skills, experience and perspectives our people bring to the work of the Department.

FaHCSIA values, recognises and rewards its people. We have a strong performance culture focused on building staff capability, including leadership, through effective attraction and retention strategies. Our staff respect and encourage diversity in their working environment.

To support our people, FaHCSIA has a comprehensive and integrated human resources management framework, the FaHCSIA People Strategy 2009–2011: *Great people, great future*. Through successful implementation of key initiatives in the strategy we made great progress in strengthening our people capability during 2010–11. This chapter provides an overview of our key achievements.

### Workforce planning

The FaHCSIA People Strategy is informed by regular data collection and analysis. Each quarter, the People Branch prepares a human resources metrics report for the People and Culture Committee and the Executive Management Group. The report contains numerical and trend data and analysis to support decision making. This information is also used by the human resources advisory team to help operational areas to:

- ▶ understand the factors affecting their workforce
- ▶ quantify the staff supply and demand factors affecting the delivery of departmental outcomes
- ▶ develop staff attraction, retention and development strategies to meet workforce requirements.

FaHCSIA is moving towards an integrated approach to workforce planning, where each group will develop a workforce plan as part of its annual business planning process. The workforce plans will address specific workforce risks identified by each group, and allow us to view workforce risks and mitigation strategies at a whole-of-department level.

### Graduate program

FaHCSIA recruits graduates from a range of academic disciplines, including arts, law, social sciences, information technology and economics and finance. FaHCSIA also recruits Aboriginal and Torres Strait Islander graduates and cadets through the Australian Public Service Commission's Indigenous Pathways to Employment Program. Incoming graduates form a critical part of the Department's organisational renewal strategy.

FaHCSIA provides its graduates with a combination of on-the-job development and formal training. The 2011 graduates will complete a course leading to the award of a Diploma in Government. Graduates also take part in the internal priority skills training available to all FaHCSIA staff.

Participation in the graduate program requires graduates to assume a variety of roles in two discrete work placements in different functional areas of the Department. They undertake a combination of administrative tasks, policy and program development, and research. Graduates gain general experience working in a major policy department that exposes them to policy development and implementation processes, and familiarises them with work standards and processes in the Australian Public Service (APS).

On completion of their development program, the graduates advance to the APS 4 level.

In 2011, FaHCSIA recruited 58 graduates; most were generalists, but a small number were information technology, social policy or finance specialists.

The average retention rate each year for the past three years for staff who joined FaHCSIA through the graduate program is approximately 85 per cent.

### Staff retention and turnover

In 2010–11, the Department's voluntary separation rate was 10.39 per cent (a decrease from 10.81 per cent in 2009–10). These figures do not include staff who separated from the Department due to expiration of a contract or redundancy. The InfoHRM (a benchmarking service used by a number of APS agencies) median benchmark was 10.34 per cent.

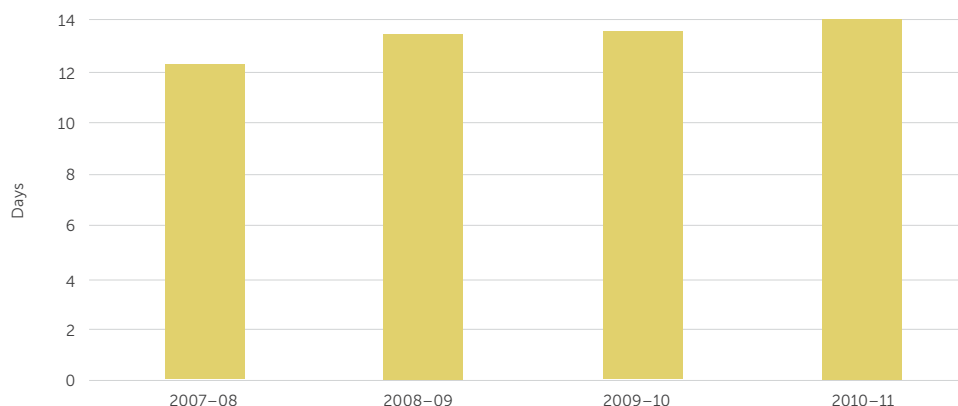
The Department had a retention rate of 86.21 per cent in 2010–11, a decrease from 87.07 per cent in 2009–10. Retention rates measure the percentage of staff who were retained throughout the entire year. The InfoHRM median benchmark for the 2010 calendar year was 86.55 per cent.

### Maximising attendance

The FaHCSIA Maximising Attendance Strategy was launched in October 2009. It is designed to encourage a positive attendance culture and to help managers better understand unscheduled leave in the organisation.

Figures 14.1 and 14.2 respectively show four-year trends in unscheduled absences and unscheduled absences by leave type per full-time equivalent FaHCSIA employee. The data indicates that the use of unscheduled absences has increased over the four years. Ongoing monitoring will continue, and the People and Culture Committee and Executive Management Group are looking at ways to improve the impact of the strategy and increase productivity.

**Figure 14.1 Unscheduled absences per full-time equivalent employee, 2007–08 to 2010–11**



Note: The results for 2009–10 and earlier may vary slightly from those published in previous annual reports. This is largely due to retrospective entry of leave; staff do not usually submit leave until after they return to work (most sick, miscellaneous, carer's and workers compensation leave is not planned in advance).

**Figure 14.2** Unscheduled absences per full-time equivalent employee by leave type, 2007–08 to 2010–11



In summary, FaHCSIA’s unplanned leave data reveals the following:

- ▶ Leave usage was 14.03 days per full-time equivalent for 2010–11, an increase from 13.54 days in 2009–10.
- ▶ Sick leave usage increased slightly to 10.70 days per full-time equivalent in 2010–11, compared to 10.33 days in 2009–10. The increase in sick leave usage for 2010–11 occurred in all months except July, September and October 2010.
- ▶ Carer’s leave usage increased from 2.45 days in 2009–10 to 2.73 days in 2010–11.
- ▶ Miscellaneous leave remained steady at 0.23 days in 2009–10 and 2010–11.
- ▶ Workers compensation leave decreased from 0.53 days in 2009–10 to 0.37 days in 2010–11.

## Supporting staff

FaHCSIA’s strategies to support and develop staff include a staff survey; leadership and capability development; networks and services to support diversity, Aboriginal and Torres Strait Islander staff and staff with disability; workforce planning arrangements; and an occupational health and safety strategic plan.

### Staff survey

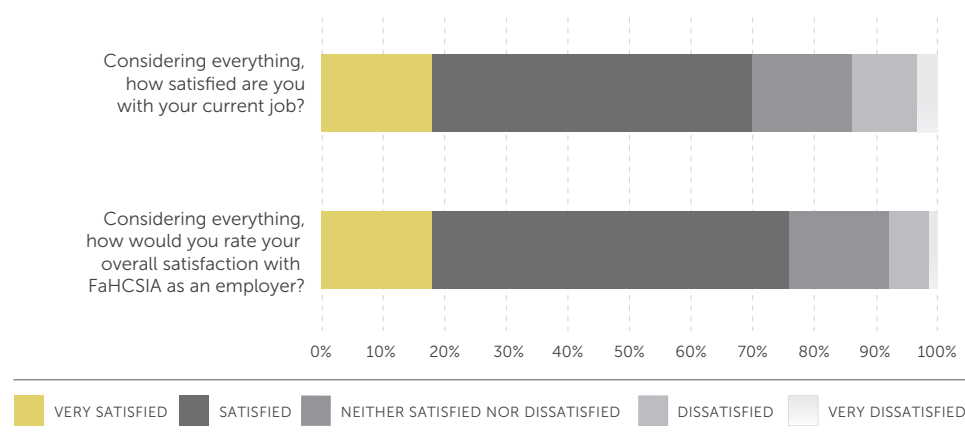
The Department believes that if we understand our workforce, we can develop people management strategies that make FaHCSIA a good place to work and enhance our reputation as an employer. The staff survey increases our understanding of the factors that motivate our staff and support their ongoing engagement and commitment. It also enables us to track the success of various strategies and programs that are implemented, at a department-wide level and locally within branches and groups, in response to previous survey results. FaHCSIA benchmarks the survey results against the State of the Service report results and against other comparable agencies.

Staff surveys have been conducted since February 2009, and a review of the effectiveness of staff surveying was completed in May 2011. The findings of the review showed a consensus view that staff surveying was a valuable tool for the Department to identify opportunities for positive change, and that strategies implemented in response to staff survey results did in fact influence positive change.

Overall, both staff and managers were very supportive of the staff survey initiative, and this is reflected in an average participation rate of over 80 per cent since surveying commenced. The People and Culture Committee has affirmed the value of the survey and agreed that staff surveying should continue into the future.

Figure 14.3 shows the November 2010 results for the survey questions on staff satisfaction with their current job and FaHCSIA as an employer.

**Figure 14.3 Overall satisfaction with current job and FaHCSIA, November 2011 survey results**



The top 12 drivers of overall satisfaction, engagement and organisational commitment were found to be (in order of the importance of their impact):

- ▶ intrinsic rewards from current job
- ▶ career progression
- ▶ work–life balance
- ▶ job–skills match
- ▶ goal clarity
- ▶ recruitment and selection
- ▶ diversity and equal opportunity
- ▶ autonomy and empowerment
- ▶ accommodation and occupational health and safety
- ▶ internal communication
- ▶ performance of the Secretary and deputy secretaries
- ▶ IT and information systems.

These drivers were consistent with the top 12 drivers identified in staff surveys conducted during 2009–10.



## People strategy

The FaHCSIA People Strategy 2009–2010 was developed to support the Department's strategic framework. In 2010, the People Committee approved the extension of the strategy to December 2011 to allow for the alignment of a number of key initiatives under the strategy and a greater period between implementation and evaluation.

The strategy was designed to achieve two key outcomes: a great place to work and a strong performance culture. The strategy provides clear guidance on how each member of our staff contributes to achieving those outcomes.

In early 2011 a review of the strategy commenced and, with the launch of our new strategic framework in July, a new People Strategy will be developed, to take effect from 2012.

## Staff development and training

In 2010–11, FaHCSIA delivered on key priorities under our organisational learning strategy to:

- ▶ develop a culture that fosters and supports learning opportunities
- ▶ clearly identify current and future organisational development needs
- ▶ provide a diverse range of learning solutions.

FaHCSIA continued to provide a suite of in-house development programs in national and state office locations to address priority skills requirements of staff. In 2010–11, 102 programs were offered in financial management, writing to and for the Minister, better writing, project management, managing stakeholder engagement, working with commercial contracts, working with funding agreements, understanding accountabilities, policy development and advice, and performance management skills. Eighteen staff undertook accredited training in contract management towards a Diploma of Government qualification.

FaHCSIA delivered a revised leadership program to 94 Executive Level 2/Network Executive Level 1 and Senior Executive Service Band 1 officers. The program focused on building strategic ability in this cohort and included a residential program, leadership seminars and a 360-degree assessment instrument. The Department also supported a number of executive and senior executive officers to participate in external leadership programs, such as the Australia and New Zealand School of Government, the Australian Public Service Commission and the Cranlanna Program.

A new leadership extension program for Executive Level 2 officers was launched in 2010–11 as part of FaHCSIA's talent management framework. The program is targeted at high-potential Executive Level 2 officers; that is, those who display the right combination of aspiration, engagement and ability. The aim of the program is to build FaHCSIA's overall leadership capability, and provide a talent pipeline for the Senior Executive Service (SES).

FaHCSIA's senior executives have been closely involved in the program, with deputy secretaries (SES Band 3) delivering a seminar series, mentoring provided at the group manager (SES Band 2) level and a deputy secretary acting as the program sponsor.

The program is supported by an expert industry consultant and offers a combination of coaching, mentoring, training and development, seminars, and a structured individual development plan for each participant.

FaHCSIA continues to respond to the APS reform agenda for enhancing policy capability through our participation in the Australian National Institute of Public Policy programs. The institute's autumn program of executive short courses had 61 enrolments from FaHCSIA staff.

During 2010–11 FaHCSIA successfully implemented a new learning management system to support identification and tracking of capability development, and transitioned to a new internal e-learning platform.

## Performance management

All FaHCSIA staff participate in a formal performance management process. The process begins with the development of a performance agreement between a staff member and their manager, which sets out the individual's role, deliverables and agreed capability requirements for the 12-month performance cycle that starts on 1 August each year. Performance is formally assessed twice a year between the manager and the individual staff member.

In 2010–11, FaHCSIA reviewed the performance management framework and consulted extensively with staff to ensure they had the opportunity to provide feedback and suggestions for improvement. A new performance management system will be introduced in 2011–12.

## Staff recognition

FaHCSIA's awards program ensures that staff are valued and know that their personal contributions are appreciated. Through the Recognise and Appreciate People Scheme, we recognise people whose actions exemplify FaHCSIA values and workplace culture, advance FaHCSIA organisational goals, or demonstrate outstanding achievement. A number of initiatives are available to recognise staff for their contribution, including:

- ▶ FaHCSIA-wide recognition through a Secretary, Merit or Australia Day award
- ▶ NAIDOC awards that recognise people who have demonstrated a strong commitment to strengthening and supporting Aboriginal and Torres Strait Islander individuals, families and communities
- ▶ local-level awards
- ▶ external government-wide award schemes such as the Australian Honours Scheme and Public Service Medal.

## Workplace diversity

FaHCSIA recognises that our people are our most valuable resource and that our workforce is a community. It is the responsibility of every employee to create a workplace environment that is inclusive. To support equity and inclusiveness, the Department provides opportunities for staff to participate in various networks or interest groups, including the Aboriginal and Torres Strait Islander Staff Network, Carers' Support Group and FaHCSIA Leadership disAbility Group. The Department continues to coordinate the Australian Public Service Diversity Network, which meets quarterly. The network provides APS human resource practitioners with the opportunity to share best practice in diversity across the public service.

## Aboriginal and Torres Strait Islander staff

As the lead agency in the delivery of outcomes to Aboriginal and Torres Strait Islander people, FaHCSIA recognises the important role that Aboriginal and Torres Strait Islander employees play in sharing their stories about their history and culture, and sharing their skills and knowledge to improve the lives of Australians.

FaHCSIA has a high proportion of Aboriginal and Torres Strait Islander staff. As at 30 June 2011, 8.7 per cent of our staff identified themselves as being of Aboriginal or Torres Strait Islander origin, compared with the APS average of 2.2 per cent.

On 30 August 2010, FaHCSIA launched the Aboriginal and Torres Strait Islander Workforce Strategy 2010–2011. The strategy highlights FaHCSIA's commitment to the COAG National Indigenous Reform Agreement. The strategy promotes employment of Aboriginal and Torres Strait Islander people and aims to engage all employees in building an organisational culture that supports and values the contribution of Aboriginal and Torres Strait Islander people. In conjunction with the Reconciliation Action Plan, the strategy helps FaHCSIA to build a culturally appreciative organisation.

The Department has formed a steering group to assist with the implementation of the Aboriginal and Torres Strait Islander Workforce Strategy. The steering group is made up of senior executive staff and Aboriginal and Torres Strait Islander employees, and provides a great opportunity for them to work in partnership on issues and solutions in relation to the strategy.

FaHCSIA has demonstrated its commitment to effective governance through the appointment of a Senior Level Champion of Aboriginal and Torres Strait Islander staff, at the deputy secretary level. The role of the champion is to provide support for all Aboriginal and Torres Strait Islander staff, to represent FaHCSIA management and employees at major Aboriginal and Torres Strait Islander internal and external events, and to be the senior management contact point for Aboriginal and Torres Strait Islander employees.

The FaHCSIA Reconciliation Action Plan (RAP) 2009–2011 is our tangible commitment towards the goal of reconciliation between Aboriginal and Torres Strait Islander peoples and other Australians. Our RAP addresses how we plan to work together to continue building a culture of mutually respectful relationships, to foster an understanding of and respect for Indigenous culture, and to create improved opportunities for our Indigenous employees. Our RAP Champion is at the deputy secretary level and the development and monitoring of the RAP is governed by the RAP Working Group, which consists of a number of Indigenous and non-Indigenous staff across the Department.

We recognise the importance of providing employment opportunities for Aboriginal and Torres Strait Islander people and understand that capability development is a key element in supporting employees to gain skills, knowledge and leadership abilities. FaHCSIA continues to participate in entry-level programs that provide employment pathways for Aboriginal and Torres Strait Islander people into the Department. In 2010–11, the Department employed six Aboriginal and Torres Strait Islander trainees, six cadets and three graduates.

FaHCSIA continues to support a Cultural Appreciation Program. The program is delivered and facilitated by FaHCSIA's Aboriginal and Torres Strait Islander staff. In 2010–11 FaHCSIA held 22 Cultural Appreciation Program sessions for more than 290 employees. To further support the program, FaHCSIA provided facilitator training for 10 additional Aboriginal and Torres Strait Islander staff. As a result of this training, FaHCSIA now has 28 facilitators available to deliver the Cultural Appreciation Program across the Department.

### Staff with disability

FaHCSIA is committed to the engagement of people with disability within the Department and we have a range of employment and support programs that aim to improve accessibility and provide an inclusive work environment. FaHCSIA has a higher proportion of staff with disability than any other APS agency. As at 30 June 2011, 5 per cent of our staff identified as having a disability.

FaHCSIA provides a range of resources and services to meet employees' individual needs. The Department has a Disability Access Coordinator who provides an advocacy role for staff with disability in the Department. FaHCSIA utilises centralised funds to ensure reasonable adjustment and assistive technology is implemented and to support people to carry out the requirements of their jobs.

To foster professional development for employees with disability, FaHCSIA has a mentoring program that provides employees with disability an opportunity to be a mentee or mentor. FaHCSIA has 50 employees trained as mentors for employees with disability.

FaHCSIA participates in the 'Stepping into' internship program, which provides work experience placements in the Department for university students with disability who are in their final year of an undergraduate degree. In 2010–11 FaHCSIA provided two students with a six-week placement in the national office and will continue with this employment initiative.

A key objective under the FaHCSIA People Strategy is to increase accessibility of human resource services. FaHCSIA has established a number of channels to consult with people with disability. In late 2008, the FaHCSIA Leadership disAbility Group was established. Participation is open to any employee, with or without a disability. This group is consulted on policy, product and service development. The Hearing Impaired Staff Network provides guidance to FaHCSIA on how to provide better practice in hearing services and products.

FaHCSIA has demonstrated its commitment to effective governance through the appointment of a Senior Level Disability Champion, at the deputy secretary level. The role of the champion is to promote disability awareness throughout the organisation and to hold lunchbox sessions with employees with disability on a quarterly basis. The lunchbox sessions provide an opportunity for employees to consult with the senior leader on a range of issues and solutions.

In 2010, FaHCSIA participated in the Paralympic Diversity Workplace Program. The program provided a paralympian with a 12-month employment opportunity and a role as diversity ambassador within the Department.

At the APS level, FaHCSIA remains an active member of the Australian Public Service Commission's Disability Steering Group. The group brings together human resource practitioners from multiple agencies to identify and progress APS-wide initiatives to improve employment outcomes for people with disability.

In 2009, FaHCSIA implemented a pilot traineeship program for five people with intellectual disability. On 10 February 2011, four trainees graduated with a Certificate II in Business Administration. The fifth trainee will graduate at the end of August on successful completion of the program. The four trainees were given permanent employment in the Department following the completion of their traineeships.

## Workplace arrangements

### Collective agreement

The FaHCSIA Collective Agreement 2009–11 commenced on 14 January 2009 and has a nominal expiry date of 14 November 2011. The agreement covers non-SES employees and seeks to:

- ▶ make FaHCSIA an employer of choice
- ▶ promote work–life balance
- ▶ achieve clarity and flexibility in conditions of employment
- ▶ motivate employees to build a high-performing and increasingly productive organisation.

Main features of the agreement are:

- ▶ salary advancement based on performance
- ▶ annual salary increases offset by genuine and quantifiable productivity initiatives
- ▶ flexible and family-friendly working arrangements
- ▶ a healthy, safe and respectful work environment
- ▶ articulation of employee and manager responsibilities to enhance the Department's culture and contribute to the achievement of FaHCSIA outcomes.

Bargaining on a new enterprise agreement is expected to commence in August 2011.

### **Flexibility agreements—non-SES employees**

The Department may negotiate individual supplementary pay and conditions for non-SES employees under the FaHCSIA Collective Agreement flexibility agreement clause. The individual agreements are provided to attract, retain and reward highly valued non-SES employees. On 30 June 2011, 510 non-SES employees had supplementary remuneration provided under an individual agreement.

### **Australian workplace agreements—SES and non-SES employees**

On 30 June 2011, six SES and three non-SES employees were covered by Australian workplace agreements.

### **Section 24(1) determinations—SES employees**

SES employees can negotiate individual remuneration and conditions, which are authorised by determinations made under section 24(1) of the *Public Service Act 1999*. The FaHCSIA SES remuneration policy sets the framework under which those negotiations take place.

On 30 June 2011, remuneration and other terms and conditions of employment were provided for 98 SES employees by individual determinations under section 24(1) of the *Public Service Act 1999*.

### **Common law contracts**

The Department does not use common law contracts for the employment of staff.

### **Non-salary benefits to employees**

The Department offers a number of non-salary benefits to employees under the collective agreement and other individual industrial instruments (Table 14.1).

**Table 14.1 Non-salary benefits at 30 June 2011**

<b>Non-SES staff—collective agreement</b>
Access to employee assistance program
Purchased leave
Maternity and adoption leave
Parental leave
Sabbatical leave
Annual leave
Personal leave
NAIDOC Week leave
War service sick leave
Long service leave
Flextime (not all employees)
Flexible working arrangements
Work–life balance information and referral service
Christmas/New Year close down and early stand down at Easter
Mobile phone for official and incidental personal use
Airline club lounge membership
Child and elder care information and referral service
Family care rooms, extra family care costs, school holiday family care subsidy
Study assistance
Time off for long business travel
Business class travel for long haul flights
Flexible remuneration packaging
Assistance with public transport and parking costs
Influenza vaccination
Promoting good health payment
Voluntary cash out of annual leave
Payment of professional association memberships
Assistance with relocation expenses
Compensation for loss or damage to clothing or personal effects
Travelling allowance
Remote locality assistance
<b>Non-SES staff—other individual industrial instruments</b>
All of the above benefits
Lump-sum payments
<b>SES staff—other individual industrial agreements<sup>a</sup></b>
All of the above benefits
Executive vehicle allowance

a Performance pay was rolled into salary for FaHCSIA SES employees with effect from 1 July 2010.

## 166 Occupational health and safety

FaHCSIA acknowledges its employer responsibilities under the *Occupational Health and Safety Act 1991* (OHS Act) and the *Safety, Rehabilitation and Compensation Act 1988* and is committed to the health and safety of its employees, contractors and visitors.

### Health and safety management arrangements

FaHCSIA's health and safety management arrangements (HSMAs) were revised in 2009, after consultation with staff and all health and safety representatives, members of all OHS committees, business support managers and the unions. The revised HSMAs were endorsed by the People and Culture Committee, the Executive Management Group and the Secretary.

The Department's HSMAs reflect our commitment to the health, safety and wellbeing of our employees and include:

- ▶ organisational OHS targets
- ▶ OHS policy
- ▶ FaHCSIA's OHS structure, which includes
  - the Occupational Health and Safety Section
  - designated work groups
  - health and safety representatives
  - the National OHS Committee
  - state and territory OHS committees
- ▶ roles and responsibilities in OHS
- ▶ consultation in relation to HSMAs, which includes
  - methods of consultation and record keeping in relation to HSMAs
  - monitoring and reviewing HSMAs
  - dispute resolution—HSMAs
  - dispute resolution—OHS issues
  - provisional improvement notices
- ▶ rehabilitation.

The HSMAs will remain in place until the introduction of the new Work Health and Safety Act on 1 January 2012.

### OHS strategic plan

FaHCSIA's OHS Strategic Plan 2011, 'Improving the Health and Safety of Our People', aims to:

- ▶ embed FaHCSIA's OHS management systems and supporting governance framework within our normal business operations
- ▶ implement the recommendations from the evaluation of the existing framework for the prevention and management of bullying and harassment
- ▶ assess and prepare for the changes required with the introduction of the OHS model laws
- ▶ increase the awareness and effectiveness of the framework for early rehabilitation intervention.

## Initiatives in 2010–11

In 2010–11, the Department took a number of actions to promote the health, safety and welfare at work of our employees and contractors—see Table 14.2.

**Table 14.2 Health, safety and welfare initiatives, 2010–11**

Goal	Action	Outcome
Develop a nationally consistent approach to the systems for selection, management and training of volunteers (health and safety representatives, harassment contact officers, fire aid officers and fire wardens)	<ul style="list-style-type: none"> <li>▶ Initial audit of volunteers against legislative requirement and business location</li> <li>▶ New processes for the identification and tracking of volunteer training needs</li> </ul>	Improved processes and increased confidence that all locations are appropriately serviced by volunteers
Promote national health and wellbeing activities	<p>In consultation with OHS committees and the health and safety representative network, develop nationally consistent activities that promote:</p> <ul style="list-style-type: none"> <li>▶ Safe Work Australia Week (October 2010)</li> <li>▶ World Health Day (7 April 2011)</li> <li>▶ Healthy Lifestyle Subsidy (March 2011)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased staff awareness</li> <li>▶ Demonstration of FaHCSIA's investment in staff health and wellbeing</li> </ul>
Promote zero tolerance of bullying in the workplace	Development, launch and promotion of a training program encouraging staff to act against bullying in the workplace	<ul style="list-style-type: none"> <li>▶ Developed the <i>Prevention of Bullying in FaHCSIA</i> DVD</li> <li>▶ Completed 14 training sessions nationally (18 February to 30 June 2011)</li> <li>▶ Received 85 training feedback sheets</li> </ul>
Promote national initiatives aimed at positive impacts on unscheduled leave	<ul style="list-style-type: none"> <li>▶ Increase the awareness and effectiveness of the framework for early rehabilitation intervention</li> <li>▶ An education component aimed at managers to foster a collaborative and comprehensive approach to managing staff returning to work following injury or illness</li> <li>▶ A continued commitment to national health and wellbeing initiatives including promotion of good office hygiene, and staff vaccination program</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased staff awareness of leave entitlements and responsibilities</li> <li>▶ Reduced illness and injury claims</li> <li>▶ Increased productivity</li> <li>▶ Reduced costs associated with absence related to compensable and non-compensable illness and injury</li> <li>▶ 1,235 staff vaccinated in the 2010–11 program (a 10.3% increase from 2009–10)</li> </ul>

## Rehabilitation strategies

In 2010–11 there was a minor (1.25%) increase in the interval between notification of injury or illness and rehabilitation compared to 2009–10. This is still significantly lower than the two years preceding 2009–10. FaHCSIA continues to strive to reduce the interval between notification of injury or illness and rehabilitation through its early intervention strategies.



Improvements to the rehabilitation framework system for managing staff with compensable and non-compensable injury and illness continue to provide positive outcomes for both staff and the Department.

These achievements are a result of the continuing implementation of the national initiatives in the OHS Strategic Plan and the Maximising Staff Attendance Strategy, which are aimed at early rehabilitation intervention followed by a safe and productive return to work.

Initiatives in 2010–11 included:

- ▶ the release of a new return to work policy for the management of compensable and non-compensable injury or illness
- ▶ development of support tools for managers and staff, including guidance notes, checklists and flowcharts
- ▶ regular meetings with Comcare
- ▶ identification and assessment of long-term leave cases
- ▶ the rollout of 'Supporting our People—10 days away call Rehab today' training for managers, conducted jointly by Comcare and FaHCSIA, to ensure that managers understand and engage in the rehabilitation process.

### **Eliminating bullying and harassment in the workplace**

FaHCSIA promotes zero tolerance to workplace bullying and makes it clear to staff that no bullying or harassment will be tolerated within the Department.

With the support of the FaHCSIA People and Culture Committee, the Department has embarked on a new approach to the elimination of bullying in the workplace. This was in direct response to staff survey results. A key initiative in 2010–11 was the production of a FaHCSIA-specific DVD and training package on the prevention of bullying.

The Department developed a revised statement of commitment for the prevention of bullying in FaHCSIA to align more clearly with the intent of the DVD. The revised statement is integral to demonstrating senior management's ongoing commitment to the prevention of bullying.

The *Prevention of Bullying in FaHCSIA* DVD informs staff about the impact of bullying in the workplace and highlights FaHCSIA's systems for dealing with bullying and harassment. It was launched by then Secretary Dr Jeff Harmer AO and Comcare CEO Paul O'Connor in Canberra on 18 February 2011.

The DVD features interviews with Deputy Secretaries Bruce Hunter and Liza Carroll, Northern Territory State Manager Dave Chalmers, and People Branch Manager Lynette MacLean. These senior managers champion the objectives of the campaign to eliminate bullying and to foster a strong culture of zero tolerance for bullying in FaHCSIA.

The DVD also includes interviews with Nadine Flood, National Secretary of the Community and Public Sector Union; and Christina Bolger, Director of the Comcare Work Health Team, who provide insights from their backgrounds and experiences.

The DVD has been distributed nationally with a training package including resources for managers, harassment contact officers and health and safety representatives to facilitate training on the prevention of bullying in FaHCSIA.

The Department's harassment contact officers, located in the national office, state offices and Indigenous coordination centres, are trained to provide support and information to staff and managers on bullying and harassment.

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## OHS formal reporting requirements

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### **Statistics of accidents or dangerous occurrences under section 68 of the OHS Act**

During 2010–11, the injury frequency rate was 5.18 injuries per 100 employees. Eight reports required the giving of notice to Comcare under section 68 of the OHS Act.

### **Investigations under Part 4 of the OHS Act**

No investigations were undertaken by Comcare of FaHCSIA under Part 4 of the OHS Act during 2010–11.

In May 2010, FaHCSIA responded to a Comcare investigation targeting agencies' health and safety management arrangements.

The investigation looked for evidence that the Department had undertaken consultation with all staff in the development of our HSMAs, and that the HSMAs met the mandatory provisions of the OHS Act in relation to dispute resolution, OHS consultation and health and safety committees.

The Department received the outcome of Comcare's investigation on 28 January 2011.

Comcare found that FaHCSIA had complied with legislative requirements. In particular, it found that the Department had demonstrated a commitment to consultation in the development of our HSMAs, and that there were adequate processes in place in order to review and vary the agreement and to resolve disputes about OHS matters.

This is a very good outcome and a reflection of the contributions of the large number of people involved in the development of our HSMAs.

## Case study

### Pilot Traineeship Program for People with Intellectual Disability



*In February 2011, Senator Jan McLucas and then Secretary Jeff Harmer presented certificates to participants in the Pilot Traineeship Program for People with Intellectual Disability*

FaHCSIA has long recognised the need to provide more employment opportunities for intellectually disabled people. In 2009, it implemented the Pilot Traineeship Program for People with Intellectual Disability. The program's objectives included increased employment of an under-represented disability group and providing gradual transition from the learning environment to the workplace.

Five trainees participated in the 18-month program which provided them with on-the-job training in the Department, as well as support in completing a Certificate II in Business Administration qualification with a registered training organisation.

By August 2011, all five trainees had successfully completed the program and commenced ongoing employment in the Department.

In discussing the program experience, one trainee said, 'My attitudes and experiences have changed—I've become more respectful of other people. I've become more like a public servant, more work focused and more considerate of others. I now want a job in the public service.'

Another trainee felt more confident about the future. 'I've become more independent and I now have something to look forward to.'

Every participating branch reported that having a trainee was extremely positive and that the benefits outweighed the challenges. Many staff had benefited both personally and professionally from the experience.

The success of the program was due to strong support from senior FaHCSIA executives and the Diversity Team, as well as the dedication of the trainees' managers. Another important factor was the strong partnerships between FaHCSIA and external providers.

Another of the program's objectives was enhancement of FaHCSIA as an employer of choice for people with disability. The Department's success in this area is demonstrated by the attitude of its trainees. One has said, 'This is a really good job and I really like it. I like the people. I'd recommend FaHCSIA to someone else.'

FaHCSIA acknowledges and thanks all the individuals and organisations that assisted the Department with the program. It is proud to be the first APS agency to implement a traineeship program for people with intellectual disability. Another program is expected to commence in 2012.

FaHCSIA's effectiveness depends not only on our ability to deliver the Government's priorities but also on having a set of strategies and services in place that support policy and program delivery.

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Support services include the need to have high-quality data available to support evidence-based policy development and the necessary corporate services to support the work of staff. These corporate services include information and communications technology, grant administration, communications and media and property services.

## Research, evaluation and data

FaHCSIA places a high priority on building a robust evidence base to inform policy and program development. The Department invests in research, evaluation, data collection and large surveys across our range of responsibilities.

During 2010–11, the Research and Analysis Branch assessed a number of projects for the Research and Evaluation Committee (a subcommittee of the Executive Management Group). The committee developed seven evidence priorities to guide future research, data management and evaluation investment until 2012. Table 15.1 shows the number of projects assessed during the year against each evidence priority.

**Table 15.1 Projects assessed for the Research and Evaluation Committee, by evidence priority, 2010–11**

Evidence priority	Number of projects
<b>One:</b> To what extent do children's life outcomes mirror those of their parents?	2
<b>Two:</b> How do parenting skills influence family functioning and children's outcomes?	7
<b>Three:</b> How important are aspirations and values to life outcomes?	2
<b>Four:</b> How are assets and debt used across the lifecycle?	5
<b>Five:</b> Who leaves disadvantaged communities and why; who stays; and who moves in?	7
<b>Six:</b> Who are the Australians not accessing needed support when it is available, and why?	14
<b>Seven:</b> Who experiences persistent hardship and deprivation?	8

FaHCSIA's research publication series continued to support dissemination of findings from research and evaluation projects. During 2010–11, 10 occasional papers, two social policy research papers and one edition of the *Australian Social Policy Journal* were published. FaHCSIA research has also been published in Australian and international academic journals.

The Australian Government funds three longitudinal studies which FaHCSIA manages in conjunction with other government and non-government agencies:

- ▶ the Household, Income and Labour Dynamics in Australia (HILDA) Survey
- ▶ Growing Up in Australia: the Longitudinal Study of Australian Children
- ▶ Footprints in Time: the Longitudinal Study of Indigenous Children.

The HILDA Survey is a large-scale, nationally representative, longitudinal survey of Australian households. It provides information on labour force status and history, current and financial year income, wealth, family relationships, child care, health status, financial stress, housing, education, retirement intentions and work/family attitudes. To date more than 1,400 users have registered to have access to one or more releases of HILDA. The majority are Australian academics and government researchers.

Since the release of the first wave of data in February 2003, HILDA has matured into a highly respected source of data for research, providing information about key social topics as well as income, employment and family dynamics. The HILDA statistical report is now in its sixth volume, which was released on 23 June 2011. It contains a series of short articles covering issues such as perceptions of general wellbeing, retirement and care of children.

During 2010–11, Growing Up in Australia: the Longitudinal Study of Australian Children continued to address a range of questions about children's development and wellbeing. The study collects information on children's physical health; social, cognitive and emotional development; and experiences in key environments, such as family, community and school settings.

The fourth main wave of data collection began in early 2010 and was completed in January 2011. In wave 4, more than 8,400 Australian families from both cohorts were interviewed, when the study children were aged 6 to 7 and 10 to 11 years.

The study continued its involvement in the ABC *Life* television series, providing data and advice on the third instalment, *Life at 5*. The program screened in February 2011 and presented the latest research on childhood resilience and the factors that enhance children's readiness for school.

Footprints in Time: the Longitudinal Study of Indigenous Children is designed to explore how Aboriginal and Torres Strait Islander children develop resilience, and what helps to improve their wellbeing and future, and to identify links between early childhood experiences and later life outcomes.

Wave 3 data collection started in March 2010. Wave 3 focuses on the school experience for the older cohort and revisits a number of areas covered in waves 1 and 2, including child health, behaviour and development; social and emotional wellbeing; major life events; child vocabulary; language; and housing issues.

FaHCSIA has launched an online searchable repository called FaHCSIA's Longitudinal Surveys Electronic Research, or FLoSse. The repository can be searched according to keyword, author and date to identify research conducted in any of the three longitudinal studies.

## Indigenous grant administration

FaHCSIA collaborates with other agencies in the administration of grants for Indigenous programs. FaHCSIA's Program Frameworks Branch provides system enhancements, training and help-desk support to government agencies using the whole-of-government Indigenous funding system.

Each year, FaHCSIA manages the common funding round, which provides an avenue for service providers to apply for grant funding under FaHCSIA's or other agencies' advertised programs. The common funding round is held between mid-December and mid-February each year. Each agency is responsible for managing its own funding under its programs. The following programs participated in the last funding round:

- ▶ Indigenous Women (FaHCSIA)
- ▶ Public Awareness (FaHCSIA)

- ▶ Indigenous Justice (Attorney-General's Department)
- ▶ Indigenous Sport and Recreation (Department of the Prime Minister and Cabinet).

The programs are advertised nationally, including in local and Indigenous newspapers. Service providers are able to apply for funding offered under each program in one application form, which can be submitted electronically or by mail.

See Appendix G for more information on the grant programs administered by the Department in 2010–11.

## Information and communications technology

Information and communications technology (ICT) is a key enabler of FaHCSIA's business. The Information Management and Technology Group provides and manages the delivery of reliable, efficient and high-quality ICT and information management services to the Department. The group's key objectives are to provide:

- ▶ an information base that is a strategic resource for developing and delivering FaHCSIA business
- ▶ an application portfolio that is responsive to FaHCSIA's business needs
- ▶ technology platforms that enable and support FaHCSIA's core business.

In 2010–11, the Information Management and Technology Group worked on a number of projects to support the Department, individuals and community organisations. Some of these are discussed below.

### Software refresh

During 2010–11 most core server (back-end) software was upgraded to the latest versions. Twenty-three back-end technical systems were upgraded to improve the stability and supportability of file storage, printing capability, email, general communications and remote access. Desktop PC software used by all staff has been redesigned for Windows 7 and Office 2010, which will provide a range of new features and efficiencies. The new desktop software is being piloted and will be rolled out nationwide in the second half of 2011. A training program for staff on working in the new systems has also been developed and will be implemented with the rollout of the new software.

### Remote site ICT refresh

Over the past 14 months a new ICT platform has been implemented at all remote sites in the Northern Territory. The new platform will give FaHCSIA officers stationed at remote sites access to services that are similar to those available to staff in capital cities. 'Office in a Box' technology has been installed at 55 sites around the Northern Territory and laptops have been replaced with more rugged models to improve durability in the harsh conditions. Land telephone lines (replacing satellite phones) and improved network services have been deployed to each site to facilitate simpler communication and more rapid transfer of information. The rollout of the Office in a Box technology to other remote sites has begun and nine sites in Queensland, South Australia and New South Wales are nearing completion. A further six remote sites will be implemented in the second half of 2011. The new Office in a Box provides faster, more secure, more supportable and more stable connectivity than the previous technology.

## Management information capability improvements

During 2010–11 significant work was undertaken to strengthen management information capability for the Department. New datasets have been integrated within the Integrated Reporting Solution to enable FaHCSIA programs to more effectively monitor and track progress of grant funding agreement milestones and activities. The development of a Centrelink Basic Data Set has improved the consistency and accuracy of data development and reporting. The spatial management system was upgraded to improve the accuracy of FaHCSIA's spatial information, and spatial datasets were developed to support a focus on regional reporting requirements.

## Telecommunications transition

Following a comprehensive market test, contracts were awarded in March 2011 to Telstra and Australian Satellite Communications Services for a comprehensive range of telecommunications services. The Department will make savings from the new contracts to support its obligations under the Gershon review. In 2011–12 a new telephone system will be commissioned based on state-of-the-art digital telephony technology. Upgraded data services will also enhance videoconferencing capability across the FaHCSIA network.

## Property services

FaHCSIA is committed to providing a functional, safe, secure and environmentally sustainable workplace to enable delivery of our key strategic objectives.

During 2010–11 a major refurbishment was undertaken of the Tuggeranong Office Park facility that not only improved the functionality of the workplace, but also improved building accessibility for staff with a disability. A continuing regional works program saw the refurbishment of office facilities in Port Augusta and staff accommodation in the Northern Territory and the development of new government staff accommodation to support remote service delivery outcomes.

As at 30 June 2011, FaHCSIA owned or leased:

- ▶ 47 commercial properties
- ▶ 136 staff houses
- ▶ 303 containers and demountables providing temporary office and staff accommodation in remote Indigenous communities.

In 2010–11 FaHCSIA commenced a project to establish 20 living and office accommodation units for staff in remote service delivery communities. We also initiated a works program, focusing on civil, electrical and plumbing works for NTER staff accommodation sites to extend the useful life of the accommodation and to ensure building standards were maintained.

## Communications and media

The Department places great value on the role of effective communications in the delivery of key FaHCSIA outcomes. The Communication and Media Branch provides the critical link between government and people, engaging the community, stakeholders and staff in the policies and programs that FaHCSIA develops and delivers.

During 2010–11, the Department made significant achievements in communications to support FaHCSIA priority business areas. These included:

- ▶ the development of a major information campaign to support the introduction of Australia's first national paid parental leave scheme. This campaign was integral to informing eligible parents and employers about their rights, obligations and entitlements
- ▶ the launch of a major social marketing initiative, *The Line*, aimed at promoting the development of healthy and respectful relationships by changing attitudes and behaviours of young people. This campaign has been recognised across the public and private sectors as an innovative and leading approach for Government in its use of social media and marketing to successfully engage a young audience and provides a meaningful platform for genuine discussion
- ▶ production of three whole-of-government communication channels for Indigenous Australians: *Indigenous Newslines* magazine, Newslines Radio and [indigenous.gov.au](http://indigenous.gov.au). These products are part of the strategy for closing the gap on Indigenous disadvantage and provide new ways for Indigenous Australians to receive information on important Australian Government policies, services and initiatives. Demand for these products is high across Indigenous communities and demonstrates their effectiveness in reaching audiences that may otherwise miss out on receiving information due to geographic location, language barriers and other cultural factors
- ▶ the development of an overarching communications framework for FaHCSIA to build the connection between prioritising communication on the areas that matter most to Australians.

## Ministerial and parliamentary support

FaHCSIA is committed to supporting our ministers by collaboratively developing and implementing excellent social policy.

The Department also provides high-level support for the ministers' and parliamentary secretaries' offices on parliamentary business and processes, including:

- ▶ coordination, quality assurance and analysis of ministerial correspondence, briefings and all cabinet-related business
- ▶ coordination of parliamentary processes and activities, including Senate Estimates and parliamentary questions on notice
- ▶ providing support to ministers for Community Cabinet meetings
- ▶ providing departmental liaison officers to all ministers and parliamentary secretaries
- ▶ providing administrative office support to assist with the day-to-day running of the offices.

In 2010–11, FaHCSIA assisted its ministers and parliamentary secretaries with answering approximately 17,000 pieces of ministerial correspondence. FaHCSIA and its portfolio agencies also prepared more than 4,000 briefs for the ministers and parliamentary secretaries. During the year, the Department received 31 parliamentary questions on notice and 942 Senate Estimates questions.

The Department has primary or significant administrative responsibility for supporting ministerial participation in a range of ministerial councils and other forums, including:

- ▶ Community and Disability Services Ministers' Conference
- ▶ Ministerial Conference on Ageing
- ▶ Housing Ministers' Conference
- ▶ Ministerial Council for Aboriginal and Torres Strait Islander Affairs
- ▶ Commonwealth, State, Territory and New Zealand Ministers' Conference on the Status of Women
- ▶ Select Council on Gambling Reform
- ▶ Ministerial Forum to Develop a National Plan to Reduce Violence against Women and their Children
- ▶ Commonwealth Victorian Bushfires (Ministerial) Taskforce.



## 176 Analysis of financial performance

This section provides a summary of the Department's financial performance for 2010–11. Departmental and administered results are shown in the audited financial statements on pages 184–277 of this report.

Strong financial management across the Department's operations has meant that our total income of \$552.1 million continues to be effectively managed. FaHCSIA is showing an operating deficit attributable to the Australian Government of \$63.5 million for 2010–11. This is the result of the revised net cash funding arrangements introduced under Operation Sunlight, whereby asset replacement is now funded through a capital appropriation rather than through the departmental operating appropriation.

The Department continues to address audit recommendations from the Australian National Audit Office in a timely and effective manner. This has resulted in FaHCSIA having no category B findings and only two category C findings at the end of 2010–11.

### Changes affecting FaHCSIA's 30 June 2011 financial statements

The 2010–11 financial statements reflect a number of significant changes to FaHCSIA's operations as well as whole-of-government changes to financial reporting arrangements. The key changes and their impact are detailed below.

#### Changes in administrative arrangements

The Government issued new Administrative Arrangements Orders on 14 September and 14 October 2010, transferring administrative responsibility for some of FaHCSIA's programs to the Department of Sustainability, Environment, Water, Population and Communities, the Department of the Prime Minister and Cabinet and the Attorney-General's Department. In addition, a determination decision on 9 July 2010 transferred the responsibility for the Family Assistance Office function to the Department of Human Services.

Under the *Financial Management and Accountability Act 1997*, a transfer of appropriations through a section 32 determination was completed with each department.

#### Change in presentation—statement of comprehensive income

FaHCSIA's operating deficit attributable to the Australian Government of \$63.5 million for 2010–11 is the result of the revised net cash funding arrangements introduced under Operation Sunlight. After allowing for depreciation expenses and deducting the changes in asset revaluation reserves of \$0.093 million, the total loss attributable to FaHCSIA is \$9.2 million for 2010–11.

#### Administered Paid Parental Leave

Payments under the Australian Government's Paid Parental Leave scheme commenced from 1 January 2011. The scheme provides eligible working parents with up to 18 weeks of Parental Leave Pay at the national minimum wage, and complements parents' existing entitlements to leave.

FaHCSIA is the lead agency and has worked closely with other Commonwealth agencies on the development and implementation of the scheme.

There are two components for calculating a liability at 30 June 2011:

- ▶ Paid Parental Leave—Payable
- ▶ Paid Parental Leave—Provision.

## Departmental operating result

### Operating income

Total operating income was \$552.1 million (2009–10: \$611.2 million). Operating income consists of:

- ▶ government appropriations of \$519.0 million
- ▶ sale of goods and services income of \$29.3 million
- ▶ other income of \$3.8 million.

Revenue from government decreased from \$573.1 million to \$519.0 million due to a reduction in FaHCSIA appropriation as well as section 32 machinery of government appropriation transfers.

### Operating expenses

Total operating expenses were \$615.6 million (2009–10: \$621.4 million). Operating expenses consist of:

- ▶ employee expenses of \$354.1 million (2009–10: \$333.9 million)—the increase is reflective of an increase in salaries under the FaHCSIA Certified Agreement including the roll-in of performance pay for the Senior Executive Service and expenses associated with the actuarial revaluation of employee entitlements carried out in 2010–11
- ▶ supplier expenses of \$189.4 million (2009–10: \$203.3 million)—the decrease reflects the Department's efforts to find savings to meet its efficiency dividend target, for example through undertaking more work in house instead of hiring contractors
- ▶ payments to other government agencies for service delivery of \$13.5 million (2009–10: \$26.2 million)—the decrease is primarily due to the reduction in Centrelink payments as Centrelink is now directly appropriated
- ▶ other expenses (including depreciation) of \$58.6 million (2009–10: \$58.0 million)—the depreciation and amortisation expense increase reflects an increase in buildings and a decrease in leasehold improvements due to the Australian Valuation Office's reclassification of assets.

Overall, this decrease in operating expenses reflects the Department's efforts in effectively managing its resources in the current economic climate.

## Balance sheet

### Departmental

Total assets at 30 June 2011 were \$362.4 million (2010: \$392.3 million). The majority of the asset base is in land and buildings, property, plant and equipment and internally developed software. The decrease in the asset base mainly occurred in trade and other receivables. The decrease reflects the Department's delivery of various government initiatives including the Tuggeranong Office Park refurbishment and remote service delivery.

Total liabilities at 30 June 2011 were \$129.2 million (2010: \$131.9 million). Employee provisions and other payables comprise a major portion of the liabilities. The decrease in liabilities is due to a reduction in amounts owed to suppliers as at 30 June 2011.

