



Australian Government

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



Annual Report *2005–2006*

Improving the lives of Australians

ISSN: 1833-4687

ISBN: 1921130199

ABN: 36 342 015 855 FaCS, Social Security Appeals Tribunal and Australian Institute of Family Studies

ABN: 36 342 015 855 004 Child Support Agency

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from Commonwealth Copyright Administration, Attorney General's Department. Requests and enquiries concerning reproduction and rights should be addressed to the Commonwealth Copyright Administration, Attorney General's, Robert Garran Offices, National Circuit, Canberra ACT 2600 or posted at <http://www.ag.gov.au/cca>

Contact officer

Branch Manager

Corporate Strategy Branch

Department of Families, Community Services and Indigenous Affairs

Box 7788

Canberra Mail Centre ACT 2610

Telephone 1300 653 227 (for the cost of a local call, mobile phones at mobile rates)

Email: annual.report@facsia.gov.au

Internet: www.facsia.gov.au/annualreport

Acknowledgements

Annual Report team: Will Allan, Melissa Clode, Lisa Harvey, Margaret Head, Sandy Tanner, and Kirsten Wiley

Editorial: Morris Walker Pty Limited

Design consultants: Lovedesign Group

Printing: Pirion Pty Limited



Australian Government

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

THE SECRETARY
Box 7788 Canberra Mail Centre
ACT 2610
Telephone 1300 653 227
TTY 1800 260 402
Facsimile (02) 6244 7983
E-mail jeff.harmer@FaCSIA.gov.au
www.FaCSIA.gov.au

The Hon. Mal Brough, MP
Minister for Families, Community Services and Indigenous Affairs
Minister Assisting the Prime Minister for Indigenous Affairs
Parliament House
CANBERRA ACT 2600

Dear Minister

I am pleased to present to you the Annual Report for 2005–06 of the Department of Families, Community Services and Indigenous Affairs for your presentation to the Parliament in accordance with section 63(1) of the *Public Service Act 1999*.

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

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'J Harmer', with a long, sweeping underline.

Dr Jeff Harmer

cc. The Hon. Julie Bishop, MP
Minister Assisting the Prime Minister for Women's Issues

The Hon. John Cobb, MP
Minister for Community Services

Contents

Part 1 Overview	1
<i>Secretary's review</i>	2
Introduction	2
Achievements–performance insights	4
Operating environment	14
Social justice and equity impact	20
Financial performance overview	22
Portfolio overview	26
Departmental overview	30
Outcome and output structure	36
Part 2 Performance Reporting	39
External performance reporting framework	39
Outcome 1 An integrated social support system	40
Output Group 1.1 Support for today	44
Output Group 1.2 Preparing for the future	48
Outcome 2 Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing	52
Output Group 2.1 Practical support and sharing responsibility	58
Outcome 3 Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community	84
Output Group 3.1 Support for the aged	100
Output Group 3.2 Support for people with disabilities	118
Output Group 3.3 Support for carers	128
Output Group 3.4 Support for youth	136
Output Group 3.5 Support for women	144
Outcome 4 Families and children have choices and opportunities	154
Output Group 4.1 Support for families	162
Output Group 4.2 Child support	184
Output Group 4.3 Child care support	188
Outcome 5 Strong and resilient communities	198
Output Group 5.1 Supporting communities and delivering local solutions	204

Outcome 6 Innovative whole-of-government policy on Indigenous affairs	220
Output Group 6.1 Whole-of-government coordination of policy development and service delivery for Indigenous Australians	238
Output Group 6.2 Services for Indigenous Australians	254
Part 3 Management and accountability	271
Corporate governance and performance	272
Enabling and valuing our people	284
Environmental management	290
External scrutiny	292
Information strategies and technology management	302
Ministerial and parliamentary services	304
Partnerships for people	312
Right payments to the right people	316
Social Security Appeals Tribunal	324
Part 4 Appendices	327
Appendix 1: Staffing overview	328
Appendix 2: Commonwealth Disability Strategy performance report	334
Appendix 3: Advertising and market research	338
Appendix 4: Competitive tendering and contracting	342
Appendix 5: Consultants	344
Appendix 6: Discretionary grants	360
Appendix 7: Freedom of information	362
Appendix 8: Legislation	368
Appendix 9: Statement of material error	370
Part 5 Financial statements 2005–06	376
Glossary	522
Compliance index	524
Index	527

PART 1

OVERVIEW



Part 1 Overview

Secretary's review

Introduction	2
Achievements—performance insights	4
Operating environment	14
Social justice and equity impact	20
Financial performance overview	22
Portfolio overview	26
Departmental overview	30
Outcome and output structure	36

SECRETARY'S REVIEW

Introduction



I am pleased to present the Department of Families, Community Services and Indigenous Affairs (FaCSIA) Annual Report 2005–06.

This year has been a very important year for FaCSIA, as it heralded a major expansion of the department's priorities and commitments. January 2006 saw the merger of the former Department of Family and Community Services (FaCS) and the Office of Indigenous Policy Coordination (OIPC). It also saw the appointment of three new ministers to the portfolio: the Hon. Mal Brough, MP, as Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs; the Hon. Julie Bishop, MP, as Minister Assisting the Prime Minister for Women's Issues; and the Hon. John Cobb, MP, as Minister for Community Services.

There are significant challenges and responsibilities in delivering the services of the government's largest spending agency. Our role in researching, developing and implementing policy initiatives affects the lives of many Australians, including some of the most disadvantaged. We have entered a new phase of the department's life with a keener focus on achieving measurable results and a stronger emphasis on performance. It is a role we pursue with great commitment, care and diligence.

Over the past year, the department has worked to implement increased benefits from Family Tax Benefit, Maternity Payment, Age Pension, Carer Payment and Carer Allowance. The department has also worked to introduce changes that have significantly reduced Family Tax Benefit debts. Payments managed by FaCSIA are a primary mechanism by which government seeks to support individuals, families and communities.

FaCSIA developed the fifth Supported Accommodation Assistance Program Agreement, which was signed by the states and territories and took effect from October 2005. Funding of \$932 million has been budgeted over five years to provide housing assistance for people who are homeless or at risk of homelessness.

FaCSIA contributed to the development of a national action plan on mental health announced by the Council of Australian Governments.

The department played a significant role in developing and implementing packages to assist parents of people with severe disabilities to establish private trusts that will not affect payment of their disability support pension.

