



OUTPUT 2

Child Support Agency

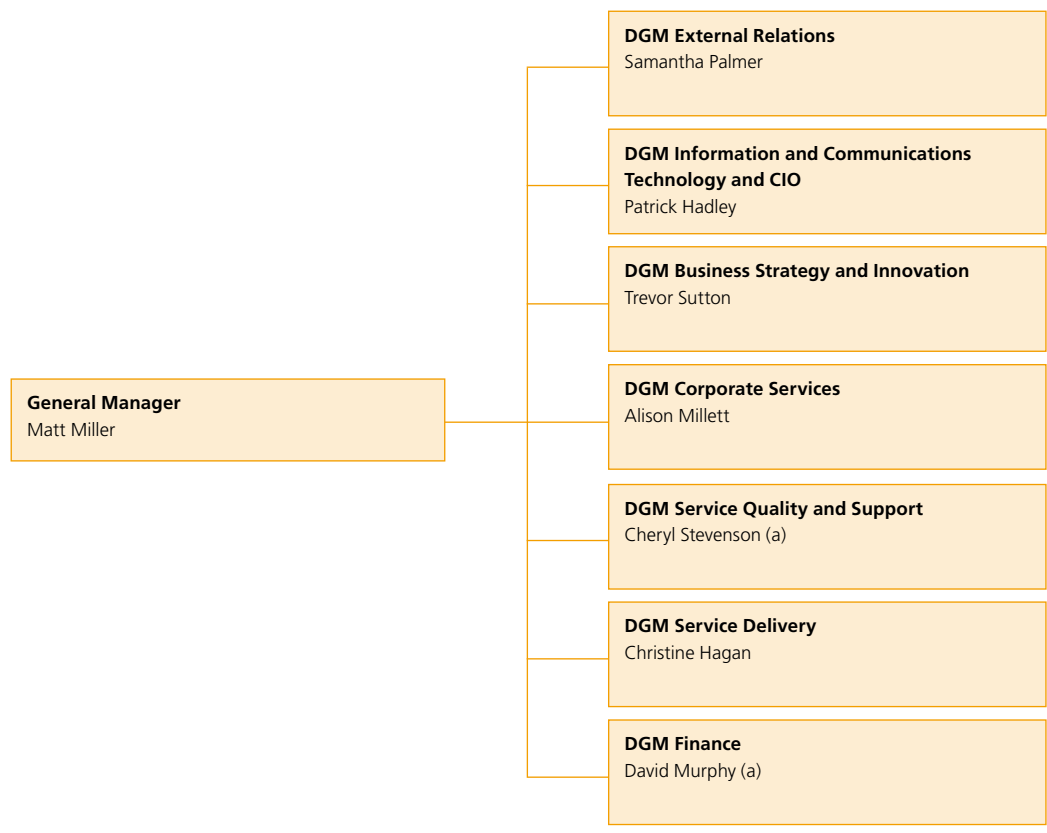


Matt Miller, General Manager CSA

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Figure 12 Child Support Agency organisational structure and senior staffing



(a) Acting
DGM = Deputy General Manager

Highlights

During 2005–06, the Child Support Agency (CSA):

- transferred an estimated \$2.56 billion in child support payments, which benefited almost 1.2 million children
- reduced the total outstanding domestic child support debt from \$739 million to \$729 million
- through the Intensive Debt Collection (IDC) initiative, collected \$41.5 million in outstanding child support, bringing the total collected under this program to \$93 million since July 2003
- established an agreement with the New Zealand Child Support Scheme (in addition to the existing Australia–New Zealand Reciprocal Agreement) for the collection of outstanding arrears for 4,500 cases where the non-resident parent now resides in Australia
- developed and commenced implementation in March 2006 of a major service delivery improvement program—Building a Better CSA (BBCSA)—following the Government’s approval of the reforms and an additional \$150 million in funding over four years
- successfully completed all enabling work to support implementation of Stage 1 of the Child Support Scheme Reforms (CSSR), following the government’s approval on 28 February 2006
- launched *CSAonline*, a new 24/7 service-delivery channel for parents and employers in April 2006
- collaborated closely with the Attorney-General’s Department, the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and the core department in the planning for implementation of the Government’s new Family Relationship Centres and Family Advice Line from July 2006
- improved referral and support services for separated parents were provided through the introduction of ‘warm transfers’ for customers to other service providers, new information resources, new partnerships with support services and improved stakeholder engagement
- realised procurement savings (approximately \$455,000), and achieved best practice sharing and service delivery synergies through collaboration with the core department and other Human Services agencies
- implemented a comprehensive attendance management strategy that reduced unplanned leave by 1.6 days per full time equivalent employee by 30 June 2006
- improved customer satisfaction levels, as measured by CSA’s real-time customer feedback system, *Customers Having a Say (CHAS)*. Overall, 78 per cent of customers rated CSA’s customer service as satisfactory or better
- staff were rated highly for their professionalism, as measured by the ‘Professionalism Survey’. Out of a possible score of 5.0, CSA staff averaged 3.9 in 2005–06, up from 3.8 in 2004–05.

General Manager's review



Matt Miller,
General Manager

This year has been another challenging but successful year for CSA.

We built on the solid foundation of our past performance and again delivered strong performance across all our business areas. This resulted in even better outcomes for separated parents and their children than in 2004–05.

These outcomes were achieved while simultaneously developing a major reform agenda to significantly improve our customer service and implementing the first stage of the Government's Child Support Scheme Reforms (CSSR), announced on 28 February 2006.

I want to acknowledge the vital contribution of CSA's professional and committed staff to these successful outcomes. Despite the challenges of a rapidly changing and sometimes difficult operating environment, they have worked collaboratively with each other and our partners to ensure success. It is also appropriate to recognise the very significant assistance to CSA from the core department and our sister agencies within Human Services.

IMPROVING OUR SERVICE

CSA recognises the imperative of improving customer service, particularly for the 15 per cent of parents who are dissatisfied with their treatment or outcomes.

As foreshadowed last year, we focused on implementing new and improved ways to provide services to separated parents. We have consciously shifted our thinking from 'clients' to 'customers' to reflect the type of service experience we want parents to receive and our staff to deliver. We recognise it is important, wherever possible, for parents to be supported and encouraged to have positive relationships with each other and with CSA. It is in their interests and those of their children.

We introduced a number of new customer service offers during the year:

- *CSAonline*: a secure internet service providing 24/7 access to individual customer accounts
- CSA Customer Service Guarantee and receipt number to improve traceability and CSA accountability
- 'warm transfers' from CSA to Centrelink or Crisis Support Services on a national basis.

SUPPORTING PARENTS

Partnering and working collaboratively with other key stakeholders remained a key focus in 2005–06.

We developed a number of new partnerships to deliver joint products and services. Our partnerships with beyondblue and the Australian Division of General Practice were established to promote increased awareness and understanding of the risks posed by depression during separation and where to go for support.

We worked closely with our colleagues in the Australian Government and the non-government sector to ensure that support services for parents from the Government's family law reforms would be ready to commence in 2006–07. In particular, we worked closely with the Attorney-General's Department and Family Relationship Centre providers to establish a supportive referral network.

IMPROVING OUR COMMUNICATION

Over the last year we adopted a more proactive and responsive approach to interaction with the media to build greater public confidence in CSA's performance and increased awareness of child support issues. The impact of this approach is evident in more positive media coverage, less adversarial attitudes of parents, and fewer complaints.

IMPROVING OUR CAPABILITY AND CAPACITY

Given the very substantial reform agenda facing CSA, it was important that our capability and readiness for implementing the reforms was put on a sound footing during 2005–06. A number of key organisational reviews of corporate support services were conducted and actions initiated to address problems identified.