Administered

Total assets at 30 June 2011 were \$5,065.6 million (2010: \$4,763.2 million). The increase mainly relates to an increase in receivables by \$115 million. Most of this increase is due to a recent government measure where social security payments can now be made in advance and the growth in the fair value of the investment in Commonwealth entities and the value of financial investments held by the Aboriginals Benefit Account and the Torres Strait Islander Land Account.

Total liabilities at 30 June 2011 were \$8,047.5 million (2010: \$7,576.9 million). This increase is driven mainly by personal benefits provisions which reflects an increase in the Family Tax Benefit provision of \$106 million as a result of increased customer numbers. It also reflects an increase in the Pension Bonus Scheme of \$195 million and the creation of a new Paid Parental Leave provision of \$138 million that was recognised for the first time.

Consultants

During 2010–11, 212 new consultancy contracts were entered into, involving total actual expenditure of \$14.6 million. In addition, 93 ongoing consultancy contracts were active during 2010–11, involving total expenditure of \$9.5 million.

Summary information on consultancy services for FaHCSIA and the Social Security Appeals Tribunal is set out in Tables 16.1 to 16.3.

Table 16.1 New consultancies let in 2010–11

	Number	Expenditure (\$ million, GST inclusive)
FaHCSIA core	201	14.2
Social Security Appeals Tribunal	11	0.4
Total	212	14.6

Table 16.2 Ongoing consultancies active in 2010–11

	Number	Expenditure (\$ million, GST inclusive)
FaHCSIA core	87	9.1
Social Security Appeals Tribunal	6	0.4
Total	93	9.5

**Table 16.3 Total expenditure on new and ongoing consultancy contracts, 2008–09, 2009–10 and 2010–11**

Expenditure (\$ million, GST inclusive)		
2008–09	2009–10	2010–11
20.3	23.3	24.1

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)).

## Australian National Audit Office access clauses and exempt contracts

### Access clauses

During 2010–11, no contracts were let that did not require the Auditor-General to have access to the contractor’s premises.

### Exempt contracts

During 2010–11, in accordance with section 5.8 of the Department of Finance and Deregulation’s Guidance No. 15 (July 2007), FaHCSIA did not publish on AusTender the details of one contract arrangement with a total value of \$1,018,308.78 (GST inclusive).

## Legal services expenditure

Under paragraph 11.1(ba) of the Legal Services Directions 2005, the Department must report on its legal services expenditure each financial year.

Table 16.4 sets out the legal services expenditure for the portfolio in 2010–11.

Table 16.4 Legal services expenditure (\$, GST inclusive), 2010–11

Legal services expenditure	Aboriginal Hostels Limited	Indigenous Business Australia	Indigenous Land Corporation	Outback Stores	Social Security Appeals Tribunal	Torres Strait Regional Authority	Wreck Bay Aboriginal Community Council	NT Land Councils	Office of the Registrar of Indigenous Corporations	FaHCSIA	Portfolio
<i>Totals</i>											
Total costs recovered	0	90,703	0	0	0	0	0	14,320	0	6,800	111,823
Total external legal services expenditure	178,379	3,370,544	1,200,624	36,648	144,051	1,634,369	2,200	434,947	166,947	2,154,300	9,322,783
Total internal legal services expenditure	0	429,182	624,342	101,639	233,295	960,144	0	2,688,709	131,893	9,349,907	14,519,111
Total (external and internal) expenditure	178,379	3,799,726	1,824,966	138,287	377,346	2,594,513	2,200	3,123,656	298,614	11,504,207	23,841,894
<i>Summary of external legal services expenditure</i>											
Total value of briefs to counsel	0	8,038	0	2,750	25,144	363,407	0	245,789	59,672	6,392	711,192
Total value of disbursements (excluding counsel)	0	173,350	0	416	0	2,122	0	0	1,512	50,989	228,389
Total value of professional fees paid	178,379	3,189,156	1,200,624	33,482	118,907	1,268,840	2,200	189,158	105,537	2,096,919	8,383,202
Total external legal services expenditure	178,379	3,370,544	1,200,624	36,648	144,051	1,634,369	2,200	434,947	166,721	2,154,300	9,322,783
<i>Counsel</i>											
Number of briefs to male counsel	0	3	3	1	0	4	0	4	4	1	20
Number of briefs to female counsel	0	0	0	0	3	2	0	1	0	0	6

Table 16.4 Legal services expenditure (\$, GST inclusive), 2010–11 (continued)

Legal services expenditure	Aboriginal Hostels Limited	Indigenous Business Australia	Indigenous Land Corporation	Indigenous Outback Stores	Social Security Tribunal Appeals	Torres Strait Regional Authority	Wreck Bay Aboriginal Community Council	NT Land Councils	Office of the Registrar of Indigenous Corporations	FaHCSIA	Portfolio
<b>Total number of briefs to counsel</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>26</b>
Number of direct briefs to male counsel	0	3	0	0	0	4	0	4	0	0	11
Number of direct briefs to female counsel	0	0	0	0	0	2	0	1	0	0	3
<b>Total number of direct briefs to counsel</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>14</b>
Total value of briefs to male counsel (including direct briefs)	0	8,038	0	2,750	0	350,072	0	243,789	59,672	6,392	670,713
Total value of briefs to female counsel (including direct briefs)	0	0	0	0	25,144	13,335	0	2,000	0	0	40,479
<b>Total value of briefs to counsel</b>	<b>0</b>	<b>8,038</b>	<b>0</b>	<b>2,750</b>	<b>25,144</b>	<b>363,407</b>	<b>0</b>	<b>245,789</b>	<b>59,672</b>	<b>6,392</b>	<b>711,192</b>
<b>Disbursements</b>											
<b>Total value of disbursements (excluding counsel)</b>	<b>0</b>	<b>173,350</b>	<b>0</b>	<b>416</b>	<b>0</b>	<b>2,122</b>	<b>0</b>	<b>0</b>	<b>1,512</b>	<b>50,989</b>	<b>228,389</b>
<b>Professional fees</b>											
<b>Total value of professional fees paid</b>	<b>178,379</b>	<b>3,189,156</b>	<b>1,200,624</b>	<b>33,482</b>	<b>118,907</b>	<b>1,268,840</b>	<b>2,200</b>	<b>189,158</b>	<b>105,537</b>	<b>2,096,919</b>	<b>8,383,202</b>

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## Purchasing

The Department's purchasing activities are consistent with the FaHCSIA Chief Executive Instructions and internal procurement guidelines, which are in accordance with the Commonwealth Procurement Guidelines (December 2008). All activities have ensured the efficient, effective and ethical use of public monies and have delivered value for money. Purchasing decisions have been made in an accountable and transparent manner, complying with Australian Government policies and meeting relevant international obligations.

## Assets management

FaHCSIA manages its assets in accordance with the Chief Executive Instructions, relevant accounting standards and Department of Finance and Deregulation requirements and continues to review its asset management processes and procedures to achieve best practice outcomes. For example, during 2010–11 a new personal issue policy and online systems have been used to achieve more efficient management of portable work equipment on issue to staff.

# Part Four

## Financial statements

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# Department of Families, Housing, Community Services and Indigenous Affairs

## Financial statements for the year ended 30 June 2011

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The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The financial statements and notes have been prepared in accordance with:

- ▶ Finance Minister's Orders (or FMOs)
- ▶ Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.



Joining Finn Pratt PSM, Secretary (seated, centre), Steve Jennaway, Chief Finance Officer (seated, left) and Ian McPhee PSM, Auditor-General, ANAO (seated, right) at the official signing of the financial statements for the 2010–11 Annual Report were some of the 'behind the scenes' team (standing, left to right): Andrew Lander, Ronald Leung, Lasantha Samaranayake, Brad Bohun, Deanne Jones, John Bowker, Helen Martin, Ida Pedersen, Josephine Bushell, Michael Harris, Dean Nulty, Serena Wilson, Jenny Morison, Scott Dilley, Puspa Dash, Bruce Hunter and Dr Kamlesh Sharma

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Auditor-General for Australia



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Families, Housing, Community Services and Indigenous Affairs

### Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Families, Housing, Community Services and Indigenous Affairs (the Department) for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; Schedule of Administered Items; and Notes to and forming part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

### *Responsibility of the Secretary for the Financial Statements*

The Secretary of the Department is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Secretary determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary of the Department, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Department of Families, Housing, Community Services and Indigenous Affairs:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Families, Housing, Community Services and Indigenous Affairs' financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

As described in the Notes 24 and 25 to the financial statements, the Department of Families, Housing, Community Services and Indigenous Affairs has recently become aware that there is an increased risk of non-compliance with section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances that lead to this increased risk and any impact on the Department's special appropriations and special accounts will be investigated.

Australian National Audit Office



Ian McPhee  
Auditor-General

Canberra  
2 September 2011

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**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS  
AFFAIRS**  
**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

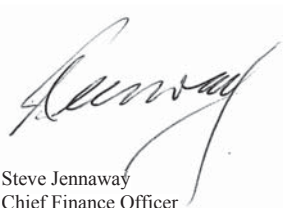
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In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Finn Pratt PSM  
Secretary

2 September 2011



Steve Jennaway  
Chief Finance Officer

2 September 2011

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	354,067	333,848
Suppliers	3B	189,432	203,280
Depreciation and amortisation	3C	54,315	52,570
Finance costs	3D	116	148
Write-down and impairment of assets	3E	4,017	4,918
Losses from asset sales	3F	176	427
Payments for service delivery	3G	13,508	26,187
<b>Total expenses</b>		<b>615,631</b>	<b>621,378</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	29,320	32,074
Other revenue	4B	780	3,576
<b>Total own-source revenue</b>		<b>30,100</b>	<b>35,650</b>
<b>Gains</b>			
Sale of assets	4C	369	150
Foreign exchange	4D	-	1
Other gains	4E	2,651	2,272
<b>Total gains</b>		<b>3,020</b>	<b>2,423</b>
<b>Total own-source income</b>		<b>33,120</b>	<b>38,073</b>
<b>Net cost of services</b>		<b>582,511</b>	<b>583,305</b>
Revenue from Government	4F	518,963	573,150
<b>Deficit attributable to the Australian Government</b>		<b>(63,548)</b>	<b>(10,155)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		93	10,806
<b>Total other comprehensive income</b>		<b>93</b>	<b>10,806</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	5	<b>(63,455)</b>	<b>651</b>

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

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**BALANCE SHEET**  
*as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	6A	8,936	2,911
Trade and other receivables	6B	<u>79,652</u>	<u>112,541</u>
<b>Total financial assets</b>		<u><b>88,588</b></u>	<u><b>115,452</b></u>
<b>Non-Financial Assets</b>			
Land and buildings	7A	183,417	179,467
Property, plant and equipment	7B,C	26,224	30,077
Intangibles	7D,E	57,753	57,288
Other non-financial assets	7F	<u>6,459</u>	<u>9,978</u>
<b>Total non-financial assets</b>		<u><b>273,853</b></u>	<u><b>276,810</b></u>
<b>Total assets</b>		<u><b>362,441</b></u>	<u><b>392,262</b></u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	16,094	26,624
Other	8B	<u>28,259</u>	<u>21,584</u>
<b>Total payables</b>		<u><b>44,353</b></u>	<u><b>48,208</b></u>
<b>Provisions</b>			
Employee provisions	9A	82,560	80,553
Other	9B	<u>2,256</u>	<u>3,147</u>
<b>Total provisions</b>		<u><b>84,816</b></u>	<u><b>83,700</b></u>
<b>Total liabilities</b>		<u><b>129,169</b></u>	<u><b>131,908</b></u>
<b>Net assets</b>		<u><b>233,272</b></u>	<u><b>260,354</b></u>
<b>EQUITY</b>			
Contributed equity		140,314	103,941
Reserves		59,057	58,964
Retained earnings		<u>33,901</u>	<u>97,449</u>
<b>Total equity</b>		<u><b>233,272</b></u>	<u><b>260,354</b></u>

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

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2011*

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>								
Balance carried forward from previous period	97,449	107,604	58,964	48,158	103,941	61,292	260,354	217,054
<b>Adjusted opening balance</b>	<b>97,449</b>	<b>107,604</b>	<b>58,964</b>	<b>48,158</b>	<b>103,941</b>	<b>61,292</b>	<b>260,354</b>	<b>217,054</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	93	10,806	-	-	93	10,806
Deficit for the period	(63,548)	(10,155)	-	-	-	-	(63,548)	(10,155)
<b>Total comprehensive income</b>	<b>(63,548)</b>	<b>(10,155)</b>	<b>93</b>	<b>10,806</b>	<b>-</b>	<b>-</b>	<b>(63,455)</b>	<b>651</b>
of which:								
Attributable to the Australian Government	(63,548)	(10,155)	93	10,806	-	-	(63,455)	651
<b>Transactions with owners</b>								
<b>Contributions by owners</b>								
Equity injection - Appropriation	-	-	-	-	12,779	44,056	12,779	44,056
Departmental capital budget	-	-	-	-	22,829	-	22,829	-
Restructuring	-	-	-	-	765	-	765	-
Other	-	-	-	-	-	(1,407)	-	(1,407)
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,373</b>	<b>42,649</b>	<b>36,373</b>	<b>42,649</b>
<b>Closing balance as at 30 June</b>	<b>33,901</b>	<b>97,449</b>	<b>59,057</b>	<b>58,964</b>	<b>140,314</b>	<b>103,941</b>	<b>233,272</b>	<b>260,354</b>
<b>Closing balance attributable to the Australian Government</b>	<b>33,901</b>	<b>97,449</b>	<b>59,057</b>	<b>58,964</b>	<b>140,314</b>	<b>103,941</b>	<b>233,272</b>	<b>260,354</b>

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



**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**CASH FLOW STATEMENT**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		33,901	33,519
Appropriations		582,145	646,283
Interest		4	2
Net GST received		21,496	27,173
<b>Total cash received</b>		<b>637,546</b>	<b>706,977</b>
<b>Cash used</b>			
Employees		344,913	331,355
Suppliers		221,498	229,016
Payments for service delivery		11,070	93,627
Section 31 receipts transferred to OPA		33,795	35,405
<b>Total cash used</b>		<b>611,276</b>	<b>689,403</b>
<b>Net cash from operating activities</b>	11	<b>26,270</b>	<b>17,574</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		2,013	3,205
<b>Total cash received</b>		<b>2,013</b>	<b>3,205</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		40,021	48,911
Purchase of intangibles		17,845	18,840
<b>Total cash used</b>		<b>57,866</b>	<b>67,751</b>
<b>Net cash used by investing activities</b>		<b>(55,853)</b>	<b>(64,546)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Equity injections		12,779	44,056
Departmental capital budget		22,829	-
<b>Total cash received</b>		<b>35,608</b>	<b>44,056</b>
<b>Net cash from financing activities</b>		<b>35,608</b>	<b>44,056</b>
<b>Net increase (decrease) in cash held</b>		<b>6,025</b>	<b>(2,916)</b>
Cash and cash equivalents at the beginning of the reporting period		2,911	5,827
<b>Cash and cash equivalents at the end of the reporting period</b>	6A	<b>8,936</b>	<b>2,911</b>

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

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2011*

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Sublease rental income	14,667	14,668
Net GST recoverable on commitments	44,507	45,200
<b>Total commitments receivable</b>	<b>59,174</b>	<b>59,868</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Other	(14,409)	(17,170)
<b>Total capital commitments</b>	<b>(14,409)</b>	<b>(17,170)</b>
<b>Other commitments</b>		
Operating leases <sup>1</sup>	(309,260)	(336,898)
Project commitments <sup>2</sup>	(255)	(164)
Research and development <sup>3</sup>	(82,950)	(99,920)
Other <sup>4</sup>	(97,644)	(60,020)
<b>Total other commitments</b>	<b>(490,109)</b>	<b>(497,002)</b>
<b>Net commitments by type</b>	<b>(445,344)</b>	<b>(454,304)</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	21,076	14,678
From one to five years	29,484	29,325
Over five years	8,614	15,865
<b>Total commitments receivable</b>	<b>59,174</b>	<b>59,868</b>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	(14,409)	(17,170)
From one to five years	-	-
Over five years	-	-
<b>Total capital commitments</b>	<b>(14,409)</b>	<b>(17,170)</b>
<b>Operating lease commitments</b>		
One year or less	(56,202)	(54,837)
From one to five years	(179,932)	(172,315)
Over five years	(73,126)	(109,746)
<b>Total operating lease commitments</b>	<b>(309,260)</b>	<b>(336,898)</b>
<b>Other commitments</b>		
One year or less	(82,662)	(69,024)
From one to five years	(76,565)	(61,028)
Over five years	(21,622)	(30,052)
<b>Total other commitments</b>	<b>(180,849)</b>	<b>(160,104)</b>
<b>Net commitments by maturity</b>	<b>(445,344)</b>	<b>(454,304)</b>

Note: Commitments are GST inclusive where relevant.

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**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**
**SCHEDULE OF COMMITMENTS (continued)**
*as at 30 June 2011*


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<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

***Leases for office accommodation***

Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) has office accommodation at 39 locations comprising of 47 leases of which 6 are subleases and 2 Commonwealth-owned sites.

In addition, FaHCSIA also has lease arrangements in relation to Remote Service Delivery (RSD) and this equates to formal lease agreements for 16 sites.

Tuggeranong Office Park and Centraplaza are the two significant locations for lease commitments.

FaHCSIA's lease payments are subject to review by a variety of mechanisms; these include predetermined fixed escalations, a link to CPI movements, or in accordance with a market review of comparable leases.

***Agreements for the provision of motor vehicles to senior executive officers***

No contingent rentals exist.

<sup>2</sup> Project commitments relate to an expert panel project.

<sup>3</sup> Research and development commitments arise where FaHCSIA is required to research an initiative and from that develop a programme to be implemented in the wider community, such as, Paid Parental Leave and National Carer Strategy.

<sup>4</sup> Other commitments mainly relate to hardware and software maintenance, document management and courier services.

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2011*

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Contingent assets</b>		
Claims for damages or costs	-	83
<b>Total contingent assets</b>	-	83
<b>Contingent liabilities</b>		
Claims for damages or costs	84	180
<b>Total contingent liabilities</b>	84	180
<b>Net contingent liabilities</b>	(84)	(97)

Details of each class of contingent liabilities and contingent assets listed above are disclosed in Note 12: Contingent Liabilities and Assets, along with information on significant remote contingencies and contingencies that cannot be quantified.

During 2010-11, FaHCSIA gave no financial guarantees (2010: Nil).

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

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF ASSET ADDITIONS**  
*for the period ended 30 June 2011*

The following non-financial non-current assets were added in 2010-11:

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>Additions funded in the current year</b>					
By purchase - appropriation ordinary annual services	-	8,490	5,500	8,839	22,829
Departmental capital budget	410	12,931	671	9,006	23,018
Ordinary operating costs					
By purchase - appropriation other services	-	12,364	415	-	12,779
Equity injections	-	-	912	-	912
By purchase - other	-	-	-	-	-
<b>Total additions funded in the current year</b>	<b>410</b>	<b>33,785</b>	<b>7,498</b>	<b>17,845</b>	<b>59,538</b>
<b>Additions recognised in 2010-11 - to be funded in future years</b>					
Make-good	-	12	-	-	12
<b>Total future years / unfunded additions</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Total additions</b>	<b>410</b>	<b>33,797</b>	<b>7,498</b>	<b>17,845</b>	<b>59,550</b>

The following non-financial non-current assets were added in 2009-10:

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
<b>Additions funded in the current year</b>					
By purchase - appropriation ordinary annual services	-	9,110	-	15,265	24,375
Ordinary operating costs					
By purchase - appropriation other services	3,075	20,450	16,958	3,573	44,056
Equity injections	-	353	203	-	556
By purchase - other	-	-	-	-	-
<b>Total additions funded in the current year</b>	<b>3,075</b>	<b>29,913</b>	<b>17,161</b>	<b>18,838</b>	<b>68,987</b>
<b>Total additions</b>	<b>3,075</b>	<b>29,913</b>	<b>17,161</b>	<b>18,838</b>	<b>68,987</b>

The details of the asset additions are also disclosed in Note 7.

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

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2011 \$'000	2010 \$'000
<b>Income administered on behalf of Government</b> <i>for the period ended 30 June 2011</i>			
<b>Revenue</b>			
<b>Non-taxation revenue</b>			
Recoveries	16A	231,257	250,986
Interest	16B	131,087	102,776
NZ Reciprocal Agreement	16C	33,920	38,783
Special Accounts revenue	16D	5,793	161,634
Other revenue	16E	9,267	12,540
<b>Total non-taxation revenue</b>		<b>411,324</b>	<b>566,719</b>
<b>Total revenues administered on behalf of Government</b>		<b>411,324</b>	<b>566,719</b>
<b>Gains</b>			
Write back of impairment allowance for personal benefits	16F	28,975	-
<b>Total gains administered on behalf of Government</b>		<b>28,975</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>		<b>440,299</b>	<b>566,719</b>
<b>Expenses administered on behalf of Government</b> <i>for the period ended 30 June 2011</i>			
Suppliers	17A	110,195	115,604
Subsidies	17B	8,552	10,971
Personal benefits	17C	70,986,064	65,405,198
Grants	17D	1,453,212	1,531,264
Depreciation and amortisation	17E	64	96
Write-down and impairment of assets	17F	3,225	183,614
Losses from asset sales	17G	2,850	-
Payments to CAC Act Bodies	17H	146,692	143,071
Other	17I	151,371	94,580
Payments from the Indigenous Employment Special Account	17J	-	131,819
Payments from the Northern Territory Flexible Funding Pool Special Account	17K	-	11,631
<b>Total expenses administered on behalf of Government</b>		<b>72,862,225</b>	<b>67,627,848</b>

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

	Notes	2011 \$'000	2010 \$'000
<b>Assets administered on behalf of Government</b> <i>as at 30 June 2011</i>			
<b>Financial assets</b>			
Cash and cash equivalents	18A	24,634	15,274
Receivables	18B	1,163,650	1,048,164
Investments in Commonwealth entities	18C	1,580,771	1,488,333
Investments in deposits and government securities	18D	2,287,725	2,198,709
<b>Total financial assets</b>		<b>5,056,780</b>	<b>4,750,480</b>
<b>Non-financial assets</b>			
Land and buildings	18E	260	3,174
Other non-financial assets	18F	8,599	9,557
<b>Total non-financial assets</b>		<b>8,859</b>	<b>12,731</b>
<b>Total assets administered on behalf of Government</b>		<b>5,065,639</b>	<b>4,763,211</b>
<b>Liabilities administered on behalf of Government</b> <i>as at 30 June 2011</i>			
<b>Payables</b>			
Suppliers	19A	18,465	14,706
Personal Benefits	19B	1,756,976	1,723,620
Grants	19C	2,512	7,585
<b>Total payables</b>		<b>1,777,953</b>	<b>1,745,911</b>
<b>Provisions</b>			
Personal benefits provision	19D	6,269,552	5,831,000
<b>Total provisions</b>		<b>6,269,552</b>	<b>5,831,000</b>
<b>Total liabilities administered on behalf of Government</b>		<b>8,047,505</b>	<b>7,576,911</b>
This schedule should be read in conjunction with the accompanying notes.			

**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS****SCHEDULE OF ADMINISTERED ITEMS (continued)**

	2011 \$'000	2010 \$'000
<b>Administered Cash Flows</b> <i>for the year ended 30 June 2011</i>		
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Sales of goods and rendering of services	1,368	4,591
NZ Reciprocal Agreement	35,136	40,632
Special Accounts	5,793	161,634
Net GST received	165,626	163,417
Other	10,109	5,435
<b>Total cash received</b>	<u>218,032</u>	<u>375,709</u>
<b>Cash used</b>		
Grant payments	1,576,338	1,643,718
Subsidies paid	9,446	11,546
Personal benefits	70,700,627	65,862,968
Suppliers	130,129	137,146
Payments from the Northern Territory Flexible Funding Pool Special Account	-	11,631
Payments from the Indigenous Employment Special Account to or on behalf of Agencies	-	131,819
Payments to land councils for administrative purposes	35,263	28,290
Payments to land councils for distribution	46,583	52,566
CAC Act body payments	146,692	143,071
Payments to Indigenous Land Corporations	45,000	-
<b>Total cash used</b>	<u>72,690,078</u>	<u>68,022,755</u>
<b>Net cash used by operating activities</b>	<u>(72,472,046)</u>	<u>(67,647,046)</u>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from maturity and sales of investments	2,704,935	2,039,576
Interest on investments	100,362	104,655
<b>Total cash received</b>	<u>2,805,297</u>	<u>2,144,231</u>
<b>Cash used</b>		
Purchase of investments	2,763,852	2,219,169
CAC Act body investments	40,090	36,960
<b>Total cash used</b>	<u>2,803,942</u>	<u>2,256,129</u>
<b>Net cash from (used by) investing activities</b>	<u>1,355</u>	<u>(111,898)</u>
<b>Net Decrease in Cash Held</b>	<u>(72,470,691)</u>	<u>(67,758,944)</u>
Cash and cash equivalents at the beginning of the reporting period	15,274	23,857
Cash from Official Public Account for:		
- Appropriations	72,731,404	68,019,928
- Special accounts	46,730	227,054
	<u>72,778,134</u>	<u>68,246,982</u>
Cash to Official Public Account for:		
- Appropriations	(254,227)	(328,043)
- Special accounts	(43,856)	(168,578)
	<u>(298,083)</u>	<u>(496,621)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>18A 24,634</u>	<u>15,274</u>

This schedule should be read in conjunction with the accompanying notes.



**DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

	2011 \$'000	2010 \$'000
<b>Administered Commitments</b> <i>as at 30 June 2011</i>		
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Other	118,456	151,385
GST recoverable on commitments	<u>184,632</u>	<u>180,642</u>
<b>Total commitments receivable</b>	<u>303,088</u>	<u>332,027</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Project commitments <sup>1</sup>	(12,225)	(2,805)
Research and development <sup>2</sup>	(1,047)	(7,973)
Other <sup>3</sup>	<u>(2,902,539)</u>	<u>(2,560,500)</u>
<b>Total other commitments</b>	<u>(2,915,811)</u>	<u>(2,571,278)</u>
<b>Net commitments by type</b>	<u>(2,612,723)</u>	<u>(2,239,251)</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	123,429	155,930
From one to five years	156,773	144,966
Over five years	<u>22,886</u>	<u>31,131</u>
<b>Total other commitments receivable</b>	<u>303,088</u>	<u>332,027</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	(1,460,869)	(1,506,797)
From one to five years	(1,432,056)	(962,610)
Over five years	<u>(22,886)</u>	<u>(101,871)</u>
<b>Total other commitments</b>	<u>(2,915,811)</u>	<u>(2,571,278)</u>
<b>Net commitments by maturity</b>	<u>(2,612,723)</u>	<u>(2,239,251)</u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Project commitments mainly relate to indigenous employment projects and reuniting families.

<sup>2</sup> Research and development commitments arise where FaHCSIA is required to research for an initiative and, from the information gained, develop or improve our programs, such as, research on problem gambling.

<sup>3</sup> Other commitments mainly relate to grant amounts payable under agreements in respect of which the grantee has yet to provide the services required.

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS		
SCHEDULE OF ADMINISTERED ITEMS (continued)		
	2011	2010
	\$'000	\$'000
Administered Contingencies		
as at 30 June 2011		
Administered contingent liabilities		
Claims for damages or costs	23	31
Total administered contingent liabilities	23	31
Net administered contingent liabilities	(23)	(31)
Details of each class of contingent liabilities in the above table are disclosed in Note 21: Administered Contingent Assets and Liabilities along with information on significant remote contingencies and contingencies that cannot be quantified.		
There are no contingent assets in the current or previous reporting periods.		
This schedule should be read in conjunction with the accompanying notes.		

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## Notes to and forming part of the Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### 1.1 Objectives of the Department of Families, Housing, Community Services and Indigenous Affairs

The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) is a Government controlled entity. The objective of FaHCSIA is to provide advice to Government on all policy issues within the portfolio. FaHCSIA manages the delivery of services and assistance to families, senior citizens, people with disabilities, women and community groups. FaHCSIA also provides advice on Indigenous issues and coordinates whole of government policy development and service delivery in Indigenous affairs.

FaHCSIA comprises the Department of Families, Housing, Community Services and Indigenous Affairs, the Social Security Appeals Tribunal, the Aboriginals Benefit Account (ABA) and the Aboriginal and Torres Strait Islander Land Account (ATSILA).

FaHCSIA is structured to meet seven outcomes:

**Outcome 1: Families and Children** - Improved child development, safety and family functioning through support services for all Australians, payments for low and medium income families with children and child support policy.

**Outcome 2: Housing** - Access to affordable, safe housing through: payments and support services; and rental subsidies to low and moderate income households.

**Outcome 3: Community Capability and the Vulnerable** - Improved capacity for vulnerable people and communities to participate economically and socially and to manage life-transitions through payments, targeted support services and community capability building initiatives.

**Outcome 4: Seniors** - An adequate standard of living and improved capability to productively manage resources and life-transitions for senior Australians through the delivery of payments, concessions and information services.

**Outcome 5: Disability and Carers** - An adequate standard of living, improved capacity to participate economically and socially, and manage life-transitions for people with disability and/or mental illness and carers through payments, concessions, support and care services.

**Outcome 6: Women** - Improved gender equality through coordinated whole of government advice and support for women's economic security, safety and status.

**Outcome 7: Indigenous** - Closing the gap in Indigenous disadvantage with improved wellbeing, capacity to participate economically and socially and to manage life-transitions for Indigenous Australians through Indigenous engagement, coordinated whole of government policy advice and targeted support services.

FaHCSIA's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by FaHCSIA in its own right. Administered activities involve the management or oversight by FaHCSIA, on behalf of the Government, of items controlled or incurred by the Government.

FaHCSIA conducts the following administered activities on behalf of the Government:

FaHCSIA works in partnership with other government and non-government organisations managing a diverse range of programs and services designed to support and improve the lives of Australians. This includes making payments for personal benefits, other direct and indirect benefits and community services.

The continued existence of FaHCSIA in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for FaHCSIA's administration and programs.

## Notes to and forming part of the Financial Statements

### 1.2 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997* (FMA Act).

The financial statements have been prepared in accordance with:

- a) Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010, which includes approved exemptions for the ABA and ATSILA under *Division 17 approved exemptions*; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to FaHCSIA or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised, are reported in the schedule of commitments and the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for departmental items, except where otherwise stated at Note 1.20.

Certain comparative amounts have been reclassified or adjusted to conform with the current year's presentation. There are minor changes in the departmental Cash Flow Statement, Schedule of Asset Additions and Notes 8 and 20 with the exception of the following Notes:

- Note 7A - Reclassification from leasehold improvements to buildings to conform with the current year's presentation; and
- Notes 16D and 17I - Adjustment to reflect the correct treatment for Income Management Special Account revenue and expense.

## Notes to and forming part of the Financial Statements

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### 1.3 Significant Accounting Judgement and Estimates

In the process of applying the accounting policies listed in this note, FaHCSIA has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

#### Family Tax Benefit

The Family Tax Benefit (FTB) program is aimed at assisting families with the cost of raising children. At any point in time there are eligible recipients, entitled to receive FTB, who have not yet received their full entitlement from Centrelink. FaHCSIA estimates a provision for these benefits using the expertise of the Australian Government Actuary (AGA). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation as at the reporting date, taking into account the risks and uncertainties that surround the events and circumstances that affect the provision as required by (AASB 137 – *Provision, Contingent Liabilities and Contingent Assets*, para. 8.1). The provision calculates the current year and earlier years' liability for claims that have yet to be realised. The methodology considers the likely lodgement profiles associated with reconciliation top-ups, lump sum claims and supplement payments, including the impact of new measures. The provision is not discounted on the basis that eligibility is limited to a two year period and the impact is not considered material.

The AGA has used consistent assumptions at 30 June 2011 and 2010 for all payment types. During June 2011 the AGA conducted an assessment of the FTB provision model projections. An assessment capturing the entitlement years 2007/08, 2008/09 and 2009/10 determined that on a combined basis the actual outcome differed from the projection by less than 1%.

At any point in time there are also a number of eligible recipients who have claimed in excess of their entitlement and owe money back to FaHCSIA. The expertise of the AGA was used in calculating the amount of FTB receivable by FaHCSIA, which relies on tax lodgement behaviour patterns of customers. This behaviour can be influenced by stimulus measures announced periodically by the Government. The methodology considers the amount of debt owing within three defined categories; non-lodger debt (a benefit has been claimed on the basis of estimated taxable income and then failed to lodge a tax return within 16 months after the end of the entitlement year), reconciliation debt (benefit paid on basis of an estimate of taxable income and subsequent lodgement of tax return establishes actual income and amount paid exceeds entitlement), and qualification debt (fail some element of the eligibility criteria other than income test). The impairment allowance account for the FTB receivable has been calculated by the AGA in accordance with the overall requirement of AASB 136 - *Impairment of Assets*, which relies on a profile of unit record data of past customer behaviour. The uncertainty associated with the estimation of the receivable and impairment allowance for qualification and reconciliation debt is considerably less than for the non lodger debt.

#### Pension Bonus Scheme

The Pension Bonus Scheme (PBS) was established in 1998. It provides for a lump sum payment to those who continue in employment and defer accessing the Age Pension.

In the 2009-10 Budget, the Government announced the closure of the PBS. Only those who met the age and residence requirements for Age Pension prior to 20 September 2009 are now eligible to register for the Pension Bonus Scheme. Backdating provisions allow people who reached Age Pension age before 20 September 2009 to register after this date, with backdated registrations continuing to be received into 2010 and 2011.

The estimate of the liability relates to those who are currently registered for the PBS and have not yet received a bonus payment or exited for some other reason, together with those it is expected, on the basis of past experience, to have a backdated registration.

## Notes to and forming part of the Financial Statements

The future liability for the PBS has been calculated by the AGA. The assumptions are regularly evaluated and are based on historical experience and other factors that are believed to be reasonable under the circumstances, including those related to the number of back-dated registrations received, actual average payments, claim rates and the period over which claims are expected to be made. These factors have been recast for 2011 based on behaviour of customers up to 31 December 2010 and projected over the estimated remaining life of the scheme (2011: 16 years, 2010: 16 years). The AGA has used a discount factor of 6% (2010: 6%) to determine the present value of this long term provision. Should a discount rate of 5.3%, the 10 year bond rate as at 30 June 2011, be applied the provision would increase by \$15 million to \$862 million. As the market in long dated government bonds is not considered sufficiently deep or liquid, the rate applied has been adjusted accordingly to 6%.

Assumptions and estimation uncertainty regarding the volume of backdated registration received could cause an adjustment to the carrying amount of the provision within the next accounting period. A 5 year run-off for the backdating projection has been applied for the provision estimate. The provision would increase by \$35 million to \$882 million using a 10 year run-off projection.

### Paid Parental Leave Scheme

Payments under the Australian Government's Paid Parental Leave (PPL) scheme commenced from 1 January 2011. The scheme provides eligible working parents with up to 18 weeks of parental leave pay at the National Minimum Wage, (from 1 July 2011 \$589.40 a week before tax) and complements parents' existing entitlements to leave.

The estimate of the provision relates to where a constructive obligation has been established via the birth of a child. A probable outflow event of resources is a receipt of a claim from a customer. The PPL eligibility criteria (work test, income test and residency test) must be met by customers and claims can be lodged 97 days before the expected date of birth. It is also possible for customer to establish eligibility but defer commencement of PPL payments. The PPL customers within the provision are now either:

- waiting to provide proof of the birth/entry into care before 30 June 2011; or
- waiting for their employer to accept the determination that they will provide the parental leave pay; or
- waiting for their employer registration; or
- have deferred the start date for parental leave pay so that some or all of the payment will be made in the financial year following the year of birth.

Claim period ends the day before the baby's first birthday hence the provision is not required to be discounted to present value.

This is the first balance date for the PPL program and therefore there is no historical birth rate data available relative to submission of claims. An element of uncertainty exists pertaining to eligible PPL customers who have not yet lodged a claim. Due to the lack of historical behaviour patterns the provision has not been reduced by incorporating an element for customers who may only claim a portion of the 18 week payments. Up to the signing date actual birth rate data was not available to FaHCSIA and as a result alternate source data has been considered including actual claim forms received.

### Investments in Commonwealth Entities

The reported fair values of the Investments in Commonwealth Entities (Note 18C) are based on the latest management accounts or unaudited financial statements provided by each entity. These fair values may require subsequent adjustment to reflect the final audited financial statements of the entity.

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## Notes to and forming part of the Financial Statements

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### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

There have been no new standards, revised standards, amended standards or interpretations that were issued by the AASB prior to the sign off date that are applicable to the current reporting period and have a material financial impact on FaHCSIA.

#### Future Australian Accounting Standard Requirements

There are no new standards, revised standards, amended standards or interpretations that have been issued by the AASB prior to the sign off date that are applicable to the future reporting period and are expected to have a future material financial impact on FaHCSIA.

### 1.5 Revenue

Revenue from the sale of goods is recognised when:

- (a) the risks and rewards of ownership have been transferred to the buyer;
- (b) FaHCSIA retains no managerial involvement or effective control over the goods;
- (c) the revenue and transaction costs incurred can be reliably measured; and
- (d) it is probable that the economic benefits associated with the transaction will flow to FaHCSIA.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- (a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- (b) the probable economic benefits associated with the transaction will flow to FaHCSIA.

The stage of completion of contracts at the reporting date is determined by reference to:

- (a) surveys of work performed;
- (b) services performed to date as a percentage of total services to be performed; or
- (c) the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when FaHCSIA gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

#### Paid Parental Leave Scheme

FaHCSIA offset amounts received under Paid Parental Leave Scheme (for payment to employees) by amounts paid to employees under that scheme, because these transactions are only incidental to the main revenue-generating activities of FaHCSIA. Amount received by FaHCSIA not yet paid to employees are presented gross as cash and a liability (payable). The total amount received under the scheme is disclosed as a footnote under Note 4A Sale of Goods and Rendering of Services.



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**Notes to and forming part of the Financial Statements**


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**1.6 Gains**Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

**1.7 Transactions with the Government as Owner**Equity

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and from 1 July 2010 Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

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

Other Distributions to Owners

The FMOs require that distributions to owners be debited to contributed equity unless it is in the nature of a dividend.

**1.8 Employee Benefits**

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of FaHCSIA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including FaHCSIA's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2011. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

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## Notes to and forming part of the Financial Statements

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### Separation and redundancy

Provisions are made for separation and redundancy benefit payments. FaHCSIA recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

### Superannuation

Staff of FaHCSIA are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

FaHCSIA makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. FaHCSIA accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay fortnight of the financial year.

## **1.9 Make good provision**

The fair value of make good for leasehold improvements is based on an estimated average cost per square metre and is included as a provision for make good. The value of the provision for each property will depend on the relevant category applied to the premises. FaHCSIA's property management consultants have determined that, to some extent, all properties have an obligation.

### **1.10 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

FaHCSIA does not have any finance leases. Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

### **1.11 Borrowing Costs**

All borrowing costs are expensed as incurred.

### **1.12 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- c) cash held by outsiders; and
- d) cash in special accounts.

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**Notes to and forming part of the Financial Statements**


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**1.13 Financial Assets**

FaHCSIA classifies its financial assets in the following categories:

- a) held-to-maturity investments;
- b) available-for-sale financial assets; and
- c) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

*Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

*Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit and loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments would be valued at cost. FaHCSIA has no such instruments.

*Held-to-Maturity Investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that FaHCSIA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

*Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

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**Notes to and forming part of the Financial Statements**


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Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

*Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

*Available for sale financial assets* - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.

*Financial assets held at cost* - If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

**1.14 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**1.15 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## Notes to and forming part of the Financial Statements

### 1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

### 1.17 Property, Plant and Equipment

#### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are material in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by FaHCSIA where there exists an obligation to restore the property to its original condition. These costs are included in the value of FaHCSIA's leasehold improvements with a corresponding provision for the 'make good' recognised.

#### Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at
Land	Market selling price
Buildings excluding Leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Assets are subject to a formal valuation every three years. Formal valuations are carried out by an independent qualified valuer. A complete valuation was conducted in the 2009-10 financial year by the Australian Valuation Office. In the interim year, the fair values of assets are reviewed annually. Where necessary, adjustments are made to valuations to reflect fair value.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

#### Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to FaHCSIA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

### Notes to and forming part of the Financial Statements

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2011</u>	<u>2010</u>
	<b>Lesser of 10 years or lease term</b>	Lesser of 10 years or lease term
Leasehold improvements		
Plant and equipment	<b>3 to 10 years</b>	3 to 10 years
Buildings	<b>38 to 50 years</b>	40 to 50 years
Structures (such as demountables and containers)	<b>5 years</b>	-

#### Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if FaHCSIA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### 1.18 Intangibles

FaHCSIA's intangibles comprise externally acquired software and internally developed software for internal use. Intangibles are capitalised when their gross values are greater than \$50,000 for externally acquired software and \$200,000 for internally developed computer software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of FaHCSIA's software are 2 to 5 years (2009-10: 2 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

### 1.19 Taxation

FaHCSIA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

## Notes to and forming part of the Financial Statements

### 1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the schedule of administered items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

#### Administered Cash Transfers to and from Official Public Account

Revenue collected by FaHCSIA for use by the Government rather than FaHCSIA is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by FaHCSIA on behalf of the Government and reported as such in the statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 20.

#### Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by FaHCSIA on behalf of the Australian Government.

#### *Personal Benefits Recoveries*

Personal Benefits Recoveries relates to recovery of Personal Benefit payments and are recognised on an accrual basis.

#### *Interest*

Interest revenue mainly relates to interest received from the investment of the ABA and ATSIILA. Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

#### *NZ Reciprocal Agreement Receivable 2010-2011*

FAHCSIA invoices the New Zealand Government quarterly in accordance with the New Zealand Government International Agreement. This agreement relates to Social Security payments.

#### Payments to CAC Act Bodies

Payments to CAC Act bodies from amounts appropriated for that purpose are classified as either administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the department is disclosed in Table A of the appropriations note (Refer to Note 24).

#### Taxation

Payments made to the Land Councils from royalty revenue received by the ABA are subject to Mining Withholding Tax. This is currently at a rate of 4% (2009-10: 4%).

#### Loans and Receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit and loss.

#### Administered Investments

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the whole of government level.

Administered investments other than those held for sale are classified as 'available for sale' and are measured at their fair value as at 30 June 2011. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the balance date.

## Notes to and forming part of the Financial Statements

### Administered Financial Assets

Financial assets include investments associated with the ABA, the ATSILA and FaHCSIA's operations. The returns from the investments relating to the ABA and the ATSILA are managed in accordance with their respective legislative requirements. Investments held at call are valued at their nominal rates, whilst investments 'held-to-maturity' are measured at amortised cost.

Investments held by the ABA and the ATSILA are classified as held-to-maturity investments. Monies which are surplus to the immediate requirements for the ABA and ATSILA are invested under section 39 of the FMA Act. These funds may only be invested in authorised investments as stipulated in the FMA Act.

### Administered Assets

Administered land and building assets were recognised at fair value on 30 June 2011.

Administered land and building assets are subject to a formal valuation every three years. Formal valuations are carried out by an independent qualified valuer. A complete valuation was conducted in the 2009-10 financial year by the Australian Valuation Office.

Depreciable property assets are written-off to their estimated residual values over their estimated useful lives to FaHCSIA using, in all cases, the straight-line method of depreciation.

Depreciation rates applying to buildings are based on their remaining useful life.

There were no Administered asset additions during the 2010-11 or 2009-10 financial years.

A majority of Administered land and buildings were disposed of to the Queensland Government in 2011.

### Northern Territory Community Assets

On 21 June 2007 the Government announced national emergency measures to protect Aboriginal children in the Northern Territory. The *Northern Territory National Emergency Response Act 2007* allows the compulsory granting of five year leases over the land in 64 prescribed communities to the Commonwealth of Australia. Twenty six community leases were granted from the date of commencement of the legislation, with the remaining leases granted from 17 February 2008. Under existing lease arrangements, the Commonwealth has control of the land and leasehold improvements.

The legislation excludes land subject to an earlier lease, and preserves the underlying ownership of the land. Thus once the grant of leases to the Commonwealth expires, the land and all improvements attached to the land reverts to the original owners.

The Government started paying rent to Aboriginal land owners for the leases covering the communities under the Northern Territory National Emergency Response from the 2009-10 financial year.



## Notes to and forming part of the Financial Statements

### Grants and Subsidies

FaHCSIA administers a number of grant and subsidy schemes on behalf of the Government. These include grants to State, Territory and Local Governments and a range of grants to non-government, not-for-profit and other recipients for activities associated with community development and supporting individuals.

Grant and subsidy liabilities are recognised to the extent that the services required to be performed by the grantee have been performed or the grant eligibility criteria have been satisfied, however, payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants but services have not yet been performed or criteria satisfied.

### Personal Benefits

FaHCSIA administers a number of personal benefits programs on behalf of the Government that provide income support, family assistance and other entitlements to individuals. These include, but are not limited to:

- Age Pension;
- Family Tax Benefit;
- Disability Support Pension;
- Maternity Payments; and
- Carers Allowance and Payments.

Payments to customers are determined in accordance with provisions under social security law and other legislation. Payments made under social security law are assessed, determined and paid by Centrelink under delegation from FaHCSIA.

FaHCSIA receives and reports appropriations for payments made by Centrelink on FaHCSIA's behalf.

The *Social Security (Administration) Act 1999* and the *A New Tax System (Family Assistance) (Administration) Act 1999* imposes an obligation on customers to disclose to Centrelink information about financial and personal circumstances that affect entitlement to payment. This is a necessary part of Centrelink's administration, which acknowledges that, at the time certain information is required, only the customer is in a position to provide that information.

Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure by customers are mitigated by a comprehensive portfolio risk management plan, underpinned by compliance strategies, which have been built up over many years. The compliance framework has been designed to meet the requirements of social security legislation.

The compliance framework does not rely solely on information provided by customers to determine a customer's entitlement. A comprehensive risk management strategy minimises the potential for incorrect payment by subjecting customers to a variety of review processes. If debts are identified, Centrelink seeks to recover them in a lump sum or by instalments. While the risk management strategy is principally directed at minimising debts, the detection of underpayments will also result in an adjustment to the customer's level of entitlement.

### **1.21 Basis of Consolidation**

The consolidated statements include core operations of FaHCSIA, the ABA and the ATSILA. These financial statements are prepared for the same reporting period, using consistent accounting policies.