The government announced a major overhaul of the Child Support Scheme and the department prepared to implement stage one in 2006–07. Changes to the Child Support Scheme complement earlier cross-portfolio work on family law reform.

The portfolio continues to support more Australians to move from welfare to work and to meet demand for child care places. New measures announced in the 2006–07 Budget include the uncapping of Outside School Hours Care and Family Day Care places and an emphasis on quality and compliance in the child care sector. Implementation of these initiatives will continue over the coming year.

A number of significant government initiatives continue to be implemented to support women, particularly addressing domestic violence, building women's capacity, funding communication and consultation activities with women's groups, and commissioning research on issues relevant to women. Outcomes for women continue to improve in relation to workforce participation, lower unemployment and a growth in women's full-time earnings. We will continue to focus and support other agencies to improve financial literacy, participation, education, safety, health and leadership outcomes for women.

Over the last few years, events in Australia and abroad have re-emphasised the substantial long-term impact disasters have on individuals, families and communities. Natural disasters like bushfires, floods and cyclones including the 2006 tropical cyclones Larry and Monica and events such as the 2005 Bali and London bombings have significantly affected Australians. Community recovery from such events is a complex, dynamic and long-term process. FaCSIA has a role in effective community recovery by implementing a coordinated whole-of-government response.

The move of OIPC to the portfolio brings with it a new responsibility for coordinating the whole-of-government response to Indigenous issues. The department played a lead role in the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities, which discussed strategies to address the law and order issues that impede existing government initiatives in many Indigenous communities.

The department has been supporting the ministers' focus on improving our efforts and outcomes in remote Indigenous communities, and implementing key initiatives including the development of shared responsibility agreements and changes to the native title system.

More broadly in the Indigenous area, a major review of the Indigenous Community Housing and Infrastructure Program has commenced with an increased focus on improving access for Indigenous people to mainstream services.

Through a consultation process we have developed a new framework that aims to integrate the differing cultures of all areas of the department. This framework sets out our priorities, values and themes. It emphasises our focus on delivering results for our clients, our commitment to improving the efficiency and impact of our programs, and our emphasis on sound process. We have revisited all aspects of our operations and developed a new strategic framework that will form the basis of our planning in 2006–07.

On 14 November 2005 a new certified agreement came into effect for staff in the former Department of Family and Community Services. The agreement's aims include making the department an employer of choice. I am pleased that this agreement and other initiatives have contributed to reductions in voluntary separation rates and unscheduled absences in our workforce. Our people have a high level of professionalism and commitment throughout the Indigenous coordination centres, the state and territory network and national office.

I would like to thank my team for their tremendous support and commitment over the past twelve months and I look forward to another year of high standards and achievement across the department.

Dr Jeff Harmer

SECRETARY'S REVIEW

Achievements—performance insights



‘One FaCSIA’ – a new strategic approach

Following the Prime Minister’s announcement of the formation of FaCSIA, staff from both the Office of Indigenous Policy Coordination (OIPC) and the former Department of Family and Community Services worked together to develop a new strategic framework and an integrated approach to our business.

This new framework provides all staff with a shared understanding of the department’s purpose, priorities and how to work together to deliver results. The joint understanding and way of working is called ‘One FaCSIA’ and provides the basis for subsequent development of group, branch and state and territory office plans.

Launched on 15 May 2006, the strategic framework has a three-year life with a focus on results. It seeks to increase FaCSIA’s success in delivering outcomes for Australian individuals, families and communities.

Outcome 1—An integrated social support system

International social security arrangements

The Australian Government has implemented several social security agreements with other countries, which enable Australian residents to claim payments from other countries where they have spent part of their working lives.

A new agreement was signed with Norway in December 2005, and new and revised agreements were implemented with Belgium, Malta and Ireland in 2006. Progress has also been made on agreement negotiations with Japan and Latvia.

In October 2005 Australian and Greek ministers signed a Memorandum of Understanding (MoU) concerning the proposed social security agreement between Australia and Greece.

Launch of statistical paper series

The FaCSIA statistical paper series was launched in 2005–06 to meet the needs of policy makers and researchers by providing authoritative and reliable data on customer numbers and FaCSIA longitudinal data collection.

The first publication in the series provided a snapshot of income support payments, including disability, sickness, unemployment, parenting and family assistance.

Longitudinal Study of Australian Children

Data from the first wave of the Longitudinal Study of Australian Children was released in May 2005. Data from the study is already providing valuable insights into Australian families and children. There are currently 91 government, non-government and academic researchers using the study's first wave data for a wide range of research.

During the year, FaCSIA commissioned nine research projects using the data from which six conference papers were presented across Australia.

Longitudinal Study of Indigenous Children

A number of reports were completed as part of the development work for the Longitudinal Study of Indigenous Children including Indigenous views on research in their communities, 'Growing up in the Torres Strait Islands', and 'Growing up in the Australian Capital Territory and Queanbeyan.'

A survey instrument was also designed and pilot tested for the study in partnership with the Australian Bureau of Statistics. It included around 300 Indigenous children and their families in urban, regional and remote locations.

Outcome 2—Greater self-reliance and engagement for those in need through shared responsibility, practical support and help for housing

Investment to reduce homelessness

The Australian Government helps reduce and prevent homelessness through the Supported Accommodation Assistance Program (SAAP), which provides resources to state and territory governments to assist some of the most vulnerable people in our society.

The fifth SAAP agreement took effect from October 2005 and the Australian Government will provide \$932 million over five years to help the states and territories provide housing assistance. A new investment fund was included in this agreement, which will support an innovative program focusing on pre-crisis intervention, post-crisis transition and links with other complementary services.

Community Housing and Infrastructure Program review

In April 2006, a review commenced of the Community Housing and Infrastructure Program.

The policy context in which the program operates has changed significantly since its inception, and the review will provide an opportunity to better align it with the Australian Government's broader policy framework and priorities for Indigenous affairs.

Indigenous housing and infrastructure

As part of the common funding submission process for Indigenous organisations seeking funding for programs through Indigenous Coordination Centres, over \$78 million in grants were provided to over 170 Indigenous community organisations.

Grants were provided to fund housing, infrastructure and municipal service projects in over 1,000 communities across Australia.

In addition, Indigenous Housing and Infrastructure Agreements for 2005–08 have been signed with the states and territories.

