



Budget

2019-20

Portfolio Budget Statements 2019-20
Budget Related Paper No. 1.15B

Social Services Portfolio
(Department of Human Services)

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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The Hon Michael Keenan MP
Minister for Human Services and Digital Transformation

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019-20 Budget for the Social Services Portfolio (Department of Human Services).

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the Portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

[SIGNED]
Michael Keenan

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Mr Mark Jenkin, Chief Finance Officer, Department of Human Services on (02) 6223 4350.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2019-20 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

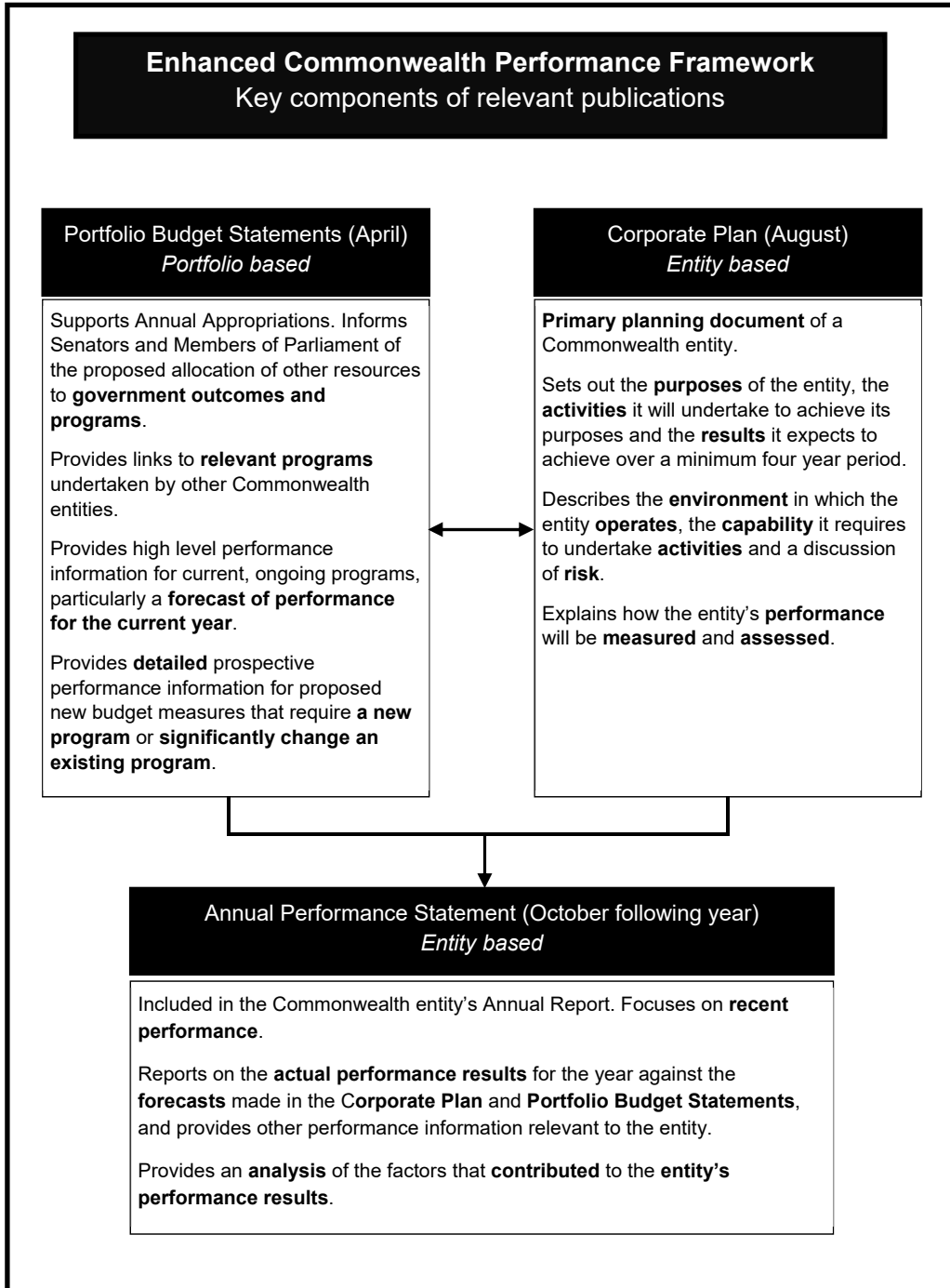
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2019-20 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2019-20 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.



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DEPARTMENT OF HUMAN SERVICES

PORTFOLIO OVERVIEW

Minister(s) and portfolio responsibilities

The ministers responsible for the Social Services Portfolio and its entities are:

- The Hon Paul Fletcher MP, Minister for Families and Social Services
- The Hon Michael Keenan MP, Minister for Human Services and Digital Transformation
- The Hon Sarah Henderson MP, Assistant Minister for Social Services, Housing and Disability Services
- The Hon Michelle Landry MP, Assistant Minister for Children and Families.

The Department of Human Services (the Department) is part of the Social Services Portfolio. Full details of the Social Services Portfolio appear in the *Portfolio Budget Statements 2019–20 Budget Related Paper No. 1.15A Social Services Portfolio*.

For information on resourcing across the Social Services Portfolio, please refer to Part I: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

DEPARTMENT OF HUMAN SERVICES

The Department is responsible for providing advice to government on design, development, delivery, co-ordination and monitoring of government services, social security, child support, students, families, aged care and health programs (excluding Health provider compliance) and Australian Hearing Services.

Legislation administered by the Minister for Human Services includes the:

- *Human Services (Centrelink) Act 1997*
- *Human Services (Medicare) Act 1973*, except to the extent administered by the Health Minister
- *Australian Hearing Services Act 1991*, except to the extent administered by the Health Minister.

The Department is subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The Department has one outcome and delivers a range of government and other payments and services to almost every Australian, including:

- **Centrelink** payments and services for retirees, the unemployed, families, carers, parents, students, people with disability, Aboriginal and Torres Strait Islander

Portfolio Overview

peoples, people from culturally and linguistically diverse backgrounds, and people living overseas. Some of these payments and services are provided at times of major change, including after natural disasters.

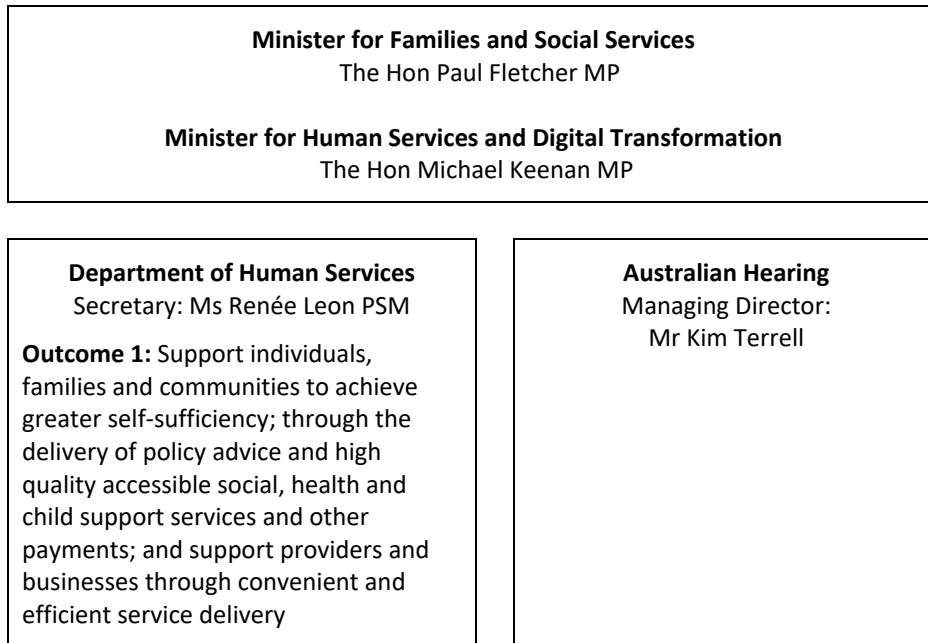
- **Aged care** payments for services funded under the *Aged Care Act 1997* including residential care, home care and flexible care services.
- **Health** services and payments that support Australians such as Medicare, the Pharmaceutical Benefits Scheme, Private Health Insurance Rebate, the Australian Immunisation Register, the National Bowel Cancer Screening Register, the Australian Organ Donor Register, and related services for eligible veterans, their spouses and dependants.
- **Child Support** services for separated parents to provide the financial support necessary for their children's wellbeing.