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**Notes to and forming part of the Financial Statements**

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**Note 2: Events After the Reporting Period**

There were no post balance date events that need to be disclosed in the financial statements.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 3: Expenses</b>		
<b>Note 3A: Employee Benefits</b>		
Wages and salaries	266,380	258,856
Superannuation:		
Defined contribution plans	3,614	4,520
Defined benefit plans	44,827	42,080
Leave and other entitlements	34,077	27,905
Separation and redundancies	5,169	487
<b>Total employee benefits</b>	<b>354,067</b>	<b>333,848</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Consultants and contractors	41,523	48,451
Stationery	1,388	1,445
IT and communication	25,050	25,770
Travel and accommodation	15,300	20,025
Members sitting fees	6,401	6,241
Contractual services	4,971	5,938
Motor vehicle expenses	6,727	5,618
Building expenses	18,476	13,629
Training	3,737	4,276
Recruitment	2,901	2,549
Other	12,206	16,047
<b>Total goods and services</b>	<b>138,680</b>	<b>149,989</b>
Goods and services are made up of:		
Provision of goods - external parties	9,181	8,297
Rendering of services - related entities	4,347	7,320
Rendering of services - external parties	125,152	134,372
<b>Total goods and services</b>	<b>138,680</b>	<b>149,989</b>
<b>Other supplier expenses</b>		
Operating lease rentals - external parties:		
Minimum lease payments	46,322	50,335
Contingent rentals	1,224	767
Workers compensation expenses	3,206	2,189
<b>Total other supplier expenses</b>	<b>50,752</b>	<b>53,291</b>
<b>Total supplier expenses</b>	<b>189,432</b>	<b>203,280</b>
<b>Note 3C: Depreciation and Amortisation</b>		
Depreciation:		
Property, plant and equipment	10,526	9,063
Buildings	5,762	1,086
<b>Total depreciation</b>	<b>16,288</b>	<b>10,149</b>
Amortisation:		
Leasehold improvements	20,958	27,536
Intangibles:		
Computer software	17,069	14,885
<b>Total amortisation</b>	<b>38,027</b>	<b>42,421</b>
<b>Total depreciation and amortisation</b>	<b>54,315</b>	<b>52,570</b>

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**Notes to and forming part of the Financial Statements**


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	2011 \$'000	2010 \$'000
<b><u>Note 3D: Finance Costs</u></b>		
Unwinding of discount	<u>116</u>	<u>148</u>
<b>Total finance costs</b>	<u>116</u>	<u>148</u>
<b><u>Note 3E: Write-Down and Impairment of Assets</u></b>		
Asset write-downs and impairments from:		
Impairment on financial instruments	1,362	486
Impairment of property	1,960	2,630
Impairment of plant and equipment	384	1,216
Impairment of intangible assets	<u>311</u>	<u>586</u>
<b>Total write-down and impairment of assets</b>	<u>4,017</u>	<u>4,918</u>
<b><u>Note 3F: Losses from Asset Sales</u></b>		
Land and buildings:		
Proceeds from sale	138	2,175
Carrying value of assets sold	(198)	(2,522)
Property, plant and equipment:		
Proceeds from sale	35	40
Carrying value of assets sold	<u>(151)</u>	<u>(120)</u>
<b>Total losses from assets sales</b>	<u>176</u>	<u>427</u>
<b><u>Note 3G: Payments for Service Delivery</u></b>		
Payment to Centrelink for service delivery	3,480	16,096
Payment to Medicare Australia for service delivery	9,222	9,220
Payment to Australian Taxation Office for service delivery	607	671
Payment to Department of Veterans' Affairs for service delivery	<u>199</u>	<u>200</u>
<b>Total payments for service delivery</b>	<u>13,508</u>	<u>26,187</u>

**Notes to and forming part of the Financial Statements**

<b>2011</b>	2010
<b>\$'000</b>	\$'000

**Note 4: Income****REVENUE****Note 4A: Sale of Goods and Rendering of Services\***

Rendering of services - related entities	21,219	24,905
Rendering of services - external parties	<u>8,101</u>	<u>7,169</u>
<b>Total sale of goods and rendering of services</b>	<b><u>29,320</u></b>	<b><u>32,074</u></b>

\*FaHCSIA received \$0.021 million (2010: n/a) under the Paid Parental Leave Scheme; these amounts were offset against the amounts paid to employees in the Statement of Comprehensive Income.

**Note 4B: Other Revenue**

Interest	4	3
Other	<u>776</u>	<u>3,573</u>
<b>Total other revenue</b>	<b><u>780</u></b>	<b><u>3,576</u></b>

**GAINS****Note 4C: Sale of Assets**

Land and buildings:		
Proceeds from sale	1,782	880
Carrying value of assets sold	<u>(1,463)</u>	<u>(831)</u>
Property, plant and equipment:		
Proceeds from sale	58	110
Carrying value of assets sold	<u>(8)</u>	<u>(9)</u>
<b>Net gain from sale of assets</b>	<b><u>369</u></b>	<b><u>150</u></b>

**Note 4D: Foreign Exchange**

Non speculative	<u>-</u>	<u>1</u>
<b>Total foreign exchange gains</b>	<b><u>-</u></b>	<b><u>1</u></b>

**Note 4E: Other Gains**

Reversal of provision for make good	483	31
Resources received free of charge	1,239	1,239
Assets recognised	912	556
Reversal of impairment loss	<u>17</u>	<u>446</u>
<b>Total other gains</b>	<b><u>2,651</u></b>	<b><u>2,272</u></b>

**REVENUE FROM GOVERNMENT****Note 4F: Revenue from Government**

Appropriations:		
Departmental appropriations	<u>518,963</u>	<u>573,150</u>
<b>Total revenue from Government</b>	<b><u>518,963</u></b>	<b><u>573,150</u></b>

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**Notes to and forming part of the Financial Statements**


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**Note 5: Comprehensive Income (Loss) Attributable to FaHCSIA**

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
<b>Total comprehensive income (loss) attributable to FaHCSIA</b>		
Total comprehensive income (loss) attributable to the Australian Government <sup>1</sup>	<b>(63,455)</b>	651
Plus: non-appropriated expenses		
Depreciation and amortisation expenses	<u><b>54,315</b></u>	<u>-</u>
<b>Total comprehensive income (loss) attributable to FaHCSIA</b>	<u><b>(9,140)</b></u>	<u>651</u>
Less: Changes in asset revaluation reserves	<u><b>93</b></u>	<u>10,806</u>
<b>Deficit attributable to FaHCSIA</b>	<u><b>(9,233)</b></u>	<u>(10,155)</u>

1. As per the Statement of Comprehensive Income.

FaHCSIA is showing a total comprehensive loss attributable to the Australian Government of \$63.455 million for 2010-11. This reflects the revised net cash funding arrangements introduced under Operation Sunlight, whereby asset replacement is now funded through departmental capital budget appropriation.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 6: Financial Assets</b>		
<b><u>Note 6A: Cash and Cash Equivalents</u></b>		
Cash on hand	9	5
Cash at bank	<u>8,927</u>	<u>2,906</u>
<b>Total cash and cash equivalents</b>	<u>8,936</u>	<u>2,911</u>
<b><u>Note 6B: Trade and Other Receivables</u></b>		
<b>Goods and Services:</b>		
Goods and services - related entities	3,753	8,591
Goods and services - external parties	<u>619</u>	<u>261</u>
<b>Total receivables for goods and services</b>	<u>4,372</u>	<u>8,852</u>
<b>Appropriations receivable:</b>		
For existing programs	<u>68,976</u>	<u>99,420</u>
<b>Total appropriations receivable</b>	<u>68,976</u>	<u>99,420</u>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	1,925	3,481
Other	<u>4,382</u>	<u>808</u>
<b>Total other receivables</b>	<u>6,307</u>	<u>4,289</u>
<b>Total trade and other receivables (gross)</b>	<u>79,655</u>	<u>112,561</u>
Less impairment allowance account:		
Goods and services	<u>(3)</u>	<u>(20)</u>
<b>Total impairment allowance account</b>	<u>(3)</u>	<u>(20)</u>
<b>Total trade and other receivables (net)</b>	<u>79,652</u>	<u>112,541</u>
Receivables are expected to be recovered in:		
No more than 12 months	<u>79,652</u>	<u>112,541</u>
<b>Total trade and other receivables (net)</b>	<u>79,652</u>	<u>112,541</u>
Receivables are aged as follows:		
Not overdue	76,940	105,822
Overdue by:		
0 to 30 days	297	779
31 to 60 days	54	357
61 to 90 days	594	2,296
More than 90 days	<u>1,770</u>	<u>3,307</u>
<b>Total receivables (gross)</b>	<u>79,655</u>	<u>112,561</u>
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	<u>(3)</u>	<u>(20)</u>
<b>Total impairment allowance account</b>	<u>(3)</u>	<u>(20)</u>

Notes to and forming part of the Financial Statements

Note 6B: Trade and Other Receivables (continued)

Reconciliation of the Impairment Allowance Account:

Movements in relation to 2011

	Goods and services \$'000	Total \$'000
Opening balance	(20)	(20)
Amounts recovered and reversed	17	17
Closing balance	(3)	(3)

Movements in relation to 2010

	Goods and services \$'000	Total \$'000
Opening balance	(466)	(466)
Amounts recovered and reversed	446	446
Closing balance	(20)	(20)



**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 7: Non-Financial Assets</b>		
<b>Note 7A: Land and Buildings</b>		
Land:		
Land at fair value	19,842	19,962
<b>Total Land</b>	<b>19,842</b>	<b>19,962</b>
Buildings on freehold land:		
Fair value	79,526	81,682
Accumulated depreciation	(18,617)	(13,489)
<b>Total buildings on freehold land</b>	<b>60,909</b>	<b>68,193</b>
Leasehold improvements:		
Fair value	112,602	89,226
Accumulated depreciation	(31,084)	(15,282)
Assets under construction	21,148	17,368
<b>Total leasehold improvements</b>	<b>102,666</b>	<b>91,312</b>
<b>Total land and buildings</b>	<b>183,417</b>	<b>179,467</b>

During the period to 30 June 2011 land and buildings with a carrying amount of \$1.960 million (2010: \$2.630 million) were identified as impaired and written-down.

No land or buildings are expected to be sold or disposed of within the next 12 months.

The comparative figures have been reclassified by an amount of \$27.541 million from leasehold improvements to buildings to conform with the current year's presentation.

**Note 7B: Property, Plant and Equipment**

Other property, plant and equipment:		
Fair value	45,039	40,982
Accumulated depreciation	(18,815)	(10,905)
<b>Total other property, plant and equipment</b>	<b>26,224</b>	<b>30,077</b>
<b>Total property, plant and equipment</b>	<b>26,224</b>	<b>30,077</b>

During the period to 30 June 2011 property, plant and equipment with a carrying amount of \$0.384 million (2010: \$1.216 million) were identified as impaired and written-down.

A net book value of \$0.392 million (2010: Nil) for property, plant and equipment is expected to be sold or disposed of within the next 12 months.

## Notes to and forming part of the Financial Statements

## Note 7C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010 - 11)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other property, plant & equipment \$'000	Total \$'000
<b>As at 1 July 2010</b>					
Gross book value	19,962	188,276	208,238	40,982	249,220
Accumulated depreciation and impairment	-	(28,771)	(28,771)	(10,905)	(39,676)
<b>Net book value 1 July 2010</b>	<b>19,962</b>	<b>159,505</b>	<b>179,467</b>	<b>30,077</b>	<b>209,544</b>
<b>Additions*</b>					
By purchase	410	33,797	34,207	6,586	40,793
By recognition	-	-	-	912	912
Revaluations and impairments recognised in other comprehensive income	-	93	93	-	93
Impairments recognised in the operating result	-	(1,960)	(1,960)	(384)	(2,344)
Depreciation expense	-	(26,720)	(26,720)	(10,526)	(37,246)
Other movements	-	(9)	(9)	(282)	(291)
<b>Disposals:</b>					
Disposals with proceeds	(530)	(1,131)	(1,661)	(159)	(1,820)
<b>Net book value 30 June 2011</b>	<b>19,842</b>	<b>163,575</b>	<b>183,417</b>	<b>26,224</b>	<b>209,641</b>
<b>Net book value as of 30 June 2011 represented by:</b>					
Gross book value	19,842	213,276	233,118	45,039	278,157
Accumulated depreciation and impairment	-	(49,701)	(49,701)	(18,815)	(68,516)
	<b>19,842</b>	<b>163,575</b>	<b>183,417</b>	<b>26,224</b>	<b>209,641</b>

\* Disaggregated additions information is disclosed in the Schedule of Asset Additions.

**Notes to and forming part of the Financial Statements****Note 7C. (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2009-10)**

	Land	Buildings	Total land and buildings	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2009</b>					
Gross book value	15,258	190,307	205,565	35,639	241,204
Accumulated depreciation/amortisation and impairment	-	(30,216)	(30,216)	(15,293)	(45,509)
<b>Net book value 1 July 2009</b>	<b>15,258</b>	<b>160,091</b>	<b>175,349</b>	<b>20,346</b>	<b>195,695</b>
<b>Additions*</b>					
By purchase	3,075	29,560	32,635	16,992	49,627
By recognition	-	353	353	203	556
Revaluations recognised in other comprehensive income	2,819	4,323	7,142	3,497	10,639
Impairments recognised in the operating result	-	(2,630)	(2,630)	(1,216)	(3,846)
Depreciation and amortisation expense	-	(28,622)	(28,622)	(9,063)	(37,685)
Assets transferred	-	-	-	(34)	(34)
Other movements	-	-	-	(519)	(519)
Disposals:					
From disposal of entities or operations (including restructuring)	-	(1,407)	(1,407)	-	(1,407)
Disposals with proceeds	(1,190)	(2,163)	(3,353)	(129)	(3,482)
<b>Net book value 30 June 2010</b>	<b>19,962</b>	<b>159,505</b>	<b>179,467</b>	<b>30,077</b>	<b>209,544</b>
<b>Net book value as of 30 June 2010 represented by:</b>					
Gross book value	19,962	188,276	208,238	40,982	249,220
Accumulated depreciation and amortisation	-	(28,771)	(28,771)	(10,905)	(39,676)
	<b>19,962</b>	<b>159,505</b>	<b>179,467</b>	<b>30,077</b>	<b>209,544</b>

\* Disaggregated additions information is disclosed in the Schedule of Asset Additions.

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**Notes to and forming part of the Financial Statements**


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	2011 \$'000	2010 \$'000
<b><u>Note 7D: Intangibles</u></b>		
Computer software:		
Internally developed - in progress	8,955	12,187
Internally developed - in use	105,916	87,234
Purchased	6,965	5,213
Accumulated amortisation	<u>(64,083)</u>	<u>(47,346)</u>
<b>Total computer software</b>	<u>57,753</u>	<u>57,288</u>
 <b>Total intangibles</b>	 <u>57,753</u>	 <u>57,288</u>

During the period to 30 June 2011 intangibles with a carrying amount of \$0.311 million (2010: \$0.586 million) were identified as impaired and written-down.

No intangibles are expected to be sold or disposed of within the next 12 months.

**Notes to and forming part of the Financial Statements****Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2010-11)**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2010</b>			
Gross book value	99,421	5,213	104,634
Accumulated amortisation and impairment	(46,555)	(791)	(47,346)
<b>Net book value 1 July 2010</b>	<b>52,866</b>	<b>4,422</b>	<b>57,288</b>
Additions*:			
By purchase or internally developed	16,093	1,752	17,845
Impairments recognised in the operating result	(311)	-	(311)
Amortisation	(15,827)	(1,242)	(17,069)
<b>Net book value 30 June 2011</b>	<b>52,821</b>	<b>4,932</b>	<b>57,753</b>
<b>Net book value as at 30 June 2011 represented by:</b>			
Gross book value	114,871	6,965	121,836
Accumulated amortisation and impairment	(62,050)	(2,033)	(64,083)
	<b>52,821</b>	<b>4,932</b>	<b>57,753</b>

\* Disaggregated additions information is disclosed in the Schedule of Asset Additions.

**Note 7E: Reconciliation of the Opening and Closing Balances of Intangibles (2009-10)**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	84,611	1,728	86,339
Accumulated amortisation and impairment	(32,218)	(234)	(32,452)
<b>Net book value 1 July 2009</b>	<b>52,393</b>	<b>1,494</b>	<b>53,887</b>
Additions*:			
By purchase or internally developed	15,265	3,573	18,838
Impairments recognised in the operating result	(455)	(131)	(586)
Amortisation	(14,337)	(548)	(14,885)
Other movements - assets transferred in	-	34	34
<b>Net book value 30 June 2010</b>	<b>52,866</b>	<b>4,422</b>	<b>57,288</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	99,421	5,213	104,634
Accumulated amortisation and impairment	(46,555)	(791)	(47,346)
	<b>52,866</b>	<b>4,422</b>	<b>57,288</b>

\* Disaggregated additions information is disclosed in the Schedule of Asset Additions.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 7F: Other Non-Financial Assets</b>		
Prepayments to Centrelink	-	3,480
Other prepayments	<u>6,459</u>	<u>6,498</u>
<b>Total other non-financial assets</b>	<u>6,459</u>	<u>9,978</u>
Total other non-financial assets - are expected to be recovered in:		
No more than 12 months	<u>6,459</u>	<u>9,978</u>
<b>Total other non-financial assets</b>	<u>6,459</u>	<u>9,978</u>

No indicators of impairment were found for other non-financial assets.

**Note 8: Payables****Note 8A: Suppliers**

Trade creditors and accruals	<u>16,094</u>	<u>26,624</u>
<b>Total supplier payables</b>	<u>16,094</u>	<u>26,624</u>
Supplier payables expected to be settled within 12 months:		
Related entities	1,974	3,848
External parties	<u>14,120</u>	<u>22,776</u>
<b>Total</b>	<u>16,094</u>	<u>26,624</u>
<b>Total supplier payables</b>	<u>16,094</u>	<u>26,624</u>

Settlement is usually made within 30 days.

**Note 8B: Other Payables**

Salaries and wages	7,652	5,083
Superannuation	1,089	882
Separations and redundancies	2,500	443
Lease incentive	6,809	6,735
Operating leases straight-lining	7,457	5,910
GST payable to the Australian Taxation Office	-	479
Other	<u>2,752</u>	<u>2,052</u>
<b>Total other payables</b>	<u>28,259</u>	<u>21,584</u>

Total other payables are expected to be settled in:

No more than 12 months	22,514	15,729
More than 12 months	<u>5,745</u>	<u>5,855</u>
<b>Total other payables</b>	<u>28,259</u>	<u>21,584</u>

**Note 9: Provisions****Note 9A: Employee Provisions**

Leave	<u>82,560</u>	<u>80,553</u>
<b>Total employee provisions</b>	<u>82,560</u>	<u>80,553</u>
Employee provisions are expected to be settled in:		
No more than 12 months	24,643	24,431
More than 12 months	<u>57,917</u>	<u>56,122</u>
<b>Total employee provisions</b>	<u>82,560</u>	<u>80,553</u>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 9B: Other Provisions</b>		
Provision for restoration obligations	2,256	3,147
<b>Total other provisions</b>	<b>2,256</b>	<b>3,147</b>
Other provisions are expected to be settled in:		
No more than 12 months	758	830
More than 12 months	1,498	2,317
<b>Total other provisions</b>	<b>2,256</b>	<b>3,147</b>
	<b>Provision for restoration</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount 1 July 2010</b>	<b>3,147</b>	<b>3,147</b>
Additional provisions made	12	12
Amounts used	(536)	(536)
Amounts reversed	(483)	(483)
Unwinding of discount or change in discount rate	116	116
<b>Closing balance 2011</b>	<b>2,256</b>	<b>2,256</b>

FaHCSIA currently has 38 agreements for the leasing of premises which have provisions requiring FaHCSIA to restore the premises to their original condition at the conclusion of the lease. FaHCSIA has made a provision to reflect the present value of this obligation.

**Notes to and forming part of the Financial Statements**

<b>2011</b>	2010
<b>\$'000</b>	\$'000

**Note 10: Restructuring****Note 10A: Departmental Restructuring**

As a result of a restructuring of administrative arrangements on 14 September 2010, FaHCSIA relinquished responsibility for the following functions which transferred to the Department of Sustainability, Environment, Water, Population and Communities (DSEWPoC):

- Affordable Housing, Housing Assistance and Homelessness Prevention - Housing Affordability Fund, and the Affordable Housing - National Rental Affordability Scheme

In respect of functions relinquished, the following assets and liabilities were transferred by FaHCSIA:

## Assets relinquished

Appropriation receivable	<u>(846)</u>	-
Total assets relinquished	<u>(846)</u>	-

## Liabilities relinquished

Employee provisions	<u>1,447</u>	-
Total liabilities relinquished	<u>1,447</u>	-
<b>Net liabilities relinquished</b>	<u><b>601</b></u>	-

FaHCSIA also relinquished responsibility for the following function which was transferred to the Department of Prime Minister and Cabinet (PM&C) on 14 September 2010:

- National Compact, Volunteering and Philanthropy
- Repatriation of Indigenous Remains
- Volunteer Management Program and Indigenous Repatriation

## Assets relinquished

Appropriation receivable	<u>(143)</u>	-
Total assets relinquished	<u>(143)</u>	-

## Liabilities relinquished

Employee provisions	<u>275</u>	-
Total liabilities relinquished	<u>275</u>	-
<b>Net liabilities relinquished</b>	<u><b>132</b></u>	-

FaHCSIA also relinquished responsibility for the following function which was transferred to the Attorney-General's Department (AGD) on 14 October 2010:

- Australian Government Disaster Recovery Payment (AGDRP)

## Assets relinquished

Appropriation receivable	<u>(56)</u>	-
Total assets relinquished	<u>(56)</u>	-

## Liabilities relinquished

Employee provisions	<u>100</u>	-
Total liabilities relinquished	<u>100</u>	-
<b>Net liabilities relinquished</b>	<u><b>44</b></u>	-



**Notes to and forming part of the Financial Statements**

<b>2011</b>	2010
<b>\$'000</b>	\$'000

**Note 10 Restructuring (continued)**

As a result of a determination decision on 9 July 2010, FaHCSIA relinquished responsibility for the following function which was transferred to the Department of Human Services:

- Family Assistance Office

## Assets relinquished

Appropriation receivable	<u>(12)</u>	-
Total assets relinquished	<u>(12)</u>	-
<b>Net assets relinquished</b>	<u>(12)</u>	-

**Note 10B: Administered Restructuring**

As a result of a restructuring of administrative arrangements on 14 September 2010, FaHCSIA relinquished responsibility for the following functions which transferred to the Department of Sustainability, Environment, Water, Populations and Communities (DSEWPaC):

- Affordable Housing, Housing Assistance and Homelessness Prevention - Housing Affordability Fund, and the Affordable Housing - National Rental Affordability Scheme.

In respect of functions relinquished, the following assets and liabilities transferred by FaHCSIA:

## Liabilities relinquished

Grant payables	<u>7,540</u>	-
Total liabilities relinquished	<u>7,540</u>	-
<b>Net liabilities relinquished</b>	<u>7,540</u>	-

FaHCSIA also relinquished responsibility for the following function which transferred to the Department of Prime Minister and Cabinet (PM&C) on 14 September 2010:

- National Compact, Volunteering and Philanthropy;
- Repatriation of Indigenous Remains;
- Volunteer Management Program and Indigenous Repatriation

**There were no assets or liabilities that FaHCSIA needed to relinquish to PM&C.**

FaHCSIA also relinquished responsibility for the following function which transferred to the Attorney-General's Department (AGD) on 14 October 2010:

- Australian Government Disaster Recovery Payment (AGDRP)

## Assets relinquished

Personal benefits receivable	<u>(299)</u>	-
Total assets relinquished	<u>(299)</u>	-
<b>Net assets relinquished</b>	<u>(299)</u>	-

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**Notes to and forming part of the Financial Statements**


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	2011 \$'000	2010 \$'000
<b>Note 11: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalent as per:</b>		
Cash flow statement	8,936	2,911
Balance sheet	<u>8,936</u>	<u>2,911</u>
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(582,511)	(583,305)
Add revenue from Government	518,963	573,150
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	54,315	52,570
Net write down of non-financial assets	2,655	4,432
Gain on disposal of assets	(369)	(150)
Loss on disposal of assets	176	427
Assets recognised	(912)	(556)
Gain on make good	(483)	(31)
Restructuring	765	-
<b>Change in assets / liabilities</b>		
Decrease in net receivables	32,889	36,942
Decrease in prepayments	3,519	13,765
Increase in employee provisions	2,007	2,410
Decrease in supplier payables	(10,530)	(15,509)
Increase / (decrease) in other payables	6,677	(66,481)
Decrease in other provisions	(891)	(90)
<b>Net cash from operating activities</b>	<u>26,270</u>	<u>17,574</u>

**Notes to and forming part of the Financial Statements****Note 12: Contingent Liabilities and Assets**

	Claims for damages or costs		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Contingent assets</b>				
Balance from previous period	83	548	83	548
Re-measurement	9	-	9	-
Assets recognised	(27)	(465)	(27)	(465)
Expired	(65)	-	(65)	-
<b>Total contingent assets</b>	-	83	-	83
<b>Contingent liabilities</b>				
Balance from previous period	180	175	180	175
Re-measurement	(96)	5	(96)	5
<b>Total contingent liabilities</b>	84	180	84	180
<b>Net contingent assets/(liabilities)</b>	(84)	(97)	(84)	(97)

**Quantifiable Contingencies**

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$0.084 million (2010: \$0.180 million). The amount represents an estimate of FaHCSIA's liability based on precedent cases. FaHCSIA is defending the claims.

The Schedule of Contingencies reports no contingent assets in respect of claims for damages/costs (2010: \$0.083 million).

**Unquantifiable Contingencies**

At 30 June 2011, FaHCSIA had no unquantifiable contingencies (2010: Nil).

**Significant Remote Contingencies**

At 30 June 2011, FaHCSIA had no significant remote contingencies (2010: Nil).

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**Notes to and forming part of the Financial Statements**


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**Note 13: Senior Executive Remuneration****Note 13A: Senior Executive Remuneration Expense for the Reporting Period**

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000
Short-term employee benefits:		
Salary (including annual leave taken)	<b>19,302</b>	17,505
Annual leave accrued	<b>193</b>	(22)
Performance bonus	-	505
Other <sup>1</sup>	<u><b>2,258</b></u>	<u>1,951</u>
Total short-term employee benefits	<u><b>21,753</b></u>	<u>19,939</u>
Post-employment benefits:		
Superannuation	<u><b>3,289</b></u>	<u>2,982</u>
Total post-employment benefits	<u><b>3,289</b></u>	<u>2,982</u>
Other long-term benefits:		
Long service leave	<u><b>790</b></u>	<u>414</u>
Total other long-term benefits	<u><b>790</b></u>	<u>414</u>
Termination benefits	<u><b>23</b></u>	<u>216</u>
<b>Total</b>	<u><b>25,855</b></u>	<u>23,551</u>

**Notes:**

1. 'Other' includes motor vehicle allowances, other allowances included as part of an employment agreement and the total cost of providing fringe benefits.
2. Note 13A was prepared on an accrual basis (so the performance bonus amounts disclosed above differ from the cash 'Bonus Paid' in Note 13B).
3. From 1 July 2010, substantive senior executives received a performance bonus as part of salary.
4. Note 13A excludes acting arrangements and part-year service where remuneration expensed was less than \$150,000.

## Notes to and forming part of the Financial Statements

## Note 13: Senior Executive Remuneration (continued)

## Note 13B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

	as at 30 June 2011					as at 30 June 2010				
	Fixed elements					Fixed elements				
	Senior Executives No.	Salary \$	Allowances \$	Total Fixed Remuneration \$	Bonus Paid <sup>2</sup> \$	Senior Executives No.	Salary \$	Allowances \$	Total Fixed Remuneration \$	Bonus Paid <sup>2</sup> \$
<b>Fixed Elements and Bonus Paid<sup>1</sup></b>										
Total remuneration (including part-time arrangements):										
less than \$150,000	5	133,124	10,180	143,304	4,577	29	143,839	1,131	144,970	2,731
\$150,000 to \$179,999	27	156,313	7,652	163,965	4,931	41	149,764	16,421	166,185	5,929
\$180,000 to \$209,999	42	166,778	22,960	189,738	4,961	28	184,332	8,525	192,857	6,886
\$210,000 to \$239,999	19	208,162	11,484	219,646	6,039	12	195,173	25,050	220,223	5,898
\$240,000 to \$269,999	7	239,262	15,929	255,191	4,441	5	234,961	17,640	252,601	3,200
\$270,000 to \$299,999	2	254,149	29,300	283,449	15,000	-	-	-	-	-
\$300,000 to \$419,999	-	-	-	-	-	1	409,687	3,100	412,787	-
\$420,000 to \$449,999	2	425,970	3,750	429,720	-	-	-	-	-	-
<b>Total</b>	<b>104</b>					<b>116</b>				

## Notes:

1. This table reports on substantive senior executives who are employed by FaHCSIA as at the end of the reporting period. Fixed elements are based on the employment agreement of each individual and differ between individuals, but may include Executive Vehicle Scheme (EVS) cash out allowance, retention allowance, fire warden allowance, first aid allowance and good health allowance. Each row represents an average annualised figure for the individuals in that remuneration package band.

2. The bonus paid represents the average actual bonus paid during the reporting period. The bonus paid is excluded from the total column for the purpose of determining the remuneration bands. The bonus paid within a band may vary between financial years due to factors such as individuals commencing or leaving during the period.

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**Notes to and forming part of the Financial Statements**


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**Note 13: Senior Executive Remuneration (continued)****Variable Elements**

With the exception of performance bonuses, variable elements are not included in the 'Fixed Elements and Bonus Paid' table above. The following variable elements are available as part of senior executives' remuneration package:

(a) On average senior executives were entitled to the following leave entitlements:

- \* Annual Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES);
- \* Personal Leave (PL): entitled to 20 days (2010: 20 days) or part-time equivalent; and
- \* Long Service Leave (LSL): in accordance with Long Service Leave (Commonwealth Employees) Act 1976.

(b) Allowances: form part of the employee's remuneration package but are not agreed as part of the remuneration package, including travel allowances.

(c) Senior executives were members of one of the following superannuation funds:

- \* Commonwealth Superannuation Scheme (CSS): this scheme is closed to new members, and employer contributions were set at 22.7 percent (2010: 21.4 percent) (including productivity component). More information on CSS can be found at <http://www.css.gov.au>;
- \* Public Sector Superannuation Scheme (PSS): this scheme is closed to new members, with current employer contributions were set at 17.1 percent (2010: 16.3 percent) (including productivity component). More information on PSS can be found at <http://www.pss.gov.au>;
- \* Public Sector Superannuation Accumulation Plan (PSSap): employer contributions were set at 15.4 percent (2010: 15.4 percent), and the fund has been in operation since July 2005. More information on PSSap can be found at <http://www.pssap.gov.au>; and
- \* Other: there were some senior executives who had their own superannuation arrangements (e.g. self-managed superannuation funds). Their employer contributions were set at 15.4 percent (2010: 15.4 percent).

(d) Fringe benefits; which may include the provision of an EVS vehicle and private use of home-based computer equipment.

(e) Leave entitlements: staff are entitled to 20 days annual leave per year and long service leave in accordance with the *Long Service Leave (Commonwealth Employees) Act 1976*.

**Note 13C: Other Highly Paid Staff**

During the reporting period, there were 2 employees (2010: 1) whose salary plus performance bonus were \$150,000 or more. These employees did not have a role as senior executive and are therefore not disclosed as senior executives in Note 13A and Note 13B.

**Notes to and forming part of the Financial Statements****Note 14: Remuneration of Auditors**

<b>2011</b>	<b>2010</b>
<b>\$'000</b>	<b>\$'000</b>

Financial statement audit services, with the exception of the audit of the ATSILA, were provided free of charge to FaHCSIA.

The fair value of audit services provided was:

Audit services for FaHCSIA	<b>1,200</b>	1,200
Audit services for the ABA	<b>39</b>	39
Audit services for the ATSILA	<b>23</b>	23
	<b>1,262</b>	1,262

No other services were provided by the auditors of the financial statements.

**Note 15: Financial Instruments****Note 15A: Categories of Financial Instruments****Financial Assets**

Loans and receivables:

Cash on hand	<b>8,936</b>	2,911
Trade and other receivables	<b>8,278</b>	9,385

<b>Total</b>	<b>17,214</b>	12,296
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<b>Carrying amount of financial assets</b>	<b>17,214</b>	12,296
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**Financial Liabilities**

At amortised cost:

Trade creditors	<b>16,094</b>	26,624
<b>Total</b>	<b>16,094</b>	26,624

<b>Carrying amount of financial liabilities</b>	<b>16,094</b>	26,624
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The carrying amount of financial instruments approximates the fair value.

**Note 15B: Net Income and Expense from Financial Assets****Loans and receivables**

Interest	<b>4</b>	3
Foreign exchange	<b>-</b>	1
<b>Net gain from loans and receivables</b>	<b>4</b>	4
<b>Net gain from financial assets</b>	<b>4</b>	4

The total interest income from financial assets not at fair value through profit or loss in the year ending 2011 is \$0.004 million (2010: \$0.003 million).

## Notes to and forming part of the Financial Statements

### Note 15C: Credit Risk

FaHCSIA is exposed to minimal credit risk as loans and receivables are cash, trade receivables and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables, that is \$8.278 million in 2011 (2010: \$9.385 million).

FaHCSIA has assessed the risk of the default on payment and has allocated \$0.003 million in 2011 (2010: \$0.020 million) to an impairment allowance account for trade receivables. FaHCSIA manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, FaHCSIA has policies and procedures that guide employees debt recovery techniques that are to be applied.

FaHCSIA holds no collateral to mitigate against credit risk.

The following table illustrates FaHCSIA's gross exposure to credit risk, excluding any collateral or credit enhancement

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	8,936	2,911
Trade and other receivables	8,278	9,385
<b>Total</b>	<b>17,214</b>	<b>12,296</b>

#### Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2011 \$'000	Not past due nor impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Receivables for goods and services	1,657	2,113	2,715	6,739
<b>Total</b>	<b>1,657</b>	<b>2,113</b>	<b>2,715</b>	<b>6,739</b>

#### Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	297	54	594	1,770	2,715
<b>Total</b>	<b>297</b>	<b>54</b>	<b>594</b>	<b>1,770</b>	<b>2,715</b>

#### Ageing of financial assets that were past due but not impaired for 2010

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	779	357	2,296	3,307	6,739
<b>Total</b>	<b>779</b>	<b>357</b>	<b>2,296</b>	<b>3,307</b>	<b>6,739</b>



**Notes to and forming part of the Financial Statements****Note 15D: Liquidity Risk**

FaHCSIA's financial liabilities are payables. The exposure to liquidity risk is based on the notion that FaHCSIA will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely as FaHCSIA is appropriated funding from the Australian Government and FaHCSIA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, FaHCSIA has policies in place to ensure timely payments are made when due and has no past experience of default.

**Maturities for non-derivative financial liabilities 2011**

	On demand	within 1	1 to 2 years	2 to 5 years	> 5 years	Total
	\$'000	year	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	16,094	-	-	-	16,094
<b>Total</b>	-	16,094	-	-	-	16,094

**Maturities for non-derivative financial liabilities 2010**

	On demand	within 1	1 to 2 years	2 to 5 years	> 5 years	Total
	\$'000	year	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	26,624	-	-	-	26,624
<b>Total</b>	-	26,624	-	-	-	26,624

FaHCSIA has no derivative financial liabilities in both the current and prior year.

**Note 15E: Market Risk**

FaHCSIA holds both basic financial instruments, available for sale and held-to-maturity investments that do not expose FaHCSIA to certain market risks. FaHCSIA is not exposed to 'Currency risk', 'Other price risk' or 'Interest rate risk'.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 16: Income Administered on Behalf of Government</b>		
<b>REVENUE</b>		
<b>Non-Taxation Revenue</b>		
<b><u>Note 16A: Recoveries</u></b>		
Personal benefit recoveries	231,257	250,986
<b>Total recoveries</b>	<b>231,257</b>	<b>250,986</b>
<b><u>Note 16B: Interest</u></b>		
Interest on advance	618	279
Interest on investments	130,469	102,497
<b>Total interest</b>	<b>131,087</b>	<b>102,776</b>
<b><u>Note 16C: NZ Reciprocal Agreement</u></b>		
New Zealand Reciprocal Agreement	33,920	38,783
<b>Total NZ Reciprocal Agreement</b>	<b>33,920</b>	<b>38,783</b>
<b><u>Note 16D: Special Account Revenue</u></b>		
Indigenous Employment Special Account	-	148,329
Other	5,793	13,305
<b>Total special account revenue</b>	<b>5,793</b>	<b>161,634</b>
The 2010 comparative figure has been adjusted to exclude \$160.360 million to reflect the correct treatment for Income Management Special Account revenue (refer to Note 25: Special Accounts).		
<b><u>Note 16E: Other Revenue</u></b>		
Other	9,267	12,540
<b>Total other revenue</b>	<b>9,267</b>	<b>12,540</b>
<b>GAINS</b>		
<b><u>Note 16F: Write Back of Impairment Allowance for Personal Benefits</u></b>		
Write back of impairment allowance for personal benefits	28,975	-
<b>Total write back of impairment allowance for personal benefits</b>	<b>28,975</b>	<b>-</b>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 17: Expenses Administered on Behalf of Government</b>		
<b>EXPENSES</b>		
<b><u>Note 17A: Suppliers</u></b>		
<b>Goods and services</b>		
Consultants and contractors	74,713	87,230
Conference, training and travel costs	9,359	9,270
Advertising, legal and marketing costs	18,103	14,989
Other	8,020	4,115
<b>Total goods and services</b>	<b>110,195</b>	<b>115,604</b>
<b>Goods and services are made up of:</b>		
Rendering of services - external parties	110,195	115,604
<b>Total goods and services</b>	<b>110,195</b>	<b>115,604</b>
<b>Total suppliers expenses</b>	<b>110,195</b>	<b>115,604</b>
<b><u>Note 17B: Subsidies</u></b>		
Payable to external parties:	8,552	10,971
<b>Total subsidies</b>	<b>8,552</b>	<b>10,971</b>
<b><u>Note 17C: Personal Benefits</u></b>		
Age Pension	32,150,963	29,378,070
Family Tax Benefit	18,064,923	17,856,246
Disability Support Pension	13,353,636	11,853,330
Education Entry Payment	1,378	34,914
Carer Allowance - Adult and Child	1,764,990	1,629,928
Carer Payment	2,727,666	2,267,686
Emergency Relief	36,848	35,344
Wife Pension (Disability Support Pension)	161,428	177,199
Australian Government Disaster Recovery Payment	10,407	41,710
Paid Parental Leave	604,172	-
Maternity Payments	1,212,725	1,433,073
Wife Pension (Age)	134,367	144,336
Special Benefit	73,174	67,655
Carer Supplement	451,846	1,610
Utilities Allowance	13,407	290,441
Senior Concession Allowance	179,164	163,106
Ex-Gratia Payments	3,061	7,582
Other	41,909	22,968
<b>Total personal benefits</b>	<b>70,986,064</b>	<b>65,405,198</b>
<b><u>Note 17D: Grants</u></b>		
Public sector:		
Australian Government entities (related entities)	10,212	5,750
State and Territory Governments	81,308	73,638
Local Governments	97,544	89,346
Private sector:		
External entities	76,042	55,706
Non-profit organisations	1,188,106	1,306,824
<b>Total grants</b>	<b>1,453,212</b>	<b>1,531,264</b>
<b><u>Note 17E: Depreciation and Amortisation</u></b>		
Depreciation:		
Buildings	64	96
<b>Total depreciation and amortisation</b>	<b>64</b>	<b>96</b>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 17: Expenses Administered on Behalf of Government (continued)</b>		
<b><u>Note 17F: Write-Down and Impairment of Assets</u></b>		
Asset write downs and impairments from:		
Receivables (impairment allowance)	662	3,868
Other	2,563	143
Personal benefits receivable	-	179,603
<b>Total write-down and impairment of assets</b>	<b>3,225</b>	<b>183,614</b>
<b><u>Note 17G: Losses from Asset Sales</u></b>		
Carrying value of assets sold	2,850	-
<b>Total loss from assets sales</b>	<b>2,850</b>	<b>-</b>
<b><u>Note 17H: Payments to CAC Bodies</u></b>		
Payments to Torres Strait Regional Authority	69,758	67,391
Payments to Aboriginal Hostels Limited	38,476	36,840
Payments to Indigenous Business Australia	38,458	38,840
<b>Total payments to CAC Bodies</b>	<b>146,692</b>	<b>143,071</b>
<b><u>Note 17I: Other Expenses</u></b>		
Royalty Equivalent payments	89,899	69,958
Special Accounts expense	7,031	13,558
Mining Withholding Tax	3,670	2,869
Other	5,771	8,195
Payments to the Indigenous Land Corporation	45,000	-
<b>Total other expenses</b>	<b>151,371</b>	<b>94,580</b>
The 2010 comparative figure has been adjusted to exclude \$161.802 million to reflect the correct treatment for Income Management Special Account expense (refer to Note 25: Special Accounts).		
<b><u>Note 17J: Payments from the Indigenous Employment Special Account</u></b>		
Payments from the Indigenous Employment Special Account to and on behalf of agencies.	-	131,819
<b>Total Payments from the Indigenous Employment Special Account</b>	<b>-</b>	<b>131,819</b>
<b><u>Note 17K: Payments from the Northern Territory Flexible Funding Pool Special Account</u></b>		
Payments to the Northern Territory Flexible Funding Pool Special Account to and on behalf of agencies.	-	11,631
<b>Total Payments from the Northern Territory Funding Pool Special Account</b>	<b>-</b>	<b>11,631</b>
The 2010 financial year saw the last payments made from the Indigenous Employment Special Account and the Northern Territory Flexible Funding Pool Special Account, as these special accounts were closed (refer to Note 25: Special Accounts).		

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 18: Assets Administered on Behalf of Government</b>		
<b>FINANCIAL ASSETS</b>		
<b>Note 18A: Cash and Cash Equivalents</b>		
Cash at bank	10,849	906
Aboriginals Benefit Account - Special Account	13,776	14,361
Aboriginal and Torres Strait Islander Land Account - Special Account	9	7
<b>Total cash and cash equivalents</b>	<b>24,634</b>	<b>15,274</b>
<b>Note 18B: Receivables</b>		
<b>Goods and services:</b>		
Personal benefits	1,524,464	1,581,853
<b>Total receivables for goods and services</b>	<b>1,524,464</b>	<b>1,581,853</b>
<b>Advances and loans:</b>		
Advance payments for personal benefits	149,740	-
Other loans	22,386	19,737
<b>Total advances and loans</b>	<b>172,126</b>	<b>19,737</b>
<b>Other receivables:</b>		
Other receivables	18,046	22,363
GST receivable from Australian Taxation Office	18,410	22,030
<b>Total other receivables</b>	<b>36,456</b>	<b>44,393</b>
<b>Total receivables (gross)</b>	<b>1,733,046</b>	<b>1,645,983</b>
<i>Less: impairment allowance account:</i>		
Personal benefits	(565,109)	(594,194)
Other receivables	(4,287)	(3,625)
<b>Total impairment allowance account</b>	<b>(569,396)</b>	<b>(597,819)</b>
<b>Total receivables (net)</b>	<b>1,163,650</b>	<b>1,048,164</b>
Receivables were aged as follows:		
Not overdue	1,470,815	1,371,803
Overdue by:		
0 to 30 days	10,366	10,358
31 to 60 days	7,013	7,278
61 to 90 days	4,269	4,429
More than 90 days	240,583	252,115
<b>Total receivables (gross)</b>	<b>1,733,046</b>	<b>1,645,983</b>
The impairment allowance account is aged as follows:		
Not overdue	(560,452)	(590,144)
Overdue by:		
0 to 30 days	(182)	(158)
31 to 60 days	(129)	(112)
61 to 90 days	(78)	(68)
More than 90 days	(8,555)	(7,337)
<b>Total impairment allowance account</b>	<b>(569,396)</b>	<b>(597,819)</b>

**Notes to and forming part of the Financial Statements**

	2011	2010
	\$'000	\$'000

**Note 18: Assets Administered on Behalf of Government (continued)****Reconciliation of the Impairment Allowance Account:  
Movements in relation to 2011**

	Receivables \$'000	Total \$'000
<b>Opening balance</b>	597,819	597,819
Decrease recognised in net surplus	(28,423)	(28,423)
<b>Closing balance</b>	569,396	569,396

**Movements in relation to 2010**

	Receivables \$'000	Total \$'000
<b>Opening balance</b>	414,753	414,753
Increase recognised in net surplus	183,066	183,066
<b>Closing balance</b>	597,819	597,819

**Note 18C: Investments in Commonwealth Entities**

## Commonwealth authorities:

Aboriginal Hostels Limited	104,767	95,352
Anindilyakwa Land Council	2,838	664
Central Land Council	26,802	25,410
Northern Land Council	25,775	22,924
Tiwi Land Council	883	1,241
Wreck Bay Aboriginal Community Council	47,375	44,846
Indigenous Land Corporation	296,185	280,597
Indigenous Business Australia	983,593	932,218
Torres Strait Regional Authority	51,960	44,721
Yarra Community Housing	1,014	866
Outback Stores Pty Ltd	39,579	39,494
<b>Total investments</b>	<u>1,580,771</u>	<u>1,488,333</u>

The above investments are shown at fair value, based on the latest management accounts or unaudited financial statements provided by each entity.

**Note 18D: Investments in Deposits and Government Securities**

Deposits	1,940,513	1,785,165
Government securities	347,212	413,544
<b>Total investments in deposits and government securities</b>	<u>2,287,725</u>	<u>2,198,709</u>

Total other financial assets - are expected to be recovered in:

No more than 12 months	1,940,513	1,835,940
More than 12 months	347,212	362,769
<b>Total other financial assets</b>	<u>2,287,725</u>	<u>2,198,709</u>
<b>Total financial assets</b>	<u>5,056,780</u>	<u>4,750,480</u>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 18: Assets Administered on Behalf of Government (continued)</b>		
<b>NON-FINANCIAL ASSETS</b>		
<b><u>Note 18E: Land and Buildings</u></b>		
Land:		
Land - at fair value	80	780
<b>Total land</b>	<b>80</b>	<b>780</b>
Buildings on freehold land:		
Buildings - at fair value	200	2,490
Accumulated depreciation	(20)	(96)
<b>Total buildings on freehold land</b>	<b>180</b>	<b>2,394</b>
<b>Total land and buildings</b>	<b>260</b>	<b>3,174</b>

No indicators of impairment were found for land and buildings.

The remaining land and buildings are expected to be sold within the next 12 months.

**TABLE A - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2010 - 11)**

	Land \$'000	Buildings \$'000	Total land and buildings \$'000
<b>As at 1 July 2010</b>			
Gross book value	780	2,490	3,270
Accumulated depreciation/amortisation and impairment	n/a	(96)	(96)
<b>Net book value 1 July 2010</b>	<b>780</b>	<b>2,394</b>	<b>3,174</b>
Depreciation/amortisation expense	n/a	(64)	(64)
Disposals:			
Disposals	(700)	(2,150)	(2,850)
<b>Net book value 30 June 2011</b>	<b>80</b>	<b>180</b>	<b>260</b>
<b>Net book value as of 30 June 2011 represented by:</b>			
Gross book value	80	200	280
Accumulated depreciation/amortisation	n/a	(20)	(20)
	<b>80</b>	<b>180</b>	<b>260</b>

**Notes to and forming part of the Financial Statements****TABLE A (cont.) - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment (2009 - 10)**

	Land	Buildings	Total land and buildings
	\$'000	\$'000	\$'000
<b>As at 1 July 2009</b>			
Gross book value	793	2,130	2,923
<b>Net book value 1 July 2009</b>	793	2,130	2,923
Revaluations and impairments through other comprehensive income	(13)	360	347
Depreciation/amortisation expense	n/a	(96)	(96)
<b>Net book value 30 June 2010</b>	780	2,394	3,174
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	780	2,490	3,270
Accumulated depreciation/amortisation	n/a	(96)	(96)
	780	2,394	3,174
	<b>2011</b>	<b>2010</b>	
	<b>\$'000</b>	<b>\$'000</b>	
<b>Note 18F: Other Non-Financial Assets</b>			
Prepayments - related entities	8,488	8,091	
Prepaid grants	-	500	
Income management vouchers	111	966	
<b>Total other non-financial assets</b>	<b>8,599</b>	<b>9,557</b>	
Total other non-financial assets - are expected to be recovered in:			
No more than 12 months	8,599	9,557	
<b>Total other non-financial assets</b>	<b>8,599</b>	<b>9,557</b>	

No indicators of impairment were found for other non-financial assets.