Indigenous land reform – Home Ownership Incentive Program

In October 2005, the Australian Government announced a new measure to establish home ownership on Indigenous land which complemented proposed changes to the *Aboriginal Land Rights (Northern Territory) Act 1976* designed to facilitate long-term individual land tenure in Indigenous communities.

The department worked closely with Indigenous Business Australia to develop policy and program guidelines for the Home Ownership on Indigenous Land Program. This involved redesigning the existing Home Purchase Incentive Scheme Guidelines to support home ownership on Indigenous land.

Continuation of the Healthy Indigenous Housing Budget measure

The Healthy Indigenous Housing measure is part of the Community Housing and Infrastructure Program and provides funding of \$102.8 million over four years from 2005–06. The measure focuses on progressing the principles and objectives of Building a Better Future – Indigenous Housing to 2010.

Among the measures, in 2005–06, \$11.345 million was provided for states and territories under Indigenous Housing and Infrastructure Agreements 2005–08 to progress governance reforms for Indigenous community housing organisations.

In addition, \$5 million was provided for the continuation of Army Aboriginal Community Assistance Program projects.

In 2006, the Army Aboriginal Community Assistance Program will be delivered in the four town camps in Borroloola in the Northern Territory. The project will deliver 10 new houses and upgrades to power, water and sewerage.

Outcome 3—Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community

Senior Australians

FaCSIA continues to support the government's policies which recognise the valuable contribution of senior Australians to our economic and social life.

The Age Pension is a vital source of support for senior Australians. In addition to direct support of approximately \$21 billion a year, Age Pension settings are designed to reward and encourage work and savings.

The Commonwealth Seniors Health Card and other concession cards provide assistance through access to the Pharmaceutical Benefits Scheme and other concessions. Card holders receive further assistance through the Seniors Concession Allowance, and income support recipients who are over the age pension age receive the Utilities Allowance.

Additional assistance for senior Australians was announced in the 2006–07 Budget at which time the Australian Government announced a one-off payment to older Australians. These payments were provided in June 2006 to income support recipients eligible for the Utilities Allowance and to holders of the Commonwealth Seniors Health Card.

Disability business services

The two-year phase-in of the new case-based funding model for disability business services that was announced in the 2003–04 Budget is now complete. These new funding arrangements have addressed historical funding inequities between services and funding and now more closely meet the individual support needs of workers, with explicit links between funding and employment outcomes.

The evaluation undertaken in 2005–06 confirms that significant progress has been made in raising the quality of specialist disability employment services, funded by the Australian Government under the *Disability Services Act 1986*. The evaluation has reinforced the importance of independent certification of disability employment services against legislated quality standards.

A major achievement of the quality strategy is around 80 per cent of disability business services now pay their workers pro rata award-based wages.

Support for carers

FaCSIA continues to provide support to carers in the Australian community. Australia's carers fulfill an important role in the community – looking after people with a disability, a severe medical condition or who are frail or aged.

During 2005–06 a package of measures worth \$230.5 million was announced to assist parents or immediate family members wishing to make private financial provisions for the current and future care and accommodation for a person with severe disability.

The government extended eligibility for Carer Payment (child) to carers of children with severe intellectual, psychiatric or behavioural disabilities who require constant care or supervision for their safety or the safety of others. Implementation of the extended eligibility commenced on 1 July 2006.

Women are supported, recognised and encouraged to participate in the community

The Women's Leadership and Development Program provides funding over four years for a number of initiatives aimed at building women's participation in all parts of Australian life.

Research priorities in 2005–06 included women and small business; work and family; women and industry; women as carers; and women's retirement incomes. Results of the research will assist in advising the Australian Government on policy development and program implementation.

FaCSIA assisted in the provision of 168 Sports Leadership Grants to women, in partnership with the Australian Sports Commission, to build women's leadership capacity in the area of sport. Over 4,000 women were assisted.

Women's Safety Agenda

The Women's Safety Agenda provides funding over four years for initiatives targeted at the elimination of domestic violence and sexual assault in the Australian community. The Women's Safety Agenda addresses four broad themes – prevention, health, justice and services. Together they aim to increase attention on preventing violence and to provide early intervention and support for those affected by violence.

As part of the Women's Safety Agenda, the Domestic and Family Violence and Sexual Assault Initiative has provided funding for 27 projects to deal with domestic violence and sexual assault at a local level. The projects include a diverse range of initiatives such as training of local support officers, development of community support groups and development and publishing of information products to support victims of domestic violence and their families.

Under the Women's Safety Agenda, the successful national campaign 'Violence Against Women. Australia Says NO' was run in 2005–06. The campaign further increases community awareness of the issues of domestic violence and sexual assault.

Outcome 4—Families and children have choices and opportunities

Helping families raise their children

Family Tax Benefit provides substantial financial assistance to Australian families and helps with the cost of raising children.

Measures announced in the May 2005 Budget were implemented during the year to reduce the likelihood of recipients incurring Family Tax Benefit overpayments. These included automatic updating of income estimates, assistance to families at risk of overpayment, changes to help families who receive late child support payments and improved debt recovery measures.

These measures will ensure that families continue to receive the support to which they are entitled while at the same time providing extra guidance to help families manage their Family Tax Benefit responsibilities.

Government initiatives can have wide-ranging impacts on families. Family impact statements are now embedded in decision-making processes when the government is considering new legislation or programs.

Parents supporting their children

The Child Support Scheme was introduced in 1988 to help parents manage their family responsibilities after separation. In February 2006, the government announced a major overhaul of the scheme, which will affect around 1.4 million parents and 1.1 million children.

Implementation of the first stage of changes occurred prior to their commencement on 1 July 2006. The major changes were indexation of the minimum child support payment and a reduction in the income cap above which no additional child support liability is incurred.

The Child Support Agency is significantly increasing its compliance activities to ensure that child support payments are made in full and on time.

Indigenous Children Program

The Indigenous Children Program was formed in 2006 as a merger of the Aboriginal and Islander Child Care Agency Program and the Indigenous Parenting and Family Well-Being Program, building on the best aspects of both to deliver better outcomes for Indigenous children and families through early intervention and prevention programs and services.

The goals of the Indigenous Children Program, once fully developed, include improving children's access to care, resources and support, better parenting support for children and strengthened social and community networks and connections.

The Indigenous Children Program is being delivered in some of Australia's most disadvantaged communities such as Elcho Island and Tangentyere in the Northern Territory, and Wiluna in Western Australia.