The Department also delivers services on behalf of other government agencies and provides whole of government services such as myGov.

AUSTRALIAN HEARING

Australian Hearing is a Public Non-Financial Corporation (Trading) entity established under the Australian Hearing Services Act 1991. Accordingly, Australian Hearing is not reported in the Portfolio Budget Statements or Portfolio Additional Estimates Statements. Australian Hearing is a corporate Commonwealth entity under the PGPA Act and is governed by a board that is appointed by the Minister for Human Services.

Figure 1: Department of Human Services portfolio structure and outcomes



**ENTITY RESOURCES AND
PLANNED PERFORMANCE**

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DEPARTMENT OF HUMAN SERVICES

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF HUMAN SERVICES

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DEPARTMENT OF HUMAN SERVICES

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department delivers payments and associated services to individuals, families and communities through face-to-face, telephone and digital channels.

To shape more effective and efficient service delivery, the Department plays an active role in developing new approaches to social and health-related service delivery policy with partner agencies. The Department will continue to build on its foundation of service excellence to the Australian community through close collaboration with the community and third parties. A key aim of the Department is to deliver digital services that support customers to be self-sufficient and manage their own affairs wherever possible.

The contribution of the Department to the government's agenda is reflected in its Outcome Statement which is to:

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

The Department supports the economic health and wellbeing of Australians by delivering high-quality services and payments to the community on behalf of the Government.

The Department's vision is to provide 'contemporary and trusted services' and its priorities include the following, to:

- Deliver high-quality customer-centric services for the community regardless of location, through the provision of physical and digital service delivery options
- Modernise digital service offerings to make it easier and simpler for customers to transact with the Department
- Focus on community experience and workplace culture to drive a positive customer experience
- Lead, influence and collaborate with partner agencies, industry and not-for-profit organisations to shape the development and delivery of payments and services
- Continue to provide assurance on the integrity of correct payments and the recovery of incorrect payments
- Protect privacy, prevent unauthorised disclosures and safeguard systems from cyber-attacks through continuous protective and cyber security management and improvements.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be available for government strategic policy objectives by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classifications.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, while the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

The Average Staffing Level (ASL) represents the average number of paid staff directly employed by the Department (full time, part time and casual). The Department's total workforce is a blended workforce, comprising ASL, contracted staff and people employed by outsourced providers. This allows the Department to deliver its services within the staffing level set by the Government and provide flexibility to meet demand for services.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019

	<i>2018-19 (a)</i> <i>Estimated</i> <i>actual</i> <i>\$'000</i>	2019-20 Budget Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available (c)	1,659,996	1,151,410
Departmental appropriation (d)	4,267,398	4,323,524
s 74 retained revenue (e)	295,549	237,039
Departmental Capital Budget (f)	183,121	183,689
Annual appropriations - other services - non-operating (g)		
Prior year appropriations available (h)	30,600	-
Equity injection	110,967	128,641
Total departmental resourcing	6,547,631	6,024,303
Administered		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	3,013	3,013
Outcome 1 (i)	1,595	1,643
s 74 retained receipts (j)	1,592	1,643
<i>Total administered annual appropriations</i>	<i>6,200</i>	<i>6,299</i>
<i>Total administered special appropriations</i>	<i>250</i>	<i>300</i>
Special accounts (k)		
Opening balance	135,013	123,424
Appropriation receipts (l)	1,592	1,643
Non-appropriation receipts to special accounts (m)	1,812,260	1,859,924
Adjustments (n)	59,904	61,528
<i>Total special account available</i>	<i>2,008,769</i>	<i>2,046,519</i>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts (l)</i>	<i>1,592</i>	<i>1,643</i>
Total administered resourcing	2,013,627	2,051,475
Total resourcing for Department of Human Services	8,561,258	8,075,778
	<i>2018-19</i>	<i>2019-20</i>
Average staffing level (number)	27,534	27,325

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.
Prepared on a resourcing (that is, appropriations available) basis.

Note:

- (a) Annual appropriation amounts appearing for 2018-19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018-2019, as they had not been enacted at the time of publication.
- (b) Appropriation Bill (No. 1) 2019-20.
- (c) Prior year appropriations available for 2018-19 reflect the unspent annual appropriations shown in the 2017-18 financial statements and excludes: \$56.5 million of operating appropriations withheld under section 51 of the PGPA Act; a quarantined amount of \$0.6 million due to a reversal of a 2017-18 measure; and a previously quarantined appropriation of \$9.6 million which has subsequently lapsed. Prior year appropriations available for 2019-20 reflect estimated cash and appropriation receivable as at 30 June 2019 adjusted for a quarantined amount of \$0.6 million due to a reversal of a 2017-18 measure.
- (d) Excludes Departmental Capital Budget.
- (e) Estimated receipts from sales of goods and services retained under section 74 of the PGPA Act.
- (f) The Departmental Capital Budget appropriation is not separately identified in Appropriation Bill (No. 1) and forms part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (g) Appropriation Bill (No. 2) 2019-20.
- (h) Prior year appropriations available for 2018-19 exclude \$29.0 million of 2016-17 appropriation withheld under section 51 of the PGPA Act.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

- (i) Appropriation Bill (No.1) 2019-20 provides funding for operating expenses only. The Department does not have an Administered Capital Budget.
- (j) Administered repayments received by the Department.
- (k) Excludes trust moneys held in special accounts.
- (l) Amounts credited to special accounts from annual administered appropriations relating to Child Support.
- (m) Non-appropriation receipts comprise: receipts from non-custodial parents through the Child Support special account; deposits for recovery of compensation; and Departure Prohibition Order receipts.
- (n) The available balance of the Child Support special account is adjusted under section 77 of the *Child Support (Registration and Collection) Act 1988* (Child Support Act) for deductions made by employers but not yet received; and under section 78 of the Child Support Act for unexplained remittances not yet credited.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)**Payments made on behalf of other entities** (as disclosed in the respective entity's resource statement)