**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 19: Liabilities Administered on Behalf of Government</b>		
<b>PAYABLES</b>		
<b>Note 19A: Suppliers</b>		
Payables to land councils	11,808	451
Trade creditors and accruals	<u>6,657</u>	<u>14,255</u>
<b>Total suppliers</b>	<u>18,465</u>	<u>14,706</u>
Supplier payables expected to be settled within 12 months:		
Related entities	11,808	451
External parties	<u>6,657</u>	<u>14,255</u>
<b>Total</b>	<u>18,465</u>	<u>14,706</u>
<b>Total suppliers</b>	<u>18,465</u>	<u>14,706</u>
Settlement is usually made within 30 days		
<b>Note 19B: Personal Benefits</b>		
Personal benefits	<u>1,756,976</u>	<u>1,723,620</u>
<b>Total personal benefits</b>	<u>1,756,976</u>	<u>1,723,620</u>
Total personal benefits are expected to be settled in:		
No more than 12 months	<u>1,756,976</u>	<u>1,723,620</u>
<b>Total personal benefits</b>	<u>1,756,976</u>	<u>1,723,620</u>
Personal benefit payment types are disclosed in Note 17C.		
<b>Note 19C: Grants</b>		
Public sector:		
State and Territory Governments	42	1,890
Local Government	-	2,020
Private sector:		
Non-profit organisations	1,550	2,627
Other	<u>920</u>	<u>1,048</u>
<b>Total grants</b>	<u>2,512</u>	<u>7,585</u>
Total grants are expected to be settled in:		
No more than 12 months	<u>2,512</u>	<u>7,585</u>
<b>Total grants</b>	<u>2,512</u>	<u>7,585</u>
All grants payable are to entities that are not part of the Australian Government. Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
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**Note 19: Liabilities Administered on Behalf of Government (continued)****PROVISIONS****Note 19D: Personal Benefits Provision**

Family Tax Benefit	5,285,000	5,179,000
Pension Bonus Scheme	847,000	652,000
Paid Parental Leave Scheme	137,552	-
<b>Total personal benefits provision</b>	<b>6,269,552</b>	<b>5,831,000</b>

Personal Benefits Provisions are expected to be settled in:

No more than 12 months	4,941,617	4,927,853
More than 12 months	1,327,935	903,147
<b>Total personal benefits provisions</b>	<b>6,269,552</b>	<b>5,831,000</b>

**Movement in provisions**

	Family Tax Benefit provision \$'000	Pension Bonus Scheme provision \$'000	Paid Parental Leave Scheme \$'000	Total \$'000
<b>Carrying amount 1 July 2010</b>	5,179,000	652,000	-	5,831,000
Additional provisions made	4,790,602	393,000	137,552	5,321,154
Amounts used	(4,684,602)	(198,000)	-	(4,882,602)
<b>Closing balance 2011</b>	<b>5,285,000</b>	<b>847,000</b>	<b>137,552</b>	<b>6,269,552</b>

	2011 \$'000	2010 \$'000
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**Note 20: Administered Reconciliation Table**

<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>(2,813,702)</b>	<b>(3,187,888)</b>
Plus: Administered income	440,299	566,719
Less: Administered expenses (non CAC)	(72,715,533)	(67,352,958)
Payments to CAC Act bodies	(146,692)	(143,071)
Payments to Indigenous Employment Special Account	-	(131,819)
Administered transfers to/from Australian Government:		
Annual appropriations for administered expenses (non CAC)	1,812,216	2,121,915
Annual appropriations for payment to CAC Act bodies	146,692	143,071
Special appropriations (unlimited) (non CAC)	70,819,226	65,981,996
Transfers to OPA excluding Northern Territory Funding Pools	(298,083)	(432,173)
Transfers to OPA Northern Territory Funding Pools	-	(64,448)
Equity injection for CAC Act bodies	40,090	36,960
Centrelink receipts	(281,403)	(277,249)
Other non-cash items recognised by FaHCSIA	(44,565)	(16,836)
Restructuring	7,241	-
Purchase of Outback Stores Pty Ltd	-	39,494
Administered revaluations taken from reserves	52,348	(97,415)
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>(2,981,866)</b>	<b>(2,813,702)</b>

**Notes to and forming part of the Financial Statements****Note 21: Administered Contingent Assets and Liabilities**

	Claims for damages or costs		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Contingent liabilities</b>				
Balance from previous period	31	129	31	129
New	23	31	23	31
Liabilities recognised	(31)	(129)	(31)	(129)
<b>Total contingent liabilities</b>	<b>23</b>	<b>31</b>	<b>23</b>	<b>31</b>
<b>Net contingent liabilities</b>	<b>(23)</b>	<b>(31)</b>	<b>(23)</b>	<b>(31)</b>

**Quantifiable Contingencies**

There are also a number of Act of Grace payments requests currently being considered by the Finance Minister under section 33 of the FMA Act. The outcomes of these requests are estimated to be \$0.023 million (2009-10: \$0.031 million).

**Unquantifiable Contingencies**

There are currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT), for which the outcomes are not yet known or able to be quantified. These cases relate to appeals regarding income support payments and other payments under the social security legislation.

The ABA and the Northern Land Council are in discussion regarding a final settlement figure for a liability based on historical data, for which a contingent liability is not quantifiable.

**Significant Remote Contingencies**

There are no known remote administered contingencies at 30 June 2011 (2010: Nil).

There are no contingent assets in the current or previous reporting period.

## Notes to and forming part of the Financial Statements

### Note 22: Administered Investments

#### Investment in Commonwealth Entities

The Commonwealth has 100% of the equity interest in Aboriginal Hostels Limited. Aboriginal Hostels Limited provides temporary accommodation to Aboriginal and Torres Strait Islander people through a national network of hostels.

The Commonwealth has 100% of the equity interest in each of the following Councils:

- Anindilyakwa Land Council
- Central Land Council
- Northern Land Council
- Tiwi Land Council
- Wreck Bay Aboriginal Community Council

The Northern Territory Land Councils represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area, and in relation to legislation concerning that land. The Land Councils also consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council. Wreck Bay Aboriginal Community Council holds title to land and provides services to the Aboriginal community of Jervis Bay.

The Commonwealth has 100% of the equity interest in the Indigenous Land Corporation. The Indigenous Land Corporation provides economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous Land base.

The Commonwealth has 100% of the equity interest in Indigenous Business Australia. Indigenous Business Australia creates opportunities for Aboriginal and Torres Strait Islander people and communities to build assets and gain wealth.

The Commonwealth has 100% of the equity interest in the Torres Strait Regional Authority. The Torres Strait Regional Authority formulates, implements and monitors the effectiveness of programs for Aboriginal and Torres Strait Islander people living in the Torres Strait.

The Commonwealth has an interest in a property occupied by the Yarra Community Housing located in Melbourne. The principal activity of the entity is for the provision of community housing facilities. The Commonwealth owns 31% of the unimproved market value of the land. The equity in this property is secured by a deed of agreement between the Commonwealth and the Yarra Community Housing Ltd, with the Commonwealth having a controlling interest over the use of the property.

The Commonwealth has 100% of the equity interest in Outback Stores Pty Ltd. Outback Stores Pty Ltd improves access to affordable, healthy food for Indigenous communities, particularly in remote areas, through providing food supply and store management and support services.

#### Investments in Deposits and Government Securities

Investments in Deposits and Government Securities relate to investment portfolios managed for the ABA and ATSILA. The investment portfolios are managed to ensure sufficient funds are available for payments when required. Monies which are surplus to immediate requirements are invested in accordance with section 39 of the FMA Act and the ABA's and ATSILA's respective legislative instruments.

Under section 39 of the FMA Act and regulation 22 of the FMA Regulations, public money may only be invested in authorised investments which include:

- (a) securities of the Commonwealth, a State or a Territory;
- (b) securities guaranteed by the Commonwealth, a State or a Territory;
- (c) a deposit with a bank, including a deposit evidenced by a certificate of deposit; and
- (d) a bill of exchange accepted or endorsed only by a bank.

Investment practices are also governed by FaHCSIA's internal investment policies which require the management of the portfolios to respond to positive investment opportunities in the market so as to achieve the best possible returns for the account within the legislative framework.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 23: Administered Financial Instruments</b>		
<b>Note 23A: Categories of financial instruments</b>		
<b>Financial Assets</b>		
Held-to-maturity:		
Bank term deposits	1,911,184	1,700,068
Territory Insurance Office	18,000	17,000
Interest receivable (amortised cost)	11,329	8,181
Bank issued transferable certificates of deposits	-	59,916
Capital indexed bonds	<u>347,212</u>	<u>413,544</u>
<b>Total</b>	<b><u>2,287,725</u></b>	<b><u>2,198,709</u></b>
Loans and receivables:		
Cash and cash equivalents	24,634	15,274
Trade receivables	9,011	10,244
Other receivables	8,997	12,083
Advances and loans	22,386	19,737
Interest receivable	<u>38</u>	<u>36</u>
<b>Total</b>	<b><u>65,066</u></b>	<b><u>57,374</u></b>
Available for sale:		
Investments in Commonwealth Entities*	<u>1,580,771</u>	<u>1,488,333</u>
<b>Total</b>	<b><u>1,580,771</u></b>	<b><u>1,488,333</u></b>
<b>Carrying amount of financial assets</b>	<b><u>3,933,562</u></b>	<b><u>3,744,416</u></b>
*The details of the investments in Commonwealth Entities are provided in Note 18C.		
<b>Financial Liabilities</b>		
Other Liabilities:		
Trade creditors	18,465	14,706
Grants and other payables	<u>2,512</u>	<u>7,585</u>
<b>Total</b>	<b><u>20,977</u></b>	<b><u>22,291</u></b>
<b>Carrying amount of financial liabilities</b>	<b><u>20,977</u></b>	<b><u>22,291</u></b>
<b>Note 23B: Net Income and Expense from Financial Assets</b>		
<b>Held-to-maturity</b>		
Interest revenue	<u>129,997</u>	<u>101,589</u>
<b>Net gain held-to-maturity</b>	<b><u>129,997</u></b>	<b><u>101,589</u></b>
<b>Loans and receivables</b>		
Interest revenue	<u>472</u>	<u>908</u>
<b>Net gain loans and receivables</b>	<b><u>472</u></b>	<b><u>908</u></b>
<b>Net gain from financial assets</b>	<b><u>130,469</u></b>	<b><u>102,497</u></b>

The above net gain is from financial assets not at fair value from profit and loss.

**Notes to and forming part of the Financial Statements****Note 23C: Fair Value of Financial Instruments**

	Carrying amount 2011 \$'000	Fair value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
<b>Financial Assets</b>				
Bank term deposits	1,911,184	1,911,184	1,700,068	1,700,068
Territory Insurance Office and Banking	18,000	18,000	17,000	17,000
Interest receivable (amortised cost)	11,329	11,329	8,181	8,181
Bank issued transferable certificates of deposits	-	-	59,916	59,916
Capital indexed bonds	347,212	350,222	413,544	418,096
Cash and cash equivalents	24,634	24,634	15,274	15,274
Trade receivables	9,011	9,011	10,244	10,244
Other receivables	8,997	8,997	12,083	12,083
Advances and loans	22,386	22,386	19,737	19,737
Interest receivable	38	38	36	36
Investments in Commonwealth Entities	1,580,771	1,580,771	1,488,333	1,488,333
<b>Total</b>	<b>3,933,562</b>	<b>3,936,572</b>	<b>3,744,416</b>	<b>3,748,968</b>

**Financial Liabilities**

Trade creditors	18,465	18,465	14,706	14,706
Grants and other payables	2,512	2,512	7,585	7,585
<b>Total</b>	<b>20,977</b>	<b>20,977</b>	<b>22,291</b>	<b>22,291</b>

**Fair value measurements categorised by fair value hierarchy**

	<b>Level in the fair value hierarchy</b>	
	<b>2011</b>	<b>2010</b>
<b>Financial assets at fair value</b>		
Capital indexed bonds	1	1
Interest bearing deposits	2	2
Investments in Commonwealth Entities	3	3

Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - Inputs other than quoted prices within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**Reconciliations of Level 3 fair value hierarchy**

	<b>2011 \$'000</b>	<b>2010 \$'000</b>
Opening balance	1,488,333	1,509,294
Total gains or losses recognised in other comprehensive income	92,438	(60,455)
Acquisitions	-	39,494
Closing balance	1,580,771	1,488,333

**Notes to and forming part of the Financial Statements**

	Valuation technique utilising			
	Level 1: \$'000	Level 2: \$'000	Level 3: \$'000	Total \$'000
<b>Financial assets at fair value</b>				
Bank term deposits	-	1,911,184	-	1,911,184
Territory Insurance Office and Banking	-	18,000	-	18,000
Capital indexed bonds	350,222	-	-	350,222
Investments in Commonwealth Entities	-	-	1,580,771	1,580,771
<b>Total</b>	<b>350,222</b>	<b>1,929,184</b>	<b>1,580,771</b>	<b>3,860,177</b>

**Note 23D: Credit Risk**

FaHCSIA is exposed to credit risk through cash and receivables (recognised as loans and receivables) and investments (recognised as held-to-maturity). The maximum exposure to credit risk is the risk that arises from potential default of a debtor or financial institution. This amount is equal to the total amount of cash, receivables and investments.

FaHCSIA has assessed the risk of the default on payment and has allocated \$4.287 million (2010: \$3.625 million) to an impairment allowance account for other receivables.

FAHCSIA holds available for sale financial instruments that do not expose the agency to credit risk.

**The following table illustrates FaHCSIA's gross exposure to credit risk, excluding any collateral or credit enhancement**

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Bank term deposits	1,911,184	1,700,068
Territory Insurance Office and Banking	18,000	17,000
Interest receivable (amortised cost)	11,329	8,181
Bank issued transferable certificates of deposits	-	59,916
Capital indexed bonds	347,212	413,544
Cash and cash equivalents	24,634	15,274
Trade receivables	9,011	10,244
Other receivables	8,997	12,083
Advances and loans	22,386	19,737
Interest receivable	38	36
<b>Total</b>	<b>2,352,791</b>	<b>2,256,083</b>
<b>Financial liabilities</b>		
Trade creditors	(18,465)	(14,706)
Grants and other payables	(2,512)	(7,585)
<b>Total</b>	<b>(20,977)</b>	<b>(22,291)</b>

**Notes to and forming part of the Financial Statements****Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due nor impaired 2011 \$'000	Not past due nor impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Trade receivables	8,937	10,242	74	2
Other receivables	1,121	1,359	7,876	10,724
Advances and loans	22,386	19,737	-	-
<b>Total</b>	<b>32,444</b>	<b>31,338</b>	<b>7,950</b>	<b>10,726</b>

**Ageing of financial assets that were past due but not impaired for 2011**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	-	-	-	74	74
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>74</b>

**Ageing of financial assets that were past due but not impaired for 2010**

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	-	2	-	-	2
<b>Total</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>

**Note 23E: Liquidity risk**

FaHCSIA's administered financial liabilities are creditors and grants payable. The exposure to liquidity risk is based on the notion that FaHCSIA will encounter difficulty in meeting its obligations associated with administered financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to FaHCSIA and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations when they fall due.

The ATSLA has a significant capital base available to meet its obligations when they fall due.

The ABA investment policy ensures sufficient cash is available to meet payments as they fall due.

**Note 23F: Market Risk**

FaHCSIA holds both basic financial instruments, available for sale and held-to-maturity investments that do not expose the agency to certain market risks. FaHCSIA is not exposed to 'Currency risk', 'Other price risk' or 'Interest rate risk'.



**Notes to and forming part of the Financial Statements****Note 24: Appropriations****Table A: Annual Appropriations ('Recoverable GST exclusive')**

FaHCSIA has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations in circumstances where the payments do not accord with conditions included in the relevant legislation.

FaHCSIA will investigate the circumstances that lead to this increased risk and any impact on its special appropriations shown below, seeking legal advice as appropriate.

	2011 Appropriations						Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Annual Appropriation \$'000	Appropriation Act reduced <sup>(a)</sup> \$'000	AFM <sup>(b)</sup> \$'000	Section 30 \$'000	FMA Act Section 31 (GST excl.) \$'000	Section 32 \$'000	Total appropriation \$'000	
<b>2011</b>								
<b>DEPARTMENTAL</b>								
Ordinary annual services <sup>(d)</sup>	549,409	(10)	-	3,884	31,355	(7,607)	577,031	603,904 (26,873)
Other services	14,417	(1,638)	-	-	-	-	12,779	12,779 -
<b>Total departmental</b>	<b>563,826</b>	<b>(1,648)</b>	<b>-</b>	<b>3,884</b>	<b>31,355</b>	<b>(7,607)</b>	<b>589,810</b>	<b>616,683 (26,873)</b>
<b>ADMINISTERED</b>								
Ordinary annual services <sup>(e)</sup>	1,674,102	(42,980)	14,159	1,610	-	(97,162)	1,549,729	1,559,500 (9,771)
Administered items	150,871	(4,179)	-	-	-	-	146,692	146,692 -
Payments to CAC Act bodies								
Other services	40,090	-	-	-	-	-	40,090	40,090 -
Payments to CAC Act bodies								
<b>Total administered</b>	<b>1,865,063</b>	<b>(47,159)</b>	<b>14,159</b>	<b>1,610</b>	<b>-</b>	<b>(97,162)</b>	<b>1,736,511</b>	<b>1,746,282 (9,771)</b>

**Notes:**

- Appropriations reduced under Appropriation Acts (No. 1, 3, 5) 2010-11; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2, 4, 6) 2010-11; sections 12, 13, 14 and 17.
- Advance to the Finance Minister (AFM) - Appropriation Acts (No. 1, 3, 5) 2010-11; section 13 and Appropriation Acts (No. 2, 4, 6) 2010-11; section 15.
- In 2010-11, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
- The variance in departmental ordinary annual services is due to the reduction in the appropriation receivable of \$30,444 million (2011: \$68,976 million, 2010: \$99,420 million) offset by an increase in the cash at bank of \$6,025 million (2011: \$8,936 million, 2010: \$2,911 million) and other cash movements of \$0.014 million.
- The variance for administered items is mainly due to payments of retention of \$16,191 million applied from prior years offset by the current years retention of \$4,810 million.
- An element of the section 31 amount received in July 2010 was calculated using the assumption that the full amount was subject to GST.



Notes to and forming part of the Financial Statements

Table B: Unspent Departmental Annual Appropriations (Recoverable GST exclusive)

Authority	2011 \$'000	2010 \$'000
Appropriation Act (No.1) 2010-11		-
Appropriation Act (No.1) 2009-10	57,148	30,832
Appropriation Act (No.1) 2008-09	20,764	24,982
Appropriation Act (No.1) 2007-08	-	45,154
Appropriation Act (No.3) 2007-08	-	1,363
Total	77,912	102,331

The total for unspent Department Annual Appropriations includes the OPA Receivable (2011: \$68,976 million, 2010: \$99,420 million) and Cash at Bank (2011: \$8,936 million, 2010: \$2,911 million).

Notes to and forming part of the Financial Statements

Table C: Special Appropriations ('Recoverable GST exclusive')

	Type	Purpose	Appropriation applied 2011 \$'000	2010 \$'000
<i>Social Security (Administration) Act 1999, Administered</i>	Unlimited Amount	To enable the payment of income support payments. Most of the amount relates to payments for Age Pension and Disability Support Pension.	50,987,543	46,048,870
<i>A New Tax System (Family Assistance) (Administration) Act 1999, Administered</i>	Unlimited Amount	To enable the payment of family income support payments. Most of the amount relates to payments for Family Tax Benefit and Baby Bonus.	19,396,013	19,754,468
<i>Paid Parental Leave Act 2010</i>	Unlimited Amount	To enable payments to working parents to enhance maternal and child health.	276,570	-
<i>Aboriginal Land Rights (Northern Territory) Act 1976, Administered</i>	Unlimited Amount	To enable payments to Aboriginal land Councils from the equivalent of mining royalties derived from mining operations on Aboriginal land in the Northern Territory.	158,955	175,623
<i>Northern Territory National Emergency Response Act 2007, Administered</i>	Unlimited Amount	Compensation for Part 4 acquisition, state legislation payments, rental payments and passing on sub-lease or other payments to owners.	145	3,035
<b>Total</b>			<b>70,819,226</b>	<b>65,981,996</b>

Notes:

(a) Centrelink and the Department of Veterans' Affairs (DVA) spend money from the CRF on behalf of FaHCSIA.

Notes to and forming part of the Financial Statements

Table D: Disclosure by Agent in Relation to Annual Appropriations ('Recoverable GST exclusive')

	Attorney-General's Department*
2011	\$'000
Total receipts	153,313
Total payments	(153,313)
2010	\$'000
Total receipts	151,263
Total payments	(151,263)

\*FaHCSIA has drawing rights for Attorney-General's Department annual appropriation for the Family Relationship Services program.

In relation to the disclosure by agent, FaHCSIA did not have special appropriations in both the current and prior year.

## Notes to and forming part of the Financial Statements

Table E: Reduction in Administered Items (Recoverable GST exclusive)

2011	Amount required <sup>(3)</sup> - by Appropriation Act				Total required <sup>(3)</sup> - as represented by:		Total amount required <sup>(3)</sup>	Total amount appropriated <sup>(4)</sup>	Total reduction <sup>(5)</sup>
	Act (No. 1)	Act (No. 3)	Act (No. 5)	AFM	Spent	Retention			
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Ordinary Annual Services									
Outcome: 1	200,935,294.66	1,400,000.00	-	-	201,903,186.11	432,108.55	202,335,294.66	204,728,000.00	2,392,705.34
Outcome: 2	38,414,213.35	-	-	-	38,317,410.51	96,802.84	38,414,213.35	39,340,288.00	926,074.65
Outcome: 3	202,816,423.48	970,000.00	-	-	202,977,555.50	808,867.98	203,786,423.48	208,472,000.00	4,685,576.52
Outcome: 4	4,995,000.00	5,000.00	-	-	5,000,000.00	-	5,000,000.00	5,000,000.00	-
Outcome: 5	463,131,928.81	-	-	14,159,000.00	476,565,032.33	725,896.48	477,290,928.81	482,723,000.00	5,432,071.19
Outcome: 6	18,363,007.82	4,245,000.00	-	-	21,358,438.69	1,249,569.13	22,608,007.82	25,050,000.00	2,441,992.18
Outcome: 7	598,684,752.00	-	-	-	597,187,750.06	1,497,001.94	598,684,752.00	625,786,008.67	27,101,256.67
<b>Total</b>	<b>1,527,340,620.12</b>	<b>6,620,000.00</b>	<b>-</b>	<b>14,159,000.00</b>	<b>1,543,309,373.20</b>	<b>4,810,246.92</b>	<b>1,548,119,620.12</b>	<b>1,591,099,296.67</b>	<b>42,979,676.55</b>

## Notes:

- (1) Numbers in this section of the table must be disclosed to the cent.
- (2) Administered items for 2010-11 were reduced to these amounts when these financial statements were tabled in Parliament as part of the agency's 2010-11 annual report. This reduction is effective in 2011-12, but the amounts reflected in Table A in the 2010-11 financial statements in the column 'Appropriations reduced' as they are adjustments to 2010-11 appropriations.
- (3) Amount required as per Appropriation Act (Act 1 s.11; Act 2 s.12).
- (4) Total amount appropriated in 2010-11.
- (5) Total reduction effective 2011-12.

## Notes to and forming part of the Financial Statements

2010	Amount required <sup>(3)</sup> - by Appropriation Act			Total required <sup>(3)</sup> - as represented by:		Total amount required <sup>(3)</sup>	Total amount appropriated <sup>(4)</sup>	Total reduction <sup>(5)</sup>
	Act (No. 1)	Act (No. 3)	Act (No. 5)	Indigenous Employment Special Account	Spent	Retention		
	\$	\$	\$	\$	\$	\$	\$	\$
Ordinary Annual Services								
Outcome: 1	181,156,412.80	-	-	-	181,052,337.24	104,075.56	181,156,412.80	183,432,000.00
Outcome: 2	111,693,012.31	-	-	-	108,517,724.98	3,175,287.33	111,693,012.31	149,978,000.00
Outcome: 3	189,180,290.04	-	-	-	189,279,668.66	1,620,129.23	190,899,797.89	197,611,000.00
Outcome: 4	5,000,000.00	-	1,719,507.85	-	5,000,000.00	-	5,000,000.00	5,000,000.00
Outcome: 5	458,248,499.84	-	-	-	455,776,080.70	2,472,419.14	458,248,499.84	473,481,000.00
Outcome: 6	21,532,061.43	-	-	-	15,322,935.12	6,209,126.31	21,532,061.43	27,475,000.00
Outcome: 7	695,572,264.78	-	-	-	727,003,465.96	92,089.82	727,095,555.78	834,969,291.00
<b>Total</b>	<b>1,662,382,541.20</b>	<b>1,719,507.85</b>	<b>-</b>	<b>-</b>	<b>1,681,952,212.66</b>	<b>13,673,127.39</b>	<b>1,695,625,340.05</b>	<b>1,871,946,291.00</b>

## Notes:

- (1) Numbers in this section of the table must be disclosed to the cent.
- (2) Administered items for 2009-10 were reduced to these amounts when these financial statements were tabled in Parliament as part of PRIMA Agency's 2009-10 annual report. This reduction is effective in 2010-11, but the amounts reflected in Table A in the 2009-10 financial statements in the column 'Appropriations reduced' as they are adjustments to 2009-10 appropriations.
- (3) Amount required as per Appropriation Act (Act 1 s.11; Act 2 s.12).
- (4) Total amount appropriated in 2009-10.
- (5) Total reduction effective 2010-11.

## Notes to and forming part of the Financial Statements

### Note 25: Special Accounts

FaHCSIA has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

FaHCSIA will investigate the circumstances that lead to this increased risk and any impact on its special accounts shown below, seeking legal advice as appropriate.

<b>Indigenous Communities Strategic Investment Program Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2008/24</i> Purpose: Administering the Indigenous Communities Strategic Investment program.		
This account is non-interest bearing		
Balance brought forward from previous period	-	-
Appropriation for reporting period	-	-
Other receipts	1,033	7,026
<b>Total increase</b>	<b>1,033</b>	<b>7,026</b>
<b>Available for payments</b>	<b>1,033</b>	<b>7,026</b>
Payments made to suppliers	(1,033)	(7,026)
<b>Total decrease</b>	<b>(1,033)</b>	<b>(7,026)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>

<b>Social Security - Services for Other Governments and Non-agency Bodies (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2008/15</i> Purpose: For services relating to specific Governments and Non-agency bodies.		
This account is non-interest bearing		
Balance brought forward from previous period	223	223
<b>Total increase</b>	<b>-</b>	<b>-</b>
<b>Available for payments</b>	<b>223</b>	<b>223</b>
Balance transferred to Services for Other Entities and Trust Monies Special Account	(223)	-
<b>Total decrease</b>	<b>(223)</b>	<b>-</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>223</b>

The balance of this account was transferred to the Services for Other Entities and Trust Monies Special Account on 31 January 2011. The Account was then abolished as at 31 January 2011 under the *Determination 2010/13 Abolition of Inactive Special Accounts 2010*.



**Notes to and forming part of the Financial Statements****Note 25 Special Accounts (continued)**

<b>Services for Other Entities and Trust Monies (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2010/14</i> Purpose: For services relating to specific Governments and Non-agency bodies.		
This account is non-interest bearing		
Balance brought forward from previous period	-	-
Balance transferred from Social Security - Services for Other Governments and Non-agency Bodies	223	-
Balance transferred from Other Services - Services for Other Governments and Non-agency Bodies	1,022	-
Other receipts	25	-
<b>Total increase</b>	<b>1,270</b>	<b>-</b>
<b>Available for payments</b>	<b>1,270</b>	<b>-</b>
Transfers made to OPA	(223)	-
Payments made to suppliers	(280)	-
<b>Total decrease</b>	<b>(503)</b>	<b>-</b>
<b>Total balance carried to the next period - cash transferred to the OPA</b>	<b>767</b>	<b>-</b>

The Services for Other Entities and Trust Monies Special Account was established under Determination 2010/14 issued on 12 October 2010.

<b>Other Services - Services for Other Governments and Non-agency Bodies (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act (1997); section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2008/15</i> Purpose: For expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies. Note this account comprises seven sub-accounts.		
This account is non-interest bearing		
Balance brought forward from previous period	741	366
Appropriation for reporting period	-	32
Other receipts	2,303	3,321
<b>Total increase</b>	<b>2,303</b>	<b>3,353</b>
<b>Available for payments</b>	<b>3,044</b>	<b>3,719</b>
Payments made to suppliers	(2,022)	(2,978)
Balance transferred to Services for Other Entities and Trust Monies Special Account	(1,022)	-
<b>Total decrease</b>	<b>(3,044)</b>	<b>(2,978)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>741</b>

The balance of this account was transferred to the Services for Other Entities and Trust Monies Special Account on 31 January 2011. The Account was then abolished as at 31 January 2011 under the *Determination 2010/13 Abolition of Inactive Special Accounts 2010*.

## Notes to and forming part of the Financial Statements

### Note 25 Special Accounts (continued)

<b>Income Management Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act (1997); section 21</i>		
Establishing Instrument: <i>Social Security (Administered) Act 1999 - section 123VA</i>		
Purpose: Individual Centrelink entitlements are held and Centrelink makes payments on behalf of the individual.		
This account is non-interest bearing		
Balance brought forward from previous period	-	2,202
Contributions	-	159,608
Other receipts (returned payments from third party organisations)	-	752
<b>Total increase</b>	-	160,360
<b>Available for payments</b>	-	162,562
Payments made to individual centrelink customers	-	(161,802)
<b>Total decrease</b>	-	(161,802)
<b>Total balance carried to the next period</b>	-	760

The Income Management Special Account was abolished as at 30 June 2010 and replaced by the Income Management Record (IMR). The closing balance of the Special Account became the opening balance for Income Management Record on 1 July 2010. Fund movements are made to the Record through Centrelink and are reported separately in the FaHCSIA Annual Report. The figures reported above are for comparative purposes only.

<b>Supported Accommodation Assistance Program Data &amp; Program Evaluation Fund Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i>		
Establishing Instrument: <i>Financial Management and Accountability Determination 2000/11</i>		
Purpose: The receipt of monies for the National Data Collection, national evaluations, national committees and research projects under FaHCSIA's Supported Accommodation Assistance Program.		
This account is non-interest bearing		
Balance brought forward from previous period	38	3,163
Appropriation for reporting period	-	-
Other receipts	-	106
<b>Total increase</b>	-	106
<b>Available for payments</b>	38	3,269
Payments made to suppliers	(34)	(3,231)
Transfers made to OPA	(4)	-
<b>Total decrease</b>	(38)	(3,231)
<b>Total balance carried to the next period</b>	-	38

The Supported Accommodation Assistance Program Data & Program Evaluation Fund Special Account closing balance was transferred back to the OPA and abolished as at 30 June 2011 under Determination 2011/01.

**Notes to and forming part of the Financial Statements****Note 25 Special Accounts (continued)**

<b>Aboriginals Benefit Account - Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
Establishing Instrument: <i>Aboriginal Land Rights (Northern Territory) Act 1976; sections 62, 63, 64 and 65</i>		
Purpose: For the receipt and disbursement of the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory.		
This account is interest bearing		
Balance brought forward from previous period	14,361	19,633
Appropriation for reporting period	158,749	175,222
Investments realised	615,500	144,500
Interest receipts	20,877	16,376
Lease receipts	505	582
<b>Total increase</b>	<b>795,631</b>	<b>336,680</b>
<b>Available for payments</b>	<b>809,992</b>	<b>356,313</b>
Payments made - committee members	(238)	(160)
Payments made - suppliers	(1,345)	(406)
Payments made - grants	(70,613)	(23,775)
Payments made - township lease payments	(1,140)	(1,253)
Payments made - land councils	(82,880)	(80,858)
Investments made from the special account (FMA Act section 39)	(640,000)	(235,500)
<b>Total decrease</b>	<b>(796,216)</b>	<b>(341,952)</b>
<b>Total balance carried to the next period - cash held by the Agency</b>	<b>13,776</b>	<b>14,361</b>

<b>Aboriginals Benefit Account</b>		
<b>Investment of Public Money:</b>		
<b>Special Appropriations under section 39 of the FMA Act</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening Balance (Investment Principal)</b>	<b>380,000</b>	<b>286,000</b>
Adjustment for cash held in 11am at-call account	(10,000)	3,000
Investments made - from special account	640,000	235,500
Investments realised	(615,500)	(144,500)
<b>Closing Balance (Investment Principal)</b>	<b>394,500</b>	<b>380,000</b>

## Notes to and forming part of the Financial Statements

## Note 25 Special Accounts (continued)

Aboriginal and Torres Strait Islander Land Account (Administered)	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
Establishing Instrument: <i>Section 192W of the Aboriginal and Torres Strait Islander Act 2005</i>		
<i>Purpose:</i> To provide a secure stream of income to the Indigenous Land Corporation in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.		
This account is interest bearing		
Balance brought forward from previous period	7	321
Investments realised	2,089,436	1,895,076
Interest receipts	79,484	88,279
<b>Total increase</b>	<b>2,168,920</b>	<b>1,983,355</b>
<b>Available for payments</b>	<b>2,168,927</b>	<b>1,983,676</b>
Payments made to the Indigenous Land Corporation	(45,000)	-
Payments made to consultants	(66)	-
Investments made from the special account (FMA Act section 39)	(2,123,852)	(1,983,669)
<b>Total decrease</b>	<b>(2,168,918)</b>	<b>(1,983,669)</b>
<b>Total balance carried to the next period - cash held by the Agency</b>	<b>9</b>	<b>7</b>

Aboriginal and Torres Strait Islander Land Account Investment of Public Money: Special Appropriations under section 39 of the FMA Act	2011	2010
	\$'000	\$'000
<b>Opening Balance (Investment Principal)</b>	<b>1,801,822</b>	<b>1,713,229</b>
Investments made - from special account	2,123,852	1,983,669
Investments realised	(2,089,436)	(1,895,076)
<b>Closing Balance (Investment Principal)</b>	<b>1,836,238</b>	<b>1,801,822</b>

National Disability Special Account (Administered)	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i>		
Establishing Instrument: <i>Financial Management and Accountability Determination 2006/30</i>		
<i>Purpose:</i> For expenditure on projects which relate to National Disability Special Account.		
This account is non-interest bearing		
Balance brought forward from previous period	6,340	2,719
Appropriation for reporting period	-	3,000
Other receipts	1,150	1,091
<b>Total increase</b>	<b>1,150</b>	<b>4,091</b>
<b>Available for payments</b>	<b>7,490</b>	<b>6,810</b>
Payments made to suppliers	(323)	(470)
<b>Total decrease</b>	<b>(323)</b>	<b>(470)</b>
<b>Total balance carried to the next period - cash transferred to the OPA</b>	<b>7,167</b>	<b>6,340</b>

The Commonwealth, State, Territory, Disability Agreement Special Account was varied under the *Financial Management and Accountability Determination 2009/27* to become the National Disability Special Account.

**Notes to and forming part of the Financial Statements****Note 25 Special Accounts (continued)**

<b>Northern Territory Flexible Funding Pool Special Account (Administered)</b>		
	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i>		
Establishing Instrument: <i>Financial Management and Accountability Determination 2007/21</i>		
<i>Purpose:</i> Flexible funding pool to resource employment creation initiatives, undertaken by Commonwealth agencies and non-Commonwealth entities in relation to the Northern Territory Emergency response.		
This account is non-interest bearing		
Balance brought forward from previous period	-	76,078
Appropriation for reporting period	-	-
Other receipts	-	-
<b>Total increase</b>	-	-
<b>Available for payments</b>	-	76,078
Transfers made to the Indigenous Employment Special Account	-	(11,631)
Transfers made to the OPA	-	(64,447)
<b>Total decrease</b>	-	(76,078)
<b>Total balance carried to the next period</b>	-	-

The account was abolished on 10 March 2010 in accordance with the *Financial Management and Accountability Determination 2009/09*.

## Notes to and forming part of the Financial Statements

### Note 25 Special Accounts (continued)

<b>Indigenous Employment Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument: <i>Financial Management and Accountability Determination 2009/08</i> Purpose: Flexible funding pool to resource employment creation initiatives, undertaken by Commonwealth agencies and non-Commonwealth entities in relation to the Northern Territory Emergency response.		
This account is non-interest bearing		
Balance brought forward from previous period	16,510	-
Appropriation for reporting period	-	135,666
Other receipts	-	12,663
<b>Total increase</b>	-	148,329
<b>Available for payments</b>	<b>16,510</b>	<b>148,329</b>
Transfers made to the OPA	(16,510)	(131,819)
<b>Total decrease</b>	<b>(16,510)</b>	<b>(131,819)</b>
<b>Total balance carried to the next period</b>	<b>-</b>	<b>16,510</b>

<b>Agency</b>	<b>Amount paid to agency 2011</b>	<b>Amount paid to agency 2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Attorney-General's Department	-	3,952
Department of Education, Employment and Workplace Relations	-	26,528
Department of Environment, Water, Heritage and the Arts	-	38,222
Department of Health and Ageing, Northern Territory	-	29,857
Families, Housing, Community Services and Indigenous Affairs	-	11,794
Northern Territory Government	-	11,700
Indigenous Land Corporation	-	9,766
<b>Total</b>	<b>-</b>	<b>131,819</b>

The amounts in the above table are exclusive of GST. From 1 July 2009 all payments were made directly to agencies and not to service providers on behalf of other agencies.

The Indigenous Employment Special Account was established on 1 July 2009 and includes a transfer of funds from the Northern Territory Flexible Funding Pool Special Account.

This account was abolished on 31 January 2011 in accordance with the *Financial Management and Accountability Determination 2010/13*.

**Notes to and forming part of the Financial Statements****Note 25 Special Accounts (continued)**

<b>Aboriginal and Torres Strait Islander Corporations Unclaimed Money Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i> Establishing Instrument: <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006; section 551-20</i> Purpose: To administer unclaimed monies received by the Registrar of Aboriginal and Torres Strait Islander Corporations.		
This account is non-interest bearing.		
Balance carried from previous period	211	-
Appropriation for reporting period	-	-
Other receipts	224	211
<b>Total increase</b>	<b>224</b>	<b>211</b>
<b>Available for payments</b>	<b>435</b>	<b>211</b>
Payments made to suppliers	(84)	-
<b>Total decrease</b>	<b>(84)</b>	<b>-</b>
<b>Total balance carried to the next period - cash transferred to the OPA</b>	<b>351</b>	<b>211</b>

The Aboriginal and Torres Strait Islander Corporations Unclaimed Money Account is a special account established under section 21 of the FMA Act. It became operational in January 2010. The purpose of the account is to administer monies received by the Registrar of the Aboriginal and Torres Strait Islander Corporations.

<b>Indigenous Remote Service Delivery Special Account (Administered)</b>	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 20</i> Establishing Instrument <i>Financial Management and Accountability Determination 2010/06</i> Purpose: To support the implementation of the Remote Service Delivery National Partnership. It will provide the Australian Government with the capacity to address high priority projects in a timely way and support projects identified through the Local Implementation Planning process.		
This account is non-interest bearing.		
Balance carried from previous year	-	-
Appropriation for reporting period	17,000	-
Costs recovered	-	-
Other receipts	603	-
<b>Total increase</b>	<b>17,603</b>	<b>-</b>
<b>Available for payments</b>	<b>17,603</b>	<b>-</b>
Payments made	(4,681)	-
<b>Total decrease</b>	<b>(4,681)</b>	<b>-</b>
<b>Total balance carried to the next period - cash transferred to the OPA</b>	<b>12,922</b>	<b>-</b>

The Aboriginal Advancement Account was established under section 21 of the FMA Act. The purpose of the account is for furthering the social and economic advancement of Aboriginal people living in Victoria. For 2010-11 and 2009-10 the account had nil balances and there were no transactions credited or debited to it.

Other Trust Monies Special Account was abolished as at 12 October 2010 under *Determination 2010/13 Abolition of Inactive Special Accounts 2010*. There were no transactions relating to this Special Account during 2009-10.

## Notes to and forming part of the Financial Statements

### Note 26: Compensation and Debt Relief

	2011 \$	2010 \$
<b>Departmental</b>		
No 'Act of Grace' expenses were incurred during the reporting period (2010: No payments made).	-	-
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2010: No waivers made).	-	-
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: No payments made).	-	-
No ex-gratia payments were provided for during the reporting period (2010: No payments made).	-	-
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999 (PS Act)</i> during the reporting period (2010: No payments).	-	-
<b>Administered</b>	2011 \$	2010 \$
44 'Act of Grace' expenses were incurred during the reporting period (2010: 58 payments).	490,735	387,817
14 of the above expenses amounting to \$113,002 were paid on a periodic basis (2010: 16 payments amounting to \$108,166). The estimated amount outstanding in relation to payments being made on a periodic basis as at 30 June 2011 was \$156,787 (2010: \$230,745). FaHCSIA made act of grace payments on behalf of other agencies including DEEWR and DAFF. These payments are included in the information disclosed above.		
No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2010: No waivers made).	-	-
369,003 waivers of amounts owing to the Australian Government were made pursuant to section 1237 of the <i>Social Security Act</i> (2010: 428,276).	34,187,691	43,535,316
No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period (2010: No payments made).	-	-
9 ex-gratia payments were provided for during the reporting period (2010: 1,726 payments). Ex-gratia programmes provide financial assistance to victims of national and international disasters.	407,909	5,962,351
No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the <i>Public Service Act 1999 (PS Act)</i> during the reporting period (2010: No payments).	-	-



**Notes to and forming part of the Financial Statements****Note 27: Reporting of Outcomes**

FaHCSIA uses an Average Staffing Level Model to determine the attribution of its shared items. The basis of attribution in the above table is consistent with the basis used for the Budget.

**Note 27A: Net Cost of Outcome Delivery**

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Expenses</b>										
Administered	20,167,940	19,679,355	37,457	123,168	269,434	588,113	32,477,125	29,712,570	18,940,440	16,396,280
Departmental	106,796	104,569	35,330	38,263	53,946	52,342	26,083	25,775	88,359	89,126
<b>Total</b>	<b>20,274,736</b>	<b>19,783,924</b>	<b>72,787</b>	<b>161,433</b>	<b>323,380</b>	<b>640,455</b>	<b>32,503,208</b>	<b>29,738,345</b>	<b>19,028,799</b>	<b>16,485,406</b>
<b>Income from non-government sector</b>										
Administered	-	-	-	-	-	-	-	-	-	-
Activities subject to cost recovery	-	-	-	-	-	-	-	-	-	-
Activities subject to competitive neutrality	-	-	-	-	-	-	-	-	-	-
Other	204,273	190,357	328	868	2,129	3,831	28,410	38,796	57,362	67,876
<b>Total administered</b>	<b>204,273</b>	<b>190,357</b>	<b>328</b>	<b>868</b>	<b>2,129</b>	<b>3,831</b>	<b>28,410</b>	<b>38,796</b>	<b>57,362</b>	<b>67,876</b>
Departmental	-	-	-	-	-	-	-	-	-	-
Activities subject to cost recovery	-	-	-	-	-	-	-	-	-	-
Activities subject to competitive neutrality	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>204,273</b>	<b>190,357</b>	<b>328</b>	<b>868</b>	<b>2,129</b>	<b>3,831</b>	<b>28,410</b>	<b>38,796</b>	<b>57,362</b>	<b>67,876</b>
<b>Other own source income</b>										
Administered	-	-	-	-	-	-	-	-	-	-
Departmental	5,747	6,407	1,901	2,345	2,902	3,207	1,403	1,579	4,753	5,461
<b>Total</b>	<b>5,747</b>	<b>6,407</b>	<b>1,901</b>	<b>2,345</b>	<b>2,902</b>	<b>3,207</b>	<b>1,403</b>	<b>1,579</b>	<b>4,753</b>	<b>5,461</b>
<b>Net cost of outcome delivery</b>	<b>20,064,716</b>	<b>19,587,160</b>	<b>70,558</b>	<b>158,220</b>	<b>318,349</b>	<b>633,417</b>	<b>32,473,395</b>	<b>29,697,970</b>	<b>18,966,684</b>	<b>16,412,069</b>

## Notes to and forming part of the Financial Statements

## Note 27A: Net Cost of Outcome Delivery (continued)

	Outcome 6		Outcome 7		Payment to CAC Act bodies*				Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Expenses</b>										
Administered	22,618	21,573	800,519	963,718	146,692	143,071	72,862,225	67,627,848		
Departmental	13,890	14,703	291,227	296,598			615,631	621,378		
<b>Total</b>	<b>36,508</b>	<b>36,276</b>	<b>1,091,746</b>	<b>1,260,316</b>	<b>146,692</b>	<b>143,071</b>	<b>73,477,856</b>	<b>68,249,226</b>		
<b>Income from non-government sector</b>										
Administered	-	-	-	-	-	-	-	-	-	-
Activities subject to cost recovery	-	-	-	-	-	-	-	-	-	-
Activities subject to competitive neutrality	-	-	-	-	-	-	-	-	-	-
Other	104	-	147,693	264,991	-	-	440,299	566,719	-	-
<b>Total administered</b>	<b>104</b>	<b>-</b>	<b>147,693</b>	<b>264,991</b>	<b>-</b>	<b>-</b>	<b>440,299</b>	<b>566,719</b>	<b>-</b>	<b>-</b>
Departmental	-	-	-	-	-	-	-	-	-	-
Activities subject to cost recovery	-	-	-	-	-	-	-	-	-	-
Activities subject to competitive neutrality	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total departmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>104</b>	<b>-</b>	<b>147,693</b>	<b>264,991</b>	<b>-</b>	<b>-</b>	<b>440,299</b>	<b>566,719</b>	<b>-</b>	<b>-</b>
<b>Other own source income</b>										
Administered	-	-	-	-	-	-	-	-	-	-
Departmental	747	901	15,667	18,173	-	-	33,120	38,073	-	-
<b>Total</b>	<b>747</b>	<b>901</b>	<b>15,667</b>	<b>18,173</b>	<b>-</b>	<b>-</b>	<b>33,120</b>	<b>38,073</b>	<b>-</b>	<b>-</b>
<b>Net cost of outcome delivery</b>	<b>35,657</b>	<b>35,375</b>	<b>928,386</b>	<b>977,152</b>	<b>146,692</b>	<b>143,071</b>	<b>73,004,437</b>	<b>67,644,434</b>		

Outcomes 1 to 7 are described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to Outcome Resourcing Tables in this Annual Report.

\* Payments to CAC Act bodies are not related to outcomes. They are included here so the total can agree to the resourcing table.

## Notes to and forming part of the Financial Statements

## Note 27/B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Departmental Expenses:</b>										
Employees	61,422	56,182	20,319	20,559	31,025	28,122	15,002	13,848	50,818	47,885
Suppliers	32,861	34,209	10,871	12,518	16,600	17,124	8,025	8,432	27,188	29,157
Depreciation and amortisation	9,422	8,847	3,118	3,237	4,759	4,428	2,301	2,181	7,796	7,540
Other expenses	3,091	5,331	1,022	1,951	1,562	2,668	755	1,314	2,557	4,544
<b>Total</b>	<b>106,796</b>	<b>104,569</b>	<b>35,330</b>	<b>38,265</b>	<b>53,946</b>	<b>52,342</b>	<b>26,083</b>	<b>25,775</b>	<b>88,359</b>	<b>89,126</b>
<b>Departmental Income:</b>										
Income from government	90,030	96,454	29,781	35,295	45,474	48,279	21,988	23,775	74,485	82,209
Sale of goods and services	5,088	5,397	1,683	1,976	2,569	2,702	1,242	1,329	4,208	4,601
Other non-taxation revenues	659	1,010	218	369	333	505	161	250	545	860
<b>Total</b>	<b>95,777</b>	<b>102,861</b>	<b>31,682</b>	<b>37,640</b>	<b>48,376</b>	<b>51,486</b>	<b>23,391</b>	<b>25,354</b>	<b>79,238</b>	<b>87,670</b>
<b>Departmental Assets</b>										
Cash and cash equivalents	13,817	18,940	4,571	6,930	6,980	9,479	3,375	4,668	11,432	16,143
Trade and other receivables	31,819	30,201	10,526	11,052	16,072	15,117	7,771	7,445	26,325	25,742
Land and buildings	4,549	5,062	1,505	1,852	2,298	2,533	1,111	1,248	3,764	4,314
Infrastructure	10,019	9,639	3,314	3,528	5,061	4,826	2,447	2,377	8,289	8,217
Intangibles	1,119	1,679	371	614	566	840	274	415	927	1,431
Other non-financial assets	61,323	65,521	20,287	23,976	30,977	32,795	14,978	16,153	50,737	55,847
<b>Total</b>	<b>122,645</b>	<b>133,442</b>	<b>40,581</b>	<b>47,952</b>	<b>62,964</b>	<b>66,590</b>	<b>32,966</b>	<b>36,809</b>	<b>111,285</b>	<b>121,494</b>
<b>Departmental Liabilities</b>										
Suppliers	2,791	4,480	924	1,640	1,410	2,243	682	1,104	2,310	3,819
Other payables	4,901	3,635	1,622	1,329	2,476	1,818	1,197	895	4,056	3,096
Employee provisions	14,323	13,557	4,738	4,960	7,234	6,785	3,498	3,341	11,849	11,554
Other provisions	391	530	129	194	198	265	96	131	324	451
<b>Total</b>	<b>22,406</b>	<b>22,202</b>	<b>7,413</b>	<b>8,123</b>	<b>11,138</b>	<b>11,111</b>	<b>5,473</b>	<b>5,471</b>	<b>18,539</b>	<b>18,920</b>

## Notes to and forming part of the Financial Statements

Note 27B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome (continued)

	Outcome 6		Outcome 7		Not attributed *		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Departmental Expenses:</b>								
Employees	7,988	7,899	167,493	159,353			354,067	333,848
Suppliers	4,275	4,810	89,612	97,030			189,432	203,280
Depreciation and amortisation	1,225	1,244	25,694	25,093			54,315	52,570
Other expenses	402	750	8,428	15,122			17,817	31,680
<b>Total</b>	<b>13,890</b>	<b>14,703</b>	<b>291,227</b>	<b>296,598</b>			<b>615,631</b>	<b>621,378</b>
<b>Departmental Income:</b>								
Income from government	11,708	13,561	245,497	273,577			518,963	573,150
Sale of goods and services	661	759	13,869	15,310			29,320	32,074
Other non-taxation revenues	86	142	1,798	2,863			3,800	5,999
<b>Total</b>	<b>12,455</b>	<b>14,462</b>	<b>261,164</b>	<b>291,750</b>			<b>552,083</b>	<b>611,223</b>
<b>Departmental Assets</b>								
Cash and cash equivalents	-	-	-	-	8,936	2,911	8,936	2,911
Trade and other receivables	1,797	2,663	37,680	53,718	-	-	79,652	112,541
Land and buildings	4,138	4,246	86,766	85,664	-	-	183,417	179,467
Infrastructure	592	712	12,405	14,356	-	-	26,224	30,077
Intangibles	1,303	1,356	27,320	27,345	-	-	57,753	57,288
Other non-financial assets	147	236	3,055	4,763	-	-	6,459	9,978
<b>Total</b>	<b>7,977</b>	<b>9,213</b>	<b>167,226</b>	<b>185,846</b>	<b>8,936</b>	<b>2,911</b>	<b>362,441</b>	<b>392,262</b>
<b>Departmental Liabilities</b>								
Suppliers	364	630	7,613	12,708	-	-	16,094	26,624
Other payables	637	511	13,370	10,300	-	-	28,259	21,584
Employee provisions	1,864	1,906	39,054	38,450	-	-	82,560	80,553
Other provisions	52	74	1,066	1,502	-	-	2,256	3,147
<b>Total</b>	<b>2,917</b>	<b>3,121</b>	<b>61,103</b>	<b>62,960</b>	-	-	<b>129,169</b>	<b>131,908</b>

\* Assets and Liabilities that can not be reliably attributed to outcomes.