Significant enhancements were made to improve CSA's financial management systems and capabilities.

Major efforts to address unacceptably high levels of unplanned staff absences and workers' compensation claims commenced during the year. CSA worked closely with the core department, Health Services Australia, CRS Australia and Centrelink to explore the causes of, and to develop comprehensive strategies to address, these problems. It is very pleasing to report that we reduced the level of unplanned leave compared with the previous year. More importantly, there is now a depth of engagement in CSA that suggests the ambitious new targets for the coming year will also be achieved. A greater emphasis on early intervention and proactive case management has seen similarly promising reductions in levels of workers' compensation claims during the latter half of the year.

Reviews of corporate support capability were also completed across information and communications technology and corporate services. This work has provided a forward work program to be implemented alongside the CSSR and Building a Better CSA (BBCSA).

With coordination by the core department, CSA was able to leverage its improvement of goods and services from joint arrangements with other Human Services agencies. These procurement savings together with access to other agencies' provider panels enabled more cost-effective operations for CSA. We also benefited from sharing of best practice and working together with our sister agencies on joint service delivery issues, particularly joint delivery to remote Indigenous communities.

In 2006–07, CSA will continue on its journey of reform, particularly focusing on implementation of both the BBCSA and the CSSR. Importantly, we will also ensure a high standard of delivery of the existing Child Support Scheme while the reforms are implemented.

I look forward to working with my dedicated and professional team, with our colleagues in the other Human Services agencies, and our other partners in government and the community to achieve these important outcomes.

Matt Miller
General Manager

About us

CSA administers the Child Support Scheme in Australia.

CSA operates under three main Acts. These are:

- the *Child Support (Registration & Collection) Act 1988*, an Act to make provision for the collection of certain periodic maintenance payments, and for related purposes
- the *Child Support (Assessment) Act 1989*, an Act to make provision for determining the financial support payable by parents for their children, and for other purposes
- the *Family Law Act 1975*.

In addition to CSA's relationship with the core department, CSA assists FaCSIA to develop policy relating to the Child Support Scheme.

CSA has 36 sites around Australia to deliver services to separated parents. Twenty-one of these sites are Regional Service Centres (RSCs), most of which are co-located with Centrelink offices.

Performance

Outcome

Effective and efficient delivery of social and health-related services, including financial assistance to the Australian community

Output 2—Child Support Agency

Delivery of child support assessment, registration, collection and disbursement services

Traditionally, CSA's performance has been measured in terms of the cost, effectiveness and price of its outputs (see Table 4) and an important measure of effectiveness is the increasing number of Private Collect cases (parents not using CSA as the payment making mechanism).

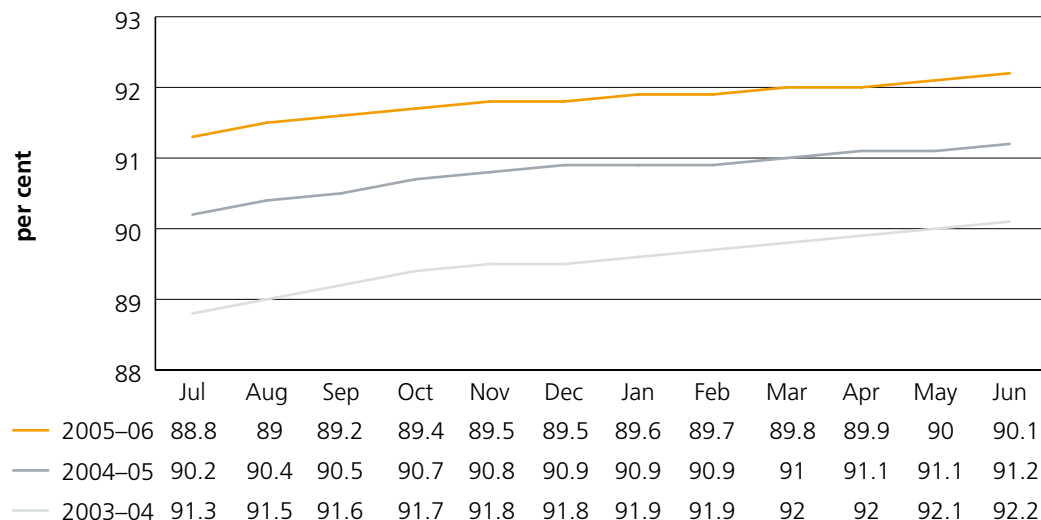
Table 4 CSA—key performance measures, 2005–06

| Measure | Target | Performance in 2005–06 |
|------------------------------------|---|--|
| Quantity | In 2005–06, CSA expected to handle cases involving 1.4 million parents. | CSA handled approximately 780,000 cases involving 1.4 million parents and over 1.1 million children. |
| Effectiveness | | |
| Adequacy | In 2005–06, the CSA expected to transfer \$2.4 billion in child support between parents. | CSA facilitated the transfer of \$2.6 billion in child support between parents. |
| Independence | The CSA aimed to meet specific targets as follows: <ul style="list-style-type: none"> child support transfer rate (CSA Collect and Private Collect) > 95% percentage of Private Collect cases to total cases (CSA Collect and Private Collect cases) > 52.5%. | An estimated 95.8% of child support liabilities raised since the Child Support Scheme began (1988) has been credited. 52.6% of child support cases were managed using Private Collect arrangements. |
| Cost per case | Target < \$352 | Actual \$358 |
| Cost per dollar transferred | Target Less than 12.0 cents | Actual 11.0 cents |
| Price | \$278.0 million full-year estimate (excludes new policy funding) | \$278.0 million (appropriation—excludes new policy funding) |

Detailed reports on CSA's performance against each of those measures follow.

Figure 13 sets out the movement in the child support collection rate associated with 'CSA Collect' domestic cases since 2003–04.

Figure 13 Child support collection—total credits applied to total liabilities (CSA Collect domestic cases), 2003–04 to 2005–06



During 2005–06 CSA created a new strategic plan. This plan embeds the very substantial reform agenda facing the agency. The Strategic Plan provides a new framework of five goals, which are reported on below. The goals represent the CSA’s future direction as well as reflecting much of the focus of the six challenges from CSA’s 2004–05 Business Plan. There is, however, a stronger emphasis on the specific needs of separated parents (CSA’s customers) and the service response required to achieve improved outcomes for those parents and their children.

GOAL 1: IMPROVE COLLECTION OF CHILD SUPPORT

Strategies:

- **implement comprehensive compliance strategies that ensure the right amount of child support is paid on time**
- **improve the fairness and accuracy of CSA’s processes and procedures to maximise voluntary compliance**
- **provide support programs that encourage parents to accept/meet their child support responsibilities.**

In 2005–06 CSA assisted parents to transfer \$2.56 billion to financially support almost 1.2 million children in separated families. This is an increase on the 2004–05 result of \$2.38 billion. Also, in 2005–06 CSA successfully reduced Australia-sourced child support debt by almost \$9.1 million, building upon similar results in 2004–05.

CSA collected an additional \$41.5 million in child support in 2005–06 through the Intensive Debt Collection (IDC) initiative, and contacted more than 9,000 new customers with a debt to arrange for payment of the arrears.

CSA’s active international caseload grew during 2005–06 by 3,320 cases (15.8 per cent) to 24,312. This follows previously high annual caseload growth and reflects the impacts of globalisation, the increased

utilisation of international child support arrangements and improved service relationships between central authorities.

Australia and New Zealand are very effective at collecting child support on a reciprocal basis. CSA entered into an additional bilateral agreement with New Zealand Child Support during the year to register and collect child support on approximately 4,500 targeted cases from New Zealand. This agreement deals with the backlog of cases that New Zealand has where the paying parent resides in Australia. Under this particular arrangement, CSA has received 1,450 cases and collected and transferred \$636,560 in maintenance back to New Zealand Child Support.