	2018-19 Estimated actual \$'000	2019-20 Budget Estimate \$'000
Department of Agriculture and Water Resources		
Special appropriation - <i>Farm Household Support Act 2014 s 105</i>		
- payments for Farm Household Allowance and Exceptional circumstances relief payments	163,418	59,712
Total	163,418	59,712
Department of Education and Training		
Special appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,703,913	8,174,386
Annual appropriation	59,032	64,113
Total	7,762,945	8,238,499
Department of Health		
Special account - Medicare Guarantee Fund		
- Medical Benefits	24,146,392	25,405,013
- Pharmaceutical Benefits	12,090,202	11,162,341
Special appropriation - <i>Private Health Insurance Act 2007</i>	6,170,602	6,312,805
Special appropriation - <i>Dental Benefits Act 2008</i>	345,112	364,256
Special appropriation - <i>National Health Act 1953</i> - Aids and Appliances	94,287	93,134
Special appropriation - <i>Medical Indemnity Agreement Act 2002</i>	80,900	78,364
Special Account - Australian Childhood Immunisation Register	9,820	9,820
Special appropriation - <i>Midwife Professional Indemnity (Commonwealth Contribution) Scheme Act 2010</i>	2,021	3,289
Special appropriation - <i>Aged Care Act 1997</i>	15,420,864	20,150,918
Special appropriation - <i>National Health Act 1953</i> - Continence Aids Assistance Scheme	91,936	84,276
Annual appropriation		
- Pharmaceutical Benefits	148,802	150,892
- Health Workforce	511,209	534,278
- Medical Benefits	7,614	7,614
- Medical Indemnity	242	242
- Primary Care Practice Incentives	365,670	432,658
- Preventative Health and Chronic Disease	747	500
- Hearing Services	340,778	582,127
Total	59,827,198	65,372,527

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)
Payments made on behalf of other entities (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget Estimate \$'000
Department of Home Affairs		
Special appropriation - <i>Social Security (Administration) Act 1999</i>		
- Australian Victim of Terrorism Overseas Payment	1,825	1,020
- Disaster Recovery Allowance	5,454	75
- Disaster Recovery Payment	177,408	19,979
Annual appropriation		
- Ex gratia assistance - New Zealand citizens	1,800	321
- Asylum Seeker Support	93,372	52,649
Total	279,859	74,044
Department of Infrastructure, Regional Development and Cities		
Annual appropriation		
- Bass Strait Passenger Vehicle Equalisation Scheme	49,752	50,846
- Tasmanian Freight Equalisation Scheme	172,640	173,690
Total	222,392	224,536
Department of Jobs and Small Business		
Annual appropriation		
- PaTH Internship Supplement	30,000	30,000
Total	30,000	30,000
Department of Social Services		
Special appropriation - <i>Social Security (Administration) Act 1999</i>	91,250,858	94,595,778
Special appropriation - <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	18,026,532	18,097,324
Special appropriation - <i>Paid Parental Leave Act 2010</i>	2,286,480	2,331,642
Special appropriation - <i>Student Assistance Act 1973</i>	364,235	378,018
Special appropriation - <i>Business Services Wage Assessment Tool Payment Scheme Act 2015 (a)</i>	36,836	-
Special appropriation - <i>National Redress Scheme for Institutional Child Sexual Abuse Act 2018 (b)</i>	nfp	nfp
Annual appropriation	5,862	7,367
Total	111,970,803	115,410,129

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)
Payments made on behalf of other entities (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget Estimate \$'000
Department of Veterans' Affairs		
Special appropriation - <i>Veterans' Entitlements Act 1986</i> and related acts	3,245,488	3,132,633
Special appropriation - <i>Military Rehabilitation and Compensation Act 2004</i>	82,986	94,488
Special appropriation - <i>Safety, Rehabilitation and Compensation Act 1988</i>	14,358	14,847
Special appropriation - <i>Australian Participants in British Nuclear Tests (Treatment) Act 2006</i>	12,763	13,961
Total	3,355,595	3,255,929
Total Payments made on behalf of other entities	183,612,210	192,665,376

Prepared on a resourcing (i.e. appropriations available) basis.

Note:

- (a) The Business Services Wage Assessment Tool Payment Scheme is now closed.
- (b) The payments relating to National Redress Scheme for Institutional Child Sexual Abuse is not for publication (nfp) due to ongoing negotiations with state, territory and local governments and organisations.

Table 1.1: Department of Human Services resource statement — Budget estimates for 2019-20 as at Budget April 2019 (continued)

Payments made to other entities for the provision of services

	2018-19 Estimated actual \$'000	2019-20 Budget Estimate \$'000
Australian Federal Police	3,800	2,000
Australian Postal Corporation	70,473	70,473
Comcare	21,952	22,426
Commonwealth Superannuation Corporation	5,285	5,285
Department of Defence	849	849
Department of Finance	43,418	43,738
Department of Home Affairs	1,727	1,727
Digital Transformation Agency	55,642	42,701
Reserve Bank of Australia	13,966	13,966
Total payments to other entities for the provision of services	217,112	203,165

Revenue received from other entities for the provision of services (s74 Revenue)

	2018-19 Estimated actual \$'000	2019-20 Budget Estimate \$'000
Australian Digital Health Agency	21,891	21,891
Australian Electoral Commission	8,797	177
Australian Taxation Office	8,005	7,920
Department of Jobs and Small Business	2,638	1,630
Department of Foreign Affairs and Trade	6,045	6,043
Department of Health	33,506	1,582
Department of Home Affairs	4,624	1,943
Department of the Prime Minister and Cabinet	302	307
Department of Social Services	3,174	3,009
Department of Veterans' Affairs	66,875	87,215
Digital Transformation Agency	10,830	-
National Disability Insurance Agency	90,964	76,833
Total revenue received from other entities for the provision of services	257,651	208,550

Prepared on a resourcing basis.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Department of Human Services 2019-20 Budget measures
Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Expense measures (a)						
Department of Agriculture and Water Resources						
Concessional Treatment for the Forced Sale of Livestock under the Farm Household Allowance Program						
Departmental expense	1.1	2,971	71	-	-	-
Department of Health						
Guaranteeing Medicare						
— improved access to diagnostic imaging						
Departmental expense	1.2	15	1,362	(380)	(390)	(413)
— improving quality and safety through stronger compliance (b)						
Departmental expense	1.2	-	-	-	-	-
— Medicare Benefits Schedule Review — response to Taskforce recommendations						
Departmental expense	1.2	-	52	143	162	182
Improving Access to Medicines						
— Pharmaceutical Benefits Scheme						
— new and amended listings						
Departmental expense	1.2	1,030	5,561	4,867	4,993	5,148
Department of Home Affairs						
Better Distribution of Medical Practitioners						
Departmental expense	1.2	-	(96)	(510)	(1,069)	(1,776)
Immigration Reform (c)						
Departmental expense	1.1	(16,310)	(10,495)	(2,880)	(2,735)	(3,156)
New Regional Visas						
— Population Package						
Departmental expense	1.1	2,391	11,229	2,013	2,033	2,275
Department of Jobs and Small Business						
Better Targeting of Support for Refugees						
Departmental expense	1.1	28	827	(155)	(156)	(157)