## Notes to and forming part of the Financial Statements

## Note 27C: Major classes of administered expenses, income, assets and liabilities by outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4		Outcome 5	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Administered Expenses</b>										
Suppliers expenses	14,567	4,050	1,968	605	3,315	4,872	5,000	5,000	15,867	17,291
Grants	221,405	177,106	35,489	111,232	131,172	136,728	-	-	456,676	434,908
Subsidies	-	-	-	-	6,765	7,037	-	-	1,787	3,934
Personal benefits	19,923,904	19,332,739	-	-	128,177	439,087	32,472,125	29,701,067	18,461,858	15,932,305
Payment to CAC Act Bodies	-	-	-	-	-	-	-	-	-	-
Other	8,064	165,460	-	-	5	389	-	6,503	4,252	8,242
<b>Total</b>	<b>20,167,940</b>	<b>19,679,355</b>	<b>37,457</b>	<b>123,168</b>	<b>269,434</b>	<b>588,113</b>	<b>32,477,125</b>	<b>29,712,570</b>	<b>18,940,440</b>	<b>16,396,280</b>
<b>Administered Income</b>										
Other	204,273	190,357	328	868	2,129	3,831	28,410	38,796	57,362	67,876
<b>Total</b>	<b>204,273</b>	<b>190,357</b>	<b>328</b>	<b>868</b>	<b>2,129</b>	<b>3,831</b>	<b>28,410</b>	<b>38,796</b>	<b>57,362</b>	<b>67,876</b>
<b>Administered Assets</b>										
Cash and cash equivalents	-	-	-	-	-	-	6,970	-	-	-
Total receivables net	693,504	728,578	1,180	1,425	8,671	9,102	163,276	125,107	286,156	168,044
Investments in Commonwealth entities	-	-	-	-	-	-	-	-	-	-
Investments in deposits and government securities	-	-	-	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-	-	-	-
Other non financial assets	-	-	-	-	111	959	-	-	-	-
<b>Total</b>	<b>693,504</b>	<b>728,578</b>	<b>1,180</b>	<b>1,425</b>	<b>8,782</b>	<b>10,061</b>	<b>170,246</b>	<b>125,107</b>	<b>286,156</b>	<b>168,044</b>
<b>Administered Liabilities</b>										
Suppliers	296	140	22	11	238	1,299	1,091	1,286	82	2,146
Personal benefit provisions	5,422,552	5,179,000	-	-	-	-	847,000	652,000	-	-
Personal benefits	708,187	776,983	-	-	1,605	2,067	715,251	630,772	328,280	313,798
Grants	409	550	124	4,120	488	1,197	-	-	1,314	1,296
Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,131,444</b>	<b>5,956,673</b>	<b>146</b>	<b>4,131</b>	<b>2,331</b>	<b>4,563</b>	<b>1,563,342</b>	<b>1,284,058</b>	<b>329,676</b>	<b>317,240</b>

## Notes to and forming part of the Financial Statements

Note 27C: Major classes of administered expenses, income, assets and liabilities by outcomes (continued)

	Outcome 6		Outcome 7		Payments to CAC Act bodies		Not attributed *		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>Administered Expenses</b>										
Suppliers expenses	12,219	12,813	57,259	70,973	-	-	-	-	110,195	115,604
Grants	10,389	8,658	598,081	663,032	-	-	-	-	1,453,212	1,531,264
Subsidies	-	-	-	-	-	-	-	-	8,552	10,971
Personal benefits	-	-	-	-	-	-	-	-	70,986,064	65,405,198
Payment to CAC Act Bodies	-	-	-	-	146,692	143,071	-	-	146,692	143,071
Other	10	102	145,179	229,713	-	-	-	-	157,510	421,740
<b>Total</b>	<b>22,618</b>	<b>21,573</b>	<b>800,519</b>	<b>963,718</b>	<b>146,692</b>	<b>143,071</b>	-	-	<b>72,862,225</b>	<b>67,627,848</b>
<b>Administered Income</b>										
Other	104	-	147,693	264,991	-	-	-	-	440,299	566,719
<b>Total</b>	<b>104</b>	<b>-</b>	<b>147,693</b>	<b>264,991</b>	-	-	-	-	<b>440,299</b>	<b>566,719</b>
<b>Administered Assets</b>										
Cash and cash equivalents	-	-	13,785	14,368	-	-	3,879	906	24,634	15,274
Total receivables net	184	222	10,679	15,686	-	-	-	-	1,163,650	1,048,164
Investments in Commonwealth entities	-	-	1,580,771	1,488,333	-	-	-	-	1,580,771	1,488,333
Investments in deposits and government securities	-	-	2,287,725	2,198,709	-	-	-	-	2,287,725	2,198,709
Land and buildings	-	-	260	3,174	-	-	-	-	260	3,174
Other non financial assets	-	-	8,488	8,598	-	-	-	-	8,599	9,557
<b>Total</b>	<b>184</b>	<b>222</b>	<b>3,901,708</b>	<b>3,728,868</b>	-	-	<b>3,879</b>	<b>906</b>	<b>5,065,639</b>	<b>4,763,211</b>
<b>Administered Liabilities</b>										
Suppliers	669	6,629	15,922	2,975	-	-	145	220	18,465	14,706
Personal benefit provisions	-	-	-	-	-	-	-	-	6,269,552	5,831,000
Personal benefits	-	-	-	-	-	-	3,653	-	1,756,976	1,723,620
Grants	77	390	100	32	-	-	-	-	2,512	7,585
Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>746</b>	<b>7,019</b>	<b>16,022</b>	<b>3,007</b>	-	-	<b>3,798</b>	<b>220</b>	<b>8,047,505</b>	<b>7,576,911</b>

\* Assets and liabilities that can not be reliably attributed to outcomes

## Aboriginals Benefit Account

Financial statements for the year ended 30 June 2011

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The Aboriginals Benefit Account (ABA) was established under Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the ALRA) and is a special account for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act). The ABA is established for the receipt of statutory royalty equivalent monies generated from mining on Aboriginal land in the Northern Territory, and the distribution of these monies.

The ABA is administered by the Department in accordance with the requirements of the ALRA and the FMA Act.

Thirty per cent of royalty equivalent receipts are distributed to incorporated Aboriginal associations, communities or groups in order to benefit those Aboriginal people who are affected by mining operations. ABA funds are also used to meet the operational costs of the four Land Councils in the Northern Territory, to make payments for the acquisition and administration of township leases as well as payments for the benefit of Aboriginal people living in the Northern Territory made at the Minister's discretion.

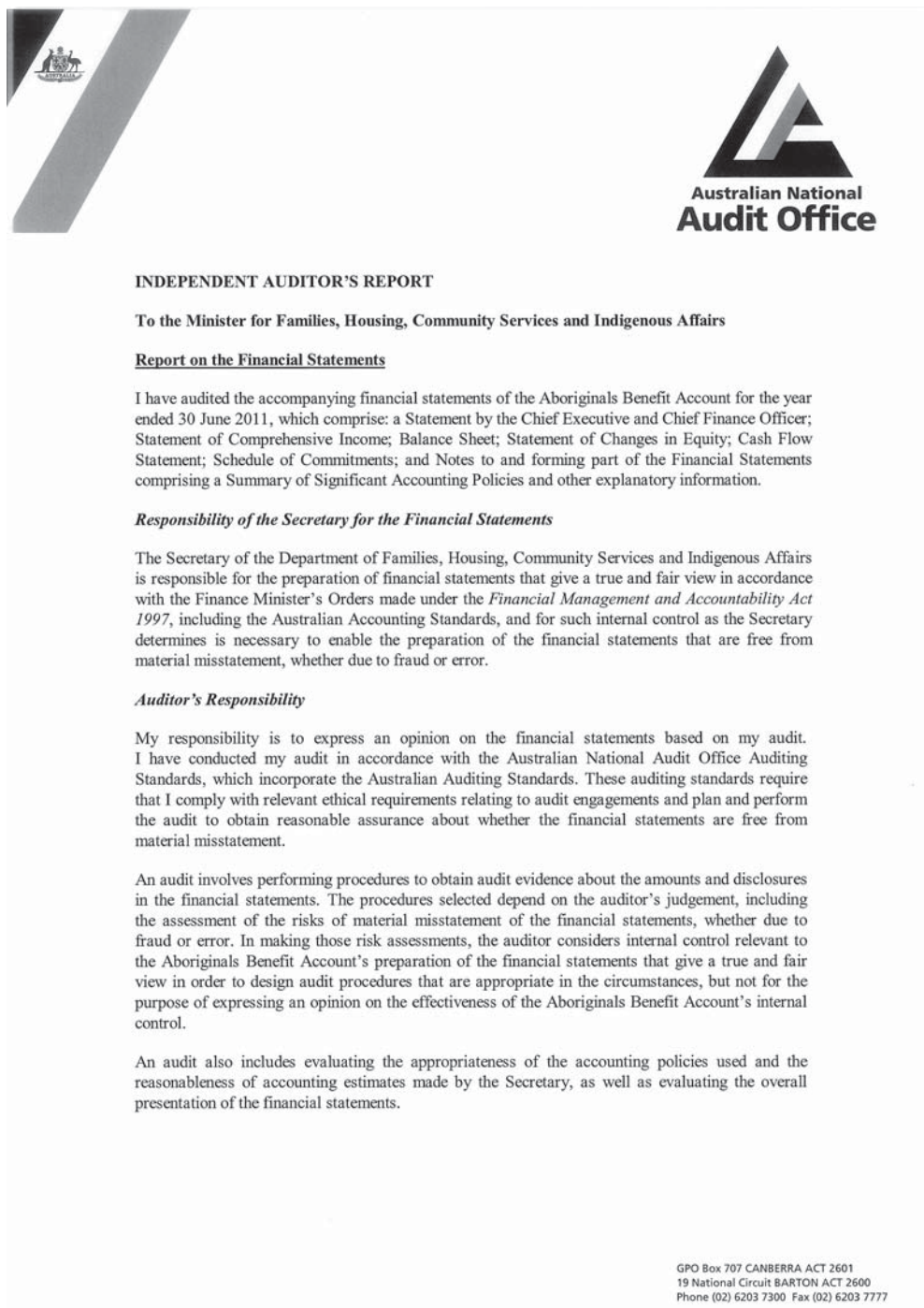
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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Aboriginals Benefit Account:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Aboriginals Benefit Account's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

As described in the Note 13 to the financial statements, the Department of Families, Housing, Community Services and Indigenous Affairs has recently become aware that there is an increased risk of non-compliance with section 83 of the Constitution where payments are made from special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances that lead to this increased risk and any impact on the Department's special accounts will be investigated.

Australian National Audit Office



Puspa Dash  
Executive Director

Delegate of the Auditor-General

Canberra  
2 September 2011

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**ABORIGINALS BENEFIT ACCOUNT**  
**STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

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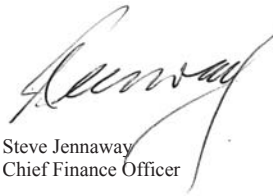
The accompanying financial statements of the Aboriginals Benefit Account for the year ended 30 June 2011 have been prepared in accordance with section 64B of the *Aboriginal Land Rights (Northern Territory) Act 1976*, which requires the financial statements to be prepared in accordance with section 49 of the *Financial Management and Accountability Act 1997*. In addition, the Minister for Finance and Deregulation has provided an exemption from certain aspects of Annexure A of the Finance Minister's Orders as detailed in Note 1.2 - Basis of Preparation of the Financial Statements.

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required in accordance with the exemptions made by the Minister for Finance and Deregulation.



Finn Pratt PSM  
Secretary

2 September 2011



Steve Jennaway  
Chief Finance Officer

2 September 2011

**ABORIGINALS BENEFIT ACCOUNT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Committee members	3A	238	203
Suppliers	3B	723	695
Grants	3C	70,712	24,119
Payments for township leases	3D	1,876	1,821
Payments to land councils for administrative purposes	3E	46,975	20,263
Distribution to land councils	3F	46,594	52,565
Other	3G	1,879	1,882
<b>Total expenses</b>		<b>168,997</b>	<b>101,548</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Interest	4A	24,027	17,041
Lease rental income	4B	524	585
<b>Total own-source revenue</b>		<b>24,551</b>	<b>17,626</b>
<b>Gains</b>			
Sale of assets	4C	-	-
Resources received free of charge	4D	1,879	1,882
<b>Total gains</b>		<b>1,879</b>	<b>1,882</b>
<b>Total own-source income</b>		<b>26,430</b>	<b>19,508</b>
<b>Net cost of services</b>		<b>142,567</b>	<b>82,040</b>
Revenue from Government	4E	155,316	175,217
<b>Surplus attributable to the Australian Government</b>		<b>12,749</b>	<b>93,177</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>		<b>12,749</b>	<b>93,177</b>

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

**ABORIGINALS BENEFIT ACCOUNT****BALANCE SHEET***as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	13,776	14,361
Trade and other receivables	5B	60	107
Investments	5C	405,829	378,181
<b>Total financial assets</b>		<b>419,665</b>	<b>392,649</b>
<b>Non-Financial Assets</b>			
Other	6A	8,487	8,099
<b>Total non-financial assets</b>		<b>8,487</b>	<b>8,099</b>
<b>Total assets</b>		<b>428,152</b>	<b>400,748</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	486	1,016
Payables to land councils for administrative purposes	7B	11,862	151
Grants	7C	60	-
Other	7D	3,446	32
<b>Total payables</b>		<b>15,854</b>	<b>1,199</b>
<b>Total liabilities</b>		<b>15,854</b>	<b>1,199</b>
<b>Net assets</b>		<b>412,298</b>	<b>399,549</b>
<b>EQUITY</b>			
Retained earnings		412,298	399,549
<b>Total equity</b>		<b>412,298</b>	<b>399,549</b>

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

**ABORIGINALS BENEFIT ACCOUNT**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2011*

	Retained earnings		Total equity	
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>				
Balance carried forward from previous period	399,549	306,372	399,549	306,372
<b>Adjusted opening balance</b>	399,549	306,372	399,549	306,372
<b>Comprehensive income</b>				
Surplus for the period	12,749	93,177	12,749	93,177
<b>Total comprehensive income</b>	12,749	93,177	12,749	93,177
of which:				
Attributable to the Australian Government	12,749	93,177	12,749	93,177
<b>Closing balance as at 30 June</b>	412,298	399,549	412,298	399,549
<b>Closing balance attributable to the Australian Government</b>	412,298	399,549	412,298	399,549

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

**ABORIGINALS BENEFIT ACCOUNT  
CASH FLOW STATEMENT**
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		158,749	175,222
Net GST received		6,555	2,496
Lease rental receipts		505	582
<b>Total cash received</b>		<b>165,809</b>	<b>178,300</b>
<b>Cash used</b>			
Committee members		238	160
Suppliers		1,480	447
Grants		77,033	26,230
Payments for township leases		1,140	1,253
Payments to land councils for administrative purposes		35,264	28,291
Payments to land councils for distribution		47,616	52,567
<b>Total cash used</b>		<b>162,771</b>	<b>108,948</b>
<b>Net cash from operating activities</b>	8	<b>3,038</b>	<b>69,352</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from realisation of investments		615,500	144,500
Interest on investments		20,877	16,376
<b>Total cash received</b>		<b>636,377</b>	<b>160,876</b>
<b>Cash used</b>			
Investments		640,000	235,500
<b>Total cash used</b>		<b>640,000</b>	<b>235,500</b>
<b>Net cash used by investing activities</b>		<b>(3,623)</b>	<b>(74,624)</b>
<b>Net decrease in cash held</b>		<b>(585)</b>	<b>(5,272)</b>
Cash and cash equivalents at the beginning of the reporting period		14,361	19,633
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>13,776</b>	<b>14,361</b>

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

**ABORIGINALS BENEFIT ACCOUNT  
SCHEDULE OF COMMITMENTS**
*as at 30 June 2011*

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST recoverable on commitments	<u>5,921</u>	<u>4,109</u>
<b>Total commitments receivable</b>	<u>5,921</u>	<u>4,109</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
Grant commitments	(65,132)	(45,193)
Payments to land councils	(32,661)	(27,763)
Office of Township Leasing	(4,750)	(3,750)
ABA administration	<u>(5,098)</u>	<u>(2,539)</u>
<b>Total other commitments</b>	<u>(107,641)</u>	<u>(79,245)</u>
<b>Net commitments by type</b>	<u>(101,720)</u>	<u>(75,136)</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
One year or less	4,395	3,636
From one to five years	<u>1,526</u>	<u>473</u>
<b>Total commitments receivable</b>	<u>5,921</u>	<u>4,109</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	(86,163)	(70,346)
From one to five years	<u>(21,478)</u>	<u>(8,899)</u>
<b>Total other commitments</b>	<u>(107,641)</u>	<u>(79,245)</u>
<b>Net commitments by maturity</b>	<u>(101,720)</u>	<u>(75,136)</u>

NB: Commitments are GST inclusive where relevant.

Commitments relate to, activities approved by the Minister to be distributed for the benefit of Aboriginals living in the Northern Territory, administrative expenses to be paid to Land Councils approved by the Minister, payments for township leases and Aboriginals Benefit Account administration.

This schedule should be read in conjunction with the accompanying notes.



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## Notes to and forming part of the Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### 1.1 Objectives of Aboriginals Benefit Account

The Aboriginals Benefit Account (ABA) is an Australian Government controlled entity. The objective of the ABA is to receive and disburse statutory royalty equivalent monies derived from mining on Aboriginal Land in the Northern Territory for the benefit of Aboriginal people living in the Northern Territory.

The ABA is established under Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the Act) and is a Special Account for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act).

The ABA is structured to meet one outcome:

- To support the provision of engagement and support for individuals, families and communities to improve wellbeing and capability.

The continued existence of the ABA in its present form and with its present program is dependent on Government policy and on continuing appropriations by Parliament for the ABA's administration and programs.

#### 1.2 Basis of Preparation of the Financial Statements

The ABA's activities are classified as administered activities carried out by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) on behalf of the Commonwealth and reported in FaHCSIA's administered financial statements. In addition to being consolidated into FaHCSIA's financial statements, the ABA prepares separate audited financial statements as required by the FMA Act.

The Minister for Finance and Deregulation has issued the ABA with an exemption from the application of administered reporting requirements required by the Finance Minister's Orders (FMOs) for reporting periods on or after 1 July 2010, Part C - 17. This has been done on the basis that disclosure of accounts on a purely administered basis would not satisfy the definition of a general purpose financial report.

The Financial Statements have been prepared in accordance with:

- the exemptions granted as part of the FMOs Part C - 17 for reporting periods ending on or after 1 July 2010, to present its administered activities in departmental format as illustrated in Annexure A; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Minister for Finance and Deregulation has specifically exempted the ABA from complying with the following requirements of the FMOs.

- Part G and the administered disclosures in Annexure A;
- Part I to the extent that the ABA has no appropriation transactions and balances other than through its special account;
- Division 121 and division 122 to the extent that the ABA does not have any defined outcomes and outputs; and
- Division 122 to the extent that the ABA has not made any payments specified in that Division.

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

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

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**Notes to and forming part of the Financial Statements**


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**1.2 Basis of Preparation of the Financial Statements (continued)**

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Certain comparative amounts have been reclassified to conform with the current year's presentation. This includes Note 3: Expenses and Note 4: Income.

**1.3 Significant Accounting Judgement and Estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**1.4 New Australian Accounting Standards***Adoption of New Australian Accounting Standard Requirements*

No accounting standard has been adopted earlier than the application date as stated in the standard.

There have been no new standards, amendments to standards or interpretations that have been issued by the AASB in the current financial year which have had a material financial impact on the ABA.

*Future Australian Accounting Standard Requirements*

A number of new standards, amendments to standards and interpretations have been issued by the AASB that are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

**1.5 Revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

*Revenue from Government*

Amounts appropriated are recognised as revenue. Revenue from Government is not typically recognised by administered entities, however, the determination provided by the Minister for Finance and Deregulation in relation to the ABA enables disclosure of such amounts as revenue.

Royalties in respect of uranium and non-uranium mining on Aboriginal land are paid to the Australian Government, Department of Resources, Energy and Tourism and the Northern Territory Treasury, Royalty Branch, respectively. Following advice from these entities, draw-downs are made from the Official Public Account (OPA) to enable royalty equivalents to be credited to the ABA, in accordance with section 63 of the Act.

These receipts are credited to the ABA shortly after receipt of advice from the respective entity, which usually occurs in the week following the payment of the royalties by mining companies to the entity.

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## Notes to and forming part of the Financial Statements

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### Lease Rental Income

From 1 July 2009, the ABA receives lease rental income for Township Head Leases in the Northern Territory. Lease rental income is recognised when received by the ABA (refer to Note 1.7 Leases).

### 1.6 Gains

#### Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

In the course of the administration of the ABA, FaHCSIA receives resources received free of charge in relation to audit services provided by the Australian National Audit Office (ANAO). These audit resources received free of charge are recognised in FaHCSIA's departmental financial statements, as it is FaHCSIA's role to manage and ensure financial accountability and governance for the ABA.

The ABA reports a number of resources received free of charge in relation to FaHCSIA expenses associated with the ABA secretariat. This secretariat is comprised of FaHCSIA staff who are responsible for the administration of the ABA.

#### Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

### 1.7 Leases

The ABA has expenditure relating to incentive payments for Township Head Leases in the Northern Territory. These leases are accounted for as operating leases. In an operating lease, the lessor effectively retains substantially all risks and rewards incidental to ownership of leased non-current assets.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

#### Office of Executive Director of Township Leasing

The Office of Township Leasing (OTL) is headed by the Executive Director, Township Leasing, which is a statutory appointment under the Act. The Executive Director, Township Leasing is responsible for managing, on behalf of the Commonwealth, any township leases entered into with Indigenous communities in the Northern Territory as specified under Section 19A of the Act. The OTL manages the head lease over the specified township and negotiates any sub leasing to commercial entities, government agencies, community organisations and so forth.

Expenses related to incentive payments for township head leases in the Northern Territory are:

- An amount of \$5 million has been paid for a 99 year lease (15 year introductory payment) for the Nguui Head Lease on the Tiwi Islands; and
- An amount of \$4.5 million has been paid for a 40 year lease (15 year introductory payment) for the Groote Head Lease on the Groote Eylandt.

## **Notes to and forming part of the Financial Statements**

### **1.8 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- (a) cash on hand;
- (b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- (c) cash held by outsiders.

### **1.9 Financial Assets**

The ABA classifies its financial assets in the following categories:

- (a) held-to-maturity investments; and
- (b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

#### *Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### *Held-to-Maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the ABA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### *Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### *Impairment of Financial Assets*

Financial assets are assessed for impairment at the end of each reporting period.

*Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

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## Notes to and forming part of the Financial Statements

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### 1.10 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### *Financial liabilities at Fair Value Through Profit or Loss*

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### *Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The ABA and the Northern Land Council are in discussions regarding a final settlement figure for a liability based on historical data, for which a contingent liability is not quantifiable. There are no other contingent liabilities or contingent assets (2010: Nil).

### 1.12 Taxation

The ABA is exempt from all forms of taxation except Mining Withholding Tax (MWT), Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST except:

- (a) where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- (b) for receivables and payables.

MWT is payable in respect of payments made from royalty equivalents credited to the ABA pursuant to section 63 of the Act. In accordance with the *Taxation Laws Amendment Act (No. 3) 1994*, the rate of MWT payable in respect of the payments made from royalty equivalents credited to the ABA pursuant to section 63 of the Act, is 4% (2009-10: 4%).

GST is payable on purchases made by the ABA under subsection 64(4) and 64(6) of the Act. These amounts are recoverable from the ATO.

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**Notes to and forming part of the Financial Statements**

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**1.13 Payments to the Land Councils**

The *Aboriginal Land Rights (Northern Territory) Amendment Act 2006* received Royal Assent on 5 September 2006. As a result land councils now obtain funding on a workload basis in accordance with subsection 64(1) of the Act. Estimates for funding are submitted to the Minister for Families, Housing, Community Services and Indigenous Affairs for approval and are distributed to land councils on a quarterly basis during the year.

**1.14 Distribution to the Land Councils**

In accordance with subsection 64(3) and 35(2) of the Act, 30% of the royalty equivalents are paid to the land councils for distribution to Aboriginal associations, communities or groups, for the benefit of those Aboriginal people who are affected by mining operations.

**1.15 Grants**

The ABA makes payments to or for the benefit of Aboriginals living in the Northern Territory under subsection 64(4) of the Act. These payments are considered to meet the definition of grants which is defined under the FMOs as assistance by Government in the form of transfers to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. MWT is payable on grant payments made from royalty equivalents credited to the ABA pursuant to section 63 of the Act.

MWT is not payable on grant payments made from other income.

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**Notes to and forming part of the Financial Statements**

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**Note 2: Events After the Reporting Period**

There are no known events occurring after the reporting period that need to be disclosed in the financial statements.



**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 3: Expenses</b>		
<b>Note 3A: Committee members</b>		
Payments to advisory committee members	238	203
<b>Total committee members</b>	<b>238</b>	<b>203</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Consultants	146	295
Travel and other meeting costs	141	124
ABA Stores infrastructure	436	207
Community Stores administration	-	69
<b>Total goods and services</b>	<b>723</b>	<b>695</b>
Goods and services are made up of:		
Provision of goods - external parties	13	15
Rendering of services - related entities	423	276
Rendering of services - external parties	287	404
<b>Total goods and services</b>	<b>723</b>	<b>695</b>
<b>Total supplier expenses</b>	<b>723</b>	<b>695</b>
<b>Note 3C: Grants</b>		
Public sector:		
State and Territory Governments	2,149	-
Private sector:		
Non-profit organisations	66,602	23,764
Mining Withholding Tax	1,961	355
<b>Total grants</b>	<b>70,712</b>	<b>24,119</b>
<b>Note 3D: Payments for township leases</b>		
Office of Executive Director for Township Leasing administrative expenses	1,218	1,188
Payments to township leases - amortisation of introductory payments	633	633
Mining Withholding Tax	25	-
<b>Total payments for township leases</b>	<b>1,876</b>	<b>1,821</b>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 3E: Payments to land councils for administrative purposes</b>		
<b>Subsection 64(1) payments:</b>		
Northern Land Council	28,798	7,697
Mining Withholding Tax	<u>1,152</u>	<u>295</u>
<i>Sub-total Northern Land Council</i>	<u>29,950</u>	<u>7,992</u>
Central Land Council	11,723	9,252
Mining Withholding Tax	<u>469</u>	<u>370</u>
<i>Sub-total Central Land Council</i>	<u>12,192</u>	<u>9,622</u>
Tiwi Land Council	1,979	1,665
Mining Withholding Tax	<u>79</u>	<u>67</u>
<i>Sub-total Tiwi Land Council</i>	<u>2,058</u>	<u>1,732</u>
Anindilyakwa Land Council	2,668	882
Mining Withholding Tax	<u>107</u>	<u>35</u>
<i>Sub-total Anindilyakwa Land Council</i>	<u>2,775</u>	<u>917</u>
<b>Total payments to land councils for administrative purposes</b>	<u>46,975</u>	<u>20,263</u>

Mining Withholding Tax paid to the Australian Taxation Office for subsection 64(1) \$1.807m (2010: \$0.767m)

**Note 3F: Distribution to land councils**

<b>Subsection 64(3) payments:</b>		
Northern Land Council	9,636	12,349
Mining Withholding Tax	<u>401</u>	<u>515</u>
<i>Sub-total Northern Land Council</i>	<u>10,037</u>	<u>12,864</u>
Central Land Council	2,790	6,197
Mining Withholding Tax	<u>116</u>	<u>258</u>
<i>Sub-total Central Land Council</i>	<u>2,906</u>	<u>6,455</u>
Anindilyakwa Land Council	32,305	31,916
Mining Withholding Tax	<u>1,346</u>	<u>1,330</u>
<i>Sub-total Anindilyakwa Land Council</i>	<u>33,651</u>	<u>33,246</u>
<b>Total distribution to land councils</b>	<u>46,594</u>	<u>52,565</u>

Mining Withholding Tax paid to the Australian Taxation Office for subsection 64(3) \$1.863m (2010: \$2.103m).

**Note 3G: Other Expenses**

Salaries and operating expenses <sup>1</sup>	<u>1,879</u>	<u>1,882</u>
<b>Total other expenses</b>	<u>1,879</u>	<u>1,882</u>

1. Expenses associated with the administration of the ABA, received from FAHCSIA as resources free of charge.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 4: Income</b>		
<b>REVENUE</b>		
<b><u>Note 4A: Interest</u></b>		
Interest bearing deposits	23,555	15,928
Negotiable certificates of deposit	62	760
11 am call account	410	353
<b>Total interest</b>	<b>24,027</b>	<b>17,041</b>
<b><u>Note 4B: Lease rental income</u></b>		
Revenue lease receipt - Nguiu	378	585
Revenue lease receipt - Groote	146	-
<b>Total rental income</b>	<b>524</b>	<b>585</b>
<b>GAINS</b>		
<b><u>Note 4C: Sale of assets</u></b>		
Investments:		
Proceeds from realisation	615,500	144,500
Net book value of assets realised	(615,500)	(144,500)
<b>Net gain from sale of assets</b>	<b>-</b>	<b>-</b>
<b><u>Note 4D: Resources received free of charge</u></b>		
Salaries and operating expenses	1,879	1,882
<b>Total resources received free of charge</b>	<b>1,879</b>	<b>1,882</b>
<b>REVENUE FROM GOVERNMENT</b>		
<b><u>Note 4E: Revenue from Government</u></b>		
Appropriations:		
Special Appropriation	155,316	175,217
<b>Total revenue from Government</b>	<b>155,316</b>	<b>175,217</b>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
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**Note 5: Financial Assets****Note 5A: Cash and cash equivalents**

Cash on hand or on deposit	3,776	4,361
Deposits at call - 11am account	<u>10,000</u>	<u>10,000</u>
<b>Total cash and cash equivalents</b>	<u><b>13,776</b></u>	<u><b>14,361</b></u>

**Note 5B: Trade and other receivables****Other receivables:**

Interest	38	36
Other	<u>22</u>	<u>71</u>
<b>Total trade and other receivables</b>	<u><b>60</b></u>	<u><b>107</b></u>

Receivables are expected to be recovered in:

Less than 12 months	<u>60</u>	<u>107</u>
<b>Total trade and other receivables</b>	<u><b>60</b></u>	<u><b>107</b></u>

Receivables are aged as follows:

Not overdue	<u>60</u>	<u>107</u>
<b>Total receivables</b>	<u><b>60</b></u>	<u><b>107</b></u>

**Note 5C: Investments**

Interest bearing deposits	405,829	368,969
Negotiable certificates of deposit	<u>-</u>	<u>9,212</u>
<b>Total investments</b>	<u><b>405,829</b></u>	<u><b>378,181</b></u>

Total investments expected to be recovered in:

No more than 12 months	<u>405,829</u>	<u>378,181</u>
<b>Total investments</b>	<u><b>405,829</b></u>	<u><b>378,181</b></u>

**Note 6: Non-Financial Assets****Note 6A: Other Non-Financial Assets**

Prepayments - subsection 64(3)	1,030	8
Prepayments - subsection 64(4A)	<u>7,457</u>	<u>8,091</u>
<b>Total other non-financial assets</b>	<u><b>8,487</b></u>	<u><b>8,099</b></u>

Total other non-financial assets are expected to be recovered in:

No more than 12 months	1,663	641
More than 12 months	<u>6,824</u>	<u>7,458</u>
<b>Total other non-financial assets</b>	<u><b>8,487</b></u>	<u><b>8,099</b></u>

No indicators of impairment were found for other non-financial assets.

**Notes to and forming part of the Financial Statements**

	2011	2010
	\$'000	\$'000

**Note 7: Payables****Note 7A: Suppliers**

Office of Executive Director Township Leasing administrative liabilities	402	300
Suppliers	<u>84</u>	<u>716</u>
<b>Total supplier payables</b>	<b><u>486</u></b>	<b><u>1,016</u></b>
Supplier payables expected to be settled within 12 months:		
Related entities	402	580
External parties	<u>84</u>	<u>436</u>
<b>Total supplier payables</b>	<b><u>486</u></b>	<b><u>1,016</u></b>

Settlement is usually made within 30 days.

**Note 7B: Payables to land councils for administrative purposes****Subsection 64(1)**

Northern Land Council	11,406	-
Mining Withholding Tax	<u>456</u>	<u>151</u>
<i>Sub-total Northern Land Council</i>	<u>11,862</u>	<u>151</u>
<b>Total Payables to land councils for administrative expenses</b>	<b><u>11,862</u></b>	<b><u>151</u></b>

Mining Withholding Tax due to the Australian Taxation Office for subsection 64(1) \$0.456m (2010: \$0.151m).

**Note 7C: Grants payables**

Private sector:

Non-profit organisations	<u>60</u>	-
<b>Total grants</b>	<b><u>60</u></b>	<b>-</b>

Total grants are expected to be settled in:

No more than 12 months	<u>60</u>	-
<b>Total grants, subsidies and personal benefits</b>	<b><u>60</u></b>	<b>-</b>

Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

**Note 7D: Other payables**

Royalty equivalent overpayment	3,435	26
Subsection 64(3) payables	9	6
Other	<u>2</u>	-
<b>Total other payables</b>	<b><u>3,446</u></b>	<b><u>32</u></b>

Total other payables are expected to be settled in:

No more than 12 months	<u>3,446</u>	<u>32</u>
<b>Total other payables</b>	<b><u>3,446</u></b>	<b><u>32</u></b>

**Notes to and forming part of the Financial Statements**

	<b>2011</b>	2010
	<b>\$'000</b>	\$'000

**Note 8: Cash Flow Reconciliation****Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement****Cash and cash equivalent as per:**

Cash flow statement	13,776	14,361
Balance sheet	<u>13,776</u>	<u>14,361</u>
<b>Difference</b>	<u>-</u>	<u>-</u>

**Reconciliation of net cost of services to net cash from operating activities:**

Net cost of services	(142,567)	(82,040)
Add revenue from Government	155,316	175,217

**Adjustments for non-cash items**

Adjust for operating result components attributable to investing activities	(24,027)	(17,041)
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**Change in assets / liabilities**

Decrease / (increase) in other receivables	49	(64)
(Increase) / decrease in prepayments	(388)	624
(Decrease) / increase in supplier payables	(530)	652
Increase in grant payables	60	-
Increase/(decrease) in current financial year under s64(1) liabilities	11,711	(8,028)
Increase in royalty equivalent income overpayment and payables	<u>3,414</u>	<u>32</u>
<b>Net cash from operating activities</b>	<u>3,038</u>	<u>69,352</u>

**Note 9: Contingent Liabilities and Assets**

The ABA and the Northern Land Council are in discussions regarding a final settlement figure for a liability based on historical data, for which a contingent liability is not quantifiable. There are no other contingent liabilities or contingent assets (2010: Nil).

**Note 10: Remuneration of Auditors**

The fair value of financial statement audit services for the reporting period is \$39,000 (2010: \$39,000) and has been recognised by FaHCSIA.

No other services were provided by the auditors of the financial statements.

## **Notes to and forming part of the Financial Statements**

### **Note 11: Investments**

The principal activities of the ABA's investments are as follows:

Monies which are surplus to immediate requirements are invested under section 39 of the FMA Act. The ABA funds may only be invested in authorised investments as stipulated in the FMA Act.

Under section 39 of the FMA Act and regulation 22 of the FMA Regulations, public money may only be invested in authorised investments in the name of "The Minister for Finance and Deregulation of the Commonwealth" which include:

- (a) securities of the Commonwealth, a State or a Territory;
- (b) securities guaranteed by the Commonwealth, a State or a Territory;
- (c) a deposit with a bank, including a deposit evidenced by a certificate of deposit; and
- (d) a bill of exchange accepted or endorsed only by a bank.

### **Interest bearing deposits and negotiable certificates of deposits**

The ABA's investment portfolio is comprised of interest bearing deposits (term deposits) with the following institutions:

	<b>2011</b>	
	<b>\$'000</b>	
Australia and New Zealand Banking Group Ltd	<b>90,283</b>	22%
Bank of Queensland Ltd	<b>32,974</b>	8%
Bank of Western Australia Ltd	<b>60,063</b>	15%
Bendigo and Adelaide Bank Ltd	<b>30,708</b>	8%
Commonwealth Bank of Australia	<b>16,660</b>	4%
National Australia Bank Ltd	<b>71,247</b>	18%
St George Ltd	<b>31,302</b>	8%
Territory Insurance Office	<b>18,333</b>	4%
Westpac Banking Corporation	<b>54,259</b>	13%
<b>Total investments</b>	<b>405,829</b>	100%

**Notes to and forming part of the Financial Statements**

	2011	2010
	\$'000	\$'000

**Note 12: Financial Instruments****Note 12A: Categories of Financial Instruments****Financial Assets****Held-to-maturity:**

Interest bearing deposits	405,829	368,969
Negotiable certificates of deposits	-	9,212

<b>Total</b>	<b>405,829</b>	<b>378,181</b>
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**Loans and receivables:**

Cash and cash equivalents	13,776	14,361
Interest receivable	38	36
Other receivables	22	71

<b>Total</b>	<b>13,836</b>	<b>14,468</b>
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<b>Carrying amount of financial assets</b>	<b>419,665</b>	<b>392,649</b>
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**Financial Liabilities****At amortised cost:**

Supplier payables	486	1,016
Grants payable - Non-profit organisations	60	-

<b>Total</b>	<b>546</b>	<b>1,016</b>
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<b>Carrying amount of financial liabilities</b>	<b>546</b>	<b>1,016</b>
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**Note 12B: Net Income and Expense from Financial Assets****Held-to-maturity**

Interest revenue	23,617	16,688
<b>Net gain held-to-maturity</b>	<b>23,617</b>	<b>16,688</b>

**Loans and receivables**

Interest revenue	410	353
<b>Net gain loans and receivables</b>	<b>410</b>	<b>353</b>

<b>Net gain from financial assets</b>	<b>24,027</b>	<b>17,041</b>
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The above net gain is from financial assets not at fair value from profit and loss.



**Notes to and forming part of the Financial Statements****Note 12C: Fair value of financial instruments**

	Carrying amount 2011 \$'000	Fair value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
<b>Financial Assets</b>				
Term deposits	405,829	405,829	368,969	368,969
Bank issued negotiable certificates of deposit	-	-	9,212	9,212
Cash and cash equivalents	13,776	13,776	14,361	14,361
Interest receivable	38	38	36	36
Other receivables	22	22	71	71
<b>Total</b>	<b>419,665</b>	<b>419,665</b>	<b>392,649</b>	<b>392,649</b>
<b>Financial Liabilities</b>				
Supplier payables	486	486	1,016	1,016
Grants payable - Non-profit organisations	60	60	-	-
<b>Total</b>	<b>546</b>	<b>546</b>	<b>1,016</b>	<b>1,016</b>

**Fair value measurements categorised by fair value hierarchy**

	Level in the fair value hierarchy	
	2011	2010
<b>Financial assets at fair value</b>		
Interest bearing deposits	2	2

Level 2 - Inputs other than quoted prices within level 1 that are observable for the asset or liability either directly (ie as prices) or indirectly (ie derived from prices).

**Note 12D: Credit Risk**

The ABA is exposed to credit risk through cash, cash equivalents and trade receivables (recognised as loans and receivables) and bank terms and the Territory Insurance Office investment account (recognised as held-to-maturity). The maximum exposure to credit risk is the risk that arises from potential default of a debtor or financial institution. This amount is equal to the total amount of cash, cash equivalents, trade receivables and investments. The ABA has assessed the risk of potential default and has determined that no impairment allowances are required to be recognised.

The following table illustrates the ABA's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Bank term deposits	405,829	368,969
Negotiable certificates of deposit	-	9,212
Cash and cash equivalents	13,776	14,361
Interest receivable	38	36
Other receivables	22	71
<b>Total</b>	<b>419,665</b>	<b>392,649</b>
<b>Financial liabilities</b>		
Supplier payables	486	1,016
Grants payable - Non-profit organisations	60	-
<b>Total</b>	<b>546</b>	<b>1,016</b>

No financial instruments are past due or impaired.

## Notes to and forming part of the Financial Statements

### Note 12E: Liquidity Risk

The ABA's financial liabilities are supplier payables and other payables. The exposure to liquidity risk is based on the notion that the ABA will encounter difficulty in meeting its obligations associated with financial liabilities.

The ABA is appropriated funding from the Australian Government. The ABA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the ABA has policies in place to ensure timely payments are made when due and has no past experience of default.

The following tables illustrates the maturities for financial liabilities:

#### Maturities for non-derivative financial liabilities 30 June 2011

	On demand	within 1	1 to 2 years	2 to 5 years	> 5 years	Total
	\$'000	year	\$'000	\$'000	\$'000	\$'000
<b>Other Liabilities</b>						
Supplier payables	-	486	-	-	-	486
Grants Payable - Non-profit organisations	-	60	-	-	-	60
<b>Total</b>	-	546	-	-	-	546

#### Maturities for non-derivative financial liabilities 30 June 2010

	On demand	within 1	1 to 2 years	1 to 2 years	> 5 years	Total
	\$'000	year	\$'000	\$'000	\$'000	\$'000
<b>Other Liabilities</b>						
Supplier payables	-	1,016	-	-	-	1,016
<b>Total</b>	-	1,016	-	-	-	1,016

The ABA has no derivative financial liabilities in both the current and prior year.

### Note 12F: Market Risk

The ABA holds both basic financial instruments and held-to-maturity investments that do not expose the ABA to certain market risks. The ABA is not exposed to 'Currency risk', 'Other price risk' or 'Interest rate risk'.

**Notes to and forming part of the Financial Statements****Note 13: Special Accounts**

FaHCSIA has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation.

FaHCSIA will investigate the circumstances that lead to this increased risk and any impact on its special accounts shown below, seeking legal advice as appropriate.

<b>Aboriginals Benefit Account (Administered)</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
Establishing Instrument: <i>Aboriginal Land Rights (Northern Territory) Act 1976; sections 62, 63, 64 and 65</i>		
Purpose: For the receipt and disbursement of the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory		
Balance brought forward from previous period	14,361	19,633
Appropriation for reporting period	158,749	175,222
Investments realised	615,500	144,500
Interest receipts	20,877	16,376
Lease receipts	505	582
<b>Total increase</b>	<b>795,631</b>	<b>336,680</b>
<b>Available for payments</b>	<b>809,992</b>	<b>356,313</b>
Payments made - land councils	(82,880)	(80,858)
Payments made - suppliers	(1,345)	(406)
Payments made - grants	(70,613)	(23,775)
Payments made - committee members	(238)	(160)
Payments made - township leases	(1,140)	(1,253)
Investments made from the special account (FMA Act section 39)	(640,000)	(235,500)
<b>Total decrease</b>	<b>(796,216)</b>	<b>(341,952)</b>
<b>Total balance carried to the next period - cash held by the agency</b>	<b>13,776</b>	<b>14,361</b>

<b>Aboriginals Benefit Account Investment of Special Public Money: Special Appropriations under section 39 of the FMA Act</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Opening Balance (Investment Principal)</b>	<b>380,000</b>	<b>286,000</b>
Adjustment for cash held in 11am at-call account	(10,000)	3,000
Investments made - from special account	640,000	235,500
Investments realised	(615,500)	(144,500)
<b>Closing Balance (Investment Principal)</b>	<b>394,500</b>	<b>380,000</b>

# Aboriginal and Torres Strait Islander Land Account

Financial statements for the year ended 30 June 2011

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The Aboriginal and Torres Strait Islander Land Account (ATSILA) operates under the *Aboriginal and Torres Strait Islander Act 2005* (ATSI Act) and is a special account for the purposes of the *Financial Management and Accountability Act 1997* (FMA Act). ATSILA is established for the purpose of making payments to the Indigenous Land Corporation (ILC).

ATSILA is administered by the Department in accordance with the requirements of ATSI Act and the FMA Act.

ATSILA is a self-sustaining capital fund. It provides a secure and ongoing source of funds to the ILC who assists Aboriginal and Torres Strait Islander people to acquire and manage Indigenous-held land so as to provide economic, environmental, social and cultural benefits.

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## INDEPENDENT AUDITOR'S REPORT

To the Minister for Families, Housing, Community Services and Indigenous Affairs

### Report on the Financial Statements

I have audited the accompanying financial statements of the Aboriginal and Torres Strait Islander Land Account for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments and Notes to and forming part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

### *Responsibility of the Secretary for the Financial Statements*

The Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Secretary determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Aboriginal and Torres Strait Islander Land Account's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Aboriginal and Torres Strait Islander Land Account's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Aboriginal and Torres Strait Islander Land Account:

- (a) have been prepared in accordance with the form approved by the Finance Minister pursuant to sub-section 193H(1) of the *Aboriginal and Torres Strait Islander Act 2005*;
- (b) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (c) give a true and fair view of the matters required by the Finance Minister's Orders including the Aboriginal and Torres Strait Islander Land Account's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Puspa Dash  
Executive Director

Delegate of the Auditor-General

Canberra  
2 September 2011

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**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT  
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

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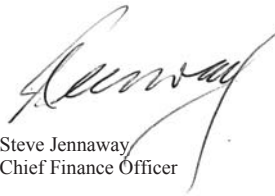
The accompanying financial statements of the Aboriginal and Torres Strait Islander Land Account for the year ended 30 June 2011 have been prepared in accordance with section 193H of the *Aboriginal and Torres Strait Islander Act 2005*, which requires the financial statements to be prepared in such a form as determined by the Minister for Finance and Deregulation. The Minister for Finance and Deregulation has approved the form of the financial statements as specified in Annexure A to the Finance Minister's Orders as detailed in Note 1.2 - Basis of Preparation of the Financial Statements.