CSA continued to encourage parents' independence and self-reliance in managing their child support responsibilities. To achieve this, CSA seeks to understand parents and their specific needs in order to offer them appropriate products and services following separation.

During the year, CSA expanded the delivery of the acclaimed Staying Connected program (a half-day workplace program to help men deal with separation) through tendering for community providers. The program provides child support information to men in their workplace. The program's outcomes have exceeded expectations, attracting national and international interest and recognition. This year participants included Victoria Police and Australia Post.

CSA also provided a Parent Support Service to all parents displaying emotional and/or psychological distress, or who were assessed as being at risk of harm either to themselves or others. The service is specifically designed to support parents over the telephone and includes two follow-up calls after the initial call as part of the service. The Parent Support Service is delivered by an external provider with staff trained to support parents in distress.

CSA is committed to encouraging and supporting parents to manage their child support responsibilities independently, using Private Collect arrangements. Success in this area has continued, with 52.6 per cent of cases registered with CSA transferring their child support privately at the end of 2005–06, up from 52.2 per cent in 2004–05.

During 2005–06 CSA commenced a number of projects to ensure the fairness and accuracy of CSA's processes and procedures. A review was commenced to establish whether CSA's systems and processes were biased in favour of any particular group of parents. CSA also commenced an internal review of the quality of its objections process to inform CSA's readiness for the pending Social Security Administrative Tribunal (SSAT) review jurisdiction. These projects aim to build customer and stakeholder confidence in CSA decisions and maximise voluntary compliance. Maximising voluntary compliance—whether through increased private collection arrangements or more parents making regular, timely payments to CSA—will positively impact on the lives of Australian children living in separated families.

During 2005–06 CSA continued to implement strategies to improve compliance by maintaining a focus on:

- Departure Prohibition Orders (DPOs)
- non-lodgement of tax returns
- the Australian Taxation Office (ATO)
- litigation
- proactive audits of avoiders and minimisers.

Through the use of DPOs customers with a significant debt can be prohibited from leaving the country until their debt is cleared. During the 2005–06 reporting period, 482 new DPOs were issued and

294 finalised and/or revoked. Total collections and corrections were \$6,751,931. CSA has commenced working more closely with the Department of Immigration and Multicultural Affairs and the Australian Federal Police in order to further improve the efficiency and effectiveness of DPOs.

In 2005–06 CSA referred over 14,000 customers to the ATO for lodgement-enforcement action. This is a decrease on the 2004–05 figure of 24,000. However, CSA has also negotiated an increase in referrals to the ATO and expects this figure to increase to over 125,000 referrals in 2006–07.

For customers unwilling to enter into arrangements to make their child support payments, further compliance options include intercepting tax refunds via the ATO. In 2005–06 CSA intercepted over 80,000 refunds, which generated over \$62 million in additional child support.

As a last resort, CSA is required to take legal action for enforcement. Litigation action in 2005–06 resulted in 786 cases finalised and \$7.7 million in unpaid child support being collected. CSA also proactively sought out customers who avoid and minimise their child support and in 2005–06 reviewed a total of 702 cases resulting in an additional \$3.8 million.

In 2006–07 CSA will continue to improve collection through the implementation of a comprehensive new compliance and enforcement program, which includes significantly increased outputs across all areas. Proactive investigation of avoiders and income-minimisers will be significantly increased to improve system integrity.

GOAL 2: CUSTOMER SERVICE EXCELLENCE

Strategies:

- **respond to every customer with empathy and provide prompt, accessible, consistent, complete and unbiased support**
- **provide tailored service options and referral systems to customers with complex child support issues**
- **broaden staff accountability to achieve the best possible outcome for the customer.**

During 2005–06 CSA increased its focus on improving customer service and customer satisfaction through initiatives ranging from increased staff training to the creation of online services for customers.

CSAonline was launched in April 2006 and has received positive feedback from CSA customers. *CSAonline* enables parents to review their child support statements and letters and update their personal details online at any time, thereby providing greater convenience for parents. By the end of June, over 6,000 customers had registered for the service.

In April 2006, CSA also introduced a service guarantee to parents, which involved the generation of a customer receipt number for all customers. This initiative was received positively by customers and staff and assists in improving levels of responsibility and accountability with the CSA.

CSA's emphasis on customer service was reinforced by the changing structure of the organisation at a regional level. During 2005–06 CSA changed the role of Regional Registrars to State Managers to better reflect the expected emphasis on the local leadership role. In addition, two national roadshows were held to engage staff on the important changes affecting the CSA, and to focus on improving customer service.

During 2005–06 the General Manager and State Managers participated in regular talkback radio to provide improved accessibility for parents and provide an additional customer-focused face to the agency. CSA followed up all individual callers and introduced matt@csa.gov.au, a direct email address for

listeners wishing to contact the General Manager. In addition, Local Liaison Officers ensured Members of Parliament were provided with timely and accurate responses for their constituents. CSA also continued to present public information sessions for customers to discuss their individual concerns and to inform the community about CSA services.

These customer service improvement initiatives resulted in further increases in customer satisfaction levels. Results from CSA's real-time customer feedback system, Customers Having a Say (CHAS), showed improvement over the good 2004–05 results. The CHAS feedback is based on the CSA charter elements, with customers ranking their service according to accuracy, extent to which they felt informed, promptness, objectiveness, respect and resolve. In 2005–06 there were significant improvements in the elements of 'informed', 'promptness' and 'objectiveness'. The remaining elements also showed an increase on the 2004–05 results. Overall, a total of 78 per cent of customers gave ratings indicative of satisfaction with the service provided by CSA staff.

Similarly CSA's other key customer service rating index—the Professionalism Survey—also confirmed positive gains in customer satisfaction above already high levels. In 2005–06 the average customer rating of CSA staff professionalism was 3.9 (out of a maximum score of 5) compared with 3.8 in 2004–05.

Another indicator of CSA's success in improving customer service is the continuing decline in complaints received and upheld under independent review. Total complaints received in 2005–06 were 10,403 compared with 12,258 in 2004–05, a decrease of nearly 18 per cent.

CSA continued to improve the quality of its decisions. Objections to CSA decisions also declined again this year despite the increased number of active cases. There were 19,148 objections in 2005–06 compared to 19,508 in 2004–05.

To further improve customer service, a new service delivery model that will significantly enhance the organisation's approach to customer relationship management has been developed.

Through creating a strong focus on the 'customer as a whole' rather than viewing the customer through individual business processes, CSA will create a more customer-centric approach including personalised case management for customers with complex needs. This personalised service offer will be primarily through a face-to-face service channel.

A range of other specific activities will also drive customer service improvements. These will include smaller, better performing frontline teams; call recording of all customer telephone calls; better quality and increased training and support for frontline staff; system enhancements to CUBA (CSA's case management information system), and further enhancement of *CSAonline*.

GOAL 3: EFFECTIVE STAKEHOLDER RELATIONS AND ENGAGEMENT

Strategies:

- **engage stakeholders to play an active role in supporting separated parents**
- **partner with government and community stakeholders to develop and deliver products and services**
- **collaborate with key stakeholders to provide more seamless services.**

As a key service delivery agency in the family law system, CSA works with other relevant government agencies to ensure children in separated families are financially supported by their parents. This collaborative approach helps to deliver parental understanding of the system, focuses their attention on the needs of their children and builds on opportunities to encourage their access to the wide range of services available. This approach is a customer-centric rather than a transaction-based approach and helps to proactively address the many issues facing separated parents. This, in turn, increases their ability to meet their child support responsibilities.