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	
Department of Jobs and Small Business (continued)							
New Employment Services Model — pilot and transitional arrangements							
	Departmental expense	1.1	1,367	1,201	205	206	374
Department of Social Services							
Cashless Debit Card — further extension and expansion (d)							
	Departmental expense	1.1	-	nfp	nfp	-	-
Changing the Social Security Income Assessment Model							
	Departmental expense	1.1	1,245	20,304	8,695	49	-
Energy Assistance Payment							
	Departmental expense	1.1	9,003	239	-	-	-
Extending Family Tax Benefit to ABSTUDY recipients aged 16 and over who study away from home							
	Departmental expense	1.1	67	4,245	863	493	497
Fourth Action Plan (2019-22) to reduce violence against women and their children (e)							
	Departmental expense	1.1	-	-	-	-	-
North Queensland Flood Recovery Package							
	Departmental expense	1.1	247	-	-	-	-
Department of the Treasury							
Electronic Invoicing Adoption							
	Departmental expense	1.1	1,000	-	-	-	-
Protecting Your Super Package — amendment							
	Departmental expense	1.1	-	(70)	(90)	(112)	(106)
— putting members' interests first							
	Departmental expense	1.1	-	(165)	-	-	-
Department of Veterans' Affairs							
Veteran Centric Reform — putting veterans and their families first							
	Departmental expense	1.1	-	40,389	44,767	16,215	9,800
Digital Transformation Agency							
Continued Funding for GovPass — Trusted Digital Identity							
	Departmental expense	1.1	-	7,158	(9,792)	-	-
Total expense measures							
Administered							
Departmental							
			3,054	81,812	47,746	19,689	12,668
Total			3,054	81,812	47,746	19,689	12,668

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Part 1: Measures announced since the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000
Capital measures (a)						
Department of Health						
Guaranteeing Medicare						
— improving quality and safety through stronger compliance (b)						
Departmental capital	1.2	-	-	-	-	-
Department of Home Affairs						
Immigration Reform (c)						
Departmental capital	1.1	(6,443)	(985)	-	-	(121)
New Regional Visas						
— Population Package						
Departmental capital	1.1	477	7,236	539	328	304
Department of Veterans' Affairs						
Veteran Centric Reform — putting veterans and their families first						
Departmental capital	1.1	-	9,689	4,104	794	217
Digital Transformation Agency						
Continued Funding for GovPass						
— Trusted Digital Identity						
Departmental capital	1.1	-	9,137	-	-	-
Total capital measures						
Administered						
Departmental						
Total		(5,966)	25,077	4,643	1,122	400

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Note:

- (a) Measures are listed by lead entity. Except for the measure referred to in note (c), full measure description and package details appear in the 2019-20 Budget Paper No. 2 under the relevant portfolio.
- (b) The figures shown for this measure reflect the whole of government effect on fiscal balance. Resourcing provided to the Department is: Expense 2018-19 \$2.312 million; 2019-20 \$4.244 million; 2020-21 \$1.443 million; 2021-22 \$1.056 million; 2022-23 \$1.012 million; Capital 2018-19 \$2.177 million; 2019-20 \$2.462 million; 2020-21 \$0.080 million; 2021-22 \$0.080 million; 2022-23 \$0.080 million.
- (c) The Government decided not to proceed with this measure which was included in the 2018-19 Portfolio Additional Estimates Statements.
- (d) The expenditure for this measure is not for publication (nfp) as negotiations with potential commercial providers are yet to be finalised.
- (e) The costs for this measure have been absorbed by the Department.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports - to provide an entity's complete performance story.

The most recent corporate plan for the Department of Human Services can be found at:

<https://www.humanservices.gov.au/organisations/about-us/publications-and-resources/corporate-plan>

The most recent annual performance statement can be found at:

<https://www.humanservices.gov.au/organisations/about-us/annual-reports/annual-report-2017-18-html/part-5-report-performance>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery

Linked programs for Outcome 1

Entity: Australian Digital Health Agency	
Programs	
1.1	Digital Health
Entity: Australian Taxation Office	
Programs	
1.1	Australian Tax Office
1.12	Private Health Insurance Rebate
Entity: Department of Agriculture and Water Resources	
Programs	
1.12	Rural Programmes
Entity: Department of Education and Training	
Programs	
1.1	Support for the Child Care System
1.2	Child Care Subsidy
2.8	Building Skills and Capability
Entity: Department of Foreign Affairs and Trade	
Programs	
1.1	Foreign Affairs and Trade Operations
2.1	Consular Services
2.2	Passport Services
Entity: Department of Health	
Programs	
1.1	Health Policy Research and Analysis
2.2	Aboriginal and Torres Strait Islander Health
2.3	Health Workforce
2.4	Preventive Health and Chronic Disease Support
2.5	Primary Health Care Quality and Coordination
2.6	Primary Care Practice Incentives
4.1	Medical Benefits

Linked programs for Outcome 1 (continued)

Entity: Department of Health (continued)	
Programs	
4.2	Hearing Services
4.3	Pharmaceutical Benefits
4.4	Private Health Insurance
4.5	Medical Indemnity
4.6	Dental Services
4.7	Health Benefit Compliance
4.8	Targeted Assistance - Aids and Appliances
5.3	Immunisation
6.2	Aged Care Services
Entity: Department of Home Affairs	
Programs	
1.3	Onshore Compliance and Detention
1.7	National Security and Criminal Justice
1.10	Australian Government Disaster Financial Support Payments
2.1	Multicultural Affairs and Citizenship
2.4	Refugee and Humanitarian Assistance
Entity: Department of Infrastructure, Regional Development and Cities	
Programs	
2.1	Surface Transport
Entity: Department of Jobs and Small Business	
Programs	
1.1	Employment Services
Entity: Department of the Prime Minister and Cabinet	
Programs	
2.1	Indigenous Advancement - Jobs, Land and Economy
Entity: Department of Social Services	
Programs	
1.1	Family Tax Benefit
1.2	Child Payments
1.3	Income Support for Vulnerable People
1.4	Income Support for People in Special Circumstances
1.5	Supplementary Payments and Support for Income Support Recipients
1.6	Income Support for Seniors
1.7	Allowances and Concessions for Seniors

Linked programs for Outcome 1 (continued)

Entity: Department of Social Services (continued)	
Programs	
1.8	Income Support for People with Disability
1.9	Income Support for Carers
1.10	Working Age Payments
1.11	Student Payments
	Outcome 1 Cross Program: Rent Assistance
2.1	Families and Communities
2.2	Paid Parental Leave
3.1	Disability, Mental Health and Carers
Entity: Department of Veterans' Affairs	
Programs	
1.1	Veterans' Income Support and Allowances
2.1	General Medical Consultations and Services
2.2	Veterans' Hospital Services
2.3	Veterans' Pharmaceuticals Benefits
2.4	Veterans' Community Care and Support
2.5	Veterans' Counselling and Other Health Services
Entity: National Disability Insurance Agency	
Programs	
1.1	Reasonable and necessary support for participants
1.3	Agency costs
Entity: Organ and Tissue Authority	
Programs	
1.1	A Nationally Coordinated System for Organ and Tissue Donation for Transplantation
Entity: Professional Services Review	
Programs	
1.1	Safeguarding the Integrity of the Medicare Program and Pharmaceutical Benefits Scheme
Contribution made by Outcome 1	
Outcome 1 contributes to the linked programs above by the provision of a range of information, services and payments on behalf of the entities listed within Australia and where applicable, overseas.	