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required in accordance with the exemptions made by the Minister for Finance and Deregulation.



Finn Pratt PSM  
Secretary

2 September 2011



Steve Jennaway  
Chief Finance Officer

2 September 2011



**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT**  
**STATEMENT OF COMPREHENSIVE INCOME**
*for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>EXPENSES</b>			
Payments to the Indigenous Land Corporation	3A	45,000	-
Payments to consultants	3B	<u>66</u>	<u>-</u>
<b>Total expenses</b>		<u>45,066</u>	<u>-</u>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Interest	4A	<u>106,442</u>	<u>85,456</u>
<b>Total own-source revenue</b>		<u>106,442</u>	<u>85,456</u>
<b>Gains</b>			
Gain on realisation of investments	4B	<u>-</u>	<u>-</u>
<b>Total gains</b>		<u>-</u>	<u>-</u>
<b>Total own-source income</b>		<u>106,442</u>	<u>85,456</u>
<b>Net contribution by services</b>		<u>(61,376)</u>	<u>(85,456)</u>
<b>Surplus attributable to the Australian Government</b>		<u>61,376</u>	<u>85,456</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income attributable to the Australian Government</b>		<u>61,376</u>	<u>85,456</u>

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

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT****BALANCE SHEET***as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	9	7
Trade and other receivables	5B	7	-
Investments	5C	<u>1,881,895</u>	<u>1,820,528</u>
<b>Total financial assets</b>		<u>1,881,911</u>	<u>1,820,535</u>
<b>Total assets</b>		<u>1,881,911</u>	<u>1,820,535</u>
<b>LIABILITIES</b>			
<b>Total liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>1,881,911</u>	<u>1,820,535</u>
<b>EQUITY</b>			
Contributed equity		433,932	433,932
Retained earnings		<u>1,447,979</u>	<u>1,386,603</u>
<b>Total equity</b>		<u>1,881,911</u>	<u>1,820,535</u>

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

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**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT**  
**STATEMENT OF CHANGES IN EQUITY**

*for the period ended 30 June 2011*

	Retained earnings		Contributed equity		Total equity	
	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>						
Balance carried forward from previous period	1,386,603	1,301,147	433,932	433,932	1,820,535	1,735,079
<b>Adjusted opening balance</b>	<b>1,386,603</b>	<b>1,301,147</b>	<b>433,932</b>	<b>433,932</b>	<b>1,820,535</b>	<b>1,735,079</b>
<b>Comprehensive income</b>						
Surplus for the period	61,376	85,456	-	-	61,376	85,456
<b>Total comprehensive income</b>	<b>61,376</b>	<b>85,456</b>	<b>-</b>	<b>-</b>	<b>61,376</b>	<b>85,456</b>
of which:						
Attributable to the Australian Government	61,376	85,456	-	-	61,376	85,456
<b>Closing balance as at 30 June</b>	<b>1,447,979</b>	<b>1,386,603</b>	<b>433,932</b>	<b>433,932</b>	<b>1,881,911</b>	<b>1,820,535</b>
<b>Closing balance attributable to the Australian Government</b>	<b>1,447,979</b>	<b>1,386,603</b>	<b>433,932</b>	<b>433,932</b>	<b>1,881,911</b>	<b>1,820,535</b>

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

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT****CASH FLOW STATEMENT***for the period ended 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash used</b>			
Payments to the Indigenous Land Corporation		45,000	-
Payments to consultants		66	-
<b>Total cash used</b>		<u>45,066</u>	<u>-</u>
<b>Net cash used by operating activities</b>	6	<u>(45,066)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from realisation of investments		2,089,436	1,895,076
Interest on investments		79,484	88,279
<b>Total cash received</b>		<u>2,168,920</u>	<u>1,983,355</u>
<b>Cash used</b>			
Purchase of investments		<u>2,123,852</u>	<u>1,983,669</u>
<b>Total cash used</b>		<u>2,123,852</u>	<u>1,983,669</u>
<b>Net cash from (used by) investing activities</b>		<u>45,068</u>	<u>(314)</u>
<b>Net increase (decrease) in cash held</b>		<u>2</u>	<u>(314)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>7</u>	<u>321</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>9</u>	<u>7</u>

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

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND ACCOUNT  
SCHEDULE OF COMMITMENTS**
*as at 30 June 2011*

	2011 \$'000	2010 \$'000
<b>BY TYPE</b>		
<b>Commitments payable</b>		
<b>Other commitments</b>		
Payments to the Indigenous Land Corporation	(192,769)	(186,261)
<b>Total other commitments</b>	<u>(192,769)</u>	<u>(186,261)</u>
<b>Net commitments by type</b>	<u>(192,769)</u>	<u>(186,261)</u>
<b>BY MATURITY</b>		
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	(46,215)	(45,000)
From one to five years	(146,554)	(141,261)
<b>Total other commitments</b>	<u>(192,769)</u>	<u>(186,261)</u>
<b>Net commitments by maturity</b>	<u>(192,769)</u>	<u>(186,261)</u>

NB: Commitments are GST inclusive where relevant.

On 29 June 2010 the *Aboriginal and Torres Strait Islander Act 2005* was amended to provide a minimum guaranteed annual payment of \$45 million to the Indigenous Land Corporation from 1 July 2010, payable on the first business day in October. This payment will be indexed for later years by the consumer price index. Commitment figures include up to, and including, the financial year 2014-15.

There were no commitments receivable for the reporting period (2010: nil).

This schedule should be read in conjunction with the accompanying notes.

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## Notes to and forming part of the Financial Statements

### Note 1: Summary of Significant Accounting Policies

#### 1.1 Objectives of Aboriginal and Torres Strait Islander Land Account

The Aboriginal and Torres Strait Islander Land Account (ATSILA) is an Australian Government controlled entity. ATSILA was established to recognise that most Indigenous people will not benefit from the High Court's Mabo (No. 2) decision (Mabo and Others v Queensland (No. 2) [1992] HCA 23) and the *Native Title Act 1993* because they were dispossessed of their land and therefore cannot demonstrate the continuous association necessary to prove native title.

ATSILA's purpose is to provide a secure stream of income to the Indigenous Land Corporation (ILC) in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.

The continued existence of ATSILA in its present form and with its present programs, is dependent on Government policy.

#### 1.2 Basis of Preparation of the Financial Statements

ATSILA's activities are classified as administered items in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) financial statements.

In addition to being consolidated into FaHCSIA's financial statements, separate audited financial statements are prepared for ATSILA as required by subsection 193H(1) of the *Aboriginal and Torres Strait Islander Act 2005*.

The Minister for Finance and Deregulation has issued an exemption on the form of the ATSILA financial statements as part of the Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2010, Part C - 17. This has been done on the basis that disclosure of accounts on a purely administered basis would not satisfy the definition of a general purpose financial report.

The financial statements have been prepared in accordance with:

- (a) the exemptions granted as part of the FMOs Part C - 17 for reporting periods ending on or after 1 July 2010, to present its administered activities in departmental format as illustrated in Annexure A; and
- (b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Minister for Finance and Deregulation has specifically exempted the ATSILA from complying with the following requirements of the FMOs.

- (a) Part G and the administered disclosures in Annexure A;
- (b) Part I to the extent that ATSILA has no appropriation transactions and balances other than through its special account;
- (c) Division 121 to the extent that ATSILA does not have any defined outcomes and outputs; and
- (d) Division 122 to the extent that ATSILA has not made any payments specified in that Division.

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

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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## Notes to and forming part of the Financial Statements

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### 1.2 Basis of Preparation of the Financial Statements (continued)

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

### 1.3 Significant Accounting Judgement and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

There have been no new standards, amendments to standards or interpretations that have been issued by the AASB that are applicable to the current financial year which have had a material financial impact on ATSILA.

#### Future Australian Accounting Standard Requirements

A number of new standards, amendments to standards and interpretations have been issued by the AASB that are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

### 1.5 Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### 1.6 Gains

#### Realisation of Assets

A gain or loss on realisation is recognised when the market value of the investment is different from that of the purchase value.

### 1.7 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- (a) cash on hand;
- (b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- (c) cash held by outsiders.



## **Notes to and forming part of the Financial Statements**

### **1.8 Financial Assets**

ATSILA classifies its financial assets in the following categories:

- (a) held-to-maturity investments; and
- (b) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

#### Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

#### Held-to-Maturity investment

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that ATSIILA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

*Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

### **1.9 Financial Liabilities**

ATSILA had no financial liabilities as at 30 June 2011 (30 June 2010: Nil).

### **1.10 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

ATSILA had no contingent liabilities or assets as at 30 June 2011 (30 June 2010: Nil).

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## **Notes to and forming part of the Financial Statements**

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### **1.11 Taxation**

ATSILA is exempt from all forms of taxation except the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- (a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- (b) for receivables and payables.

### **1.12 Payments to the ILC**

On 29 June 2010 the *Aboriginal and Torres Strait Islander Act 2005* (the Act), was amended to provide a minimum guaranteed annual payment of \$45 million to the ILC from 1 July 2010, payable on the first business day in October. This payment will be indexed for later years by the Consumer Price Index.

Up to the 2009-10 financial year, and under the previous section 193C of the Act, an annual payment to the ILC was made equivalent to the realised real return on the investments of ATSILA.

The realised real return was based on investment returns adjusted by an indexation factor. As a result, the actual payment varied from year to year and no payments were made where the realised real return was nil or negative.

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**Notes to and forming part of the Financial Statements**

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**Note 2: Events After the Reporting Period**

There are no known events occurring after the reporting period that need to be disclosed in the financial statements.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 3: Expenses</b>		
<b><u>Note 3A: Payments to the Indigenous Land Corporation</u></b>		
Payments to the Indigenous Land Corporation	<u>45,000</u>	-
<b>Total payments to the Indigenous Land Corporation</b>	<u>45,000</u>	-
<b><u>Note 3B: Payments to consultants</u></b>		
Payments to consultants	<u>66</u>	-
<b>Total payments to consultants</b>	<u>66</u>	-
<b>Note 4: Income</b>		
<b>REVENUE</b>		
<b><u>Note 4A: Interest</u></b>		
Interest on deposits	<u>106,442</u>	85,456
<b>Total interest</b>	<u>106,442</u>	85,456
<b>GAINS</b>		
<b><u>Note 4B: Gain on realisation of investments</u></b>		
Investments:		
Proceeds from sale	2,089,436	1,895,076
Purchase value of assets sold	<u>(2,089,436)</u>	<u>(1,895,076)</u>
<b>Total gain on realisation of investments</b>	<u>-</u>	<u>-</u>

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 5: Financial Assets</b>		
<b><u>Note 5A: Cash and cash equivalents</u></b>		
Cash on hand or on deposit	9	7
<b>Total cash and cash equivalents</b>	<b>9</b>	<b>7</b>
<b><u>Note 5B: Trade and other receivables</u></b>		
<b>Other receivables:</b>		
Interest	7	-
<b>Total trade and other receivables</b>	<b>7</b>	<b>-</b>
<b><u>Note 5C: Investments</u></b>		
Term deposits	1,534,683	1,356,068
Bank issued negotiable certificates of deposit	-	50,916
Nominal semi-government bonds	347,212	413,544
<b>Total investments</b>	<b>1,881,895</b>	<b>1,820,528</b>
Investments are expected to be recovered in:		
No more than 12 months	1,534,683	1,457,759
More than 12 months	347,212	362,769
<b>Total investments</b>	<b>1,881,895</b>	<b>1,820,528</b>

Additional information about Investments is included at Note 7.

**Notes to and forming part of the Financial Statements**

<b>2011</b>	<b>2010</b>
<b>\$'000</b>	<b>\$'000</b>

**Note 6: Cash Flow Reconciliation****Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement****Cash and cash equivalents as per:**

Cash flow statement	9	7
Balance sheet	9	7
<b>Difference</b>	<b>-</b>	<b>-</b>

**Reconciliation of net contribution by services to net cash from operating activities:**

Net contribution by services	61,376	85,456
Interest on investments recognised as investing	(106,442)	(85,456)

<b>Net cash used by operating activities</b>	<b>(45,066)</b>	<b>-</b>
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**Note 7: Investments**

The investment objective of FaHCSIA as administrators for ATSILA, is to ensure that ATSILA complies with legislative obligations under the FMA Act and the *Aboriginal and Torres Strait Islander Act 2005*; and that ATSILA maintains and preserves its capital base.

The investment portfolio and bank accounts are managed to ensure sufficient funds are available for payments to the ILC when due.

Investment activities are conducted in accordance with the requirements of section 39 of the FMA Act. Consequently, investments are typically low risk and take the form of term deposits, bank issued negotiable certificates of deposit and nominal semi-government bonds.

Investment practices are also governed by the investment policy of ATSILA which requires the management of the portfolio to respond to positive investment opportunities in the market so as to achieve the best possible returns for the account within the legislative framework.

The asset allocation of the portfolio as at 30 June 2011 is 82 percent with Australian banks and 18 percent in nominal semi-government bonds.

**Note 8: Remuneration of Auditors**

The fair value of financial statement audit services for the reporting period is \$23,000 (2010: \$23,000). This amount is paid by FaHCSIA.

No other services were provided by the auditors of the financial statements.

**Notes to and forming part of the Financial Statements**

	2011 \$'000	2010 \$'000
<b>Note 9: Financial Instruments</b>		
<b><u>Note 9A: Categories of Financial Instruments</u></b>		
<b>Financial Assets</b>		
Held-to-maturity:		
Term deposits	1,534,683	1,356,068
Bank issued negotiable certificates of deposit	-	50,916
Nominal semi-government bonds	<u>347,212</u>	<u>413,544</u>
<b>Total</b>	<b><u>1,881,895</u></b>	<b><u>1,820,528</u></b>
Loans and receivables:		
Cash and cash equivalents	9	7
Interest receivable	<u>7</u>	<u>-</u>
<b>Total</b>	<b><u>16</u></b>	<b><u>7</u></b>
<b>Carrying amount of financial assets</b>	<b><u>1,881,911</u></b>	<b><u>1,820,535</u></b>

**Note 9B: Net Income and Expense from Financial Assets**

<b>Held-to-maturity</b>		
Interest revenue	<u>106,369</u>	<u>85,290</u>
<b>Net gain held-to-maturity</b>	<b><u>106,369</u></b>	<b><u>85,290</u></b>
<b>Loans and receivables</b>		
Interest revenue	<u>73</u>	<u>166</u>
<b>Net gain loans and receivables</b>	<b><u>73</u></b>	<b><u>166</u></b>
<b>Net gain from financial assets</b>	<b><u>106,442</u></b>	<b><u>85,456</u></b>

The above net gain is from financial assets not at fair value from profit and loss.

**Notes to and forming part of the Financial Statements****Note 9C: Fair value of financial instruments**

	Carrying amount 2011 \$'000	Fair Value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
<b>Financial Assets</b>				
Term deposits	1,534,683	1,534,683	1,356,068	1,356,068
Bank issued negotiable certificates of deposit	-	-	50,916	50,916
Nominal semi-government bonds	347,212	350,222	413,544	418,096
<b>Total</b>	<b>1,881,895</b>	<b>1,884,905</b>	<b>1,820,528</b>	<b>1,825,080</b>

**Fair value measurements categorised by fair value hierarchy**

	Level in the fair value hierarchy	
	2011	2010
<b>Financial assets at fair value</b>		
Nominal semi-government bonds	1	1
Interest bearing deposits	2	2

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices within level 1 that are observable for the asset or liability either directly (ie as prices) or indirectly (ie derived from prices).

**Note 9D: Credit Risk**

ATSILA is exposed to credit risk through cash and receivables (recognised as loans and receivables) and investments (recognised as held-to-maturity). The maximum exposure to credit risk is the risk that arises from potential default of a debtor or financial institution. This amount is equal to the total amount of cash, receivables and investments.

ATSILA only hold funds with Australian banks and Semi Government Bonds. ATSLA has assessed the risk of potential default and has determined that no allowances or provisions are required to be recognised.

The following table illustrates ATSLA's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Term deposits	1,534,683	1,356,068
Bank issued negotiable certificates of deposit	-	50,916
Nominal semi-government bonds	347,212	413,544
Cash	9	7
Receivables	7	-
<b>Total</b>	<b>1,881,911</b>	<b>1,820,535</b>

No financial instruments are past due or impaired.



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**Notes to and forming part of the Financial Statements**

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**Note 9E: Liquidity Risk**

The exposure to liquidity risk is based on the notion that ATSILA will encounter difficulty in meeting the obligations associated with financial liabilities. This is highly unlikely due to ATSILA having no financial liabilities, and the significant self funding capital base available to ATSILA and those procedures put in place to ensure there are appropriate resources to meet the financial obligations.

FaHCSIA on behalf of ATSILA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, FaHCSIA on behalf of ATSILA has policies in place to ensure timely payments are made when due and has no past experience of default.

FaHCSIA has no derivative liabilities in both the current and prior year.

**Note 9F: Market Risk**

FaHCSIA on behalf of ATSILA holds basic financial instruments and held-to-maturity investments that are not exposed to market risks. FaHCSIA on behalf of ATSILA is not exposed to 'Currency risk', 'Other price risk' or 'Interest rate risk'.

**Notes to and forming part of the Financial Statements****Note 10: Special Accounts**

<b>Aboriginal and Torres Strait Islander Land Account (Administered)</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
Appropriation: <i>Financial Management and Accountability Act 1997; section 21</i>		
Establishing Instrument: <i>Aboriginal and Torres Strait Islander Act 2005; section 192W</i>		
Purpose: to provide a secure stream of income to the Indigenous Land Corporation in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.		
Balance brought forward from previous period	7	321
Investments realised	2,089,436	1,895,076
Interest receipts	79,484	88,279
<b>Total increase</b>	<b>2,168,920</b>	<b>1,983,355</b>
<b>Available for payments</b>	<b>2,168,927</b>	<b>1,983,676</b>
Payments made to the Indigenous Land Corporation	(45,000)	-
Payments made to consultants	(66)	-
Investments made from the special account (FMA Act section 39)	(2,123,852)	(1,983,669)
<b>Total decrease</b>	<b>(2,168,918)</b>	<b>(1,983,669)</b>
<b>Total balance carried to the next period - cash held by the agency</b>	<b>9</b>	<b>7</b>

<b>Aboriginal and Torres Strait Islander Land Account Investment of Special Public Money:</b>	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Special Appropriations under section 39 of the FMA Act</b>		
<b>Opening Balance (Investment Principal)</b>	<b>1,801,822</b>	<b>1,713,229</b>
Investments made - from special account	2,123,852	1,983,669
Investments realised	(2,089,436)	(1,895,076)
<b>Closing Balance (Investment Principal)</b>	<b>1,836,238</b>	<b>1,801,822</b>



# Appendixes

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## Appendix A

### Resource statements

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This appendix contains a resource statement table (Table A-1) to provide information about FaHCSIA's funding sources in 2010–11, as well as a table for each outcome showing the total resourcing for the outcome on an expense basis (tables A-2 to A-8).

**Table A-1 Agency resource statement, 2010–11**

	Actual available appropriation for 2010–11 \$'000	Payments made 2010–11 \$'000	Balance remaining 2010–11 \$'000
	(a)	(b)	(a)–(b)
<b>Ordinary Annual Services</b>			
Departmental appropriation <sup>1</sup>	577,031	603,904	-26,873
<b>Total</b>	<b>577,031</b>	<b>603,904</b>	<b>-26,873</b>
<b>Administered expenses</b>			
Outcome 1	204,728	201,903	
Outcome 2	39,340	38,317	
Outcome 3	208,472	202,978	
Outcome 4	5,000	5,000	
Outcome 5	482,723	476,565	
Outcome 6	25,050	21,358	
Outcome 7	625,786	597,188	
Payments to CAC Act Bodies	146,692	146,692	
<b>Total</b>	<b>1,737,791</b>	<b>1,690,001</b>	
<b>Total ordinary annual services</b>	<b>A 2,314,822</b>	<b>2,293,905</b>	
<b>Departmental non-operating</b>			
Equity injections	12,779	12,779	
<b>Total</b>	<b>12,779</b>	<b>12,779</b>	
<b>Administered non-operating</b>			
Administered Assets and Liabilities			
Payments to CAC Act Bodies—non-operating	40,090	40,090	
<b>Total</b>	<b>40,090</b>	<b>40,090</b>	
<b>Total other services</b>	<b>B 52,869</b>	<b>52,869</b>	
<b>Total available annual appropriations and payments</b>	<b>2,367,691</b>	<b>2,346,774</b>	

Table A-1 Agency resource statement, 2010–11 (continued)

	Actual available appropriation for 2010–11 \$'000	Payments made 2010–11 \$'000	Balance remaining 2010–11 \$'000
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>Paid Parental Leave Act 2010</i>		276,570	
<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>		158,955	
<i>Northern Territory National Emergency Response Act 2007</i>		145	
<i>Social Security (Administration) Act 1999</i>		50,987,543	
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		19,396,013	
<b>Total special appropriations</b>	<b>C</b>	<b>70,819,226</b>	
<b>Special Accounts</b>			
Opening balance	2,220,253		
Appropriation receipts <sup>2</sup>	175,749		
Non-appropriation receipts to			
Special Accounts	106,204		
Transfers made to OPA	-16,736		
Payments made		219,740	
<b>Total Special Account</b>	<b>D</b>	<b>219,740</b>	<b>2,265,730</b>
<b>Total resourcing and payments</b>			
A+B+C+D	<b>4,853,161</b>	<b>73,385,740</b>	
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	203,782	203,782	
<b>Total net resourcing and payments for FaHCSIA</b>	<b>4,649,379</b>	<b>73,181,958</b>	

1 Appropriation Bill (No. 1) 2010–11 and Appropriation Bill (No. 3) 2010–11. This may also include prior year departmental appropriation and s. 31 relevant agency receipts.

2 Appropriation receipts from FaHCSIA's annual and special appropriation for 2010–11 included above.

**Table A-2 Expenses and resources for Outcome 1—Families and Children**

	Budget*	Actual	Variation
	2010–11	2010–11	2010–11
Outcome 1 (Families and Children)	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
<b>Program 1.1: (Family Support)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	191,571	191,376	195
Special Accounts	276	276	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	53,599	52,038	1,561
Revenues from independent sources (Section 31)	1,861	2,309	-448
Expenses not requiring appropriation in the Budget year	5,671	5,447	224
<b>Total for Program 1.1</b>	<b>252,978</b>	<b>251,446</b>	<b>1,532</b>
<b>Program 1.2: (Family Tax Benefit)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	150	150	0
Special Appropriations	17,729,691	18,032,512	-302,821
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	24,084	23,699	385
Revenues from independent sources (Section 31)	850	1,055	-205
Expenses not requiring appropriation in the Budget year	2,548	2,480	68
<b>Total for Program 1.2</b>	<b>17,757,323</b>	<b>18,059,896</b>	<b>-302,573</b>
<b>Program 1.3: (Parental Payments and Care Incentives)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	10,902	10,810	92
Special Appropriations	1,782,590	1,820,225	-37,635
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	15,932	15,628	304
Revenues from independent sources (Section 31)	570	707	-137
Expenses not requiring appropriation in the Budget year	1,686	1,636	50
<b>Total for Program 1.3</b>	<b>1,811,680</b>	<b>1,849,006</b>	<b>-37,326</b>

Table A-2 Expenses and resources for Outcome 1—Families and Children (continued)

	Budget*	Actual	Variation
	2010–11	2010–11	2010–11
Outcome 1 (Families and Children)	\$'000	\$'000	\$'000
<b>Outcome 1 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	202,623	202,336	287
Special Appropriations	19,512,281	19,852,737	-340,456
Special Accounts	276	276	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	93,615	91,365	2,250
Revenues from independent sources (Section 31)	3,281	4,071	-790
Expenses not requiring appropriation in the Budget year	9,905	9,563	342
<b>Total expenses for Outcome 1</b>	<b>19,821,981</b>	<b>20,160,348</b>	<b>-338,367</b>
<b>Staffing resources (number)</b>			
	<b>2009–10</b>	<b>2010–11</b>	
	603	583	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.



**Table A-3 Expenses and resources for Outcome 2—Housing**

<b>Outcome 2 (Housing)</b>	<b>Budget* 2010–11 \$'000</b>	<b>Actual Expenses 2010–11 \$'000</b>	<b>Variation 2010–11 \$'000</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)–(b)</b>
<b>Program 2.1: (Affordable Housing)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)**		6,080	-6,080
Special Accounts	1,543	1,543	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)		6,984	-6,984
Revenues from independent sources (Section 31)		342	-342
Expenses not requiring appropriation in the Budget year		731	-731
<b>Total for Program 2.1</b>	<b>1,543</b>	<b>15,680</b>	<b>-14,137</b>
<b>Program 2.2 (Housing Assistance and Homelessness Prevention)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	39,378	38,414	964
Special Accounts	34	34	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	21,499	23,132	-1,633
Revenues from independent sources (Section 31)	1,201	1,148	53
Expenses not requiring appropriation in the Budget year	2,275	2,421	-146
<b>Total for Program 2.2</b>	<b>64,387</b>	<b>65,149</b>	<b>-762</b>
<b>Outcome 2 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	39,378	44,494	-5,116
Special Accounts	1,577	1,577	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	21,499	30,116	-8,617
Revenues from independent sources (Section 31)	1,201	1,490	-289
Expenses not requiring appropriation in the Budget year	2,275	3,152	-877
<b>Total expenses for Outcome 2</b>	<b>65,930</b>	<b>80,829</b>	<b>-14,899</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	<b>245</b>	<b>209</b>	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

\*\* Note that the expense relates to FaHCSIA's liability of the National Rental Assistance Scheme at the time this program transferred to the Department of Sustainability, Environment, Water, Population and Communities. On 14 September and 14 October 2010, the Government issued new Administrative Arrangements Orders transferring administrative responsibility for some of FaHCSIA's programs to other Commonwealth agencies.

**Table A-4 Expenses and resources for Outcome 3—Community Capability and the Vulnerable**

	Budget*	Actual	Variation
Outcome 3 (Community Capability and the Vulnerable)	2010–11	2010–11	2010–11
	\$'000	\$'000	\$'000
	(a)	(b)	(a)–(b)
<b>Program 3.1: (Financial Management)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	124,605	124,231	374
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	23,158	22,284	874
Revenues from independent sources (Section 31)	681	845	-164
Expenses not requiring appropriation in the Budget year	2,450	2,333	117
<b>Total for Program 3.1</b>	<b>150,894</b>	<b>149,693</b>	<b>1,201</b>
<b>Program 3.2: (Community Investment)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	72,075	71,869	206
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	19,090	18,953	137
Revenues from independent sources (Section 31)	708	878	-170
Expenses not requiring appropriation in the Budget year	2,020	1,984	36
<b>Total for Program 3.2</b>	<b>93,893</b>	<b>93,684</b>	<b>209</b>
<b>Program 3.3: (Income Support for Vulnerable People)</b>			
<i>Administered expenses</i>			
Special Appropriations	76,688	73,250	3,438
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	1,063	843	220
Revenues from independent sources (Section 31)	42	52	-10
Expenses not requiring appropriation in the Budget year	112	88	24
<b>Total for Program 3.3</b>	<b>77,905</b>	<b>74,233</b>	<b>3,672</b>

**Table A-4 Expenses and resources for Outcome 3—Community Capability and the Vulnerable (continued)**

	Budget*	Actual	Variation
	2010–11	2010–11	2010–11
Outcome 3 (Community Capability and the Vulnerable)	\$'000	\$'000	\$'000
<b>Program 3.4: (Support for People in Special Circumstances)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	1,347	922	425
Special Appropriations	14,375	13,509	866
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	388	3,028	-2,640
Revenues from independent sources (Section 31)	163	202	-39
Expenses not requiring appropriation in the Budget year	41	317	-276
<b>Total for Program 3.4</b>	<b>16,314</b>	<b>17,978</b>	<b>-1,664</b>
<b>Program 3.5: (Supplementary Payments and Support for Income Support Recipients)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	8,445	6,765	1,680
Special Appropriations	13,484	13,412	72
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	1,282	1,054	228
Revenues from independent sources (Section 31)	50	62	-12
Expenses not requiring appropriation in the Budget year	136	110	26
<b>Total for Program 3.5</b>	<b>23,397</b>	<b>21,403</b>	<b>1,994</b>
<b>Outcome 3 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	206,472	203,787	2,685
Special Appropriations	104,547	100,171	4,376
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	44,981	46,162	-1,181
Revenues from independent sources (Section 31)	1,644	2,039	-395
Expenses not requiring appropriation in the Budget year	4,759	4,832	-73
<b>Total expenses for Outcome 3</b>	<b>362,403</b>	<b>356,991</b>	<b>5,412</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	<b>351</b>	<b>333</b>	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

Table A-5 Expenses and resources for Outcome 4—Seniors

Outcome 4 (Seniors)	Budget* 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation 2010–11 \$'000
	(a)	(b)	(a)–(b)
<b>Program 4.1: (Income Support for Seniors)</b>			
<i>Administered expenses</i>			
Special Appropriations	31,862,146	32,292,851	-430,705
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	18,226	17,731	495
Revenues from independent sources (Section 31)	625	775	-150
Expenses not requiring appropriation in the Budget year	1,929	1,856	73
<b>Total for Program 4.1</b>	<b>31,882,926</b>	<b>32,313,213</b>	<b>-430,287</b>
<b>Program 4.2: (Allowances, Concessions and Services for Seniors)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	5,000	5,000	0
Special Appropriations	184,687	179,166	5,521
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	4,714	4,577	137
Revenues from independent sources (Section 31)	184	228	-44
Expenses not requiring appropriation in the Budget year	499	478	21
<b>Total for Program 4.2</b>	<b>195,084</b>	<b>189,449</b>	<b>5,635</b>
<b>Outcome 4 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	5,000	5,000	0
Special Appropriations	32,046,833	32,472,017	-425,184
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	22,940	22,308	632
Revenues from independent sources (Section 31)	809	1,003	-194
Expenses not requiring appropriation in the Budget year	2,428	2,334	94
<b>Total expenses for Outcome 4</b>	<b>32,078,010</b>	<b>32,502,662</b>	<b>-424,652</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	<b>178</b>	<b>169</b>	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

**Table A-6 Expenses and resources for Outcome 5—Disability and Carers**

	Budget* 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation 2010–11 \$'000
Outcome 5 (Disability and Carers)	(a)	(b)	(a)–(b)
<b>Program 5.1: (Targeted Community Care)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	141,428	141,428	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	10,457	9,947	510
Revenues from independent sources (Section 31)	389	483	-94
Expenses not requiring appropriation in the Budget year	1,106	1,041	65
<b>Total for Program 5.1</b>	<b>153,380</b>	<b>152,899</b>	<b>481</b>
<b>Program 5.2: (Disability Support Pension)</b>			
<i>Administered expenses</i>			
Special Appropriations	13,296,965	13,355,744	-58,779
<i>Departmental expenses</i>			
Ordinary annual services (Appropriation Bill No. 1)	13,473	13,261	212
Revenues from independent sources (Section 31)	500	620	-120
Expenses not requiring appropriation in the Budget year	1,426	1,388	38
<b>Total for Program 5.2</b>	<b>13,312,364</b>	<b>13,371,013</b>	<b>-58,649</b>
<b>Program 5.3: (Income Support for Carers)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	2,800	2,886	-86
Special Appropriations	5,109,808	5,106,939	2,869
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	10,243	9,969	274
Revenues from independent sources (Section 31)	384	476	-92
Expenses not requiring appropriation in the Budget year	1,084	1,044	40
<b>Total for Program 5.3</b>	<b>5,124,319</b>	<b>5,121,314</b>	<b>3,005</b>

Table A-6 Expenses and resources for Outcome 5—Disability and Carers (continued)

	Budget* 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation 2010–11 \$'000
<b>Outcome 5 (Disability and Carers)</b>			
<b>Program 5.4: (Services and Support for People with Disability)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	321,763	321,665	98
Special Accounts	577	333	244
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	36,729	34,765	1,964
Revenues from independent sources (Section 31)	1,248	1,548	-300
Expenses not requiring appropriation in the Budget year	3,886	3,638	248
<b>Total for Program 5.4</b>	<b>364,203</b>	<b>361,949</b>	<b>2,254</b>
<b>Program 5.5: (Support for Carers)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	11,312	11,312	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	7,921	7,573	348
Revenues from independent sources (Section 31)	276	342	-66
Expenses not requiring appropriation in the Budget year	838	792	46
<b>Total for Program 5.5</b>	<b>20,347</b>	<b>20,019</b>	<b>328</b>
<b>Outcome 5 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	477,303	477,291	12
Special Appropriations	18,406,773	18,462,683	-55,910
Special Accounts	577	333	244
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	78,823	75,515	3,308
Revenues from independent sources (Section 31)	2,797	3,469	-672
Expenses not requiring appropriation in the Budget year	8,340	7,903	437
<b>Total expenses for Outcome 5</b>	<b>18,974,613</b>	<b>19,027,194</b>	<b>-52,581</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	<b>562</b>	<b>538</b>	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

**Table A-7 Expenses and resources for Outcome 6—Women**

Outcome 6 (Women)	Budget* 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation 2010–11 \$'000
	(a)	(b)	(a)-(b)
<b>Program 6.1: (Gender Equality for Women)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	23,150	22,608	542
Special Accounts	10	10	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	13,445	11,850	1,595
Revenues from independent sources (Section 31)	461	572	-111
Expenses not requiring appropriation in the Budget year	1,423	1,240	183
<b>Total for Program 6.1</b>	<b>38,489</b>	<b>36,280</b>	<b>2,209</b>
<b>Outcome 6 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	23,150	22,608	542
Special Accounts	10	10	0
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	13,445	11,850	1,595
Revenues from independent sources (Section 31)	461	572	-111
Expenses not requiring appropriation in the Budget year	1,423	1,240	183
<b>Total expenses for Outcome 6</b>	<b>38,489</b>	<b>36,280</b>	<b>2,209</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	98	93	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

Table A-8 Expenses and resources for Outcome 7—Indigenous

Outcome 7 (Indigenous)	Budget* 2010–11 \$'000	Actual Expenses 2010–11 \$'000	Variation 2010–11 \$'000
	(a)	(b)	(a)–(b)
<b>Program 7.1: (Economic Development and Participation)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	284,753	284,185	568
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	40,316	38,781	1,535
Revenues from independent sources (Section 31)	3,874	4,806	-932
Expenses not requiring appropriation in the Budget year	4,266	4,059	207
<b>Total for Program 7.1</b>	<b>333,209</b>	<b>331,831</b>	<b>1,378</b>
<b>Program 7.2: (Indigenous Housing and Infrastructure)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	148,651	148,147	504
Special Accounts	226	0	226
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	30,663	29,799	864
Revenues from independent sources (Section 31)	1,803	2,237	-434
Expenses not requiring appropriation in the Budget year	3,245	3,119	126
<b>Total for Program 7.2</b>	<b>184,588</b>	<b>183,302</b>	<b>1,286</b>
<b>Program 7.3: (Native Title and Land Rights)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	76,525	76,524	1
Special Accounts	45,000	45,066	-66
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	6,246	6,030	216
Revenues from independent sources (Section 31)	451	560	-109
Expenses not requiring appropriation in the Budget year	661	631	30
<b>Total for Program 7.3</b>	<b>128,883</b>	<b>128,811</b>	<b>72</b>



**Table A-8 Expenses and resources for Outcome 7—Indigenous (continued)**

<b>Outcome 7 (Indigenous)</b>	<b>Budget* 2010–11 \$'000</b>	<b>Actual Expenses 2010–11 \$'000</b>	<b>Variation 2010–11 \$'000</b>
<b>Program 7.4: (Indigenous Capability and Development)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	71,854	70,222	1,632
Special Appropriations	164,543	155,516	9,027
Special Accounts	170,079	172,478	-2,399
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	86,544	87,486	-942
Revenues from Independent Sources (Section 31)	6,130	7,605	-1,475
Expenses not requiring appropriation in the Budget year	9,157	9,155	2
<b>Total for Program 7.4</b>	<b>508,307</b>	<b>502,462</b>	<b>5,845</b>
<b>Program 7.5: (Closing the Gap in the Northern Territory)</b>			
<i>Administered expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	19,701	19,616	85
Special Appropriations	4,000	1,222	2,778
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	80,865	79,551	1,314
Revenues from independent sources (Section 31)	4,789	5,942	-1,153
Expenses not requiring appropriation in the Budget year	8,557	8,327	230
<b>Total for Program 7.5</b>	<b>117,912</b>	<b>114,658</b>	<b>3,254</b>
<b>Outcome 7 Totals by appropriation type</b>			
<i>Administered Expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	601,484	598,694	2,790
Special Appropriations	168,543	156,738	11,805
Special Accounts	215,305	217,544	- 2,239
<i>Departmental expenses</i>			
Ordinary Annual Services (Appropriation Bill No. 1)	244,634	241,647	2,987
Revenues from independent sources (Section 31)	17,047	21,150	- 4,103
Expenses not requiring appropriation in the Budget year	25,886	25,290	596
<b>Total expenses for Outcome 7</b>	<b>1,272,899</b>	<b>1,261,064</b>	<b>11,835</b>
	<b>2009–10</b>	<b>2010–11</b>	
<b>Staffing resources (number)</b>	<b>1,170</b>	<b>1,120</b>	

\* Full-year budget, including any subsequent adjustment made to the 2010–11 Budget.

## Appendix B

### Staffing statistics

Tables B-1 and B-2 provide statistics on ongoing and non-ongoing staff at 30 June 2011 by location, classification and gender. Table B-3 gives details on performance payments made in 2010–11.

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**Table B-1 Ongoing staff employed, by classification, gender and location, 30 June 2011**

Location and classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
<b>Australian Capital Territory</b>	<b>298</b>	<b>1,332</b>	<b>37</b>	<b>756</b>	<b>2,423</b>
Cadets/Trainees	0	6	0	0	6
APS Level 1	1	0	3	0	4
APS Level 2	2	3	1	12	18
APS Level 3	4	59	2	20	85
APS Level 4	15	90	1	32	138
APS Level 5	28	171	1	81	281
APS Level 6	80	318	6	145	549
Legal Officer	1	12	0	0	13
Senior Legal Officer	7	9	0	9	25
Principal Legal Officer	5	4	1	7	17
Public Affairs Officer Grade 1	0	6	0	0	6
Public Affairs Officer Grade 2	1	6	0	4	11
Public Affairs Officer Grade 3	2	12	0	2	16
Senior Public Affairs Officer Grade 1	1	4	0	0	5
Senior Public Affairs Officer Grade 2	0	1	0	2	3
EL 1 and equivalent	120	384	18	265	787
EL 2 and equivalent	26	192	4	138	360
Land Commissioner	0	0	0	1	1
SES Band 1	3	44	0	23	70
SES Band 2	2	8	0	12	22
SES Band 3	0	3	0	2	5
Secretary	0	0	0	1	1
<b>New South Wales</b>	<b>25</b>	<b>59</b>	<b>2</b>	<b>50</b>	<b>136</b>
APS Level 2	0	1	0	0	1
APS Level 3	0	1	0	2	3
APS Level 4	0	10	1	6	17
APS Level 5	4	12	0	6	22
APS Level 6	11	22	1	14	48
EL 1 and equivalent	7	10	0	11	28
EL 2 and equivalent	3	2	0	10	15
SES Band 1	0	0	0	1	1
SES Band 2	0	1	0	0	1

**Table B-1 Ongoing staff employed, by classification, gender and location, 30 June 2011 (continued)**

Location and classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
<b>Victoria</b>	<b>10</b>	<b>29</b>	<b>3</b>	<b>25</b>	<b>67</b>
APS Level 2	0	1	0	1	2
APS Level 3	0	0	0	1	1
APS Level 4	0	4	1	2	7
APS Level 5	2	5	0	2	9
APS Level 6	7	13	1	14	35
EL 1 and equivalent	1	3	1	4	9
EL 2 and equivalent	0	2	0	1	3
SES Band 1	0	1	0	0	1
<b>Queensland</b>	<b>13</b>	<b>85</b>	<b>3</b>	<b>51</b>	<b>152</b>
APS Level 2	0	2	0	0	2
APS Level 3	0	10	0	0	10
APS Level 4	4	7	0	1	12
APS Level 5	1	18	0	2	21
APS Level 6	5	22	1	19	47
Public Affairs Officer Grade 2	0	0	1	0	1
EL 1 and equivalent	3	15	1	15	34
EL 2 and equivalent	0	8	0	12	20
SES Band 1	0	1	0	1	2
SES Band 2	0	0	0	1	1
<b>Western Australia</b>	<b>10</b>	<b>73</b>	<b>1</b>	<b>36</b>	<b>120</b>
APS Level 2	0	1	0	1	2
APS Level 4	1	10	0	1	12
APS Level 5	3	18	0	2	23
APS Level 6	6	19	1	14	40
EL 1 and equivalent	0	22	0	8	30
EL 2 and equivalent	0	2	0	7	9
SES Band 1	0	1	0	2	3
SES Band 2	0	0	0	1	1
<b>South Australia</b>	<b>12</b>	<b>49</b>	<b>0</b>	<b>20</b>	<b>81</b>
APS Level 2	0	1	0	0	1
APS Level 3	0	1	0	0	1
APS Level 4	1	6	0	2	9
APS Level 5	1	10	0	2	13

**Table B-1 Ongoing staff employed, by classification, gender and location, 30 June 2011 (continued)**

Location and classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
APS Level 6	7	19	0	9	35
EL 1 and equivalent	2	10	0	3	15
EL 2 and equivalent	1	2	0	2	5
SES Band 1	0	0	0	2	2
<b>Tasmania</b>	<b>1</b>	<b>14</b>	<b>0</b>	<b>7</b>	<b>22</b>
APS Level 3	0	2	0	0	2
APS Level 4	0	3	0	0	3
APS Level 5	1	3	0	1	5
APS Level 6	0	4	0	5	9
EL 1 and equivalent	0	1	0	1	2
SES Band 1	0	1	0	0	1
<b>Northern Territory</b>	<b>12</b>	<b>141</b>	<b>2</b>	<b>75</b>	<b>230</b>
APS Level 2	1	2	0	1	4
APS Level 3	0	5	0	1	6
APS Level 4	2	13	0	3	18
APS Level 5	2	22	0	3	27
APS Level 6	4	43	0	12	59
Senior Public Affairs Officer Grade 1	0	1	0	1	2
EL 1 and equivalent	3	36	2	27	68
EL 2 and equivalent	0	15	0	24	39
SES Band 1	0	4	0	2	6
SES Band 2	0	0	0	1	1
<b>FaHCSIA total</b>	<b>381</b>	<b>1,782</b>	<b>48</b>	<b>1,021</b>	<b>3,232</b>

Note: APS equivalents for FaHCSIA classifications: Senior Public Affairs Officer 2 = EL 2 (top salary point); Senior Public Affairs Officer 1 = EL 2; Public Affairs Officer 3 = EL 1; Public Affairs Officer 2 = APS Level 6; Public Affairs Officer 1 = APS Level 4–5; Special Counsel/Deputy Branch Manager = EL 2 (top salary point); Principal Legal Officer = EL 2; Senior Legal Officer = EL 1; Legal Officer = APS Level 3–6.

**Table B-2 Non-ongoing staff employed, by classification, gender and location, 30 June 2011**

Location and classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
<b>Australian Capital Territory</b>	<b>10</b>	<b>31</b>	<b>5</b>	<b>18</b>	<b>64</b>
APS Level 1	1	0	0	0	1
APS Level 2	2	0	0	0	2
APS Level 3	1	5	2	2	10
APS Level 4	0	12	2	3	17
APS Level 5	1	2	0	1	4
APS Level 6	0	5	0	4	9
Public Affairs Officer Grade 1	0	1	0	0	1
Public Affairs Officer Grade 2	0	2	0	1	3
Public Affairs Officer Grade 3	0	2	0	0	2
EL 1 and equivalent	3	2	1	1	7
EL 2 and equivalent	2	0	0	2	4
SES Band 1	0	0	0	1	1
SES Band 2	0	0	0	1	1
SES Band 3	0	0	0	2	2
<b>New South Wales</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>6</b>
APS Level 2	0	0	1	0	1
APS Level 3	0	0	0	1	1
APS Level 4	0	1	0	0	1
APS Level 5	0	0	0	1	1
EL 1 and equivalent	0	2	0	0	2
<b>Victoria</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Queensland</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>7</b>	<b>14</b>
APS Level 2	0	1	0	0	1
APS Level 3	0	0	0	1	1
APS Level 4	0	4	0	3	7
APS Level 5	1	0	0	0	1
APS Level 6	0	0	0	1	1
EL 1 and equivalent	0	1	0	1	2
EL 2 and equivalent	0	0	0	1	1
<b>Western Australia</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>11</b>
APS Level 4	1	1	1	2	5
APS Level 5	0	1	0	0	1
APS Level 6	0	1	0	0	1

**Table B-2 Non-ongoing staff employed, by classification, gender and location, 30 June 2011 (continued)**

Location and classification	Female		Male		Total
	Part-time	Full-time	Part-time	Full-time	
EL 1 and equivalent	0	0	1	0	1
EL 2 and equivalent	0	1	0	2	3
<b>South Australia</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>6</b>
APS Level 2	1	0	0	0	1
APS Level 4	0	2	0	1	3
EL 1 and equivalent	0	0	0	1	1
EL 2 and equivalent	0	0	0	1	1
<b>Tasmania</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>
APS Level 4	0	1	0	0	1
<b>Northern Territory</b>	<b>0</b>	<b>23</b>	<b>0</b>	<b>35</b>	<b>58</b>
APS Level 3	0	1	0	0	1
APS Level 4	0	12	0	10	22
APS Level 6	0	4	0	2	6
EL 1 and equivalent	0	3	0	12	15
EL 2 and equivalent	0	3	0	10	13
SES Band 1	0	0	0	1	1
<b>FaHCSIA total</b>	<b>13</b>	<b>70</b>	<b>8</b>	<b>69</b>	<b>160</b>

Note: APS equivalents for FaHCSIA classifications: Senior Public Affairs Officer 2 = EL 2 (top salary point); Senior Public Affairs Officer 1 = EL 2; Public Affairs Officer 3 = EL 1; Public Affairs Officer 2 = APS Level 6; Public Affairs Officer 1 = APS Level 4–5; Special Counsel/Deputy Branch Manager = EL 2 (top salary point); Principal Legal Officer = EL 2; Senior Legal Officer = EL 1; Legal Officer = APS Level 3–6.

**Table B-3 Performance payments during 2010–11**

FaHCSIA (excluding Social Security Appeals Tribunal)					
Classification	Number	Aggregated amount (\$)	Average (\$)	Minimum (\$)	Maximum (\$)
SES Bands 2 and 3 <sup>a</sup>	23	273,188	11,878	3,500	24,088
SES Band 1	38	384,637	10,122	1,223	23,175
FaHCSIA EL 2	111	928,855	8,368	1,399	22,345
FaHCSIA EL 1	85	579,166	6,814	1,378	16,410
FaHCSIA APS Levels 1–6	13	81,075	6,237	4,045	11,000
<b>Total</b>	<b>270</b>	<b>2,246,921</b>	<b>8,322</b>	<b>1,223</b>	<b>24,088</b>

a Figures have been aggregated to protect employee privacy.

# Appendix C

## Occupational health and safety

350 The information in this appendix is presented in accordance with the requirements of section 74 of the *Occupational Health and Safety Act 1991* (OHS Act).

FaHCSIA is required to provide a report on occupational health and safety activities and statistics on all notifiable accidents and dangerous occurrences under section 68 and investigations and notices under sections 29, 46 and 47 of the OHS Act. During 2010–11, the injury frequency rate was 5.18 injuries per 100 employees. Eight reports required the giving of notice to Comcare under section 68 of the OHS Act.

Table C-1 provides a summary of notifiable accidents and dangerous occurrences, investigations and notices in 2010–11.