During 2005–06, CSA worked collaboratively with the Attorney-General’s Department, FaCSIA and Centrelink to develop the referral and service models for the Family Relationship Centres and the Family Relationship Advice Line. Training for all staff involved commenced in June 2006 after the appointment of the service providers by the Attorney-General’s Department.

CSA worked collaboratively with Centrelink to assist parents with both Centrelink-related and child support issues. Staff also worked with Crisis Support Services to support parents who display emotional and/or psychological distress. In addition, CSA developed a partnership with beyondblue to promote community understanding that separation is a key risk factor for depression and related disorders. This partnership has significantly helped to raise awareness of depression and provide support to help parents deal effectively with it.

CSA was also presented with a Commended Award from Suicide Prevention Australia in recognition of the contribution CSA has made to the community through initiatives such as the Parent Support Service and the Being Connected program for newly separated unemployed parents.

CSA recognises the vital importance of effectively engaging key customer representative groups and has worked hard during 2005–06 to create better partnerships to promote greater understanding of the child support system and to provide improved access to support services.

State Managers reviewed the membership of their stakeholder advisory panels during 2005–06 and worked to develop stronger relationships and outcomes for customers through better engagement.

During 2005–06 CSA proactively sought opportunities to work closely with advocacy groups such as the Lone Fathers Association, Sole Parents Union, Dads in Distress and the Stepfamily Association of Victoria, to address both individual parent issues and concerns regarding the child support system. Through these enhanced relationships, CSA has received constructive feedback concerning both policy development and service delivery. CSA has attended advocacy group meetings and conferences and ensured that advocacy groups have access to key CSA staff for advice and assistance. Maintaining and improving these relationships enables advocacy groups to work with CSA to improve service to customers.

The External Relations Group was established midway through the year to enhance stakeholder engagement for CSA through a range of activities with other agencies in the family law system. In 2006–07 CSA will continue to integrate stakeholder engagement within CSA’s internal processes and engage government and community stakeholders to provide a more seamless service for separated parents.

GOAL 4: INFORMED CUSTOMERS AND COMMUNITY

Strategies:

- **increase customer understanding of child support, the broader Family Law System and the options available to them so they can make informed choices**
- **increase stakeholder understanding of CSA, our products and services and the interrelationship between the Child Support Scheme and the Family Law System.**

CSA placed a significantly greater emphasis on communication activities in 2005–06 with the creation of an External Relations Group and a strong focus on proactive communication.

CSA proactively increased its interactions with national, suburban and regional media to increase customers' understanding of child support delivery and CSA's self-help tools, and to help them make informed choices. During 2005–06 CSA staff regularly appeared on talkback radio to provide information to the community and parents about CSA services. In addition, CSA issued more than 60 media releases profiling new service delivery options, self-help tools, compliance initiatives, and information sessions for parents. A total of 51 community information sessions were held during the year, where CSA staff met with and discussed services with almost 1,500 members of the community. During this time CSA's media coverage shifted from being inherently negative in character to being consistently 70 per cent positive in coverage since November 2005.

CSA continued to deliver communication and self-help products to assist separated parents. The 'Me and My' series of self-help booklets is designed to assist parents with their parenting and financial and emotional issues after separation. This series commenced in 2003–04 as the result of a collaborative effort with CSA's partners (both government and non-government) in the Family Law System. *Me, My Kids, and My Ex* was released, with over 90,000 copies distributed by 30 June 2006. This information resource provides hints and tips to help parents form a workable relationship after separation for the benefit of their children.



'Getting Started' information booklet for new CSA customers to help them understand child support and their responsibilities

CSA also developed a comprehensive *Getting Started* information booklet for new CSA customers to enable them to make better informed decisions regarding their child support circumstances. This guide was also made available to existing customers on request. In 2006–07 every new customer will be sent a copy of the booklet. This equates to more than 100,000 separated parents who register with CSA every year. This information will help separated parents understand child support and their responsibilities.

CSA also continued to review and improve its customer letters, forms, fact sheets, publications and website during 2005–06 in order to enhance customer understanding and reduce complexity. The top 24 letters and 11 forms were reviewed. Five forms were eliminated, six were improved and a further 29 letters will be reviewed in early 2006–07. At the same time CSA will also commission and complete a review of the customer account statement and assessment notice, the most significant written communication sent to customers, with over 6.5 million sent each year.

During 2006–07 CSA will continue to build customer and stakeholder understanding of the Child Support Scheme, CSA products and services and CSA's role within the Family Law System, through expanded education and communication campaigns and increased collaboration with Family Law System partners. CSA will maintain its new focus on media visibility and seek additional opportunities to build greater stakeholder understanding and involvement in developing and contributing information resources.

GOAL 5: EXCELLENCE IN SERVICE DELIVERY CAPABILITY

Strategies:

- **create a work environment that supports staff to deliver excellent service**
- **provide staff with development, support and leadership to build a culture that will shift customer service to a new level**
- **improve CSA's internal systems, financial management capability and governance processes**
- **gather customer feedback and use it to inform continuous improvement of our business.**

CSA strives to ensure that its people have the capability, commitment and resources to deliver appropriate child support outcomes by focusing on reducing unplanned leave, improving leadership and staff training, and ensuring internal systems provide the support staff require to provide excellent customer service.

During 2005–06 CSA implemented a comprehensive strategy to address unplanned leave. Strategies to engage staff in reducing unplanned leave included the distribution of information cards, wellbeing promotion days at work sites, increased reporting on unplanned leave rates, posters to reinforce the importance of supporting teams by being at work, workshops on unplanned leave, training for managers and regular messages to staff via the CSA intranet site. CSA also worked with Health Services Australia to investigate the causes of the high levels of unplanned leave and to develop appropriate responses. Centrelink provided CSA assistance with site-specific analysis and leadership workshops which have been central to the response.

As a result, CSA reduced the number of days of unplanned leave per full-time equivalent staff member to 16.27 days, significantly less than its original target of 16.97 days. This represents a 9 per cent reduction on the 2004–05 figure of 17.86 days. CSA will sustain its focus on unplanned leave in order to achieve the 2006–07 target of 14.29 days (a further reduction of 12 per cent).

CSA held a number of national roadshows during the year to provide all staff with the opportunity to hear about changes affecting them and the CSA in a face-to-face forum. Staff responded positively to this opportunity and provided significant feedback for the future direction of the agency. Of greatest significance is that 94 per cent of staff support the change agenda.

During the year, a number of reviews were undertaken to evaluate CSA's capability and readiness for implementing its reform agenda. Significant reviews included:

- strategic architecture review of our information and communication technology
- records management
- Information Communications and Technology (ICT) capability
- readiness for the implementation of Social Security Appeals Tribunal review of its decisions
- financial management and administered funds reporting priorities
- corporate services
- objections process
- Privacy Regime
- project management capability.

As a result of these reviews, CSA has implemented change initiatives to improve business practices and its positioning for delivery of the reform agenda.

In addition to these reviews, CSA also received support from Health Services Australia and CRS Australia to assess CSA's workers' compensation-related management systems and practices. Reviews were also conducted on cases with prolonged absences from the workplace to ensure all appropriate management strategies were in place. A joint working group involving the core department, CRS Australia and CSA developed an action plan to implement a number of strategies during 2006–07 to address increasing premium costs through prevention, early intervention and best practice in case management. These strategies are also closely linked with strategies to manage unplanned leave.

During 2005–06 CSA invested approximately \$800,000 in external training activities for staff in addition to a range of learning programs that were developed and delivered internally to meet special requirements. A corporate guideline for training and development of staff was also developed to ensure national training products are of a consistent and high standard.

In 2006–07 CSA will implement a range of initiatives to further support staff to provide quality customer service. These initiatives include the introduction of smaller frontline teams, training for staff on the scheme changes, customer interactions and leadership skills, the ongoing development of a new performance framework, a range of information technology system enhancements, and ongoing research into customer preferences, which will be integrated into all aspects of CSA business.