Child care

In May 2006, the Australian Government announced major changes to the child care system with an extra \$120.5 million investment over the next four years. Changes included removing the cap on Outside School Hours Care and Family Day Care places; increased funding for the Jobs, Education and Training (JET) Child Care Program; and an improved compliance strategy for the sector.

The changes are to ensure services meet the needs of parents and children and allow the system to be more responsive and flexible.

In August 2005, there were more than 588,000 approved child care places, an increase of over 90 per cent since 1996. The total number of families using approved child care in December 2005 was 573,000. Now over 802,000 children are accessing child care – a 25 per cent increase since the Child Care Benefit was introduced in 2000.

Early Childhood – Invest to Grow

The Early Childhood – Invest to Grow Program is a component of the Stronger Families and Communities Strategy. Projects are now well underway and showing some early positive findings which will contribute to an evidence base of what works in early childhood.

The Let's Start: Exploring Together for Indigenous Preschools Program is supporting Indigenous parents in the Northern Territory, and is showing considerable success in enhancing parenting practices and reducing children's behaviour problems.

Family Relationship Services Program

FaCSIA and the Attorney-General's Department have successfully completed the first phase of the new Family Law System service expansion announced in May 2005. Service providers have been selected to deliver Family Relationship Centres, early intervention services and post separation services across Australia.

FaCSIA and the Attorney-General's Department have commenced a community education campaign to help families understand the changes to the new family law system and raise awareness of the Family Relationship Services Program.

The proposed changes to the Family Law Act 1975 will require people to access dispute resolution or mediation before proceeding to the Family Court.

Outcome 5–Strong and resilient communities

Disaster Recovery

The Australian Government provided disaster recovery assistance to Australians in response to the London bombings of 7 July 2005, the Bali bombing of 1 October 2005, and the Dahab bombings in Egypt on 24 April 2006.

A significant development in this area was the approval of the new disaster recovery arrangements. This saw the establishment of an Australian Government Disaster Recovery Committee and confirmation of FaCSIA as the lead agency in coordinating Australian Government disaster recovery assistance. The committee has broad representation across Australian Government departments and agencies and will provide the government with policy advice to enable effective planning and management of social and community recovery from the impacts of disasters.

The department also manages the new Australian Government disaster recovery website www.disasterassist.gov.au. This site was activated following tropical cyclone Larry and will continue to provide information to the public in response to disasters where the Australian Government provides recovery assistance.

Problem gambling

The Minister for Families, Community Services and Indigenous Affairs continues to pursue a national approach to address problem gambling through the National Framework on Problem Gambling 2004–2008, and through specific research activities. FaCSIA provided \$300,000 to Gambling Research Australia to conduct research into priority areas under the framework.

Gambling Research Australia funded a project on the analysis of gamblers pre-commitment behaviour. A qualitative report has been completed and incorporates a review, a scan of national and international practices relevant to pre-commitment and interviews with gamblers and industry stakeholders on pre-commitment issues.

Research commissioned by FaCSIA and completed in 2005–06 included a review of national gambling research activities. The review report, Strategic Review of National Responsible Gambling Research Activities, identified key areas for strengthening the national research effort.

Connecting neighbours

A memorandum of understanding was signed between the Australian Government and the Northern Territory Government to upgrade essential service infrastructure in Indigenous town camps in the Northern Territory. The program will result in up to 42 town camps having the same access to water, power and sewerage infrastructure to that in existing surrounding residential areas.

Stage 1 of the program is now underway with the upgrade of 22 town camps in Alice Springs and Borroloola.

Outcome 6—Innovative whole-of-government policy on Indigenous affairs

Coordination

FaCSIA is working with other agencies to coordinate policy development in response to some of the major policy challenges facing the Australian Government in Indigenous affairs.

A comprehensive eight-point strategy to address petrol sniffing in Central Australia was developed in partnership with other agencies and three state and territory governments. FaCSIA is leading cross-government implementation of the strategy, which will be tailored to the needs of affected communities.

In June 2006 the Inter-Governmental Summit on Violence in Indigenous Communities considered systemic issues relating to law and order in remote Indigenous communities. An integrated action plan was submitted to the July 2006 meeting of the Council of Australian Governments (COAG).

Three bilateral agreements between the Australian Government and state and territory governments were signed outlining joint areas of action, and last year's agreement with the Northern Territory was extended.

Supporting partnership with Indigenous communities

Indigenous Coordination Centres brokered flexible support to Indigenous communities using funds from both Indigenous and mainstream programs. In 2005–06, 95 Shared Responsibility Agreements and one Regional Partnership Agreement were finalised providing government resources in return for communities' commitment to positive change. In two regions, these agreements recognised new Indigenous engagement arrangements – structures to represent Indigenous interests to government.

The former Office for Indigenous Policy Coordination (OIPC) also coordinated intensive support to a number of critically disadvantaged communities and developed a new place-based, whole-of-government intervention model.

Leadership development and capacity building

The Indigenous Women's Development Program underpins the new arrangements through leadership training and intensive support to Indigenous women already making a difference in their communities. A 2006–07 Budget measure will broaden the program's focus to include Indigenous men, young people and organisations.

The Registrar of Aboriginal Corporations administers the *Aboriginal Councils and Associations Act 1976* with a view to building the capacity of Indigenous corporations. Preparatory work continued in anticipation of parliament's passing of the Corporations (Aboriginal and Torres Strait Islander) Bill 2005, which will strengthen the incorporation regime and ensure support and training to help corporations succeed.

Performance assessment and evaluation

OIPC strengthened the whole-of-government reporting and evaluation framework and continued systems development to capture data on Indigenous Australians and on the resourcing and outcomes of Indigenous programs.

An electronic submission process was launched for applications for Indigenous funding for 2006–07 through 30 Indigenous Coordination Centres. An evaluation of the 'red tape' faced by communities dealing with multiple government programs was released with a range of recommendations.

Native title and land rights

OIPC advised the Australian Government on reforms to land rights and native title legislation aimed at better outcomes, including increased economic development on the substantial Indigenous land base.

A bill has been presented to parliament providing for major reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976*, after almost 10 years of consultation involving the Australian Government and Northern Territory Government, land councils and Indigenous communities. The amended Act will provide improved processes and accountability and enable a scheme for the leasing of land in townships after negotiations with traditional owners.