**Table C-1 Summary of notifiable accidents and dangerous occurrences, investigations and notices, 2010–11**

Action	Number
Deaths that required notice to Comcare under section 68	0
Accidents that required notice to Comcare under section 68	5
Dangerous occurrences that required notice to Comcare under section 68	3
Investigations conducted under Part 4	0
Tests on plant, substance, or thing in the course of investigations considered	0
Directions given to FaHCSIA under section 45 ('that workplace etc. not be disturbed')	0
Notices given to FaHCSIA under section 29 (provisional improvement notices)	0
Notices given to FaHCSIA under section 46 (prohibition notices)	0
Notices given to FaHCSIA under section 47 (improvement notices)	0

## Appendix D

### Freedom of information

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This appendix provides the information required under section 8 of the *Freedom of Information Act 1982* (FOI Act). From 1 May 2011 agencies subject to the FOI Act are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. An agency plan showing what information is published in accordance with the requirements is available on the Department's website at [www.fahcsia.gov.au/about/foi/Pages/foi\\_IPS.aspx](http://www.fahcsia.gov.au/about/foi/Pages/foi_IPS.aspx).

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## Organisation, functions and decision-making powers

The broad functions of the Department are described in Chapter 2 of Part 1 of this report. Portfolio legislation is listed in the Administrative Arrangements Order and set out in Appendix H. The Administrative Arrangements Order is available at [www.pmc.gov.au](http://www.pmc.gov.au).

## Arrangements for outside participation in policy development

Bodies or persons outside the Australian Government participate in the formulation of policy by the Department or in the administration of its enactments or schemes. Those bodies include:

- ▶ Aboriginals Benefit Account Advisory Committee
- ▶ Advisory Group for Supported Employment
- ▶ Ambassador for Business Action
- ▶ Australian Housing and Urban Research Institute
- ▶ Carer Adjustment Advisory Panel
- ▶ Child Support National Stakeholder Engagement Group
- ▶ COAG Select Council on Gambling Reform
- ▶ Commonwealth–State Ministers' Conference on the Status of Women
- ▶ Community and Disability Services Ministers' Advisory Council
- ▶ Community and Disability Services Ministers' Conference
- ▶ Disability Standards Review Panel
- ▶ Expert Panel on Constitutional Recognition of Indigenous Australians
- ▶ Health, Ageing, Community and Disability Services Ministerial Council
- ▶ Homelessness National Quality Framework Sector Reference Group
- ▶ Housing Ministers' Advisory Committee
- ▶ Housing Ministers' Conference
- ▶ Independent Panel on Inquiry into a National Disability Long-term Care and Support Scheme
- ▶ Longitudinal Study of Indigenous Children Steering Committee
- ▶ Ministerial Council for Aboriginal and Torres Strait Islander Affairs
- ▶ Ministerial Expert Advisory Council on Gambling
- ▶ National People with Disabilities and Carer Council
- ▶ National Policy Commission on Indigenous Housing
- ▶ Prime Minister's Council on Homelessness
- ▶ Standing Committee of Commonwealth, State, Territory and New Zealand Women's Advisers
- ▶ Standing Committee of Officials in Aboriginal and Torres Strait Islander Affairs
- ▶ Violence Against Women Advisory Group
- ▶ Working Group on Indigenous Reform.



## 352 Categories of documents held by the Department

The following categories of documents are held by FaHCSIA:

- ▶ briefing papers and submissions prepared for portfolio ministers and parliamentary secretaries
- ▶ Cabinet documents, Cabinet submissions and associated briefs
- ▶ documents in relation to questions in Parliament and related replies
- ▶ documents prepared for the Executive Council
- ▶ documents relating to new and amending legislation, drafting instructions and draft legislation
- ▶ documents relating to program administration
- ▶ funding agreements, contracts and deeds of standing offer
- ▶ media releases by portfolio ministers and parliamentary secretaries or the Department
- ▶ ministerial, interdepartmental and general correspondence
- ▶ papers and records relating to internal administration, including working drafts, statistical records and facsimiles
- ▶ papers relating to meetings (agenda, minutes and reports)
- ▶ policy documents
- ▶ records relating to human and financial resource management
- ▶ records of speeches, public addresses, discussion papers and other statements made by portfolio ministers and parliamentary secretaries
- ▶ requests for legal advice, advice given and other related legal documents
- ▶ research and investigation papers
- ▶ tender documents.

## Facilities for obtaining access to documents held by the Department

Forms and leaflets relating to FaHCSIA payments delivered by Centrelink are available from Centrelink or the Family Assistance Office.

The Department holds publicly available documents, which are available either free of charge upon request or for purchase. The Department, in accordance with the provisions of the former section 9 of the FOI Act, has lodged a statement with the National Archives of Australia listing the documents that are available from the Department. The statement is available at [www.naa.gov.au](http://www.naa.gov.au).

This statement was replaced by the publication of operational information as part of the Information Publication Scheme. FaHCSIA's operational information is available at [www.fahcsia.gov.au/about/foi/foi\\_pub\\_list/Pages/default.aspx](http://www.fahcsia.gov.au/about/foi/foi_pub_list/Pages/default.aspx). Where operational information is not published on FaHCSIA's website, inquiries should be directed to the relevant contact numbers listed for each category of operational information.

## FOI access procedures and contacts

FaHCSIA handles all freedom of information (FOI) requests in accordance with the FOI Act.

Table D-1 shows the number of FOI requests FaHCSIA dealt with in 2010–11.

**Table D-1 Freedom of information requests, 2010–11**

Requests carried over from 2009–10	Requests received in 2010–11	Requests finalised in 2010–11 (including withdrawn)	Requests transferred to other agencies	Requests outstanding at 30 June 2011
6	68	57	0	17

### Procedures for gaining access to documents

The FOI Coordinator in FaHCSIA can be contacted about any enquiries on FOI matters.

Formal applications for access to documents under FOI must:

- ▶ be in writing
- ▶ state that the request is an application for the purposes of the FOI Act
- ▶ provide sufficient information concerning the document to assist us to identify the document and to process requests
- ▶ specify how notices under the FOI Act may be sent to an applicant
- ▶ be sent by post, email or hand-delivery to the agency.

More information is available at [www.fahcsia.gov.au/contactfahcsia/Pages/foi\\_act.aspx](http://www.fahcsia.gov.au/contactfahcsia/Pages/foi_act.aspx).

### Initial contact for inquiries

Applications should be submitted to the FOI Coordinator in the national office or to an FOI contact officer in any of FaHCSIA's state offices. Contact details are provided below.

<b>FaHCSIA national office</b>	FOI Coordinator Box 7576 Canberra Business Centre ACT 2610 Phone: (02) 6244 7421 or (02) 6244 1449 Fax: (02) 6204 4497 Email: <a href="mailto:foi@fahcsia.gov.au">foi@fahcsia.gov.au</a>
<b>New South Wales state office</b>	FOI Contact Officer GPO Box 9820 Sydney NSW 2001 Phone: 1300 653 227 Fax: (02) 8255 7799

<b>Victorian state office</b>	FOI Contact Officer GPO Box 9820 Melbourne VIC 3001 Phone: 1300 653 227 Fax: (03) 8626 1217
<b>Queensland state office</b>	FOI Contact Officer GPO Box 9820 Brisbane QLD 4001 Phone: 1300 653 227 Fax: (07) 3004 4780
<b>South Australian state office</b>	FOI Contact Officer GPO Box 9820 Adelaide SA 5001 Phone: 1300 653 227 Fax: (08) 8400 2199
<b>Western Australian state office</b>	FOI Contact Officer GPO Box 9820 Perth WA 6848 Phone: 1300 653 227 Fax: (08) 9229 1566
<b>Tasmanian state office</b>	FOI Contact Officer GPO Box 9820 Hobart TAS 7001 Phone: 1300 653 227 Fax: (03) 6211 9304
<b>Northern Territory state office</b>	FOI Contact Officer GPO Box 9820 Darwin NT 0801 Phone: 1300 653 227 Fax: (02) 6204 5858

## Appendix E

### Advertising and market research

Under section 311A of the *Commonwealth Electoral Act 1918*, the Department is required to disclose payments of \$11,500 or more (GST inclusive) to advertising agencies, market research organisations, polling organisations, media advertising organisations and direct mail organisations (Table E-1).

During 2010–11, FaHCSIA conducted the following advertising campaigns: Paid Parental Leave and Promoting Respectful Relationships (*The Line*). Further information on those advertising campaigns is available at [www.fahcsia.gov.au](http://www.fahcsia.gov.au) and in the reports on Australian Government advertising that are prepared by the Department of Finance and Deregulation. Those reports are available at [www.finance.gov.au/advertising/index.html](http://www.finance.gov.au/advertising/index.html).

**Table E-1 Payments to advertising, market research and other designated organisations, 2010–11**

Organisation name	Service provided	Payment (\$, including GST)
<i>Creative advertising agencies</i>		
Cultural Partners Australia Pty Ltd	Development of culturally and linguistically diverse creative materials to promote and support <i>The Line</i> campaign	103,092
J. Walter Thompson Australia Pty Ltd	Development and implementation of a multimedia creative strategy to promote and support <i>The Line</i> campaign	146,200
Newd Corporation – trading as Vinten Browning	Creative development of the Paid Parental Leave campaign advertising and information materials	75,444
Winangali Pty Ltd	Development of Indigenous creative materials to promote and support <i>The Line</i> campaign	299,970
<b>Total</b>		<b>624,706</b>
<i>Market research and/or polling organisations</i>		
Colmar Brunton Social Research Pty Ltd	Money Management Services advertising campaign	33,000
Colmar Brunton Social Research Pty Ltd	Benchmarking, tracking and evaluation research for the Paid Parental Leave communication campaign	362,000
Cudex Pty Ltd trading as Newspoll	Testing of communications concepts for Expert Panel on Constitutional Recognition of Indigenous Australians	17,309
GfK Blue Moon Research and Planning Pty Ltd	Benchmarking, tracking and evaluation research for <i>The Line</i> campaign	144,020
Hall & Partners   Open Mind Pty Ltd	Market research to assess the need for communications activities around proposed gambling reforms	462,132
Hall & Partners   Open Mind Pty Ltd	Market research to test problem gambling creative concepts	170,562
Orima Research Pty Ltd	Market research to assist development of channels of communication and produce materials that successfully reach age pensioners	76,050
Urbis Pty Ltd	Benchmarking, tracking and evaluation research for the Indigenous components of <i>The Line</i> campaign	125,000

**Table E-1 Payments to advertising, market research and other designated organisations, 2010–11 (continued)**

Organisation name	Service provided	Payment (\$, including GST)
Urbis Pty Ltd	Concept testing of Indigenous creative materials for <i>The Line</i> campaign	167,230
<b>Total</b>		<b>1,557,303</b>
<i>Direct mail organisations</i>		
National Mailing and Marketing Pty Limited	Distribution of publications and products	91,626
<b>Total</b>		<b>91,626</b>
<i>Media advertising organisations</i>		
Adcorp Australia Limited	Investing in Property National Rental Affordability Scheme tax free incentives Round Four open now	27,737
Adcorp Australia Limited	Helping Children with Autism Package—June advertisement	22,179
Adcorp Australia Limited	Community Development Financial Institution—call for applications	12,621
Adcorp Australia Limited	Australian/Polish Social Security Agreement—Have you worked or lived in Poland?	35,067
Adcorp Australia Limited	Request for Submission—Find and Connect Service	18,684
Adcorp Australia Limited	Request for Tender—Warehousing, Fulfilment, Distribution and Related Services	30,400
Adcorp Australia Limited	Family Relationship Centres—Yellow Pages advertisements	93,092
Adcorp Australia Limited	Indigenous Program Funding Submissions 2011–12 financial year	29,343
Adcorp Australia Limited	National NAIDOC Awards 2011—Poster Competition and Nominations for the National NAIDOC Awards are now open	15,196
Adcorp Australia Limited	Leaders for Tomorrow—Call for applications	23,448
Adcorp Australia Limited	National Disability Conference Initiative 2011–12—funding round advertising	30,048
Adcorp Australia Limited	Australia and the former Yugoslav Republic of Macedonia Social Security Agreement	25,021
Adcorp Australia Limited	Volunteer Grants Program 2011 Applications Open	78,002
Adcorp Australia Limited	May 28th—Volunteer Grants Program 2011	77,851
Adcorp Australia Limited	National Plan to Reduce Violence against Women and their Children Community Action Grants Funding Round	17,056
Adcorp Australia Limited	Better Start for Children with Disability Service Provider Panel	18,132

**Table E-1 Payments to advertising, market research and other designated organisations, 2010–11 (continued)**

Organisation name	Service provided	Payment (\$, including GST)
Adcorp Australia Limited	Request for Tender—Social Policy Research, Program Evaluation, Data Investment and Professional Development Training Services	55,617
Adcorp Australia Limited	Radio Ads—Community Development Employment Program Consultations	89,960
Adcorp Australia Limited	Carers Info—Media Advertising Brochures Distribution	117,790
Adcorp Australia Limited	Recruitment advertising	403,907
Adcorp Australia Limited	Interested Persons Register—Ministerial Appointments	22,331
Adcorp Australia Limited	Advertising—public consultations for Expert Panel on Constitutional Recognition of Indigenous Australians	40,819
Universal McCann	Media placement for <i>The Line</i> social marketing campaign 2010–11	4,174,691
Universal McCann	Paid Parental Leave communication campaign advertising	9,892,262
<b>Total</b>		<b>15,351,254</b>

## Appendix F

### Ecologically sustainable development

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Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) requires Commonwealth agencies to report against the following two core criteria:

- ▶ how the activities of the agency accord with and contribute to ecologically sustainable development (ESD)
- ▶ the environmental performance of the agency, including the effect its activities have on the natural environment and measures taken to minimise the impact.

The following sections specifically address the requirements of section 516A(6) of the EPBC Act.

### How FaHCSIA accords with and contributes to ESD

The Department advises the Australian Government on social policy and manages programs and services that support and improve the lives of Australians. Therefore, its activities are not relevant to the ESD principles identified in section 3A of the EPBC Act. FaHCSIA does not administer any legislation that has a direct impact on ESD.

### Environmental performance

FaHCSIA's sustainability framework adopts the principles of ESD set out in section 3A of the EPBC Act. It includes an environmental management system (EMS), a register of aspects and impacts on the environment and an environmental action plan to address those impacts.

#### Environmental management system

FaHCSIA's EMS is a structured management tool for identifying and minimising the impacts of the Department's activities on the environment. At the core of the system is a corporate environmental policy that accords with the principles of ESD, as defined in section 3A of the EPBC Act. The environmental policy vision states:

FaHCSIA will integrate environmentally sustainable workplace practices in all our actions, in order to reduce our environmental footprint for future generations of all Australians. In doing so, the Department will uphold the Precautionary Principle, Environmentally Sustainable Development and Intergenerational Equity principles.

The EMS contains procedures and registers for identifying legal and other obligations; identifying potential and actual risks to the environment from FaHCSIA's activities, products or services; an action plan to address those risks; communicating to staff and stakeholders; assessing compliance with what was set out to be achieved; and assessing compliance with the standard.

The EMS was redeveloped during 2010 and in March 2011 it was recertified to AS/NZS ISO 14001:2004 at Tuggeranong Office Park and Centraplaza, which are FaHCSIA's two largest national office sites.

A rolling environmental action plan has been developed to ensure that any environmental impacts caused by the Department's operations are mitigated.

#### Sustainability Steering Committee

The FaHCSIA Sustainability Steering Committee is chaired by the Group Manager, Corporate Support. It provides a governance role for the sustainability framework and ensures its continued effectiveness and relevance.

## Environmentally Conscious Office Staff

The Department has established an Environmentally Conscious Office Staff network at our sites across Australia. At 30 June 2011, the network had 86 members. The network's role is to encourage environmentally sustainable practices in the workplace.

## Measures taken to minimise the effect of activities on the environment

Table F-1 outlines FaHCSIA's environmental performance in improving energy efficiency, reducing the amount of waste that goes to landfill, and reducing water consumption.

**Table F-1 Energy, waste and water efficiency measures and monitoring mechanisms**

Theme	Measures taken	Mechanisms for monitoring and review
Energy	FaHCSIA's tenant light and power energy consumption is below the whole-of-government target of 7,500 megajoules per person per year	Continue to monitor consumption and report annually through the Online System for Comprehensive Activity Reporting
	Energy audits were undertaken for the following FaHCSIA sites, all of which have Green Lease Schedules in place: <ul style="list-style-type: none"> <li>▶ Centraplaza, Canberra (estimated NABERS rating of 5 stars for tenancy; 5-star base building NABERS rating)</li> <li>▶ Centennial Plaza (levels 8 and 9), Sydney (estimated NABERS rating of 5 stars for tenancy)</li> <li>▶ Jacana House (levels 4, 5 and 6), Darwin (estimated NABERS rating of 4.5 stars)</li> </ul>	Conduct NABERS assessments to confirm the estimated ratings Regularly monitor energy consumption to ensure it remains at acceptable levels
	The Tuggeranong Office Park tenancy achieved a 5-star NABERS rating in May 2011	Regularly monitor energy consumption to ensure it remains at acceptable levels Conduct NABERS assessments annually
	FaHCSIA participated in Earth Hour 2011	Continue participation in Earth Hour each year
Waste	FaHCSIA has signed up to the ACT Government ACTSmart Office Program. Participation in the program leads to accreditation as an ACTSmart Office, which recognises offices that actively recycle. Reducing the amount of waste sent to landfill will reduce our impact on the environment	Regularly monitor the amount of waste removed from Canberra-based sites Examine the feasibility of introducing additional recycling streams (batteries and polystyrene) to reduce the amount of waste to landfill
	Organic waste at most Canberra-based sites is separated and sent to a worm farm	Monitor the amount of organic waste removed from Canberra sites
	An audit of recycling services has been undertaken in locations outside the ACT to ensure all available recycling services are maximised	Undertake regular audits to ensure all possible steps are taken to reduce the amount of waste to landfill
Water	Fifty-two rainwater tanks with a total capacity of 207,000 litres have been installed across the grounds of the Tuggeranong Office Park. The water will be used to offset the use of potable water for landscape irrigation	Monitor water consumption to determine the reduction in water use from the installation of the rainwater tanks



360 Table F-2 outlines FaHCSIA's progress against the targets set in the Australian Government ICT Sustainability Plan 2010–2015.

**Table F-2 Progress against targets set in Australian Government ICT Sustainability Plan 2010–2015**

Target area	Progress against targets	Strategies
Paper (post-consumer recycled content)	FaHCSIA meets the whole-of-government target for general use office copy paper to have a minimum post-consumer recycled content of 50 per cent by July 2011	Develop action plan to meet the whole-of-government target of 100 per cent post-consumer recycled content for general use office paper by July 2015
Internal copy paper per end user	FaHCSIA paper use per person is under the government baseline of 18.6 reams per year. The default printer preferences for all staff have been set to automatically print double-sided	Monitor paper use to ensure we remain on track to achieve the whole-of-government target of 13 reams per person per year by July 2012
Desktop computers to printer ratio	FaHCSIA expects to meet the desktop computers to printer ratio targets set for 2012 (14:1) and 2015 (20:1)	Monitor ratio to ensure we remain on track to achieve the whole-of-government targets set for 2012 and 2015
Desktop devices (including laptops) per end user	FaHCSIA expects to meet the desktop devices per end user targets set for 2012 (1.4:1) and 2015 (1.2:1)	Monitor ratio to ensure we remain on track to achieve the whole-of-government targets set for 2012 and 2015
Desktop computers off after hours	FaHCSIA is above the 2010 government target of 90 per cent of desktop computers shut down after hours	Conduct regular reviews to ensure percentage is maintained or improved

Environmental performance indicators

Table F-3 details FaHCSIA's environmental performance data in respect of energy and waste production.

Table F-3 Environmental performance data

Theme	Performance measure	Indicators	2009–10	2010–11
Energy efficiency	Total consumption of energy in buildings	<i>Central services (Tuggeranong Office Park)<sup>a</sup></i>		
		Electricity consumption (kWh)	3,352,109	3,312,035
		Greenpower included (10%) (kWh)	335,211	331,203
		Gas consumption (GJ) <sup>b</sup>	11,321	8,670
		<i>Tenant light and power</i>		
		Electricity consumption (kWh)	9,049,137	— <sup>c</sup>
		Greenpower included (kWh)	419,415	— <sup>c</sup>
		Electricity consumption per person (MJ)	8,713	— <sup>c</sup>
	Total consumption of energy in vehicles	<i>Vehicle fuels consumed (L)</i>		
		Diesel (L)	261,341	310,437
		E10 (Biofuel) (L)	40,960	52,479
		Unleaded petrol (L)	146,287	133,774
		Motor vehicle distance travelled (km)	4,275,707	— <sup>c</sup>
		Air travel distance (km)	45,670,650	— <sup>c</sup>
	Total greenhouse gas emissions	Greenhouse gases produced (tonnes)	14,090	— <sup>c</sup>
Waste data <sup>d</sup>	Office paper waste production (national)	Waste paper to recycling facilities (tonnes)	179.05	218.4
	Comingled recycling (excluding office paper) (Tuggeranong Office Park) <sup>e</sup>	Comingled waste to recycling facilities (tonnes)	6.8	9.9
	Organic waste (4 Canberra sites) <sup>f</sup>	Organic waste collection commenced at 4 Canberra sites in September 2010, with an average 260 kg collected from Tuggeranong Office Park each month. Although not weighed, it is estimated that a further 260 kg is collected from the other 3 sites each month (tonnes).	—	5.2

a Central services relates to energy used to operate base building services such as air conditioning and lifts. The lease for Tuggeranong Office Park is the only arrangement where FaHCSIA, as the tenant, is responsible for these costs.

b Note that previous gas bills had been based on estimates but actual readings are now provided by the supplier.

c Final total figures for 2010–11 are not yet available, but will be reported in late 2011 through the Whole-of-Government Online System for Comprehensive Activity Reporting and in next year's annual report.

d There is no accurate data for waste to landfill for this reporting period. However, the new ACT cleaning contract includes the requirement to provide comprehensive data by waste stream for all Canberra sites, which will be included in next year's annual report.

e Data is for Tuggeranong Office Park only. The new ACT cleaning contract includes the requirement to provide comprehensive data by waste stream for all Canberra sites, which will be included in next year's annual report.

f Data is only available for Tuggeranong Office Park for the period 20 September 2010 to 30 June 2011 and this figure includes an estimate for the other sites. The new ACT cleaning contract includes the requirement to provide comprehensive data by waste stream for all Canberra sites, which will be included in next year's annual report.

## Appendix G

### Grant programs

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Table G-1 lists the grant programs administered by the Department in 2010–11. Information on grants awarded by FaHCSIA during the period from 1 July 2010 to 30 June 2011 is available at [www.fahcsia.gov.au/grantsfunding](http://www.fahcsia.gov.au/grantsfunding).

**Table G-1 FaHCSIA grant programs, 2010–11**

Grant program	Purpose	Program
Aboriginal and Torres Strait Islander Healing Foundation	To assist the establishment and operation of the Healing Foundation to support community-based healing initiatives to address the traumatic historical legacy on Aboriginal and Torres Strait Islander peoples of colonisation, forced removals and other past government policies.	7.4
Aboriginals Benefit Account (ABA)—Payments under section 64(4) of the <i>Aboriginal Land Rights (Northern Territory) Act 1976</i>	To fund projects that benefit Aboriginal people living in the Northern Territory in the areas of economic development, land and sea management, community enhancement, scholarship and sponsorship in education and leadership, and ceremonial and funeral support.	7.4
Broadband for Seniors	To provide senior Australians with free access to computers, the internet and individual workshop training through the establishment of internet kiosks in the local community.	4.2
Children and Parenting Services	To support parents and children aged from birth to 12 years who are vulnerable, at risk or in disadvantaged communities, to improve child development safety and family functioning.	1.1
Closing the Gap in the Northern Territory	To implement targeted measures that aim to protect women and children, improve community capacity and provide sustainable community development in prescribed communities in the Northern Territory through the Closing the Gap in the Northern Territory National Partnership Agreement.	7.5
Combating Petrol Sniffing	To reduce the incidence of substance abuse in declared petrol sniffing strategy zones by addressing prevention, early intervention and treatment issues, and tailored support packages to communities experiencing the impact of substance abuse.	7.4
Community Development Employment Projects	To provide participation opportunities and community development projects for Aboriginal and Torres Strait Islander peoples that develop skills and improve employability of participants to assist them to move into employment or training and to strengthen Indigenous communities through community development and support.	7.1
Community Investment	To help Australians participate in the community by supporting non-profit organisations to deliver responsive and integrated services that meet local community needs.	3.2
Family Relationship Services	To provide services to families, particularly disadvantaged and at-risk families, to improve family functioning, and reduce the impact of family breakdown, family violence and substance abuse.	1.1
Financial Management	To improve the financial knowledge, skills, capabilities and resilience of vulnerable individuals and families to alleviate the immediate impact of financial stress, and to coordinate a national approach to reduce problem gambling.	3.1

Table G-1 FaHCSIA grant programs, 2010–11 (continued)

Grant program	Purpose	Program
Flexible Funding	To address priority Indigenous community needs through flexible funding for strategic investments, including community projects in the Remote Service Delivery National Partnership priority communities. There are two subcomponents to Flexible Funding—Indigenous Communities Strategic Investment and Remote Service Delivery Flexible Funding Pool.	7.4
Gender Equality for Women	To implement strategies to improve economic outcomes for women, reduce violence against women and increase opportunities for women to take on greater leadership responsibilities.	6.1
Housing Assistance and Homelessness Prevention	To prevent homelessness and reduce its impact, particularly on young people and families, and reduce the cost and increase the supply of housing.	2.1
Indigenous Capability and Development	To provide engagement and support for individuals, families and communities to improve wellbeing and capability.	7.4
Indigenous Community Strategic Investment	To support Indigenous communities to implement identified priorities and enable tailored responses to local community needs, particularly where there is a clear commitment to share responsibility between government and community.	7.4
Indigenous Family Safety	To reduce the high rates of family violence in Indigenous communities by addressing alcohol abuse, strengthening social norms against violence and coordinating support services to aid in the recovery of people who experience violence.	1.1
Indigenous Housing and Infrastructure	To deliver national programs and projects including the Indigenous Mothers' Accommodation Fund, the Indigenous Boarding Hostels Partnerships initiative and the Fixing Houses for Better Health program. In addition, funding is provided for delivery of some municipal and essential services to Indigenous communities under existing arrangements pending the consideration of roles, responsibilities and funding across governments as agreed under the National Partnership on Remote Indigenous Housing.	7.2
Indigenous Leadership	To develop effective leadership capacity for Indigenous individuals and communities and activities to enhance Indigenous women's leadership, representation, safety, wellbeing and economic status.	7.4
Native Title and Land Rights	To support Indigenous rights to land recognised or provided for through Commonwealth land rights legislation and facilitate the representation and assistance of native title claimants and holders in the pursuit and exercise of native title rights.	7.3
National Rental Affordability Scheme <sup>a</sup>	To increase the supply of affordable rental dwellings in Australia. Funding for a national rental incentive is allocated to providers of new dwellings on the condition that they are rented to low and moderate income households at 20% below market rents.	
Payments to universities and other institutions for special studies	To provide Aboriginal and Torres Strait Islander research across a broad range of social and economic areas to develop sound evidence-based policy and programs.	7.4

Table G-1 FaHCSIA grant programs, 2010–11 (continued)

Grant program	Purpose	Program
Public Awareness	To raise public awareness in the wider Australian community of Aboriginal and Torres Strait Islander people, culture, society and issues; includes funding to conduct the annual NAIDOC community celebrations.	7.4
Reconciliation Australia	To fund operational costs to support continued operations of Reconciliation Australia	7.4
Services for People with Disability	To provide social support and community-based care for people with disability, their carers and their families, to promote independence, self-reliance and participation in the community.	5.4
Support for Carers	To assist carers in their caring role through respite and information services for young carers and peer support groups for parents of young children with disability.	5.5
Targeted Community Care (Mental Health)	To implement community mental health initiatives to assist people with mental illness and their families and carers to manage the impact of mental illness.	5.1
Youth Homelessness	To improve the level of engagement in family, work, education and the community of young people (including newly arrived young people) who are homeless, or at risk of homelessness, and their families.	2.1

a Under the Administrative Arrangements Orders of 14 September and 14 October 2010, responsibility for the National Rental Affordability Scheme was transferred from FaHCSIA to the Department of Sustainability, Environment, Water, Population and Communities.

## Appendix H

### Legislation

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At 30 June 2011, FaHCSIA's programs were administered under the provisions of the following Acts and parts of Acts for which the Minister for Families, Housing, Community Services and Indigenous Affairs is responsible under the Administrative Arrangements Order:

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- ▶ *A New Tax System (Family Assistance) Act 1999*, except to the extent administered by the Minister for School Education, Early Childhood and Youth
- ▶ *A New Tax System (Family Assistance) (Administration) Act 1999*, except to the extent administered by the Minister for School Education, Early Childhood and Youth
- ▶ *Aboriginal Affairs (Arrangements with the States) Act 1973*
- ▶ *Aboriginal and Torres Strait Islander Act 2005*, except to the extent administered by the Minister for Finance and Deregulation
- ▶ *Aboriginal and Torres Strait Islander Commission Amendment Act 2005*
- ▶ *Aboriginal and Torres Strait Islanders (Queensland Discriminatory Laws) Act 1975*
- ▶ *Aboriginal and Torres Strait Islanders (Queensland Reserves and Communities Self-management) Act 1978*
- ▶ *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*
- ▶ *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*
- ▶ *Aboriginal Land Rights (Northern Territory) Act 1976*
- ▶ *Aboriginal Land Rights (Northern Territory) Amendment Act 2006*
- ▶ *Child Support and Family Assistance Legislation Amendment (Budget and Other Measures) Act 2010*
- ▶ *Child Support (Assessment) Act 1989*, except to the extent administered by the Minister for Human Services
- ▶ *Child Support Legislation Amendment (Reform of the Child Support Scheme—Initial Measures) Act 2006*, except to the extent administered by the Minister for Human Services
- ▶ *Child Support Legislation Amendment (Reform of the Child Support Scheme—New Formula and Other Measures) Act 2006*, except to the extent administered by the Minister for Human Services or the Minister for School Education, Early Childhood and Youth
- ▶ *Child Support (Registration and Collection) Act 1988*, except to the extent administered by the Minister for Human Services
- ▶ *Commonwealth and State Housing Agreement Act 1945*
- ▶ *Coordinator-General for Remote Indigenous Services Act 2009*
- ▶ *Corporations (Aboriginal and Torres Strait Islander) Act 2006*
- ▶ *Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Act 2006*
- ▶ *Data-matching Program (Assistance and Tax) Act 1990*
- ▶ *Disability Services Act 1986*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations
- ▶ *Equal Opportunity for Women in the Workplace Act 1999*
- ▶ *Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Act 2006*, except to the extent administered by the Minister for Veterans' Affairs
- ▶ *Families, Community Services and Indigenous Affairs and Veterans' Affairs Legislation Amendment (2006 Budget Measures) Act 2006*, except to the extent administered by the Minister for Veterans' Affairs
- ▶ *Families, Housing, Community Services and Indigenous Affairs and Other Legislation Amendment (Further 2008 Budget and Other Measures) Act 2008*

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- ▶ *Family Assistance Legislation Amendment (More Help for Families—One-off Payments) Act 2004*
  - ▶ *Household Stimulus Package Act (No. 2) 2009*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth, the Minister for Veterans' Affairs or the Minister for Agriculture, Fisheries and Forestry
  - ▶ Housing Agreements Acts
  - ▶ Housing Assistance Acts
  - ▶ *Marriage Act 1961*, Part 1A
  - ▶ *Native Title Act 1993*, Divisions 6 and 7 of Part 2, and Part 11
  - ▶ *Northern Territory National Emergency Response Act 2007*
  - ▶ *Paid Parental Leave Act 2010*
  - ▶ *Petermann Aboriginal Land Trust (Boundaries) Act 1985*
  - ▶ *Social Security Act 1991*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth or the Attorney-General
  - ▶ *Social Security (Administration) Act 1999*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth or the Attorney-General
  - ▶ *Social Security (International Agreements) Act 1999*
  - ▶ *Social Security and Other Legislation Amendment (Economic Security Strategy) Act 2008*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth or the Minister for Veterans' Affairs
  - ▶ *Social Security Legislation Amendment (One-off Payments for Carers) Act 2005*
  - ▶ *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments to Increase Assistance for Older Australians and Carers and Other Measures) Act 2006*, except to the extent administered by the Minister for Veterans' Affairs
  - ▶ *Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Act 2007*, except to the extent administered by the Minister for Veterans' Affairs
  - ▶ *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments and Other Budget Measures) Act 2008*, except to the extent administered by the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, the Minister for School Education, Early Childhood and Youth or the Minister for Veterans' Affairs
  - ▶ *Social Welfare Commission (Repeal) Act 1976*
  - ▶ *Supported Accommodation Assistance Act 1994*
  - ▶ *Tax Laws Amendment (Simplified Superannuation) Act 2007*, item 20 of Schedule 8 insofar as it relates to legislation administered by the Minister for Families, Housing, Community Services and Indigenous Affairs.

## Appendix I

### Family Tax Benefit reconciliation data

Table I-1 shows reconciliation outcomes for Family Tax Benefit (FTB) recipients in the relevant entitlement year as at 30 June 2011.

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- ▶ For the 2008–09 entitlement year the total number of customers includes 2 per cent of non-lodger customers. There are some customers who received the instalment payment in 2008–09 and were not reconciled by 30 June 2011.
- ▶ The 2009–10 entitlement year numbers are incomplete, as the reconciliation process has another 12 months to run.
- ▶ The vast majority of nil change instalment customers were not eligible for payment and received no payment (zero rate customers) or were only receiving the Rent Assistance component of FTB payment and therefore were not eligible for supplements.

**Table I-1 Reconciliation outcomes, entitlement years 2008–09 and 2009–10 as at 30 June 2011**

	2008–09	2009–10
<i>Top-ups</i>		
Number of customers	1,787,453	1,606,781
Per cent of total customer number	82%	76%
Total amount	\$4,154m	\$3,839m
Average amount	\$2,324	\$2,389
<i>Nil change (instalment customer)</i>		
Number of customers	54,091	44,314
Per cent of total customer number	2%	2%
<i>Nil change (lump sum customer)</i>		
Number of customers	66,778	37,736
Per cent of total customer number	3%	2%
<i>Overpayments</i>		
Number of customers	161,165	125,667
Per cent of total customer number	7%	6%
Total amount	\$226m	\$169m
Average amount	\$1,405	\$1,342
<i>Grant</i>		
Number of customers	62,925	72,467
Per cent of total customer number	3%	3%
<i>Non-lodger</i>		
Number of customers	44,503	N/A
Per cent of total customer number	2%	N/A
<i>Pending</i>		
Number of customers	N/A	240,571
Per cent of total customer number	N/A	11%
<b>Total</b>		
<b>Number of customers</b>	<b>2,176,915</b>	<b>2,127,536</b>



Table I-2 shows the following information for customers who had been reconciled as at 30 June 2011 for the 2005–06 to 2009–10 entitlement years:

- ▶ number of FTB recipients with outstanding reconciliation debts in each entitlement year
- ▶ total amount of outstanding FTB reconciliation debts for each entitlement year.

**Table I-2 Outstanding debts by state or territory for entitlement years 2005–06 to 2009–10, as at 24 June 2011**

State/territory	2005–06	2006–07	2007–08	2008–09	2009–10
<b>ACT</b>					
Number of customers	449	116	216	449	695
Total outstanding debt	\$691,123	\$245,828	\$400,140	\$691,123	\$1,000,272
<b>NSW</b>					
Number of customers	11,460	2,620	5,046	11,460	15,978
Total outstanding debt	\$17,392,873	\$5,867,866	\$10,785,870	\$17,392,873	\$23,929,297
<b>NT</b>					
Number of customers	467	102	196	467	689
Total outstanding debt	\$658,611	\$211,324	\$428,886	\$658,611	\$1,007,489
<b>QLD</b>					
Number of customers	7,400	1,920	3,839	7,400	11,708
Total outstanding debt	\$11,798,603	\$4,212,604	\$7,743,108	\$11,798,603	\$16,576,307
<b>SA</b>					
Number of customers	2,480	511	1,012	2,480	3,486
Total outstanding debt	\$3,654,005	\$1,019,317	\$1,974,248	\$3,654,005	\$4,833,232
<b>TAS</b>					
Number of customers	732	154	325	732	1,012
Total outstanding debt	\$946,732	\$304,682	\$654,557	\$946,732	\$1,313,064
<b>VIC</b>					
Number of customers	8,461	1,850	3,680	8,461	12,057
Total outstanding debt	\$13,102,515	\$4,113,890	\$8,029,330	\$13,102,515	\$18,513,202
<b>WA</b>					
Number of customers	4,403	1,033	2,027	4,403	6,216
Total outstanding debt	\$6,994,153	\$2,253,030	\$4,265,302	\$6,994,153	\$9,637,786
<b>Not recorded<sup>a</sup></b>					
Number of customers	630	564	689	630	495
Total outstanding debt	\$1,033,648	\$953,541	\$1,236,033	\$1,033,648	\$766,988
<b>Total</b>					
Number of customers	<b>36,482</b>	<b>8,870</b>	<b>17,030</b>	<b>36,482</b>	<b>52,336</b>
Total outstanding debt	<b>\$56,272,263</b>	<b>\$19,182,082</b>	<b>\$35,517,473</b>	<b>\$56,272,263</b>	<b>\$77,577,635</b>

a The 'not recorded' category covers customers with overseas addresses, addresses that are post office boxes (rather than street addresses), and invalid addresses (e.g. for people who are no longer customers).

Table I-3 shows the number of FTB recipients who had part or all of their tax refund withheld to offset a debt from the same entitlement year.

**Table I-3 Number of customers with tax refund withheld for entitlement years 2005–06 to 2009–10, as at 24 June 2011**

State/territory	2005–06	2006–07	2007–08	2008–09	2009–10
ACT	1,262	1,230	1,269	979	694
NSW	23,396	21,979	23,566	17,773	12,424
NT	689	671	716	636	385
QLD	14,720	15,203	16,712	11,953	8,857
SA	4,993	4,973	5,626	4,012	2,808
TAS	1,415	1,386	1,545	1,165	859
VIC	17,665	17,738	19,182	14,179	10,194
WA	7,670	8,444	9,551	6,925	4,374
Not recorded	1,000	793	804	520	320
<b>Total</b>	<b>72,810</b>	<b>72,417</b>	<b>78,971</b>	<b>58,142</b>	<b>40,915</b>

Note: The figures exclude customers who had a tax refund withheld to offset a debt from a previous year. The state/territory is the state/territory in which the customer resided as at 30 June 2011, which may differ from when the debt was incurred.

Table I-4 shows the average adjusted taxable income, by state or territory, for all FTB customers and their primary partner, who had been reconciled as at 30 June 2011 and had a debt in the relevant entitlement year.

**Table I-4 Average incomes by state or territory for customers with a debt, 2005–06 to 2009–10**

State/territory	2005–06	2006–07	2007–08	2008–09	2009–10
ACT	\$94,200	\$99,077	\$102,513	\$105,097	\$105,210
NSW	\$87,911	\$94,092	\$96,834	\$96,466	\$96,066
NT	\$81,950	\$85,812	\$89,339	\$95,735	\$92,828
QLD	\$85,242	\$91,606	\$94,828	\$95,663	\$94,266
SA	\$82,739	\$88,367	\$92,009	\$93,400	\$92,685
TAS	\$79,572	\$84,812	\$87,567	\$90,557	\$91,704
VIC	\$86,861	\$92,960	\$95,127	\$96,213	\$95,481
WA	\$91,836	\$100,084	\$103,364	\$105,772	\$104,718
Not recorded <sup>a</sup>	\$90,151	\$97,959	\$103,987	\$98,522	\$103,261
<b>Total</b>	<b>\$87,134</b>	<b>\$93,531</b>	<b>\$96,396</b>	<b>\$97,199</b>	<b>\$96,377</b>

a The 'not recorded' category covers customers with overseas addresses, addresses that are post office boxes (rather than street addresses), and invalid addresses (e.g. for people who are no longer customers).

Note: The state/territory is the state/territory in which the customer resided at 30 June 2011, which may differ from where the customer was residing when the debt was incurred.

Table I-5 shows the average actual adjusted taxable income, by payment type, of customers and their primary partners who were entitled to FTB A at any stage in the relevant financial year and who had been reconciled as at 30 June 2011.

**Table I-5 Average incomes by payment type**

Average actual adjusted taxable income	2008–09	2009–10
Centrelink lump sum	\$75,916	\$72,012
Instalments	\$51,796	\$51,791

Table I-6 shows the distribution of actual adjusted taxable income for customers and their primary partners who were entitled to FTB A or FTB B at any stage during the relevant financial year, and who had been reconciled as at 30 June 2011.

**Table I-6 Actual adjusted taxable income across income ranges, 2008–09 and 2009–10, as at 24 June 2011**

Actual adjusted taxable income (\$)	2008–09		2009–10	
	Customers entitled to FTB A	Customers entitled to FTB B	Customers entitled to FTB A	Customers entitled to FTB B
0 to less than 20,000	449,245	441,559	424,003	416,114
20,000 to less than 40,000	405,827	393,902	364,852	354,034
40,000 to less than 60,000	347,584	299,068	309,258	272,290
60,000 to less than 80,000	326,859	207,812	281,453	188,911
80,000 to less than 100,000	272,742	122,772	229,643	113,344
100,000 to less than 150,000	100,036	92,264	83,179	83,189
150,000 to less than 200,000	1,378	3,835	1,200	2,936
200,000 to less than 250,000	257	238	192	166
250,000 to less than 300,000	93	84	58	49
300,000 or more	114	91	83	69
Grant customers <sup>a</sup>	52,865	28,375	53,078	32,897
<b>Total</b>	<b>1,957,000</b>	<b>1,590,000</b>	<b>1,747,000</b>	<b>1,464,000</b>

a Grant customers are not included in the income distribution table. Analysis shows that this group of customers is unlikely to significantly alter the income distribution.

Some high-income families with high income can legitimately receive FTB A. They include:

- ▶ customers with large families
- ▶ customers who were entitled to an income support payment for part of the year
- ▶ customers whose personal circumstances have changed during the year (for example, customers who were partnered for part of the year, and had their FTB A entitlements cancelled for the period when they were partnered and had income above the threshold, but were entitled to FTB A for the period when they were not partnered)
- ▶ customers who are free of the FTB A income test:
  - Child Disability Allowance (CDA) recipients are eligible for FTB A due to the CDA savings provisions originally introduced in 1993. CDA was not asset or income tested and CDA qualifications also entitled families to a minimum amount of Family Allowance free of any means test prior to January 1993
  - Blind Disability Support Pensioners receive their income support payments and FTB A free of income testing.

## Appendix J

# Aboriginals Benefit Account Annual Report 2010–11

## Aboriginals Benefit Account overview

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### Role and functions

The Aboriginals Benefit Account (ABA) is continued under Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* (the ALRA) and is a special account for the purposes of the *Financial Management and Accountability Act 1997* (the FMA Act).

The ABA receives statutory royalty equivalent monies from appropriations, the level of which is determined by the value of the statutory royalties generated from mining on Aboriginal land in the Northern Territory. ABA funds are public monies. The Minister for Families, Housing, Community Services and Indigenous Affairs allocates ABA funds to the four land councils for operational purposes; funds are distributed to royalty associations in areas affected by mining, and the Minister allocates grants for the benefit of Aboriginal people living in the Northern Territory. In this latter function, the Minister is assisted by the ABA Advisory Committee chaired by Ms Pat Brahim.

Under the ALRA, administration costs and rental payments associated with township leases are also drawn from the ABA. This acknowledges that reformed land arrangements in townships on Aboriginal land can assist with better service delivery and improved housing management, and both facilitate home ownership and increase economic development for land owners and other residents. Expenditure for this purpose represents 1.2 per cent of the total ABA drawdown for 2010–11.

The major functions of the ABA are outlined in Table J-1.

**Table J-1 Major functions of the ABA**

Function according to section of the ALRA	Description
Credits into the ABA <i>Sections 62 and 63</i>	To receive the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory, and such other income as outlined in section 63 of the ALRA.
Payments to land councils <i>Section 64(1), in accordance with section 34(1)</i>	To make payments to the Northern Territory land councils in proportions determined by the minister to meet their administrative expenditure. The ALRA requires the administrative expenditure of the land councils to be in accordance with proposed estimates of expenditure approved by the minister.
Payments to royalty associations <i>Section 64(3)</i>	To make payments to the land councils for distribution to incorporated Aboriginal associations, communities or groups (royalty associations) in order to benefit those Aboriginal people who are affected by mining operations. These payments are directly linked to the amount of royalty equivalent monies received in respect of mining in the areas concerned. Royalty associations receive 30 per cent of the royalty equivalents paid into the ABA.
Beneficial payments <i>Section 64(4)</i>	For the minister to make payments for the benefit of Aboriginal people living in the Northern Territory. The ABA Advisory Committee provides advice to the minister on these payments.
Administration payments <i>Section 64(6)</i>	To make payments to meet the expenses of administering the ABA.
Office of Township Leasing payments <i>Section 64(4A)</i>	To make payments for acquiring and administering township leases approved under section 19A of the ALRA.

The ABA contributes to closing the gap on Indigenous disadvantage by engaging with and supporting individuals, families and communities to improve their wellbeing and capability.

## Operating environment

In 2010–11, the minister responsible for the account was the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin MP.

The ABA is administered by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in accordance with the requirements of the ALRA and the FMA Act.

In relation to FaHCSIA's 2010–11 outcome and program reporting structure, the ABA is part of Outcome 7—Indigenous, Program 7.4—Indigenous Capability and Development.

The ABA Advisory Committee, established under section 65(1) of the ALRA, plays an important role in advising the Minister on beneficial payments under section 64(4) of the ALRA.

## Offices

The ABA is administered across two offices, FaHCSIA's national office and the Northern Territory state office, located in Darwin.

The national office is responsible for advising the Minister on the overall policy and financial direction of the ABA. Its activities include:

- ▶ developing ABA policy advice
- ▶ preparing FaHCSIA's responses to recommendations of the Australian National Audit Office, including the development of an ABA strategic financial management plan and performance framework
- ▶ analysing and certifying data and financial management, including monthly and annual financial statements
- ▶ performing some program management tasks
- ▶ managing the investment of ABA funds.

The Northern Territory state office is responsible for managing ABA grants (including the ABA Community Stores Infrastructure Project) and for providing secretariat support to the ABA Advisory Committee.

## Strategic direction

During 2010–11, a key focus of the Department has been the commencement of a number of initiatives to further improve the strategic management of the ABA. In partnership with the ABA Advisory Committee, work has begun on developing a strategic plan to help set the framework for the future direction and management of the account. The plan will identify the role the ABA can play in assisting people to overcome barriers to economic and social development and is expected to be finalised in the second half of 2011.

This critical work is expected to drive a number of complementary initiatives, including the development of an annual ABA business plan that will assist in managing the unprecedented demand for ABA section 64(4) funds. In recent years, the rise in demand followed increases in both ABA royalty equivalent receipts and the account balance. However, in 2010–11 there was a reduction in receipts to \$155.316 million, which emphasises the potential volatility of future royalty streams. The Department

intends to conduct research into future mining activity on Aboriginal land in the Northern Territory and the implications for receipts into the ABA, which will provide critical data to inform ABA planning and forecasting processes.

The ABA Community Stores Infrastructure Project funding theme commenced in late 2010. This project will mark a significant investment in community stores and will focus on improving infrastructure. The project will ensure that:

- ▶ stores have good, healthy food accessible for people living in remote Northern Territory communities
- ▶ stores have purpose-built infrastructure that will support effective retail practices and minimise operating costs to the store
- ▶ store manager housing is of an acceptable standard to attract quality store management.

Stakeholders

The Department works with a number of key stakeholders to ensure the effective administration of the ABA and the delivery of benefits to Aboriginal people living in the Northern Territory.

ABA stakeholders include:

- ▶ the Minister for Families, Housing, Community Services and Indigenous Affairs
- ▶ the ABA Advisory Committee, which advises the Minister on the payment of beneficial payments under section 64(4) of the ALRA
- ▶ the four Northern Territory land councils (the Northern Land Council, the Central Land Council, Anindilyakwa Land Council and the Tiwi Land Council)
- ▶ the broader Aboriginal community of the Northern Territory.