Management and accountability

CORPORATE GOVERNANCE

This section reports on aspects of CSA's corporate governance that function in addition to the core department's governance arrangements described on page 46.

The CSA General Manager is accountable to the Secretary of the Department of Human Services for the overall performance of the agency, including its financial and risk management. The General Manager and Secretary meet regularly to ensure effective oversight and early identification of strategic issues, some of which might potentially involve or impact on other Human Services agencies.

Committees

To assist in the effective governance of CSA, the General Manager established new governance committees in 2005–06. These are set out in Table 5. The new committees reflect changes in CSA's National Executive structure introduced during the year, particularly the re-alignment of reporting relationships for the former Regional Registrars (now State Managers).

Table 5 CSA—committees for corporate governance

| Committee | Members | Functions | Frequency of meetings |
|----------------------------|--|--|-----------------------|
| CSA National Executive | CSA General Manager (Chair) Deputy General Managers (seven) Executive Officer | <ul style="list-style-type: none"> ■ Determines CSA's strategic direction ■ Reviews CSA's performance and monitors strategy appropriateness ■ Determines priorities and strategic funding allocations | Monthly |
| Service Delivery Executive | Deputy General Manager, Service Delivery (Chair) Assistant General Manager, National Service Delivery | <ul style="list-style-type: none"> ■ Addresses operational performance issues ■ Monitors and proposes changes in service delivery priorities and strategies ■ Monitors the consistency of service delivery and reviews states' service delivery performance | Monthly |
| Risk Management Committee | Independent Chairman Deputy General Manager, Corporate Services Deputy General Manager, Information & Communications Technology (ICT) A State Manager Assistant General Manager, Change Management Independent member from Centrelink | <ul style="list-style-type: none"> ■ Provides independent assurance and assistance to the General Manager and the National Executive on CSA's risk, control and compliance framework, and external accountability responsibilities | Bi-monthly |

| Committee | Members | Functions | Frequency of meetings |
|--|---|---|-----------------------|
| Finance Steering Committee | Deputy General Manager, Finance (Chair) Deputy General Manager, Corporate Services Deputy General Manager, Business Strategy and Innovation Deputy General Manager, Service Delivery Deputy General Manager, Information, Communication and Technology Chief Finance Officer, core department Director, CSA National Financial Management Group Management Accountant, CSA National Financial Management Group | <ul style="list-style-type: none"> ■ Oversees CSA's funding agreement ■ Monitors CSA's financial position and ongoing financial sustainability ■ Reviews and monitors processes, controls and procedures in place to maintain the integrity of CSA's accounting and financial records and statements ■ Establishes and reviews the application of accounting policies ■ Monitors CSA's compliance with Commonwealth budget and financial reporting requirements ■ Establishes, monitors and reviews financial management and budget management processes, including capital planning strategy | Monthly |
| Information Communications and Technology Steering Committee | Deputy General Manager, Information, Communication and Technology (Chair) Deputy General Manager, Business Strategy and Innovation Deputy General Manager, Service Delivery Deputy General Manager, Corporate Services | <ul style="list-style-type: none"> ■ Considers and approves <ul style="list-style-type: none"> › the ICT Strategic Plan › major IT business and infrastructure projects › ICT Sourcing Strategy ■ Oversees implementation of these plans | Quarterly |
| Change Steering Committee | General Manager, CSA (Chair) Assistant General Manager Change Management All CSA Deputy General Managers Executive Director Reform Delivery External Delivery Assurance Advisor Deputy Secretary, core department Deputy Secretary, Department of Immigration and Multicultural Affairs | <ul style="list-style-type: none"> ■ Determines and monitors performance of the change agenda strategies, priorities and funding ■ Determines change governance framework ■ Commissions change initiatives for review ■ Ensures effective integration of the change agenda and business as usual | Monthly |

| Committee | Members | Functions | Frequency of meetings |
|---|--|---|--------------------------|
| Security Committee | Deputy General Manager, Corporate Services (Chair) Deputy General Manager, Service Delivery Deputy General Manager, Information, Communication and Technology Director, Security and Fraud Prevention Director, Human Resources Management Director, Legal Services | <ul style="list-style-type: none"> Provides assurance and assistance to the General Manager and the National Executive on CSA's security risk, control and compliance framework, and its external security accountability responsibilities | Twice per year (minimum) |
| National Occupational Health & Safety Committee | Deputy General Manager, Corporate Services (Chair) Director, National Human Resource Management Assistant General Manager, National Service Delivery National Community and Public Sector Union (CPSU) organiser Two CSA staff CPSU delegates | <ul style="list-style-type: none"> Advises on OH&S matters in CSA | Quarterly |

INTERNAL SCRUTINY

Internal audit

Each financial year, CSA undertakes a planned series of compliance, operational and quality audits of its operations. Internal audits are generally performed by CSA's internal audit providers—Ascent Governance, CSA's Legal and Quality Assurance team and CSA's Governance, Risk Management and Internal Audit team.

In 2005–06, CSA audited the following operations for quality:

- change of assessment processes
- stage 2 registrations
- compensation
- discharge of arrears procedures
- employer withholding
- objections.

These quality audits provide CSA with a framework to monitor its performance against procedural instructions as well as to evaluate the quality of our decision making under the child support legislation generally. They are conducted by CSA's Legal and Quality Assurance team. While each audit has specific findings, they generally confirm that, where staff adhere to procedural instructions, there is a corresponding increase in the level of correct decision making. Where low levels of compliance with the procedures are found, recommendations focus on improving the instruction or making it more accessible to staff. Other common areas for improvement are documentation by staff and meeting designated timeframes.

CSA also completed compliance and operational audits and reviews in 2005–06 of the following operations:

- compliance with the *Financial Management and Accountability Act 1997* (FMA Act)
- Comsuper delegations, as required each year by the boards of the Public Sector Superannuation Scheme (PSS) and the Commonwealth Superannuation Scheme (CSS)
- attendance and leave.

Other audits commenced but not concluded in the financial year were audits of processes relating to the following procedural instructions:

- additional change of assessment procedures
- objections
- care procedural instructions.

An independent audit into CSA's privacy environment was conducted by an external company, Aulich & Co., who also provided training and awareness raising.

No major control weaknesses or material risks were identified in the above audits, although all audit recommendations identified opportunities for continuous improvement. These recommendations will be tracked to ensure improvement strategies are implemented.

Internal managers complete a twice-yearly governance and performance survey of the operations of areas under their responsibility. This self-assessment process ensures that managers and their staff understand the framework within which they work and against which they are required to report.

CSA also continuously monitors publication of the Australian National Audit Office (ANAO) better practice guides and audit reports to ensure that compliance and best practice are maintained.

Risk management

Risk management is an integral part of CSA's strategy and planning processes. CSA's business planning framework as well as its guidelines for project management and procurement integrate the assessment, treatment and monitoring of risk as core business activities.

Monitoring of risk management occurs through:

- regular monitoring of outcomes by the CSA National Executive
- regular review by the CSA Risk Management Committee and Change Steering Committee
- activities of internal audits
- program and contract management by line managers.

CSA continues to work towards an integrated approach to risk identification and management in all aspects of its business. The risk management methodology used by CSA is largely based on the Australian – New Zealand risk management standard AS/NZS 4360:1999.

Fraud prevention

CSA's fraud prevention activities range from raising staff awareness of fraud by means of training and fraud control planning, through to the investigation and prosecution of allegations of serious staff misconduct and internal or external fraud.