A major 2006–07 Budget measure will extend the benefits of home ownership to people living on Indigenous land through the provision of low-cost loans.

Repatriation of ancestral remains

OIPC advanced the Australian Government’s commitment to the repatriation of Indigenous ancestral remains held in overseas collections through successful negotiations with the United Kingdom Government, development of a new policy and strategy, and appointment of an Indigenous advisory committee.

SECRETARY'S REVIEW

Operating environment



FaCSIA operates in a complex environment delivering policies and programs to a range of clients with differing needs. The department's responsibilities encompass support for families, the aged, women, youth, carers, people with disability, mental health problems, those affected by disaster, coping with financial problems or family breakdown. FaCSIA also has a major responsibility for Indigenous Australians. Its policies and programs include support for housing, child care and family relationship services. In addition, the department has a whole-of-government coordination role in relation to Indigenous affairs, women's issues and disaster recovery.

Some key issues stand out when reviewing FaCSIA's broader operating environment over the past year. The trend of consistent economic growth resulting in higher real incomes continued in 2005–06. Increases in real incomes were complemented by rises in many income support payments and reductions in the income tax burden facing individuals and families. In some cases, increases in payments were made through one-off bonuses. Implementing these changes has been a major focus for the department.

Housing

Debt levels and household sector asset holdings, including residential property continued to rise, while a relatively modest rise in interest rates occurred over the course of 2005–06. Following sharp rises in the early part of the decade, housing price growth has subsequently moderated in most locations.

Homelessness is affected by a range of factors including unemployment, income, housing affordability, relationship breakdown, domestic violence, substance abuse and mental illness. The level of home ownership is much lower for income support recipients, many of whom share with others, often in informal arrangements with family members.

Melbourne academics David MacKenzie and Alistair Chamberlain produced a report in 2003 that estimated 99,900 Australians were homeless on census night 2001. Their report provides information not previously available including information about those people who do not necessarily access services such as the Supported Accommodation Assistance Program or do not come into contact with other programs of assistance.

The housing circumstances of Indigenous people are different to those of non-Indigenous Australians. Australian Bureau of Statistics Census and other data indicate:

- rates of Indigenous home ownership are around half those of non-Indigenous Australians
- when renting, about half of Indigenous families rent privately with the other half reliant on community and public rental housing
- public rental housing is more common for those in urban areas and community-based rental housing is the main form of housing in most rural and remote Indigenous communities
- Indigenous households experience higher rates of overcrowding than non-Indigenous households, particularly in rural and remote areas
- many Indigenous communities in rural and remote areas require assistance to develop and maintain appropriate and affordable housing-related services, such as water, power supplies and waste management systems.

The quantity and quality of housing and associated services contributes significantly to environmental health and associated primary health in many Indigenous communities.

Aged

A high priority policy focus of FaCSIA is the ageing of the population. The proportion of the population aged 65 and over is forecast to increase from 13 per cent now to 19 per cent in 2021 and to further increase to 27 per cent by 2051. In 2005–06 the government spent approximately \$21 billion providing the Age Pension to approximately 1.9 million recipients. In coming years senior Australians can be expected to have higher average private wealth, largely as a result of the increasing maturity of the superannuation system.

Age Pension means-test settings target assistance while providing incentives for participation and self-provision. To further increase these incentives, the government has announced that the pension assets test taper will be halved. Increasing lifespans highlight the importance of seniors making the best use of their savings and investments to enhance their standard of living over the course of retirement.

In coming decades there will be relatively fewer people of workforce age. Currently there are five people of workforce age for every person aged over 65 years. By 2051, it is expected that there will be only 2.5 people of workforce age for every person over 65. Increasing labour force participation is therefore a key priority.

As informal care of the elderly happens predominantly within families, FaCSIA has been studying the effect of structural ageing on families and their caring responsibilities. Elder care impacts less on the workforce participation of the carer than child care. Aged people provide reciprocal support to their families including help with child care and financial help. Typically, aged people stay healthy for much of their retirement followed by only a brief period of frailty. The health of retirement-aged Australians is likely to improve further.

Disabilities

In 2003, one in five Australians had a disability, and 6.3 per cent (over 1.2 million) of the Australian population had a severe or profound core activity limitation. In the five years to 2003, population growth and the ageing of the population led to an increase in the number of people with a severe or profound core activity limitation by around 110,000 or 9.6 per cent. It is important to note that people with disability are not a homogenous group, underlining the importance of delivering programs and services flexible enough to meet the varied needs of people with disability.

Supported employment in FaCSIA-funded business services is an important avenue to build the skills and workforce experience of the 18,000 working age people needing substantial ongoing on-the-job support. In the five-year period to 2006, the number of people assisted by business services increased by around 18 per cent. Of the disability support pension population who were employed in June 2006, around one in four worked in business services. Employees in business services worked an average of 27.2 hours a week, with an average weekly wage of \$80.

While the vast majority of people working in business services had an intellectual disability (77.1 per cent) in 2006, 8.8 per cent of service users had a psychiatric disability, 6.4 per cent had a physical disability, and the remaining 7.7 per cent of people had a sensory disability, an acquired brain injury or a neurological disability. People born in non-English speaking countries accounted for 3.8 per cent of the workforce, and 1.5 per cent were of Indigenous background. Around 11 per cent of people lived in regional and remote areas. Young people aged 15 to 24 years made up 15.6 per cent of the business service workforce.

Carers

Social and demographic conditions shape the structure and extent of caring in the Australian community. Influences include the ageing of the population, de-institutionalisation, changing female labour force participation and family structures. Population ageing along with advances in health care that prolong life are expected to increase the demand for informal care. At the same time it is likely that the availability of carers will decline in future with increased female labour force participation.

Given these demographic trends many individuals and families will face new challenges in combining labour force participation with their family and caring roles. Support for carers needs to recognise the particular needs of working carers, remote and rural communities and the needs of those from diverse cultural and linguistic backgrounds.

Carers have always played an important role in the community. Over 57 per cent of primary carers are women of working age and about 350,000 young people under the age of 25 years provide some level of care for a friend or family member. At June 2006, there were nearly 92,000 carers aged 65 years or over who received Carer Payment and/or Carer Allowance. Over the past five years the number of carers receiving Australian Government assistance has increased by more than 60 per cent.