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.1: Services to the Community - Social Security and Welfare					
Departmental expenses					
Departmental appropriation	3,558,292	3,363,409	2,949,711	2,852,610	2,682,258
s74 Retained revenue (a)	204,290	192,734	194,262	181,283	174,284
Expenses not requiring appropriation in the Budget year (b)	219,993	229,068	233,184	230,011	207,646
Departmental total	3,982,575	3,785,211	3,377,157	3,263,904	3,064,188
Total expenses for program 1.1	3,982,575	3,785,211	3,377,157	3,263,904	3,064,188
Program 1.2: Services to the Community - Health					
Departmental expenses					
Departmental appropriation	579,330	546,050	497,160	512,043	528,693
s74 Retained revenue (a)	66,093	32,330	9,959	9,607	9,611
Expenses not requiring appropriation in the Budget year (b)	55,794	52,854	51,446	50,088	44,624
Departmental total	701,217	631,234	558,565	571,738	582,928
Total expenses for program 1.2	701,217	631,234	558,565	571,738	582,928

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Program 1.3: Child Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,592	1,643	1,689	1,726	1,769
Special accounts:					
Child Support special account	1,554,783	1,582,128	1,626,442	1,662,037	1,701,955
Expenses not requiring appropriation in the Budget year (b)	102,973	102,969	103,987	104,806	105,722
Administered total	1,659,348	1,686,740	1,732,118	1,768,569	1,809,446
Departmental expenses					
Departmental appropriation	416,243	414,065	415,166	416,264	417,427
s74 Retained revenue (a)	2,454	2,103	2,103	2,103	2,103
Expenses not requiring appropriation in the Budget year (b)	29,528	26,120	24,011	22,759	17,620
Departmental total	448,225	442,288	441,280	441,126	437,150
Total expenses for program 1.3	2,107,573	2,129,028	2,173,398	2,209,695	2,246,596
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,592	1,643	1,689	1,726	1,769
Special accounts	1,554,783	1,582,128	1,626,442	1,662,037	1,701,955
Expenses not requiring appropriation in the Budget year (b)	102,973	102,969	103,987	104,806	105,722
Administered total	1,659,348	1,686,740	1,732,118	1,768,569	1,809,446
Departmental expenses					
Departmental appropriation	4,553,865	4,323,524	3,862,037	3,780,917	3,628,378
s74 Retained revenue (a)	272,837	227,167	206,324	192,993	185,998
Expenses not requiring appropriation in the Budget year (b)	305,315	308,042	308,641	302,858	269,890
Departmental total	5,132,017	4,858,733	4,377,002	4,276,768	4,084,266
Total expenses for Outcome 1	6,791,365	6,545,473	6,109,120	6,045,337	5,893,712
	2018-19	2019-20			
Average staffing level	27,534	27,325			

Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Note:

- (a) Estimated expenses incurred in relation to revenue retained under section 74 of the PGPA Act.
(b) Administered expenses not requiring appropriation in the Budget year includes write-down of assets. Departmental expenses not requiring appropriation in the Budget year include unfunded depreciation and amortisation expenses; and resources consumed free of charge.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019-20 Budget measures have created new programs or materially changed existing programs.

The Department will continue to review performance criteria in 2019-20 to ensure its performance measures remain relevant to the Department's outcome. The Department expects to update performance measures in 2020-21.

Outcome 1 – Support individuals, families and communities to achieve greater self-sufficiency; through the delivery of policy advice and high quality accessible social, health and child support services and other payments; and support providers and businesses through convenient and efficient service delivery			
Program 1.1 – Services to the Community – Social Security and Welfare The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to social security and welfare payments and services on behalf of the Australian Government.			
Delivery	The department provides social security and welfare payments and services to the community through service centres located across Australia, online services and smart centres.		
Performance information		LEGEND: Target expected to be met = ✓ Target not expected to be met = ✗	
Year	Performance criteria	Target	2018-19 Forecast
Customer satisfaction			
2018-19 and beyond	Achievement of customer satisfaction standards.	≥85 out of 100	✗
Achievement of digital service level standards			
2018-19 and beyond	Departmental interactions completed through digital channels.	≥5% increase	✓
2018-19 and beyond	Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access.	≥98%	✓

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.1 – Services to the Community – Social Security and Welfare (continued)			
Performance information		LEGEND: Target expected to be met = ✓ Target not expected to be met = ✗	
Year	Performance criteria	Target	2018-19 Forecast
Achievement of payment quality standards			
2018-19 and beyond	Centrelink: Delivery of correct customer payments.	≥95%	✓
Achievement of face-to-face service level standards			
2018-19 and beyond	Average wait time.	≤15 minutes	✗
Achievement of telephony service level standards			
2018-19 and beyond	Average speed of answer.	≤16 minutes	✓
Achievement of processing service level standards			
2018-19 and beyond	Claims processed within standard.	≥82%	✗
Internal reviews			
2018-19 and beyond	Percentage of decision reviews requested by Centrelink customers finalised within standard.	≥70%	✓
Achievement of payment integrity standards			
2018-19 and beyond	Centrelink: Debt under recovery.	≥60%	✓
Purpose	The department supports the economic, health and social wellbeing of Australia by delivering high-quality services and payments for the community on behalf of government.		
There have been no material changes to Program 1.1 as a result of Budget measures.			

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.2 – Services to the Community – Health			
The department supports individuals, families and communities to achieve greater self-sufficiency by providing access to health payments and services on behalf of the Australian Government.			
Delivery	The department provides health payments and services to the community and systems that support the delivery of services by providers and business through service centres located across Australia, online services and smart centres.		
Performance information		LEGEND: Target expected to be met = ✓ Target not expected to be met = ✗	
Year	Performance criteria	Target	2018-19 Forecast
Satisfaction with Medicare provider service delivery			
2018-19 and beyond	General practitioners, pharmacists and practice managers.	≥70%	✓
Customer satisfaction			
2018-19 and beyond	Achievement of customer satisfaction standards.	≥85 out of 100	✓
Achievement of digital service level standards			
2018-19 and beyond	Medicare Benefits Schedule digital claiming rate.	≥97%	✓
2018-19 and beyond	Departmental interactions completed via digital channels.	≥5% increase	✓
2018-19 and beyond	Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access.	≥98%	✓
Achievement of payment quality standards			
2018-19 and beyond	Medicare: Delivery of accurate medical benefits and services.	≥98%	✓
Achievement of face-to-face service level standards			
2018-19 and beyond	Average wait time.	≤15 minutes	✓
Achievement of telephony service level standards: Average speed of answer			
2018-19 and beyond	Pharmaceutical Benefits Scheme Authorities and My Health Record Providers.	≤30 seconds	✓
2018-19 and beyond	Providers.	≤2 minutes	✓
2018-19 and beyond	Customers.	≤7 minutes	✓

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.2 – Services to the Community – Health (continued)			
Performance information		LEGEND: Target expected to be met = ✓ Target not expected to be met = ✘	
Year	Performance criteria	Target	2018-19 Forecast
Achievement of processing service level standards			
2018-19 and beyond	Claims processed within standard.	≥82%	✓
Purpose	The department supports the economic, health and social wellbeing of Australia by delivering high-quality services and payments for the community on behalf of government.		
There have been no material changes to Program 1.2 as a result of Budget measures.			

Table 2.1.2: Performance criteria for Outcome 1 (continued)

Program 1.3 – Child Support			
The department's Child Support program is designed to ensure that both parents contribute to the cost of their children, according to their capacity.			
Delivery	The department assists separated and separating parents by the collection and disbursement of child support payments through online services and smart centres.		
Performance information		LEGEND: Target expected to be met = ✓ Target not expected to be met = X	
Year	Performance criteria	Target	2018-19 Forecast
Customer satisfaction			
2018-19 and beyond	Achievement of customer satisfaction standards.	≥85 out of 100	x
Achievement of digital service level standards			
2018-19 and beyond	Departmental interactions completed via digital channels.	≥5% increase	✓
2018-19 and beyond	Availability of ICT services excluding scheduled maintenance periods that support 24/7 customer access.	≥98%	✓
Child Support collection			
2018-19 and beyond	Percentage of domestic active paying parents with less than one month Child Support collect liability.	≥63%	✓
Achievement of telephony service level standards			
2018-19 and beyond	Average speed of answer.	≤3 minutes	x
Achievement of processing service level standards			
2018-19 and beyond	New registrations completed within standard.	≥82%	x
Achievement of payment quality standards			
2018-19	Child Support: Debt under arrangement.	≥39%	x
2019-20	As per 2018-19	≥40%	N/A
2020-21	As per 2019-20	≥41%	N/A
2021-22	As per 2020-21	≥42%	N/A
2022-23	As per 2021-22	≥43%	N/A
Purpose	The department supports the economic, health and social wellbeing of Australia by delivering high-quality services and payments for the community on behalf of government.		
There have been no material changes to Program 1.3 as a result of Budget measures.			