CSA's fraud awareness training is delivered to CSA staff both face to face and via an e-learning package. The training includes information modules on security, fraud awareness, ethics and privacy issues. CSA also has policy and guidelines that are easily accessible to all CSA staff via the agency's intranet, C3.

CSA's latest fraud control plan was completed in 2005–06, as required under the *Commonwealth Fraud Control Guidelines*.

The Fraud Prevention Section investigates and responds to all allegations of fraud and/or serious misconduct by CSA employees. On occasions, the CSA needs to work with other agencies—such as law enforcement agencies—to fully investigate the allegations. CSA views breaches relating to fraud and privacy very seriously.

In December 2005, CSA finalised the transition of the fraud prevention function from the ATO to an in-house capability. Since then, 77 allegations involving serious misconduct and/or criminal activity by staff and 13 allegations of external fraud committed by CSA customers were received. Of these 90 allegations, 14 were unsubstantiated, 13 were referred to management or other agencies for action including possible disciplinary or criminal proceedings, seven staff either resigned or were dismissed, 12 staff were sanctioned under the *Public Service Act 1999* and a further 44 allegations are still under investigation.

Security

In 2005–06, a total of 967 security incidents were reported. This represents a slight increase compared with the 922 security incidents reported during 2004–05. Security incidents reported during the 2005–06 reporting year included alleged theft in the workplace and threats of assault to other customers, staff and third parties by CSA customers. Also included were threats of self-harm and/or harm to children. The slight increase in the reported number of incidents is due to CSA's increased focus and education of staff on the importance of reporting security incidents.

CSA's security environment requires constant monitoring and regular review. CSA continues to use the *Protective Security Manual* (PSM) as the basis for security strategy and has reviewed security policy and procedures with respect to the 2005 PSM release. In 2005–06, CSA conducted formal security assessments of buildings, off-site records storage, facilities for the destruction of classified information and security surrounding CSA's community information sessions, which are public forum meetings held across Australia in public venues and attended by staff, CSA customers and the general public.

An independent security risk assessment of customer contact areas was conducted by the Australian Federal Police.

Since the publication of the DHS Annual Report 2004–05, CSA has combined the Security, Fraud Prevention and Records Management teams into one section. This allows for an integrated approach to CSA's integrity framework.

EXTERNAL SCRUTINY

Privacy

CSA has a strong commitment to protecting its customers' privacy. CSA has a national network of privacy officers, who collectively ensure that concerns of customers and staff in relation to privacy are addressed quickly and efficiently.

Privacy compliance and awareness is among the topics covered in staff induction and other training programs. In 2005–06, CSA required all CSA staff to attend a new national training program on privacy awareness. As at the end of June 2006, more than 88 per cent of staff had attended this training. This mandatory training will continue in 2006–07 until all staff have attended. Awareness in relation to privacy is also reinforced regularly via staff communiqués on the CSA intranet.

Most privacy concerns and potential breaches of privacy are resolved internally without going through the channel of a formal complaint to the Office of the Privacy Commissioner (OPC). Indeed, the OPC encourages complainants to attempt to resolve their issue with CSA before making a formal complaint to the OPC and the OPC undertaking a formal investigation of the complaint.

Over recent years, the OPC has experienced a significant increase in the number of complaints going to that Office resulting in some delays in its ability to formally investigate complaints and refer these to agencies such as CSA. To assist with this, the OPC has implemented a process whereby it refers complaints to an agency, such as CSA, prior to formal investigation. This process is known as early referral. In 2005–06, as in the previous financial year, CSA accepted early referrals from the OPC of complaints, prior to the OPC initiating investigations of five new matters. Three of these were finalised during the year, while one progressed to a formal investigation by the OPC, and one is currently pending.

In 2005–06, the OPC began a total of five formal investigations into CSA-related matters. The investigations into these complaints had not been completed at the end of the financial year.

Customer compensation and waiver of debt

The Compensation for Detriment caused by Defective Administration Scheme (CDDA Scheme) is an administrative scheme, established in October 1995, to enable Commonwealth agencies to compensate people who have been adversely affected by the defective actions or inactions of agencies but who have no other avenues to seek redress.

In 2005–06, CSA finalised 142 claims for compensation. Forty-one offers for compensation were made, and 26 of these were accepted. Compensation of \$41,252 was made under the CDDA Scheme (compared with \$16,757 in 2004–05), and \$39,706 was paid in payments for legal liability (compared with \$514 in 2004–05). These figures include payments offered in previous financial years and accepted in 2005–06.

The FMA Act provides that, under certain conditions, the Minister for Finance and Administration may waive the Commonwealth's right to payment of an amount owing to the Commonwealth. Under this provision, the CSA may consider requests to waive child support debts and refer these to the Minister for Finance and Administration for a decision.

During this financial year, CSA finalised 70 requests for waiver of debts. The Department of Finance and Administration waived 55 of those debts, totalling \$236,333 (compared with \$70,542 in 2004–05). CSA has experienced a steady increase in the number of waiver requests received from customers over the past four years. Requests for waivers of child support debts most commonly arise upon the death of a carer parent where the care of the children is transferred to the surviving parent.

The Minister for Finance and Administration has the discretion to make act of grace payments to persons who may have been unintentionally disadvantaged by the effects of Commonwealth legislation and who have no other means of redress. One act of grace payment, for a total of \$1,296, was made during the reporting year (compared with \$519 in 2004–05).

Complaints to the Ombudsman

The Ombudsman received 1,927 complaints about CSA in 2005–06, a slight decrease compared with 2,015 in the previous year. The Ombudsman finalised 1,969 complaints in 2005–06. The number of instances in which the Ombudsman identified an agency defect decreased in 2005–06, from 130 in 2004–05; however, due to a recent change in the manner in which the Commonwealth Ombudsman categorises and stores data in relation to complaints, the Commonwealth Ombudsman will not be reporting on these numbers for 2005–06.

CSA draws valuable lessons from issues raised through the Commonwealth Ombudsman and uses these lessons to improve the quality of the service it provides to its customers. CSA has a good working relationship with the Ombudsman and works pro-actively with the Ombudsman throughout the year to manage complaints in a fair and effective manner.

Australian National Audit Office

In addition to the 2005–06 annual financial statement audit, CSA participated in the following two ANAO reference audits.

ANAO Performance Audit Report No. 26 2005–06, Forms for Individual Service Delivery

CSA was one of four agencies participating in this audit. The objectives were to:

- distil the practices adopted in the selected agencies that contributed to better form design and communication
- provide feedback about the useability, delivery and receipt of selected forms and the effectiveness of the processes and practices underpinning them.

The ANAO made one recommendation for improvement in the useability of forms, particularly those issued by Human Services agencies. However, the audit recommendation and suggested approaches to characteristics, design and review of forms presented in the report are commended to all agencies that use forms for service delivery to individuals. Following this audit, CSA took action to improve more than half its forms to meet ANAO recommendations and it continues to review the remainder.

ANAO Performance Audit No. 22 2005–06, Cross Portfolio Audit of Green Office Procurement

The objective of the audit was to assess and report on the progress being made by agencies subject to the FMA Act and entities subject to the *Commonwealth Authorities and Companies Act 1997* in realising value for money from the procurement process, with a specific focus on buildings, services and products using 'whole-of-life cycle' assessments, and in the consideration and management of environmental impacts in specifications and contracts. The emphasis of the audit was on 'green office' procurement and sustainable business practices, and value for money within this context. As such, the audit report provides a status report on the implementation of ecologically sustainable development (ESD) within the office environment of the Australian Government. CSA is currently implementing an Environmental Management System (EMS) based on Australian–New Zealand standard AS/NZS ISO 14001: 1996 and is taking into consideration the recommendations arising from this audit.

OUR PEOPLE

As at 30 June 2006, CSA employed 3,449 people (including employees on long-term leave) under the *Public Service Act 1999*. More details about staffing are available in Appendix 1 of this report.