Women

Changes to women's lives have reflected changes in Australian society. Women live longer, and have the same or better outcomes as men in several key areas such as health and education. While many gender-based roles have been changing, women still undertake most of the unpaid caring responsibilities in our community, which in turn impacts on their workforce participation. Women are under-represented in management and decision-making positions and, on average, earn less over their lifetime than men.

Australian women are increasingly participating in the labour force. As at June 2006, based on seasonally adjusted figures, over 4.5 million Australian women (54.7 per cent of all women) were in paid employment—a 27.4 per cent increase (approximately one million women) since March 1996.

Women are earning more than ever before and, since 1996, full-time adult ordinary time earnings for women have increased by \$174 per week – a 23.24 per cent increase after taking account of inflation. However, on average, as at November 2005 women still only earned 85 per cent of men's earnings.

The number of women in government and business is increasing. Thirty two per cent of all small business owners are women. Women make up 55 per cent of the Australian Public Service and occupy 33 per cent of senior executive positions. Despite comprising just over half of Australia's population, women hold only nine per cent of board seats in the private sector and about 42 per cent of Australian companies have no female executive managers.

Over their working lifetime women have fewer retirement savings than men. Women are more likely than men to have long periods away from paid employment to care for children and other family members. Whereas men are in the workforce for a full-time equivalent of 38 years, women work for 20 years. Research predicts, even with an expected increase in the female labour force participation over the next 30 years, women's working lives will only total an average of 28 years by 2030.

Violence against women continues to be a significant social issue that needs to be addressed. It has a significant personal and social impact on victims, their families and the wider community. It is estimated that domestic violence cost the Australian community \$8.1 billion in 2002–2003.

Youth

At June 2004, it was estimated that there were nearly 2.8 million young people¹ aged 15 to 24, representing 14 per cent of Australia's total population. In the major urban areas young people made up a slightly greater proportion of the population – 15 per cent.

The majority of young Australians are doing well in terms of their education, employment and general satisfaction with life. This is supported by data from the 2001 National Health Survey, which shows more than 80 per cent of people aged 18–24 years were happy or satisfied with their lives. In 2004–2005, 93 per cent of young people 15–24 years old rated their health as good, very good or excellent.

¹ Source: Australian Demographic Statistics, September Quarter 2004, ABS Cat. 3101.0

In recent years, more young people are staying at school, with school retention rates and school participation rates rising. Between 1999 and 2003, the number of full-time students rose by almost 100,000. For education participation in school and post-school studies between 1999 and 2003, the rates for young people aged 15 to 19 years increased from 73 per cent to 76 per cent, and for young people aged 20 to 24 years – from 27 per cent to 37 per cent. The major change in the youth labour market over the past two decades has been a marked shift from full-time to part-time work and combining work and study. In recent years, the proportion of young students who work part-time increased for 16 to 19 year olds from 28 per cent in 1986 to 37 per cent in 2002, and for 20 to 24 years old from 37 per cent to 53 per cent, respectively.

The unemployment rate, as measured by teenage full-time unemployment to population ratio, has fallen from 11.6 per cent in January 1992 to 5.4 per cent in January 2005. For 20 to 24 year olds, full-time unemployment dropped from 12.6 per cent to 6.5 per cent respectively, in the same period.

The majority of young people between 15 and 24 years of age (59 per cent) were living at home in 2001, either as dependent students (34.1 per cent) or as non-dependent (25 per cent). Slightly less than one-third of young people lived outside the parental home. The remaining 10 per cent of young people were in non-private dwellings.

Families

The family remains the cornerstone of Australia's social and economic health. Family well-being is important for the difference it makes to the individual lives of family members, and for the impact strong families make on the character of life in Australia. Families also have a vital role in creating and sustaining the human capital needed for a strong economy.

Two factors causing significant long-term change in the nature of families have been delayed family formation and the significant decline in the total fertility rate since the early 1960s. The number of marriages per 1,000 people has decreased from 6.2 in 1994 to 5.5 in 2004. Both men and women are older now at first marriage—in 2004 the median age at first marriage was 29 years for men and 28 years for women. The total fertility rate dropped from over three children per woman in the 1960s to under two children per woman in the 1980s. The rate has been relatively stable over recent years and was around 1.77 children per woman in 2004. In the same year, the median age of mothers of newborns was 30.6 years and for fathers was 32.8 years. Aboriginal and Torres Strait Islander women have a higher fertility rate (2.11) and are younger at childbirth (median of 24.6 years) than other Australian women.

The increase in households in which both parents work, as well as the growth in one-parent families, has led to the greater prominence of work and family issues in considerations around family well-being.

The demand for, and supply of, formal child care is growing. Between 1984 and 2005, the proportion of children in formal child care increased from 12 to 21 per cent. Over the three months to December 2005, there were 802,000 children in Australian Government approved child care services.

Marriages are lasting longer than in the past, but the likelihood of separation and divorce has increased. Based on 1997–98 rates of marriage, widowhood, divorce, remarriage and mortality, the likelihood of marriage ending in divorce is 32 per cent. In 2004, half of all divorces involved families with children under 18 years (affecting 49,300 children). Currently, in Australia lone mother families comprise 20 per cent of all families with children under 15 years while lone father families comprise three per cent. These figures have risen from 15 per cent and two per cent, respectively in 1994.

In 2004–05, there were around 12,500 children admitted to out-of-home care, an increase from 9,200 admitted in 2003–04. Indigenous children continue to be over-represented in out-of-home care — in 2004–05, there were 26.4 per 1,000 Indigenous children in out-of-home care, compared with 4.9 per 1,000 for all Australian children.

Indigenous Australians

Despite increased financial well-being in general, many Australians suffer significant disadvantage. This is particularly true of Indigenous Australians, for whom outcomes are much lower across a range of indicators than for the population as a whole. On average Indigenous Australians die younger, have poorer health, higher unemployment, lower education and more frequently come to the attention of the criminal justice and state welfare systems than non-Indigenous Australians.

More than a quarter of Indigenous Australians live in remote areas compared with two per cent of non-Indigenous Australians. In many cases, these communities are characterised by low levels of self-reliance, poor economic opportunity, and high levels of social dysfunction. Addressing these issues is a high priority for the department.