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019-20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Table 1.1 (Entity Resource Statement) represents funding available to the Department, whereas the financial statements (Tables 3.1 to 3.9) show operations of the Department presented under entity level financial reporting requirements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

DEPARTMENTAL STATEMENTS

Comprehensive income statement (Table 3.1)

Since the 2018-19 Additional Estimates, revenue from government in 2019-20 has increased by \$55.5 million, mainly due to new expense measures. Over the estimates period, revenue from government decreased by \$925.5 million, mainly due to the impact of budget measures and efficiency dividends.

Estimates of own-source income in 2019-20 have increased by \$54.8 million since the 2018-19 Additional Estimates, reflecting changes in revenue from service agreements. Over the estimates period own-source income decreases by \$94.8 million due to completion of current service agreements.

Total expenses in 2019-20 have increased by \$105.9 million since the 2018-19 Additional Estimates mainly reflecting expenses associated with government measures and increased activity under service agreements with other agencies offset by a reduction in benefit recipient numbers. Over the estimates period, expenses decrease by \$1,047.8 million, mainly due to the impact of declining and terminating budget measures; the efficiency dividend and a reduction in own-source income.

Balance sheet (Table 3.2)

Since the 2018-19 Additional Estimates, estimated net assets as at 30 June 2020 have increased by \$28.1 million, mainly due to an increase in non-financial assets as a result of capital measures and reduced depreciation and amortisation expenses. Over the estimates period, net assets are forecast to decrease by \$272.0 million, reflecting depreciation and amortisation expenses higher than capital injections to fund purchases of assets. Total liabilities are forecast to decrease by \$51.6 million over the estimates period reflecting reductions in lease incentives and supplier payables, offset by an increase in employee liabilities.

Statement of changes in equity (Table 3.3)

Total estimated equity as at 30 June 2020 has increased by \$28.1 million since the 2018-19 Additional Estimates, mainly due to equity injections which have increased by \$24.1 million, and reduced depreciation and amortisation expenses. Over the estimates period, equity is forecast to decrease by \$272.0 million, mainly due to a decline in non-financial asset balances. This is a result of depreciation and amortisation expenses being greater than equity injections.

Statement of Cash flows (Table 3.4)

Since the 2018-19 Additional Estimates, cash flow changes are the result of new measures, changes in expenses and changes in own-source revenue.

Capital Budget Statement (Table 3.5)

Since the 2018-19 Additional Estimates, total capital appropriations in 2019-20 have decreased by \$3.3 million, due to an increase in equity injections related to budget measures. The Departmental Capital Budget for asset replacement remains relatively stable over the forward years, while other equity injections reflect the declining nature of capital measures.

Statement of asset movements (Table 3.6)

As at 30 June 2020, the estimated net book value of land, buildings, plant and equipment and software assets has increased by \$12.6 million since the 2018-19 Additional Estimates. This is mainly due to increased asset additions in 2019-20 and reduced depreciation and amortisation expenses, offset by an increase in asset impairments in 2018-19.

ADMINISTERED SCHEDULES

Income and expenses (Table 3.7)

Since the 2018-19 Additional Estimates, estimated revenue for 2019-20 is \$13.0 million higher than estimated at Budget mainly due to increased child support maintenance revenue.

Assets and liabilities (Table 3.8)

Since the 2018-19 Additional Estimates, the estimated closing asset balances for 2019-20 has decreased by \$18.3 million mainly due to a decrease in the cash and cash equivalents balance. This is a result of increased health compensation payments to be made.

Cash flows (Table 3.9)

Changes in administered cash flows and cash balances since 2018-19 Additional Estimates mainly result from increased health compensation receipts and payments and increased child support maintenance receipts and payments.

3.2. BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Employee benefits	2,816,927	2,875,128	2,590,944	2,556,696	2,455,766
Supplier expenses	1,992,791	1,674,646	1,476,481	1,416,390	1,358,223
Depreciation and amortisation	301,928	304,655	305,254	299,471	266,503
Finance costs	708	721	740	757	774
Write-down and impairment of assets	16,209	129	129	-	-
Other expenses	3,454	3,454	3,454	3,454	3,000
Total expenses	5,132,017	4,858,733	4,377,002	4,276,768	4,084,266
LESS:					
OWN SOURCE INCOME					
Own-source revenue					
Rendering of goods and services	272,541	219,556	198,494	184,939	177,714
Rental income	13,296	12,611	12,830	13,054	13,284
Total own-source revenue	285,837	232,167	211,324	197,993	190,998
Gains					
Resources received free of charge	3,387	3,387	3,387	3,387	3,387
Total gains	3,387	3,387	3,387	3,387	3,387
Total own-source income	289,224	235,554	214,711	201,380	194,385
Net cost of services	(4,842,793)	(4,623,179)	(4,162,291)	(4,075,388)	(3,889,881)
Revenue from government	4,553,865	4,323,524	3,862,037	3,780,917	3,628,378
Deficit attributable to the Australian Government	(288,928)	(299,655)	(300,254)	(294,471)	(261,503)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive deficit attributable to the Australian Government	(288,928)	(299,655)	(300,254)	(294,471)	(261,503)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Impact of net cash appropriation arrangements

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
Total comprehensive surplus excluding depreciation/ amortisation expenses previously funded through revenue appropriations	13,000	5,000	5,000	5,000	5,000
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	301,928	304,655	305,254	299,471	266,503
Total comprehensive deficit - as per the statement of comprehensive income	(288,928)	(299,655)	(300,254)	(294,471)	(261,503)

Prepared on Australian Accounting Standards basis.

Note:

- (a) In 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, (DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash	15,000	15,000	15,000	15,000	15,000
Trade and other receivables	1,267,504	1,319,261	1,287,332	1,260,192	1,252,737
Total financial assets	1,282,504	1,334,261	1,302,332	1,275,192	1,267,737
Non-financial assets					
Land and buildings	369,153	363,711	339,996	324,755	306,842
Plant and equipment	298,910	303,840	301,988	287,421	282,497
Software	460,990	474,177	392,382	316,711	267,707
Prepayments	240,180	206,828	201,319	213,820	203,395
Total non-financial assets	1,369,233	1,348,556	1,235,685	1,142,707	1,060,441
Total assets	2,651,737	2,682,817	2,538,017	2,417,899	2,328,178
LIABILITIES					
Payables					
Suppliers	400,098	399,416	393,401	385,400	378,380
Employee benefits	28,502	43,948	30,164	39,503	39,503
Lease incentives	97,158	80,351	62,694	47,491	35,718
Other payables	7,764	7,764	7,764	7,764	7,764
Total payables	533,522	531,479	494,023	480,158	461,365
Provisions					
Employee provisions	892,076	911,803	911,081	909,550	909,689
Other provisions	33,191	33,912	34,652	35,409	36,183
Total provisions	925,267	945,715	945,733	944,959	945,872
Total liabilities	1,458,789	1,477,194	1,439,756	1,425,117	1,407,237
Net assets	1,192,948	1,205,623	1,098,261	992,782	920,941
EQUITY *					
Parent entity interest					
Contributed equity	2,639,376	2,951,706	3,144,598	3,333,590	3,523,252
Reserves	186,402	186,402	186,402	186,402	186,402
Accumulated deficit	(1,632,830)	(1,932,485)	(2,232,739)	(2,527,210)	(2,788,713)
Total parent entity interest	1,192,948	1,205,623	1,098,261	992,782	920,941
Total equity	1,192,948	1,205,623	1,098,261	992,782	920,941