Human resource management

In 2005–06, CSA's primary human resource management focus has been on reducing its workers' compensation premium and unplanned leave. Consequently, the following key strategies held priority:

- pro-active management of attendance
- enhancing occupational health and safety and injury management practices
- enhancing the capability of managers and team leaders
- promoting workplace diversity.

Various management tools were developed, including:

- a *Team Leader Resource Kit* designed to support managers to build performance and wellbeing
- periodic performance reports on injury management and workers' compensation
- an attendance scorecard that highlights individual work area performance against set targets.

CSA has been working with the core department, Comcare, CRS Australia, Health Services Australia, and other Human Services agencies to enhance its leave and workers' compensation management practices.

In 2005–06 CSA established an in-house Rehabilitation Case Management capability which has contributed to achieving a 23 per cent reduction in the number of compensation claims involving five or more days incapacity compared to 2004–05.

CSA reduced unplanned leave from 17.86 days per full time equivalent in 2004–05 to 16.27 days in 2005–06, that is, by more than 1.6 days per staff member.

CSA has also invested in the planning and preparation to develop CSA's learning and development capacity and capability, especially for team leader and manager development. This will be critical in the effective support of CSA's change program.

REMUNERATION

Certified Agreement

The Child Support Agency Certified Agreement 2005–07, *Balancing Performance and Wellbeing*, has been in place since its certification on 16 March 2005. The agreement has a nominal expiry date of 15 December 2007.

The number of CSA staff employed under the Certified Agreement and their salary ranges are set out in Appendix 1. The agreement offers the following non-salary benefits:

- Flexbank, which provides for the accrual and storage of flex-time during CSA's peak business season and the conversion of up to five days of accrued flex-time annually to cash
- flexible working arrangements, including regular part-time agreements, regular-hours agreements, flex-time and time off in lieu
- study support
- Christmas–New Year close-down.

Australian Workplace Agreements

Australian Workplace Agreements (AWAs) are offered to all Senior Executive Service (SES) officers and all Executive Level (EL) officers. Offers of AWAs are also made to other officers as individual circumstances arise, particularly in recognition of specialist skills and knowledge.

CSA AWAs link individual performance to the achievement of corporate objectives and to pay outcomes, including payment of performance bonuses.

The number of CSA staff covered by AWAs and their salary ranges are set out in Appendix 1.

Performance pay

Total performance bonus payments to SES and Executive Level staff for performance during 2004–05 are set out in Table 6.

Table 6 CSA—performance pay

| Level | Staff eligible | Staff paid | Amount paid (\$) | Average (\$) |
|-------------------------|----------------|------------|------------------|--------------|
| EL 1 | 6 | 5 | 18,237 | 3,647 |
| EL 2 | 50 | 32 | 156,412 | 4,888 |
| SES Band 1 ^a | 7 | 7 | 0 | |
| SES Band 2 ^a | 1 | 1 | 0 | |
| SES Band 3 | 1 | 0 | 0 | |
| Total | 65 | 45 | 174,649 | |

^a Deferred Salary Payment of 6 per cent of salary. Range not disclosed to protect privacy.

Learning and development

In 2005–06, CSA invested approximately \$800,000 in training activities for staff using external service providers. In addition, a range of learning programs were developed and delivered internally in order to meet special requirements.

During 2005–06, a guideline on training product development was established. The guideline outlines the standards for all national training products to ensure that national consistency and quality standards are met.

Business coaching is a program dedicated to building customer service teams' technical proficiency. Priorities are analysed at national, state and business-process levels to ensure an integrated approach that aligns business coaching with current and future organisational needs. Business coaches receive formal training to effectively deliver one-on-one support to staff.

All new staff undertake a CSA induction program at each site either via a six-week entry-level training program (ELP) or on an individual basis. The induction includes an overview of CSA structure, legislation and systems and is also supported by self-paced learning modules.

During 2005–06, the induction program was reviewed and further developed to include support materials for local managers. The review has resulted in the establishment of a workshop for all new starters and covers all core corporate governance modules.

In the 2005–06, approximately 440 new customer service officers (CSOs), or 70 per cent of new recruits to CSA, participated in the ELP. The ELP introduces new recruits to CSA's culture and to the work processes involved in delivering services to customers.

CSA uses a range of strategies to enhance the leadership capability of staff at team-leader level (CSO Level 6) and above.

In 2005–06, leadership development provided for team leaders included targeted staff management initiatives designed to meet business performance outcomes, technical training and staff performance management training. Team leaders are also supported by individually tailored development plans.

Learning opportunities for both Executive Level 1 and Executive Level 2 staff included services provided both internally and externally. External development opportunities were predominantly accessed via the Australian Public Service Commission (APSC) leadership programs; they included subjects related to corporate governance, legislation, leadership and management, and career development.

At the SES level, a range of external development opportunities such as executive coaching and leadership programs were also accessed throughout 2005–06.

Workplace diversity

CSA developed a new Workplace Diversity Plan 2006–2008, which was launched in March 2006. This plan includes measures to ensure that CSA works towards a culture of diversity, and supports people with particular needs. CSA has already met some of the measures of this plan, and is progressing well on many others.

All formal communication and training in CSA utilises inclusive language, and visuals and other media as appropriate to the participants. Where possible, training is provided in more than one format to overcome accessibility barriers. Special needs of participants, such as a disability or language barrier, are taken into account on a case-by-case basis.

As part of the DHS Indigenous Employment Taskforce, CSA has developed strategies to recruit Indigenous people through the APSC Indigenous Graduate Program, Indigenous Cadet Program and Indigenous Trainee Program.

Internal communications

Over the past twelve months, the need to update staff on major Australian Government initiatives—changes to family law, Welfare to Work initiatives and the two reform programs (BBCSA and CSSR)—has required CSA to significantly enhance its internal communications framework.

Internal communication plan

During 2005–06, CSA developed and implemented an internal communication plan, which incorporates a strategic approach for all areas of CSA. It is anticipated that this plan will form the basic blueprint for all internal communications over the next four years, as CSA faces many challenges that include legislative, structural, and cultural changes. The communication strategy aims to ensure relevant, timely, consistent and coordinated internal and external communication activities.

The internal communications framework has two key objectives:

- to improve internal communication processes
- to deliver best-practice communication to support the cultural change program, optimum delivery of CSA outputs, and achievement of internal priorities.

The strategy aims to:

- determine the range of multiple two-way communication channels through which staff can obtain information and deliver feedback/input
- promote face-to-face communication as the most effective communication channel
- ensure messages are delivered consistently CSA-wide, but with allowances for local flexibility in the use of each channel or tool being applied
- create a program of key messages that are scripted and cascaded through management, including structured feedback loops
- ensure communication and staff engagement is timely and well managed
- ensure some channels enable the General Manager to communicate directly with all staff in a timely manner.

The strategy, feedback and outcomes will be regularly assessed for improvements, compliance, appropriateness, responses to messages and suggestions for new messages.

Key issues and enhancements in 2005–06

In 2005–06, the key issues communicated to internal staff were:

- 'Building a Better CSA': More than 50 road show sessions were held with staff across the country in March and June 2006 to explain the government's change agenda to staff, outline the expected plans (to date) and progress achieved. One road show was videotaped for staff who were not able to attend
- implementation of CSA's first change package in April (consisting of CSAonline, the Customer Service Guarantee and receipt number for each customer transaction and changes to the CSA's computer system, CUBA)
- phase 1 of the CSSR (to be implemented from 1 July 2006)
- CSA's focus on reducing unplanned leave.