SECRETARY'S REVIEW

Social justice and equity impact



FaCSIA programs make a positive contribution to social justice and equity across the entire Australian community:

- housing assistance is provided to help low-income households and homeless people gain affordable and appropriate housing
- seniors are assisted to become financially stronger through financial information services and incentives to use savings and investments productively while those in need are provided with income support
- people with disability are helped to greater independence and self-reliance through employment assistance and programs such as Postal Concessions for the Blind
- carers are supported in their caring role through financial assistance such as Carer Payment and encouraged in their social and economic participation in the community through policies on voluntary and paid work and study
- young people are helped to achieve their full potential through services and programs that enhance their self-reliance, resilience and life skills
- FaCSIA works to achieve more equitable outcomes for women and improve women's choices and opportunities through the Office for Women
- families are supported and strengthened, with particular attention to giving children the best possible start in life, through Family Assistance payments, support for family relationships, quality child care and other early childhood services. FaCSIA also ensures that the government considers the family impacts of its decisions by managing and providing advice on family impact statements for all relevant Cabinet and Budget proposals

- communities are assisted through policies and programs to build their capacity for self-help and by encouraging and facilitating partnerships between business, community groups and governments. Programs that exemplify this focus include the significant support provided to assist families adversely affected by Cyclone Larry in Queensland and the Emergency Relief Program that provides assistance to the most disadvantaged in the community
- the Australian Government's Indigenous affairs arrangements are designed to address both short-term barriers and longer-term systemic problems that have contributed to Indigenous people's entrenched disadvantage. Health, housing, employment and education programs that are the responsibility of mainstream agencies are coordinated for flexible use at the local and regional level in response to needs and priorities articulated by Indigenous communities.

SECRETARY'S REVIEW

Financial performance overview



This section provides a summary of the department's financial performance for 2005-06. Departmental and administered results are shown in the audited financial statements in Part 5 of this report. The resource summary of price of outputs and administered programs can be found under each outcome in Part 2 of this report.

Changes in administrative arrangements

Under the Administrative Arrangements Orders (AAO) changes of 27 January 2006, the portfolio assumed responsibility for the Office of Indigenous Policy Coordination, the Indigenous Land Corporation and the Torres Strait Regional Authority from the former Immigration and Multicultural and Indigenous Affairs portfolio.

Operating results

Departmental

FaCSIA generated an operating deficit of \$15.9 million in 2005-06 (2004-05: operating surplus of \$67.0 million). This deficit is primarily due to higher than budgeted depreciation expenses following the transfer of OIPC within FaCSIA, staff redundancies and improvements to the department's IT capability.

Operating revenue

Total operating revenue was \$1,480.8 million (2004-05: \$2,333.2 million). Operating revenue consists of:

- government appropriations of \$1,470.6 million
- sale of goods and services revenue of \$9.5 million
- other revenue of \$0.7 million.

In comparison to 2004-05, government appropriations for the delivery of programs and services decreased by \$857.0 million reflecting the full-year impact of the 2004 AAO changes.

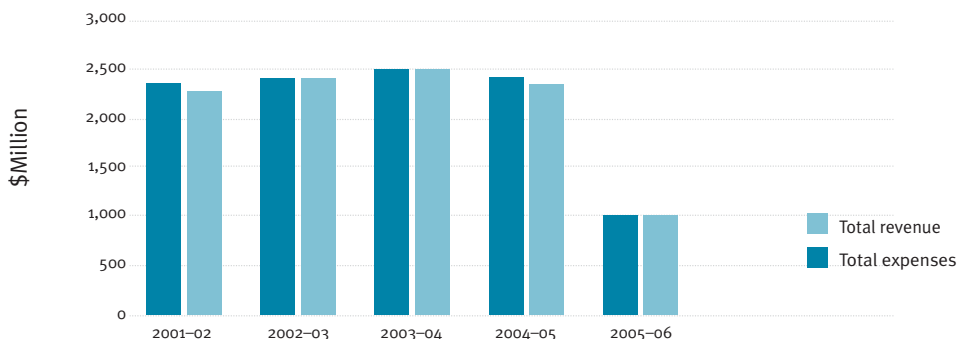
Operating expenses

Total operating expenses were \$1,498.0 million (2005-06: \$2,315.5 million). Operating expenses consist of:

- employee expenses of \$166.3 million
- supplier expenses of \$115.3 million
- payments to other government agencies for service delivery of \$1,199.9 million
- other expenses (including depreciation) of \$16.5 million.

Operating expenses decreased by 35 per cent. This is primarily attributable to the transfer of the delivery of income support payments to other portfolios under the 2004 AAO changes.

Figure 1.1 | Departmental revenue and expenses



Administered

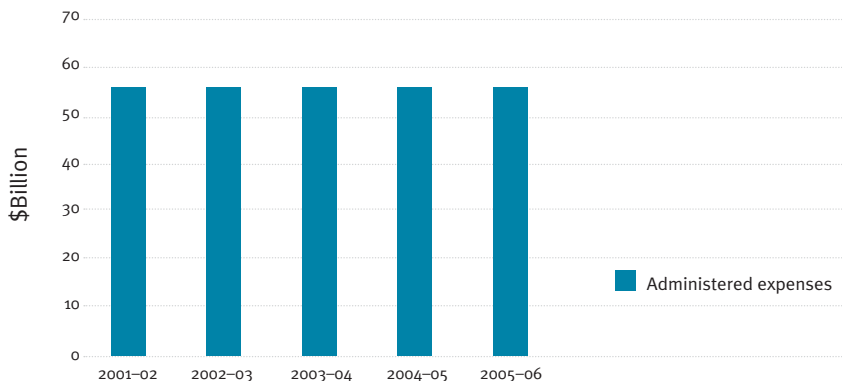
FaCSIA administered programs of \$43.1 billion in 2005-06 on behalf of the government (2004-05: \$48.9 billion).

Table 1.1 | Actual administered expenses

	2005-06 \$'000	2004-05 \$'000
Subsidies	11,739	13,323
Personal benefits	40,007,942	45,485,904
Grants	2,986,205	2,751,820
Suppliers	40,507	49,886
Write-down and impairment of assets	38,578	(99,929)
Interest	0	11,219
Other	14,548	674,826
Total administered expenses	43,101,429	48,901,620

The change in administered expenses is mostly related to personal benefits and write-down and impairment of assets. This is due to the transfer of programs to other departments under the 2004 AAO changes. Actual administered expenses in 2004–05 included part-year expenditure for these programs.