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019-20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(1,632,830)	186,402	2,639,376	1,192,948
Adjusted opening balance	(1,632,830)	186,402	2,639,376	1,192,948
Comprehensive income				
Deficit for the period	(299,655)	-	-	(299,655)
attributable to the Australian Government	(299,655)	-	-	(299,655)
Transactions with owners				
Contribution by owners				
Equity injection:				
Equity Injection - Appropriation	-	-	128,641	128,641
Departmental Capital Budget (DCB)	-	-	183,689	183,689
Total transactions with owners	-	-	312,330	312,330
Closing balance as at 30 June 2020				
attributable to the Australian Government	(1,932,485)	186,402	2,951,706	1,205,623

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	5,401,007	4,725,837	4,310,720	4,211,823	3,977,097
Rendering of services	299,096	239,676	219,158	200,189	193,220
Net GST received	235,100	173,677	157,154	157,859	148,044
Other	45,718	45,718	45,718	45,718	-
Total cash received	5,980,921	5,184,908	4,732,750	4,615,589	4,318,361
Cash used					
Employees	2,824,741	2,867,384	2,632,879	2,576,317	2,455,627
Suppliers	2,560,240	1,849,999	1,669,387	1,627,052	1,513,470
Competitive neutrality payments	454	454	454	454	-
Returns to the official public	579,914	459,071	422,030	403,766	341,264
Other	3,000	3,000	3,000	3,000	3,000
Total cash used	5,968,349	5,179,908	4,727,750	4,610,589	4,313,361
Net cash from/(used by) operating activities	12,572	5,000	5,000	5,000	5,000
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and software	379,387	317,330	197,892	193,992	194,662
Total cash used	379,387	317,330	197,892	193,992	194,662
Net cash used by investing activities	(379,387)	(317,330)	(197,892)	(193,992)	(194,662)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	367,013	312,330	192,892	188,992	189,662
Total cash received	367,013	312,330	192,892	188,992	189,662
Net cash from financing activities	367,013	312,330	192,892	188,992	189,662
Net increase/(decrease) in cash	198	-	-	-	-
Cash at the beginning of the reporting period	14,802	15,000	15,000	15,000	15,000
Cash at the end of the reporting period	15,000	15,000	15,000	15,000	15,000

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill No. 1 (DCB)	183,121	183,689	184,945	186,208	187,479
Equity injections - Bill No. 2	148,292	128,641	7,947	2,784	2,183
Total capital appropriations	331,413	312,330	192,892	188,992	189,662
Provided for:					
Purchase of non-financial assets	335,707	312,330	192,892	188,992	189,662
Other items	(4,294)	-	-	-	-
Total Items	331,413	312,330	192,892	188,992	189,662
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	178,266	128,641	7,947	2,784	2,183
Funded by capital appropriation - DCB (b)	188,121	183,689	184,945	186,208	187,479
Funded internally from departmental resources (c)	13,000	5,000	5,000	5,000	5,000
TOTAL PURCHASES	379,387	317,330	197,892	193,992	194,662
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	379,387	317,330	197,892	193,992	194,662
TOTAL CASH USED TO ACQUIRE ASSETS	379,387	317,330	197,892	193,992	194,662

Prepared on Australian Accounting Standards basis.

Note:

- (a) Includes both current Bill 2 and prior Act 2/4/6 appropriations.
- (b) Includes purchases from current and previous years' Departmental Capital Budgets. Excludes annual finance lease costs.
- (c) Includes funding from s74 Revenue receipts.

Table 3.6: Statement of asset movements (Budget year 2019-20)

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Software \$'000	Total \$'000
As at 1 July 2019					
Gross book value	4,734	491,591	448,406	1,249,169	2,193,900
Accumulated depreciation/amortisation and impairment	-	(127,172)	(149,496)	(788,179)	(1,064,847)
Opening net book balance	4,734	364,419	298,910	460,990	1,129,053
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity (a)	-	-	23,685	104,956	128,641
By purchase - appropriation ordinary annual services (b)	-	91,655	74,306	17,728	183,689
By purchase - other	-	-	5,000	-	5,000
Total additions	-	91,655	102,991	122,684	317,330
Other movements					
Depreciation/amortisation expense	-	(97,097)	(98,061)	(109,497)	(304,655)
Total other movements	-	(97,097)	(98,061)	(109,497)	(304,655)
As at 30 June 2020					
Gross book value	4,734	583,246	551,397	1,371,853	2,511,230
Accumulated depreciation/amortisation and impairment	-	(224,269)	(247,557)	(897,676)	(1,369,502)
Closing net book balance	4,734	358,977	303,840	474,177	1,141,728

Prepared on Australian Accounting Standards basis.

Note:

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2019-20.
(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019-20 for Departmental Capital Budgets.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
EXPENSES					
Child support maintenance expense	1,556,375	1,583,771	1,628,131	1,663,763	1,703,724
Write-down and impairment of assets	102,973	102,969	103,987	104,806	105,722
Total expenses	1,659,348	1,686,740	1,732,118	1,768,569	1,809,446
INCOME					
Non-taxation revenue					
Child support maintenance revenue	1,639,045	1,676,734	1,722,112	1,758,563	1,799,440
Competitive neutrality revenue	13,804	14,461	15,344	16,742	17,074
Fees and fines	8,958	9,192	9,442	9,642	9,867
Dividends	11,441	12,192	13,199	14,920	15,219
Other revenue	330	330	330	330	330
Total non-taxation revenue	1,673,578	1,712,909	1,760,427	1,800,197	1,841,930
Gains					
Other Gains	20,000	10,000	10,000	10,000	10,000
Total gains	20,000	10,000	10,000	10,000	10,000
Total income	1,693,578	1,722,909	1,770,427	1,810,197	1,851,930
Net contribution by services	34,230	36,169	38,309	41,628	42,484
Surplus	34,230	36,169	38,309	41,628	42,484
OTHER COMPREHENSIVE INCOME					
Items subject to subsequent reclassification to the net cost of services					
Gain on investment	-	-	-	-	-
Total comprehensive income	34,230	36,169	38,309	41,628	42,484

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	123,184	123,184	123,184	123,184	123,184
Child support receivables	896,176	944,049	993,173	1,043,301	1,094,557
Trade and other receivables	7,047	6,245	5,376	4,394	3,393
Investment - Australian Hearing	72,214	72,214	72,214	72,214	72,214
Total financial assets	1,098,621	1,145,692	1,193,947	1,243,093	1,293,348
Total assets	1,098,621	1,145,692	1,193,947	1,243,093	1,293,348
LIABILITIES					
Payables					
Recovery of compensation payable	70,818	70,818	70,818	70,818	70,818
Child support and other payables	31,664	31,664	31,664	31,664	31,664
Child support payments received in advance	20,702	20,702	20,702	20,702	20,702
Total payables	123,184	123,184	123,184	123,184	123,184
Provisions					
Child support provisions	894,292	942,165	991,289	1,041,417	1,092,673
Total provisions	894,292	942,165	991,289	1,041,417	1,092,673
Total liabilities	1,017,476	1,065,349	1,114,473	1,164,601	1,215,857
Net assets/(liabilities)	81,145	80,343	79,474	78,492	77,491