Internal communication tool enhancements introduced in 2005–06 included:

- fortnightly messages to all staff from the General Manager, with supplementary messages from deputy general managers delivered to their respective groups
- video messages
- implementation of a new Attendance Management channel on CSA's intranet (C3)
- introduction of a staff Q&A channel on C3, mainly dealing with the change program

RESOURCE MANAGEMENT

Financial management

CSA's operating surplus for 2005–06 was \$7.7 million, compared with an operating deficit of \$1.3 million in 2004–05. The net result was due to an underspend in BBCSA and CSSR funding of \$6 million and to a business-as-usual surplus of \$1.7 million. The underspend in BBCSA and CSSR can be attributed to a later than expected date of approval for both measures.

Expenses in 2005–06 amounted to \$289.0 million¹ an increase of 5 per cent over the previous year's expenditure result of \$276.2 million. The increase is related to employee expenses, due to pay rises contained in the Certified Agreement; write-down and impairment of assets, reflecting the write-off of software and other assets previously capitalised, that fell under new Human Services-harmonised thresholds; and an increase in expenditure on suppliers, which partly reflects a ramp-up in activity at June 2006 in relation to BBCSA and the CSSR.

At 30 June 2006, CSA held financial assets of \$42.1 million compared with \$25.7 million at 30 June 2005. This consisted of cash at bank of \$3.6 million, appropriations receivable of \$36.5 million, and other receivables of \$2.0 million. The increase in financial assets is largely attributable to the achievement of an operating surplus of \$7.7 million and working capital provided by increases in suppliers and employee liabilities.

Administered appropriations

The total administered annual appropriation drawn down in 2005–06 was \$2.8 million. Of this, \$0.7 million related to funding the Newly Separated Unemployed Parent (NSUP) initiative.

The total administered annual appropriation returned to the Official Public Account for 2005–06 was \$2.0 million. Administered special appropriations drawn down in 2005–06 totalled \$69.2 million. CSA collected and returned \$69.3 million in special appropriations for this period. CSA transferred \$902.1 million in child support payments in 2005–06, an increase of \$74.0 million on the 2004–05 financial year.

Use of consultants and services contractors

The policies and procedures for selecting consultants and approving expenditure to engage them are set out in the DHS Chief Executive Instructions (CEI) and corporate guidelines.

During 2005–06, CSA engaged consultants to provide a range of services, including market research, business modelling and human resource services. CSA entered into 20 new consultancy contracts. This involved total actual expenditure of \$1,847,816. In addition, 18 ongoing consultancy contracts were active during 2005–06. They involved total actual expenditure of \$3,152,273 as at 30 June 2006.

Larger consultancy contracts (those to the value of \$10,000 or more) are detailed in Appendix 4.

1 Includes new policy funding of approximately \$9.3 million for 2005–06.

Competitive tendering and contracting

CSA adheres to the Australian Government's policy in seeking value for money in service delivery. Its strategy of sourcing services considers internal and external service providers.

During the 2005–06 reporting period, nine consultancy contracts of a value greater than \$10,000 were direct-sourced (that is, CSA directly approached a provider). These nine contracts were direct-sourced on the grounds of value. Of these, only one contract was over the \$80,000 threshold specified by the *Commonwealth Procurement Guidelines* (CPGs). This contract was supported by a statement pursuant to regulation 8(2) of the Financial Management and Accountability Regulations 1977, whereby justification was provided as to why this contract was obtained without conducting a formal tender, consistent with the CPGs. No contracts let during the financial year excluded the Auditor-General from access to the contractor's premises.

No contracts were exempted from publication in AusTender in 2005–06 by the Secretary of DHS or the CSA General Manager.

The core department, CRS Australia, and CSA went to the market in September 2005 for internal audit services. Ascent was awarded the contract.

Office accommodation

CSA continues to work with other Human Services agencies to realise synergies in co-locating offices, and is gradually disengaging from accommodation facilities shared with the ATO.

During 2005–06, CSA's office in Parramatta moved to new premises shared with the state headquarters of Medicare Australia. The building houses 360 CSA staff as well as 700 Medicare Australia staff. As part of the move, most staff from CSA's office in Penrith relocated to the office in Parramatta. A new Regional Service Centre located in the Penrith Centrelink office was established to service customers in the Penrith area. The new Parramatta office was officially opened by the Minister for Human Services in May 2006.



The Hon. Joe Hockey, MP, Minister for Human Services, opens the CSA Parramatta Office, May 2006.

Purchasing

All Human Services agencies, including the core department, now follow DHS Procurement Guidelines which took effect from 1 January 2006. The objectives of these guidelines are to:

- better meet the Minister for Human Services' requirements for improved efficiencies in procurement processes across agencies
- give agencies greater responsibility and accountability for their purchasing
- move to common purchasing for all purchases over \$1 million by actively participating in joint procurements.

The guidelines, which are in addition to the relevant CPGs that apply to purchasing by Human Services, are published on the DHS Internet website and all suppliers and potential suppliers are encouraged to recognise the guidelines in their offers to supply goods and services.

Asset management

No asset valuations were undertaken in 2005–06.

CSA undertook a stocktake of information technology assets and other assets.

Asset capitalisation thresholds have been increased to align with the Human Services thresholds. For internally developed software the capitalisation threshold has been increased from \$50,000 to \$200,000 and the threshold for leasehold assets has increased from \$2,000 to \$10,000. These changes have resulted in net asset write-downs of \$291,000 in 2005–06.

In 2005–06, CSA's computer systems were leased from and managed by EDS under contract with ATO, and its telephony infrastructure was leased from and managed under contract with NEC.

Records management

In October 2005, the DHS General Purchasing Synergies Working Group (GPSWG) identified the need to adopt a consistent records management process across Human Services. As a direct consequence of this directive, CSA created the Records Management Network Group. This group now oversees all records management activities in CSA.

As part of the GPSWG, CSA began transferring its record management functions from the ATO to Centrelink, a move that is proving to be efficient and cost-effective. The memorandum of understanding between CSA and the ATO for registry services (via the Tower Registration Information Management (TRIM) system) ceased on 30 June 2006 and a new service provider was required. On 30 June 2006, Centrelink was selected to assist CSA in managing its records.

The project scope for the transition included 'transition out' activities from the ATO and CSA private storage providers and 'transition in' activities to Centrelink to be able to accept and manage CSA records.

The project management of the transition of CSA records commenced in October 2005 with an anticipated finalisation date of late September 2006. This transition will see 925,000 records registered (on TRIM) compared with the current 14,000, providing greater accountability of CSA records and a far higher retrieval rate.

In 2005–06, CSA began its first National Archives of Australia (NAA) Records Self-Audit Review. The review was started in order to provide a benchmark for the beginning of the process and to provide future direction to achieve best practice in records management.

The Records Management Team—in consultation with CSA state representatives—completed a National Batch Filing Procedural Instruction (PI), a process whereby documents received from customers by CSA staff are filed in batches on a regular basis. Work has also commenced on a National Change of Assessment and Objection PI, anticipated for release in the next financial year.

The Records Management Team has developed a communication strategy and begun staff education. This includes publishing updates and articles on the intranet to advise of the transition process and its progress as well as any changes in records management procedures, development of policy and PIs. All new entry-level programs for new employees include a component on records management. Additional records management education workshops will be delivered nationally in the near future.

Business continuity planning

In 2005–06, work continued to consolidate CSA’s business continuity plan. This plan includes documentation on how to recover information technology and telephony services in the event of a business interruption. Procedures were developed for evacuations, and action cards and check lists to refer to in case of a power outage. In addition, documentation of the CSA framework for business continuity was consolidated and a *Tools and Resources* booklet was prepared for use by all staff. The aim is to ensure that, if there is a business disruption, staff are aware of all procedures to follow, of actions to take and of their responsibility for business continuity.