ABA performance in 2010–11

Year in review

Tables J-2 and J-3 summarise ABA income and expenditure, respectively.

A continued high level of activity in the mining sector provided the ABA with substantial mining royalty equivalent income in 2010–11, with \$155.316 million credited to the account. This is a slight decrease from the \$175.217 million received in 2009–10 (see Table J-2).

Table J-2 Summary of ABA income, 2009–10 and 2010–11

Income category	2009–10 \$'000	2010–11 \$'000
Royalty equivalents	175,217	155,316
Interest	17,041	24,027
Resources received free of charge	1,882	1,879
Lease rental income	585	524
Total income	194,725	181,746

**Table J-3 Summary of ABA expenditure, 2009–10 and 2010–11**

Payment category	2009–10 \$'000	2009–10 % funding	2010–11 \$'000	2010–11 % funding
Payments to land councils for administrative purposes—ALRA s. 64(1)	20,263	19.9	46,975	27.7
Payments to land councils for distribution to royalty associations—ALRA s. 64(3)	52,565	51.8	46,594	27.6
Beneficial payments to Aboriginal people in the Northern Territory—ALRA s. 64(4) <sup>a</sup>	24,118	23.8	70,712	41.8
Payments in relation to township leases and subleases—ALRA s. 64(4A)	1,821	1.8	1,876	1.2
Administration (suppliers and employees)—ALRA s. 64(6) <sup>b</sup>	2,781	2.7	2,840	1.7
<b>Total expenditure</b>	<b>101,548</b>		<b>168,997</b>	

Note: These figures are from the statement of comprehensive income; details are in 2010–11 financial statements.

a Payments in this category include payments made for the mining withholding tax.

b Payments in this category are inclusive of the supplier and employer administration for the community stores project and the ABA Advisory Committee.

The fall in mining royalty equivalent receipts in 2010–11 led to a fall in payments to royalty associations (see Table J-3).

Payments to the land councils and grants under section 64(1) increased. Expenditure on beneficial payments approved by the Minister under section 64(4) also increased, from \$24.118 million in 2009–10 to \$70.712 million in 2010–11.

The ABA Community Stores Infrastructure Project is part of a new strategic direction for the ABA that includes a greater orientation towards economic development and the use of a funding theme.

### 2010–11 funding highlights

Despite the fall in royalty equivalent receipts, the account balance enabled the ABA to fund an increased number of beneficial projects under section 64(4) of the ALRA.

In 2010–11, the Minister approved a total of \$118.1 million in funding for 86 beneficial projects and initiatives against the following ABA funding categories:

- ▶ \$50.6 million for the Community Stores Infrastructure Project
- ▶ \$41.3 million for major economic development
- ▶ \$22.7 million for community enhancement projects
- ▶ \$2.2 million for ceremonial and funeral support
- ▶ \$0.9 million for land and sea management initiatives
- ▶ \$0.3 million for small business initiatives
- ▶ \$0.1 million for scholarship and sponsorship in education.

Beneficial projects improve the lives of Aboriginal people in the Northern Territory by improving employment opportunities, education, infrastructure and health. Key beneficial projects during 2010–11 included:

- ▶ \$50.6 million to implement phase one of the ABA Community Stores Infrastructure Project. Phase one of the project is providing new purpose-built or refurbished community stores and store manager accommodation at 18 priority stores to help ensure that healthy and affordable food is stocked.
- ▶ \$2.5 million to implement the Bushlight Outstation Renewable Energy System Installation Program. The program will provide more reliable, energy-efficient and cost-effective power to domestic homes and businesses at six outstations.
- ▶ \$2.9 million over a three-year period to implement the Remote Indigenous Communities Animal Management Worker Program NT. The program will promote collaborative development of animal management plans, building community ownership, pride, strength, resilience, skills, training and sustainable improvement of the health and management of dogs in remote communities across the Northern Territory.
- ▶ \$1.5 million to expand the Australian Football League NT's Strength and Unity through Football Program into five more communities. The program aims to improve employment, education, training and professional development for people in the nominated communities through participation, and thereby improve social outcomes.
- ▶ \$1.6 million to construct sports and recreation ovals in the Garrthalala, Dhalinybuy, Yilpara and Wandawuy Homeland communities. These recreational and sporting facilities will have a focus on youth, while strengthening family and social networks.
- ▶ \$1.9 million for construction of a new office structure to accommodate the Dhimurru Land Management Aboriginal Corporation. The new structure will provide a base for conducting operations, ensure a safe workplace and enable a range of training and capacity building to be undertaken by its staff to ensure that it continues to deliver professional and effective land and sea country management services.
- ▶ \$1.9 million for the Central Australian Aboriginal Media Association to establish a three-year program for regional music development throughout Central Australia. The program will skill Aboriginal people in all aspects of the music industry, leading to better job opportunities, and mental and physical benefits through increased self-esteem and motivation.
- ▶ \$2 million for the Rirratjingu Aboriginal Corporation to re-establish the concrete batching plant, gravel and sand quarry and crushing plant on the Gove Peninsula. Operations at the plants and quarries will provide employment opportunities and economic benefits to the community.
- ▶ \$0.38 million to Maruku Arts for the Artists Tjuta Nintirngkulpaii—Learning Our Craft to Stay Strong program. The program will develop skills in woodcrafts, jewellery making and painting to improve competition and sales in the art market for individual artists and the arts centre.

Further information on individual funding for beneficial projects approved in 2010–11 can be found on the FaHCSIA website.

## Fund management and reporting framework

FaHCSIA is responsible for ensuring that the ABA complies with the ALRA and relevant financial legislation and that it meets its financial accountability responsibilities to the Government and Parliament. Section 64B of the ALRA requires FaHCSIA to keep accounts and prepare financial statements in respect of the ABA, as determined by the Minister for Finance. Section 64B also requires the Auditor-General to report on the financial statements to the Minister for Families, Housing, Community Services and Indigenous Affairs.



Each year, FaHCSIA seeks information from relevant mining companies about the estimates and timing of royalties payable for mining on Aboriginal land in the Northern Territory. The information supports the preparation of annual projections of receipts and payments for the ABA to meet budget obligations.

In 2010–11, FaHCSIA continued to implement the recommendations of the 2008 performance audit of the ABA by the Office of Evaluation and Audit to improve ABA governance, administration and reporting.

The activity reporting framework adopted for this report (Table J-4) is aligned with the main functions of the ABA as described in Table J-1.

**Table J-4 ABA activity reporting framework**

Administration of the ABA
1: Credits into the ABA
2: Debits out of the ABA
3: Office of Township Leasing
4: ABA Secretariat
5: Advisory Committee membership
6: Investment portfolio

## ABA activities in 2010–11

### Credits into the ABA

Section 63 of the ALRA requires the Commonwealth to credit to the ABA royalty equivalent monies, the level of which is equivalent to the royalties received by the Commonwealth and the Northern Territory Government for mining on Aboriginal land in the Northern Territory.

Section 62(3) of the ALRA requires interest received from the investment of ABA funds to be credited into the ABA. The interest earned from investments is receipted directly into the ABA's official bank account and used to make payments as required.

### Royalty equivalent credits

Under the *Northern Territory (Self Government) Act 1978*, all Commonwealth interests in minerals in the Northern Territory (other than a prescribed substance within the meaning of the *Atomic Energy Act 1953*) are vested in the Northern Territory.

Title to those substances to which the *Atomic Energy Act 1953* refers, principally uranium, remains vested in the Commonwealth.

Royalties from uranium mining on Aboriginal land are paid to the Australian Government Department of Resources, Energy and Tourism, and royalties from non-uranium mining on Aboriginal land are paid to the Northern Territory Treasury.

Following advice from these bodies and any necessary determinations made by the Minister, special appropriations are made from the Consolidated Revenue Fund to enable funds equivalent to the amount of royalties received from mining on Aboriginal land to be credited to the ABA. Advice is provided weekly by the Northern Territory Treasury and twice yearly by the Department of Resources, Energy and Tourism.

Table J-5 provides uranium and non-uranium royalty equivalents credited to the ABA in 2009–10 and 2010–11.

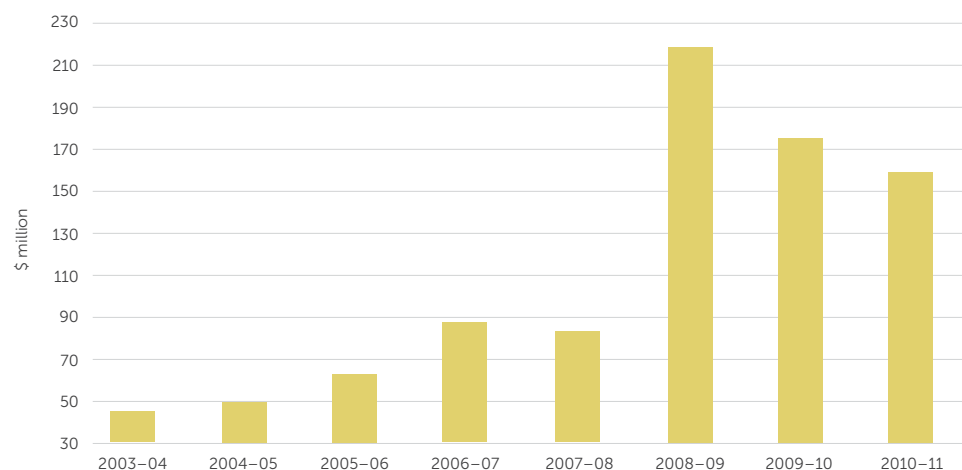
**Table J-5 Royalty equivalent receipts, 2009–10 and 2010–11**

	2009–10 \$'000	2010–11 \$'000
Uranium royalties	31,659	20,031
Non-uranium royalties	143,558	135,285
<b>Total royalty equivalents</b>	<b>175,217</b>	<b>155,316</b>

Note: See the 2010–11 financial statements for further details.

ABA royalty equivalent income is volatile because it is subject to fluctuations in production and the market price of commodities. Figure J-1 shows section 63 receipts from royalty equivalents transferred into the ABA in the past eight years.

**Figure J-1 Section 63 royalty equivalent receipts transferred to the ABA, 2003–04 to 2010–11**



## Debits out of the ABA

### ABA expenditure in 2010–11

Table J-3 provides a summary of total ABA expenditure in 2009–10 and 2010–11.

### Payments to land councils for administrative expenses

Table J-6 lists ABA monies paid in 2009–10 and 2010–11 to the four Northern Territory land councils to meet their administrative costs.

**Table J-6 Section 64(1) payments (net of mining withholding tax) to land councils for administrative costs, 2009–10 and 2010–11**

Land council	2009–10 \$'000	2010–11 \$'000
Northern Land Council	7,697 <sup>a</sup>	28,798 <sup>b</sup>
Central Land Council	9,252	11,723
Tiwi Land Council	1,665	1,979
Anindilyakwa Land Council	882	2,668
<b>Total</b>	<b>19,496</b>	<b>45,168</b>

Note: The figures in this table are net of mining withholding tax, unlike the section 64(1) payments listed in Table J-3. See the 2010–11 financial statements for further details.

- a The Northern Land Council 2009–10 figure of \$7,697 million is net of a since reversed liability treatment of \$7,852 million.
- b The Northern Land Council 2010–11 figure of \$28,798 million includes a liability of \$11,406 million relating to entitlements under prior year legislation based on historic data.

### Payments to royalty associations

Under section 64(3) of the ALRA, 30 per cent of the royalty equivalent monies must be paid to each land council in the area in which a mining operation is situated. These monies are distributed to Aboriginal organisations (royalty associations) in those areas affected by mining operations. Table J-7 lists payments made in 2009–10 and 2010–11 to land councils for distribution to royalty associations.

**Table J-7 Section 64(3) payments (net of mining withholding tax) to land councils for distribution to royalty associations, 2009–10 and 2010–11**

Land council	2009–10 \$'000	2010–11 \$'000
Northern Land Council	12,349	9,636
Central Land Council	6,197	2,790
Anindilyakwa Land Council	31,916	32,305
<b>Total</b>	<b>50,462</b>	<b>44,731</b>

Note: See the 2010–11 financial statements for further details. There is currently no mining in the Tiwi Land Council area.

### Mining withholding tax

Under the *Income Tax Assessment Act 1936*, payments made from royalty equivalents credited to the ABA are subject to mining withholding tax (MWT) at a rate specified in the *Income Tax (Mining Withholding Tax) Act 1979*. In accordance with the *Taxation Laws Amendment Act (No. 3) 1994*, the current rate of tax applied to payments of MWT is 4 per cent.

From 1 July 2003, the Australian Taxation Office determined the ABA to be a large pay-as-you-go (PAYG) withholder. MWT liabilities on payments made are paid on or before due dates in accordance with the *PAYG withholding for large withholders* guide issued by the Taxation Office.

Table J-8 shows the total MWT for 2009–10 and 2010–11.

**Table J-8 Mining withholding tax, 2009–10 and 2010–11**

	2009–10 \$'000	2010–11 \$'000
MWT expenditure for the year	3,225	5,656

Note: See the 2010–11 financial statements for further details.

### Beneficial payments

Under section 64(4) of the ALRA, the Minister can make payments for the benefit of Aboriginal people living in the Northern Territory. The Minister is advised by the ABA Advisory Committee in relation to these payments.

Table J-9 lists expenditure under section 64(4) for 2009–10 2010–11.

**Table J-9 Section 64(4) expenditure—beneficial payments (net of mining withholding tax and return of unspent funds), 2009–10 and 2010–11**

	2009–10 \$'000	2010–11 \$'000
Section 64(4) beneficial payments	23,763	68,751

The significant rise in section 64(4) payments is a reflection of the increase in both royalty equivalent receipts and the account balance over the previous two years.

### Sections 64(6) and 64(4A) administrative payments

Administration costs associated with the running of the ABA are captured under sections 64(6) and 64(4A) of the ALRA. Table J-10 provides a breakdown of administration and Office for Township Leasing expenses for the ABA for 2009–10 and 2010–11, including consultancy services and services provided free of charge to the ABA.

The majority of resources required for the administration of the ABA were provided free of charge by FaHCSIA. Resources provided free of charge represent staffing costs associated with the management of the ABA not reimbursed to FaHCSIA by the ABA. Resources provided free of charge are included as revenue in Table J-2 and expenses in Table J-10.

Financial statement audit services are also provided free of charge to FaHCSIA by the Australian National Audit Office.

**Table J-10 Departmental administration, sections 64(6) and 64(4A) expenditure, 2009–10 and 2010–11**

Payment category	2009–10 \$'000	2010–11 \$'000
<b>Departmental administration expenditure</b>		
Resources provided free of charge	1,882	1,879
<b>Section 64(6) payments</b>		
Committee members' sitting fees/superannuation	203	238
Consultancy services	295	146
Committee meeting expenses	124	141
Payments to meet the administration of the ABA	69	0
ABA Community Stores Infrastructure Project	207	436
<b>Section 64(4A) payments</b>		
Office for Township Leasing Executive Director administrative expenses	1,188	1,218
Payments for township leases	633	658
<b>Total administrative costs of the ABA</b>	<b>4,601</b>	<b>4,716</b>

Note: See the 2010–11 financial statements for further details.

## Consultancy services

Table J-11 lists consultancy services used by the ABA in 2009–10 and 2010–11.

**Table J-11 Consultancy services (GST inclusive), 2009–10 and 2010–11**

Consultancy	2009–10 \$'000	2010–11 \$'000
KPMG Darwin	166.1	90.3
Deloitte Touché Tohmatsu	20.9	23.7
PSI Asia Pacific	17.6	4.2
Remote Rural Resources	119.9	0
Merritt Partners	0	42.2
<b>Total consultancy services</b>	<b>324.5</b>	<b>160.4</b>

## Office of Township Leasing

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The Office of Township Leasing is now close to finalising all subleasing arrangements in the communities of Wurrumiyanga (Nguui) on the Tiwi Islands, Angurugu and Umbakumba on Groote Eylandt, and Milyakburra on Bickerton Island. The office has successfully implemented the leasing/subleasing arrangements in the townships, promoted economic development opportunities and facilitated individual home ownership.

The office has worked closely with the Mantiyupwi Traditional Owners (of Wurrumiyanga), who have embraced the opportunity to invest funds in their own community and to take advantage of the economic opportunities provided by major capital infrastructure projects being undertaken in the township. The investments have included a number of sound business ventures that will show an immediate investment return. Other investments include major infrastructure projects that will benefit community residents generally and have a longer-term return on investment.

Progress in the communities of Angurugu, Umbakumba and Milyakburra has been encouraging and a number of economic development opportunities are starting to emerge now that occupiers have obtained secure land tenure. To date several businesses have invested in their new and existing infrastructure so that economic returns can be improved. Family groups are also considering investing the funds from the advance payment from the township lease in economic opportunities which will improve the development and sustainability of each of the townships.

## ABA Advisory Committee

The ABA Advisory Committee is established under section 65(1) of the ALRA to advise the Minister on beneficial payments under section 64(4) of the ALRA.

In 2010–11, the ABA Advisory Committee dealt with a large number of applications for funding. The committee met four times to consider applications and formulate advice to the Minister in relation to beneficial payments. The outcomes of each of the meetings held in 2010–11 are summarised below.

### Meeting outcomes

#### August 2010 meeting (Darwin)

The committee considered 65 applications for funding:

- ▶ 19 applications were supported
- ▶ 10 were deferred to a later meeting
- ▶ 35 were not supported
- ▶ 1 was withdrawn.

#### October 2010 meeting (Darwin)

The committee considered an application for funding of phase one of the Community Stores Infrastructure Project. The application was supported.

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### **November 2010 meeting (Darwin)**

The committee considered 53 applications for funding:

- ▶ 22 applications were supported
- ▶ 9 were deferred to a later meeting
- ▶ 20 were not supported
- ▶ 2 were withdrawn.

### **April 2011 meeting (Darwin)**

The committee considered 106 applications for funding:

- ▶ 65 applications were supported
- ▶ 17 were deferred to a later meeting
- ▶ 21 were not supported
- ▶ 3 were withdrawn.

During this period, FaHCSIA and the ABA Advisory Committee also worked together on the development of a strategic plan for the ABA. Planning meetings were held in Darwin in March 2011 and Alice Springs in May 2011 to develop the strategic plan, which will guide the direction of the account for the next five years (2011–16).

### **Advisory Committee membership**

The Advisory Committee comprises 14 members nominated by the four Northern Territory land councils and the chairperson, Ms Patricia Brahim, appointed by the Minister. Land council representatives are elected from within each land council's own membership. The membership of the committee in 2010–11 is shown in Figure J-2.

Figure J-2 ABA Advisory Committee members, 2010–11

Ms Patricia Brahim Chairperson		
Northern Land Council		
Mr Samuel Bush-Blanasi Katherine	Mr Bunug Galaminda West Arnhem	Mr Wali Wunungmurra East Arnhem
Mr Jeffrey Dixon Borroloola/Barkly		
Ms Margaret Daiyi Darwin/Daly/Wagait Until 26.11.2010 Mr Bill Risk Darwin/Daly/Wagait From 27.11.2010	Mr Roy Harrington Victoria River District Until 26.11.2010 Mr George King Victoria River District From 27.11.2010	Mr Jacob Larsen Ngukurr Until 26.11.2010 Mr Peter Larsen Ngukurr From 27.11.2010
Central Land Council		
Mr Lindsay Bookie Eastern Plenty Region	Mr Conrad Ratarra Hermannsburg	Mr Harry Nelson Tanami Region
Mr Japarta Ryan Kalkarindji		Mr Phillip Wilyuka South West Region
Anindilyakwa Land Council		
Mr Tony Wurramarrba Groote Eylandt		
Tiwi Land Council		
Mr Andrew Tipungwuti Milikapiti		

## Investment portfolio

The ABA investment strategy is focused on cash-flow requirements, preservation of the fund and management of risk. Monies that are surplus to immediate requirements are invested under section 39 of the FMA Act.

To minimise the risk of any loss, section 39 of the FMA Act restricts the investment of public money to a limited number of specific low-risk investments such as government bonds, state and territory bonds, term deposits and negotiable cash deposits with a bank.

Table J-12 shows the term deposits and negotiable cash deposits that the ABA had with Australian banks on 30 June in 2010 and 2011.



Table J-12 ABA investment portfolio, 30 June—2010 and 2011

	2010 \$'000	2011 \$'000
Interest-bearing deposits	368,969	405,829
Negotiable cash deposits	9,212	0
<b>Total ABA investment portfolio</b>	<b>378,181</b>	<b>405,829</b>

Note: See the 2010–11 financial statements for further details.

Total equity

Table J-13 lists the closing balances of the ABA as disclosed in part four of the financial statements.

Table J-13 Total equity, 30 June—2010 and 2011

	2010 \$'000	2011 \$'000
Balance carried forward from previous year	306,372	399,549
Income minus expenses (surplus)	93,177	12,749
Closing balance as at 30 June	399,549	412,298

## Appendix K

# Coordinator General for Remote Indigenous Services Annual Report 2010–11

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**Australian Government**

**Office of the Coordinator General  
for Remote Indigenous Services**

385

The Hon. Jenny Macklin MP  
Minister for Families, Housing, Community Services and Indigenous Affairs  
Parliament House  
CANBERRA ACT 2600

Dear Minister

As required under section 28(1) of the *Coordinator-General for Remote Indigenous Services Act 2009*, I am pleased to present to you my report for the period 1 July 2010 to 30 June 2011 as part of the Department of Families, Housing, Community Services and Indigenous Affairs Annual Report.

In presenting you with the report on the activities of the Coordinator General for Remote Indigenous Services, I take this opportunity to express my thanks to the staff of the Department of Families, Housing, Community Services and Indigenous Affairs for their assistance and corporate support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B Gleeson'.

Brian Gleeson  
Coordinator General for Remote Indigenous Services  
October 2011

The Coordinator General for Remote Indigenous Services is a statutory officer, established under the *Coordinator-General for Remote Indigenous Services Act 2009*.

The Office of the Coordinator General for Remote Indigenous Services is responsible for:

- ▶ monitoring, assessing and advising on progress with the implementation of the National Partnership Agreement on Remote Service Delivery (see [www.coag.gov.au/intergov\\_agreements](http://www.coag.gov.au/intergov_agreements)) and in Closing the Gap on Indigenous disadvantage in the 29 remote Indigenous communities identified as priority communities
- ▶ influencing policies and programs to ensure that they give precedence to the priority communities and are delivered in a way that improves the overall functioning and cohesiveness of those communities
- ▶ working cooperatively with our stakeholders, recognising that we do not have direct responsibility for delivering programs.

The Coordinator General has the authority to work across government agencies to cut through red tape and bureaucratic blockages and to help ensure services are delivered effectively in the 29 priority remote communities. The key roles of the Coordinator General are to drive the National Partnership Agreement on Remote Service Delivery, oversee the development and delivery of the Local Implementation Plans and contributions to Closing the Gap in priority communities, and provide governments with guidance on good practice.

The Coordinator General is required to formally report to the Minister for Families, Housing, Community Services and Indigenous Affairs twice a year on progress, and ensure that all government agencies are held accountable for their implementation responsibilities under the National Partnership Agreement on Remote Service Delivery.

## Focus in 2010–11

In 2010–11, the focus for the Office has been on consolidating its role in the remote service delivery landscape, and in monitoring the rollout of the Local Implementation Plans and ensuring that they are focused on improving the overall functioning and cohesiveness of the specified communities. We have been working with the Department of Families, Housing, Community Services and Indigenous Affairs and other Australian Government agencies on enhancing accountability mechanisms.

We have also worked with governments on improving their efforts to build governance and capacity (including the skills of government officers working in remote contexts), as well as on school attendance, funding reform and infrastructure.

At the end of 2010, I reviewed the staffing structure of the Office to ensure that we have the capability to respond appropriately. I increased the capacity of the reporting and communications role, and restructured the communities stream to allow for greater strategic oversight of the role. In addition, our key areas of focus are reviewed every six months to ensure they remain relevant.

I have commissioned an independent mid-term review of the Office, which should be complete in September 2011. The review will examine how the Office has performed in reporting on progress, driving implementation, removing blockages and providing guidance on systemic reform and identify potential areas for improvement.

A major focus during the year has been the production of two reports to the Minister in September 2010 and March 2011. We have also been following up on the progress that has been made on addressing the recommendations and issues raised in previous reports. This will be a major focus

of my fourth report in September 2011. From 2012, I propose to produce one major report in September, with a brief update to the Minister in March.

Our website ([www.cgris.gov.au](http://www.cgris.gov.au)) is a key element of our reporting, transparency and accountability mechanisms and is a unique information source for public use. The capability of the website has been significantly enhanced during the year to provide more community-specific information in an accessible way, as well as information on Local Implementation Plans across key thematic areas.

Another focus this year has been consolidating relationships with key stakeholders. The network of state and territory Coordinators General was strengthened by the addition of national coordinators during the last part of 2010. The role and function of the network were formalised in June 2011, and a number of priority areas of focus were agreed for joint progression during 2011–12.

We also continue to be active participants in Boards of Management and the Australian Government coordination mechanisms. I have been pleased to attend two workshops for Regional Operations Centre Managers, which in my view have strengthened this critical relationship. We participate in the key governance bodies for the Cape York Welfare Reform trial and in the Infrastructure Australia Working Group to develop a National Strategic Policy Framework for Remote Indigenous Infrastructure Planning and Development.

Once again, to obtain independent feedback on our performance, we conducted a stakeholder survey in April and May 2011. We surveyed 178 stakeholders and had a response rate of 22 per cent. The results are included throughout the remainder of the report.

## Outcomes

The main mechanism for reporting on outcomes is the six-monthly report to the Minister. The highlights in 2010–11 included:

- ▶ assisting in the shift towards a community development approach in the priority communities
- ▶ increasing the focus on accountability, including through the development of a Remote Service Delivery service assessment framework and a set of common indicators
- ▶ continuing to push for effective community participation in informed decision making, including making the baseline mapping report information accessible and relevant
- ▶ continuing to support new approaches to governance, including the Lajamanu Community Governance Project
- ▶ advocating for stronger and more consistent representation on Boards of Management (or similar)
- ▶ providing strong advocacy and support for the funding of health clinics in Ngukurr and Lajamanu, the airstrip at Coen, reinstatement of the community policing position on Groote Eylandt, and the Police Citizens Youth Club at Doomadgee
- ▶ continuing to assist in the resolution of significant program delivery issues and smaller blockages
- ▶ presenting two six-monthly reports to the Minister in September and March
- ▶ commissioning an independent mid-term review of the Office
- ▶ strengthening national cooperation through formalisation of the Coordinators General Network and the attendance of Australian Government National Coordinators at meetings
- ▶ enhancing the website, including providing additional community-level information and refreshing front-page stories each fortnight
- ▶ receiving encouraging results from our online survey: 83 per cent of stakeholders thought that the Office provided effective oversight of the remote service delivery approach, and 90 per cent thought that the advice provided by our officers was useful.

## Outlook

In 2011–12, the focus of the Office will be firmly on tightening and effective implementation of existing commitments in Local Implementation Plans and arrangements.

The Office will continue to focus on community development approaches, improved local engagement and effective community participation to inform policy and program development.

We will work with agencies to develop mechanisms for a service assessment framework to feed into regular progress reports to ministers on individual communities and the progress of improvements.

We will also implement the agreed recommendations of the mid-term review.

## Role, functions and structure

The Coordinator General for Remote Indigenous Services is an independent statutory officer, with staff located within the Department of Families, Housing, Community Services and Indigenous Affairs.

### Role

The Office of the Coordinator General for Remote Indigenous Services was established to:

- ▶ oversee the implementation of the National Partnership Agreement on Remote Service Delivery in remote Indigenous communities
- ▶ formally report to the Minister for Families, Housing, Community Services and Indigenous Affairs twice a year on progress, and ensure that all government service agencies are held accountable for their implementation responsibilities under the National Partnership Agreement on Remote Service Delivery
- ▶ have the authority to work across agencies to cut through bureaucratic blockages and red tape, and to make sure services are delivered effectively
- ▶ have a direct line of sight to the whole-of-government regional operations centres established to coordinate services in communities and the single government contact points located within the 29 remote Indigenous communities identified as priority communities.

### Functions

The functions of the Coordinator General are set out in section 8 of the *Coordinator-General for Remote Indigenous Services Act 2009*. These are to:

monitor, assess, advise in relation to, and drive:

- (a) the development and delivery of government services and facilities in each of the specified remote communities to a standard broadly comparable with that in non-Indigenous communities of similar size, location and needs elsewhere in Australia, including through:
  - (i) improvements to the coordination of the development and delivery of such services and facilities; and
  - (ii) reforms to the development and delivery of such services and facilities; and
- (b) progress towards achieving the Closing the Gap targets in the specified remote communities.

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Under the Act, the Coordinator General is required to:

- ▶ produce a report to the Minister twice yearly on these issues (s. 15)
- ▶ produce an annual report as soon as practicable after 30 June each year on the operations of the Coordinator General and the Coordinator General's staff during the year (s. 28)
- ▶ report to the Minister on failures to comply with requests made under sections 9 and 9A of the Act (s. 16)
- ▶ monitor the implementation of Local Implementation Plans (s. 14).

The Office seeks to balance its overseeing and reporting roles against its role of driving the remote service delivery agenda by engaging with departments and other stakeholders.

The reports and further information about the role and functions of the Coordinator General for Remote Indigenous Services are available on our website at [www.cgris.gov.au](http://www.cgris.gov.au).

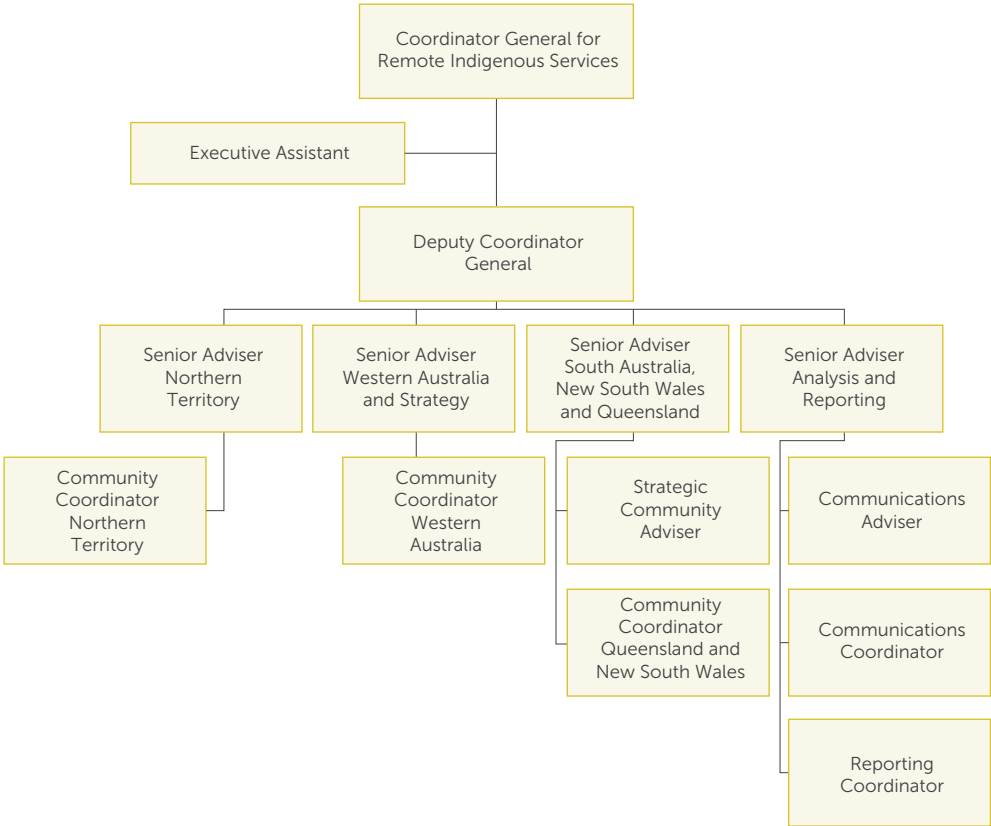
### Organisational structure

The staff who support the Coordinator General in the performance of these functions are employed in the Department of Families, Housing, Community Services and Indigenous Affairs. All staff members are formally located in Canberra, with one officer out-posted in Brisbane.

To better position the Office to respond to changing priorities, the staffing structure was reviewed at the end of 2010. The revised structure is reflected in Figure K-1.

We are also active participants in the Department's graduate trainee program and have had a number of officers on short-term placements and seconded from other agencies to assist in implementing our project approach.

390 **Figure K-1 Organisational structure on 30 June 2011**



# Management and accountability

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## Corporate governance

The Secretary of FaHCSIA is responsible for our corporate governance.

The Coordinator General for Remote Indigenous Services (or delegate) is a member of the Department’s Senior Management Group and the committees and boards noted in Table K-1.

**Table K-1 Membership of committees and boards**

Committee/board	Meets
<i>Australian Government</i>	
Secretaries Group on Indigenous Affairs	Every two months
Executive Committee for Indigenous Affairs	Six weekly
Commonwealth Indigenous Reform Group	Six weekly
Closing the Gap Committee (Department of Families, Housing, Community Services and Indigenous Affairs)	Monthly
Remote Service Delivery cross-agency meeting	Monthly
National Indigenous Violence and Child Abuse Intelligence Task Force interdepartmental committee	Monthly
<i>Intergovernmental</i>	
Boards of Management/State Operations Committees/State Management Committees in each jurisdiction	Monthly/six weekly
Indigenous Infrastructure Working Group	As required
Coordinators General network (Secretariat)	Every two months
<i>Other</i>	
Cape York Welfare Reform Project Board (observer)	Quarterly
Cape York Welfare Reform Pentagon	Six weekly
Workshops to develop the Remote Service Delivery Evaluation Framework	As required

The Coordinator General assisted the Secretary at Senate Estimates hearings in February 2011.

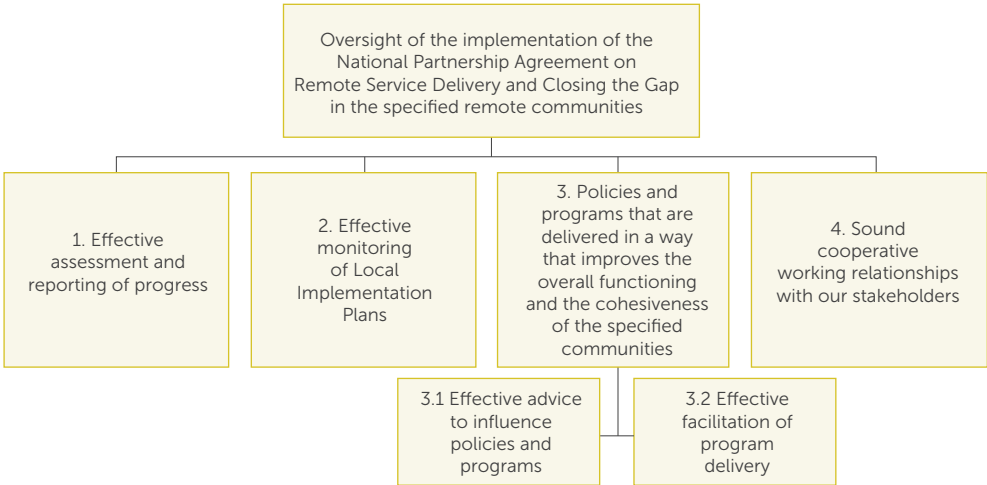
The Department of Families, Housing, Community Services and Indigenous Affairs assists the Coordinator General with the provision of the full range of corporate support functions, including asset management, purchasing, consultancies, information technology, communications, human resources, information (library) services and records management.



392 Review of performance

The Office’s strategic objectives are set out in Figure K-2. A detailed report on our performance against each objective follows.

Figure K-2 Objectives



Performance in achieving objectives, 2010–11

Objective 1. Effective assessment and reporting of progress

Section 15 of the *Coordinator-General for Remote Indigenous Services Act 2009* sets out our responsibilities with respect to reporting:

The Coordinator General must prepare and give to the Minister twice each year, or as otherwise required by the Minister, a report on:

- (a) the development and delivery, during the period since the Coordinator General last gave a report to the Minister under this section, of government services and facilities in each of the specified remote communities ... including through:
  - (i) improvements to the coordination of the development and delivery of such services and facilities; and
  - (ii) reforms to the development and delivery of such services and facilities; and
- (b) the progress that has been made during that period towards achieving the Closing the Gap targets in the specified remote communities.

The second six-monthly report was released on 5 October 2010. It reviewed the process for developing Local Implementation Plans and examined some of the issues that have arisen in the course of initial work with communities. As in the first report, it made a number of recommendations, which were referred to the Council of Australian Governments (COAG) Working Group on Indigenous Reform for consideration (see also Objective 3).

The third six-monthly report was released on 4 April 2011. It reviewed progress and examined the implementation of the place-based approach at the community level. The third report made no specific recommendations, but raised a number of issues that have been referred to the COAG Working Group on Indigenous Reform.

### Stakeholder views on the reports to the Minister

Only one respondent was not familiar with the reports. Of those who were familiar with the reports, 72 per cent thought they were useful and 80 per cent thought they were improved or somewhat improved.

## Objective 2. Effective monitoring of Local Implementation Plans

The key mechanism for ongoing activity in each of the 29 priority communities is the Local Implementation Plan. Local Implementation Plans set out service delivery priorities that were agreed between community groups and governments, and non-government and private sector organisations where relevant, consistent with the COAG targets. The plans include targets, actions and associated milestones and timelines and are publicly reported against annually.

The Office's responsibilities for local implementation planning are set out in section 14 of the Act:

- (1) The Coordinator General may comment on draft Local Implementation Plans.
- (2) The Coordinator General must monitor the implementation of each Local Implementation Plan.

Throughout the process, it has been acknowledged that the first versions of Local Implementation Plans are works in progress. For this reason, 'plans to plan', incomplete building blocks and limited detail in some cases have been accepted as necessary to achieve sign-off in the time available. Nonetheless, during 2011–12 I will be advocating for revised versions that address the key issues, both process and content, raised in my reports and include specific actions for each commitment and firm timelines as well as defined outcomes and performance measures.

The Office monitors the development and implementation of Local Implementation Plans at local, state and territory, and national levels. At the local level this is done through liaison with Regional Operations Centres. At the jurisdictional level this is done through participation in the Remote Service Delivery Boards of Management, with receipt of regular reports and discussion of progress with all participating state, territory and Commonwealth government agencies.

At the national level it is done through participation in the whole-of-government governance arrangements for the National Partnership Agreement, including the Remote Service Delivery Cross-Agency Working Group, which is chaired by the Department of Families, Housing, Community Services and Indigenous Affairs.

### Stakeholder views on the accessibility/responsiveness of our staff

Eighty-four per cent of respondents had had direct dealings with our staff. Of those, 84 per cent rated the accessibility/responsiveness of staff as good. Only one respondent gave an unsatisfactory rating.

### **Objective 3. Policies and programs that are delivered in a way that improves the overall functioning and cohesiveness of the specified communities**

To be effective, the Office must be capable of working with agencies and stakeholders to drive the implementation of the remote service delivery approach. This requires leadership in articulating the new model of service required by governments and a capacity to influence our partners to shift their focus, resources and effort in line with the COAG-agreed goals.

To do this we need to:

- ▶ hold governments accountable for closing the gap in the 29 priority communities
- ▶ assist in defining and developing the strategic issues in the remote service delivery strategy
- ▶ develop targeted resources to assist the reform process
- ▶ collect views and concerns from communities and ensure that governments respond
- ▶ take the opportunity to encourage innovation
- ▶ work with stakeholders to unblock problems with service delivery and develop proposals for innovative approaches to issues raised by communities.

The second report made 14 separate recommendations. Five recommendations were agreed, eight were agreed in principle and one was noted and referred to the Heads of Treasuries Committee under COAG.

We are now working with Boards of Management to monitor progress on implementation of the recommendations that were agreed by COAG. This will be reported on in the forthcoming fourth report due in September 2011.

I included a status report on the recommendations in the first and second reports in my third report, which was subsequently published on the web. The main focus of my fourth report will be progress on addressing the systemic issues previously raised with governments.

We have also influenced policy by:

- ▶ assisting in the shift towards a community development approach in the priority communities
- ▶ continuing to support new approaches to governance including the Lajamanu Community Governance Project
- ▶ advocating for stronger and more consistent representation on Boards of Management (or similar)
- ▶ conducting a research project in partnership with the Northern Territory Office of the Department of Families, Housing, Community Services and Indigenous Affairs, which highlighted the need to develop the capacity of local government shires
- ▶ supporting the Governance and Compliance Project in Yirrkala

- ▶ increasing the focus on accountability, including collaboratively developing a service assessment framework and a set of common indicators
- ▶ continuing to push for effective community participation in informed decision making, including making the baseline mapping report information accessible and relevant.

The Office has also contributed a number of papers to jurisdictional Board of Management meetings to contribute to the development of the new way of working within the remote service delivery approach, including economic development, community safety planning and youth.

### Stakeholder views on whether resources developed add value

Of those who had read the reports, 72 per cent felt that they were useful and 22 per cent felt they were somewhat useful. In addition, 89 per cent felt that they provided useful guidance for the implementation of the remote service delivery approach and 79 per cent felt that they assisted, or somewhat assisted, with monitoring progress with Closing the Gap at the community level.

In addition, during 2010–11 we worked with stakeholders to unblock problems with service delivery across all jurisdictions. Some of the issues we have been able to assist towards a positive outcome include:

- ▶ advocating for funding of health clinics in Lajamanu and Ngukurr
- ▶ assisting with securing funding for upgrading the airstrip at Coen
- ▶ advocating for reinstatement of the community policing position on Groote Eylandt
- ▶ working with the Western Australian Coordinator General to support the work of the Beagle Bay Women's Centre
- ▶ continuing to work with governments and stakeholders to ensure that the Amata Substance Misuse Centre is fully utilised
- ▶ advocating for funding for the Police Citizens Youth Club in Doomadgee.

### Stakeholder views on whether the Office has influenced change

The general view among stakeholders was that the Office had influenced change more at the government than community level, and only moderately in both cases. Only 5 per cent felt that the Office had not influenced change at the government level, while 14 per cent felt there was no influence on change at the community level.

## Objective 4. Sound cooperative working relationships with our stakeholders

Our role is to influence outcomes by providing leadership, support and advice to those engaged directly in implementing the remote service delivery approach. Therefore, the strength of our relationships with others is critical to our effectiveness as an organisation.

During 2010–11, members of our staff sat on a number of Boards of Management and used the opportunity to influence policies and implementation where possible (see Table K-1). Within the Australian Government, the major coordination committees (the Secretaries Group on Indigenous Affairs and the Executive Forum for Indigenous Affairs) have standing items for remote service delivery and the Coordinator General for Remote Indigenous Services.

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The Coordinators General network has proved to be an effective forum to exchange views and information on a regular basis. National coordinators, particularly those from the Department of Families, Housing, Community Services and Indigenous Affairs, the Department of Education, Employment and Workplace Relations and the Department of Health and Ageing, attended a number of meetings during the year to ensure that strategic issues were progressed. It has now been agreed that the national coordinator from the Department of Families, Housing, Community Services and Indigenous Affairs will attend meetings as the representative of the Australian Government.

Regular visits to communities have been essential to meet with key people and gain an on-the-ground understanding of key challenges. The communities visited during the year are detailed in Table K-2.

**Table K-2 Stakeholder engagement—community visits, 2010–11**

<i>Northern Territory</i>	
Angurugu	May 2011
Galiwin'ku	May 2011
Gapuwiyak	March 2011
Gunbalanya	November 2010
Lajamanu	March 2011
Maningrida	June 2011
Milingimbi	March 2011
Ngukurr	April 2011
Ntaria (Hermannsburg)	July 2010, March 2011
Numbulwar	March 2011
Wadeye	June 2011
Wurruyiyanga (Nguiu)	June 2011
Yirrkala	July, November 2010
Yuendumu	July 2010
<i>New South Wales</i>	
Walgett	August 2010
Wilcannia	August 2010
<i>Queensland</i>	
Aurukun	June 2011
Coen	October 2010, June 2011
Mossman Gorge	November 2010
<i>South Australia</i>	
Amata	November 2010, June 2011
Mimili	November 2010
<i>Western Australia</i>	
Beagle Bay	May 2011

The Coordinator General has made a number of formal presentations to meetings and workshops, including to the national conference of the Institute of Public Administration Australia. This has been an opportunity to build understanding of, and advocate for, the new approach under the National Partnership Agreement on Remote Service Delivery.

### Stakeholder views on whether they seek our advice, on whether our role is useful, and on our involvement in Boards of Management

Only six respondents had not had any direct dealings with a member of our staff. Of those who responded, 58 per cent found that the Office's advice was useful and 13 per cent found that it was somewhat useful. Overall, 38 per cent felt that the Office was effective and 46 per cent felt it was somewhat effective. About half the respondents had been involved in Board of Management (or similar) meetings. Of those, 42 per cent felt that our involvement was constructive and 47 per cent felt it was somewhat constructive. Only three respondents thought that the papers provided by the Office were not useful.

We are committed to promoting transparency and driving change through the use of communication tools. The key mechanism for this has been developing our website so that it details progress by place.

The website was designed to be a useful resource dedicated to the National Partnership Agreement on Remote Service Delivery. The aim has been to provide information on the Office, the 29 priority communities, and publications and presentations and to provide exposure for positive case studies, particularly relating to progress in the 29 priority communities. These stories have helped to maintain momentum in implementing the new remote service delivery approach.

Our website has maintained a steady rate of use throughout the year. The systems for monitoring web activity changed during the year to allow us to better track unique users.

In the first half of the year, the website had an average of over 120 visits a day (peaking at 13,376 on the day of the release of the second report) and around 3,800 visits a month. In an average month, more than 220 visitors stayed more than three minutes. The average level of traffic remained around 20 per cent higher following the release of the second report. In 2011, the average length of stay was around three and a half minutes, and around 400 unique visitors each week. Unfortunately, it was not possible to monitor the increase in traffic following the release of the third report.

Through the 'Contact us' section of the website, we received 73 requests for information.

### Stakeholder views on the website

Four out of five respondents had accessed the website. All of the respondents thought the website was useful or somewhat useful. The general opinion was that the website had improved over time with clear presentation of a greater level of useful and relevant information and a better layout. Many of the suggestions for improvements to the website will be implemented in coming months.

## Appendix L

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# Abbreviations and acronyms

Section 5(1)(c) of Attachment A of the *Requirements for annual reports for departments, agencies and FMA Act bodies* (July 2011) states that an annual report must contain 'a glossary to make clear the meanings of any abbreviations and acronyms used'. This list of abbreviations and acronyms fulfils that requirement.

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ABA	Aboriginals Benefit Account
ALRA	<i>Aboriginal Land Rights (Northern Territory) Act 1976</i>
ANAO	Australian National Audit Office
APS	Australian Public Service
ATSI Act	<i>Aboriginal and Torres Strait Islander Act 2005</i>
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CATSI Act	<i>Corporations (Aboriginals and Torres Strait Islander) Act 2006</i>
CDA	Child Disability Allowance
CDEP	Community Development Employment Projects
CEO	chief executive officer
COAG	Council of Australian Governments
DSP	Disability Support Pension
EL	Executive Level
EMS	environmental management system
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
ESD	ecologically sustainable development
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI	freedom of information
FTB	Family Tax Benefit
FTB A	Family Tax Benefit Part A
FTB B	Family Tax Benefit Part B
GST	goods and services tax
HILDA Survey	Household, Income and Labour Dynamics in Australia Survey
HOME Advice Program	Household Organisational Management Expenses Advice Program
HSMA	health and safety management arrangements
ICT	information and communications technology
IT	information technology
MP	Member of Parliament
MWT	mining withholding tax

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NABERS	National Australian Built Environment Rating System
N/A	not available or not applicable
NAIDOC	National Aborigines and Islanders Day Observance Committee
NTER	Northern Territory Emergency Response
NTRB	native title representative body
OAIC	Office of the Australian Information Commissioner
OHS	occupational health and safety
OHS Act	<i>Occupational Health and Safety Act 1991</i>
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
PHaMs	Personal Helpers and Mentors
PPL	Paid Parental Leave
RAP	Reconciliation Action Plan
SES	Senior Executive Service

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