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2018-19 Estimated actual \$'000	2019-20 Budget estimate \$'000	2020-21 Forw ard estimate \$'000	2021-22 Forw ard estimate \$'000	2022-23 Forw ard estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Child support	1,495,341	1,535,898	1,579,007	1,613,635	1,652,468
Health compensation	315,879	322,986	330,253	337,684	345,282
Fees and fines	8,958	9,192	9,442	9,642	9,867
Competitive neutrality	13,804	14,461	15,344	16,742	17,074
Dividends	11,972	12,994	14,068	15,902	16,220
Other	1,374	1,424	1,424	1,424	1,424
Total cash received	1,847,328	1,896,955	1,949,538	1,995,029	2,042,335
Cash used					
Child support	1,495,341	1,535,898	1,579,007	1,613,635	1,652,468
Health compensation	327,870	322,986	330,253	337,684	345,282
Other	1,050	1,100	1,100	1,100	1,100
Total cash used	1,824,261	1,859,984	1,910,360	1,952,419	1,998,850
Net cash from operating activities	23,067	36,971	39,178	42,610	43,485
Net increase/(decrease) in cash held	23,067	36,971	39,178	42,610	43,485
Cash at beginning of reporting period	135,175	123,184	123,184	123,184	123,184
Cash from the Official Public Account					
Appropriations	61,746	63,471	65,244	66,669	68,267
Total cash from the Official Public Account	61,746	63,471	65,244	66,669	68,267
Cash to the Official Public Account					
Appropriations	(61,496)	(63,171)	(64,944)	(66,369)	(67,967)
Other	(35,308)	(37,271)	(39,478)	(42,910)	(43,785)
Total cash to the Official Public Account	(96,804)	(100,442)	(104,422)	(109,279)	(111,752)
Cash and cash equivalents at end of reporting period	123,184	123,184	123,184	123,184	123,184

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

The department does not have an administered capital budget.

Table 3.11: Statement of administered asset movements (Budget year 2019-20)

The department does not administer any non-financial assets on behalf on Government.

PORTFOLIO GLOSSARY

Term	Meaning
Activities	The actions/functions performed by agencies to deliver government policies.
Administered item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the Consolidated Revenue Fund at the end of the financial year. An administered item is a component of an administered program.
Appropriation	An amount of public money Parliament authorises for spending (i.e. funds to be withdrawn from the Consolidated Revenue Fund). Parliament makes laws for appropriating money under the Supply Acts, Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Available appropriation	The <i>available appropriation</i> indicates the total appropriations available to the entity. It includes all appropriations made available to the entity in the year (+/- section 74 transfers, formal reductions, Advance to the Finance Minister and movements of funds).
Consolidated revenue fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Corporate Commonwealth entity	A corporate Commonwealth entity is a Commonwealth entity that is a body corporate.

Glossary

Term	Meaning
Departmental Capital Budget (DCB)	Funds proposed in Supply or Appropriation Bill 1/3/5 for the ongoing replacement of minor assets.
Departmental item	Resources (assets, liabilities, revenues and expenses) that entity Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
Estimates period	The 'estimates period' includes the Budget year and forward estimates period and is used for trend analysis purposes. It excludes the estimated actual for the current financial year.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are generally not included within the calculation of an appropriation. Appropriation funding is not provided in respect of depreciation or amortisation expense. Also no funding is required for goods or services received free of charge that are then expensed. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating administered appropriation amounts to be sought from Parliament.
Forward estimates period	The three years following the budget year. For example, if 2018-19 is the budget year, 2019-20 is forward year 1, 2020-21 is forward year 2 and 2021-22 is forward year 3. This period does not include the current or budget year.

Term	Meaning
General Government Sector (GGS)	A government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	Around six months after the Budget, the Government produces the Mid-Year Economic and Fiscal Outlook (MYEFO) report. The report compares estimated expenditure to actual expenditure. MYEFO estimates include any government decisions made since the previous Budget that affected expenses and revenues. MYEFO also updates the budgetary position, including budget aggregates, by incorporating any changes to economic parameters.
Non-corporate Commonwealth entity	Non-corporate Commonwealth entity is a Commonwealth entity that is not a body corporate.
Official Public Account (OPA)	The OPA is the government's central bank account held within the Reserve Bank of Australia. The OPA is the central component of the Consolidated Revenue Fund.

Glossary

Term	Meaning
Outcome	An outcome is the intended result, consequence or impact of government actions on the Australian community.
Outcome statement	An outcome statement articulates the intended results, activities and target group of an Australian Government entity. An outcome statement serves three main purposes within the financial framework: <ol style="list-style-type: none">1. to explain and control the purposes for which annual appropriations are approved by the Parliament for use by agencies;2. to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and3. to measure and assess entity and program (non-financial) performance in contributing to government policy objectives.
Portfolio Additional Estimates Statements (PAES)	Budget related paper detailing the changes in resourcing by outcome(s) since the Budget which provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.
Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each entity within a portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program support	The entity running costs allocated to a program. This is funded as part of the entity's departmental appropriations.

Term	Meaning
<i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act)	The PGPA Act commenced on 1 July 2014. It provides a principles based framework for Commonwealth resource management, supported by rules and guidance to assist Commonwealth entities to manage public resources.
s51 determination	Under s51 of the PGPA Act, the Finance Minister may make amounts appropriated available to the entities in such instalments, and at such times as considered appropriate. The Finance Minister may withhold amounts appropriated to the entities and not make them available. Withholding of appropriation is referred to as an s51 determination.
s74 retained revenue receipts	<p>Under section 74 of the PGPA Act, non-corporate Commonwealth entities can retain receipts for the amounts prescribed in the PGPA rules. These receipts include:</p> <ul style="list-style-type: none"> • retained (revenue) receipts and • retained (repayment) receipts. <p>Retained (revenue) receipts may increase a non-corporate Commonwealth entity's most recent annual departmental item appropriation. Such receipts include:</p> <ul style="list-style-type: none"> • receipts from the provision of departmental goods and services, recognised an accrual basis • amounts that are managed in trust or similar arrangements • receipts from the sale of minor departmental assets, such as old computers disposed of at the end of their useful life. <p>Retained (repayment) receipts enable an appropriation that was used to make a Commonwealth payment to be re-credited with an amount received as a repayment of that earlier payment. For example when a supplier is overpaid and the non-corporate Commonwealth entity receives a repayment.</p> <p><u>s74 Revenue</u> refers to revenue associated with s74 retained receipts recognised an accrual basis.</p>

Glossary

Term	Meaning
s75 determination	A determination made by the Finance Minister under section 75 of the PGPA Act which details amendments to the Supply or annual Appropriation Acts as a result of a transfer of functions from one entity to another.
Supply Act	When applicable, the Supply Act appropriations are broadly equivalent to 5/12ths of the estimated appropriations, excluding Budget measures. In some cases, the appropriations also provide for a few entities that may have disproportionately high estimated expenditure early in the financial year. The balance of the appropriations including Budget measures for that year will be in the Appropriation Acts (No.1) and (No. 2).