Figure 1.2 | Administered expenses



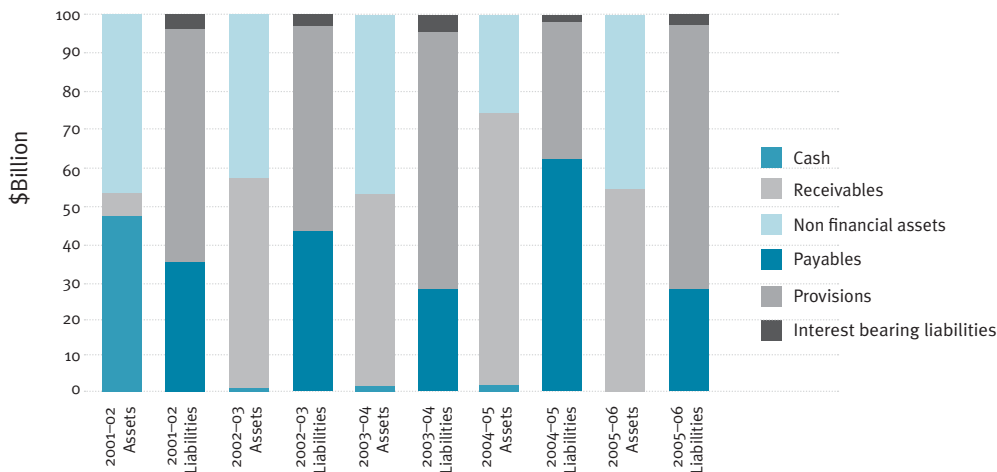
Balance sheet

Departmental

Net asset position

The net asset position at 30 June 2006 was \$128.5 million (2005: \$86.4 million).

Figure 1.3 | Departmental assets and liabilities



Total assets

Total assets at 30 June 2006 were \$222.0 million (2005: \$210.3 million).

There was a decrease in financial assets of \$36.6 million which was largely due to a reduction in receivables from Centrelink. This decrease was offset by an increase in land and buildings (\$28.8 million), intangibles (\$14.2 million) and other non-financial assets with the transfer of OIPC to FaCSIA as part of the 2006 AAO changes.

Total liabilities

Total liabilities at 30 June 2006 were \$93.5 million (2005: \$123.9 million).

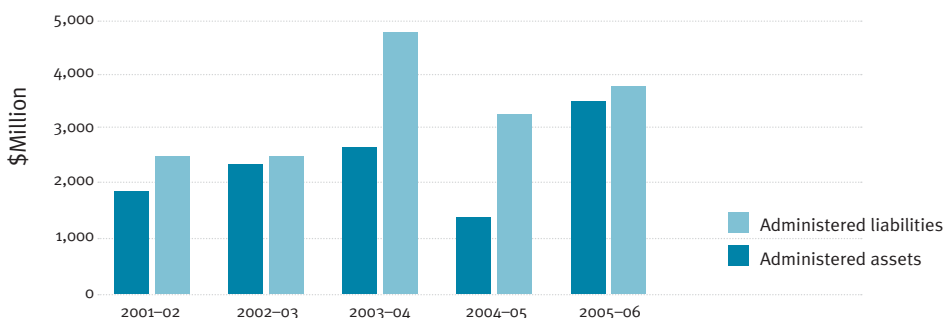
Employee provisions increased by \$17.5 million, reflecting the transfer of OIPC staff to FaCSIA. This was offset by a reduction of \$50.1 million in payables following the return to government of the payable outstanding at 30 June 2005.

Administered

Total assets at 30 June 2006 were \$3,395.2 million, an increase of \$2,009.5 million from 30 June 2005 (\$1,385.7 million). This increase is mostly due to the 2006 AAO changes which saw the portfolio assume responsibility for OIPC, the Indigenous Land Corporation and the Torres Strait Regional Authority.

Total liabilities at 30 June 2006 were \$3,693.3 million, an increase of \$511.7 million from 30 June 2005 (\$3,181.6 million). This increase is mostly due to higher year-end provisions and payables for Family Tax Benefit and Age Pension.

Figure 1.4 | Departmental revenue and expenses



SECRETARY'S REVIEW

Portfolio overview



At 30 June 2006, the Families, Community Services and Indigenous Affairs portfolio comprised the following organisations:

Department of Families, Community Services and Indigenous Affairs

The Department of Families, Community Services and Indigenous Affairs (FaCSIA) is the principal policy formulation and advising body in the portfolio. FaCSIA is responsible for:

- providing policy advice, income support and assistance to families and their children, senior citizens, people with disability, women and community groups
- providing policy advice on Indigenous issues and coordinating whole-of-government policy development and service delivery in Indigenous affairs
- managing the delivery of a wide range of support services and government programs through thousands of provider organisations located across Australia.

Social Security Appeals Tribunal

The Social Security Appeals Tribunal is a statutory body under the *Social Security (Administration) Act 1999* that conducts merit reviews of administrative decisions made under a number of enactments, in particular the social security law and family assistance law.

The tribunal has the power to review decisions independent of Centrelink and FaCSIA. It provides a review mechanism that is fair, just, economical, informal and quick.

The tribunal submits an annual report to the Minister for Families, Community Services and Indigenous Affairs which is presented to parliament.

Aboriginal Hostels Limited

Aboriginal Hostels Limited is an Australian Government company providing temporary accommodation services for Aboriginal and Torres Strait Islander people in areas of greatest need. The organisation submits an annual report to parliament.

Australian Institute of Family Studies

The Australian Institute of Family Studies is an independent statutory authority that promotes the identification and understanding of factors impacting on families in Australia. The Institute submits an annual report to parliament.

Indigenous Land Corporation

The Indigenous Land Corporation is a statutory authority established by the *Aboriginal and Torres Strait Islander Act 2005*. It provides economic, environmental, social and cultural benefits for Indigenous people by assisting in the acquisition and management of an Indigenous land base. Its operations are funded through the Aboriginal and Torres Strait Islander Land Fund Account. The corporation submits an annual report to parliament.

Torres Strait Regional Authority

The Torres Strait Regional Authority is a statutory authority established by the *Aboriginal and Torres Strait Islander Act 2005*. It formulates, implements and monitors the effectiveness of programs for Indigenous people living in the Torres Strait area and provides advice to the Minister about Torres Strait regional issues. The authority submits an annual report to parliament.

Northern Land Council

Central Land Council

Anindilyakwa Land Council

Tiwi Land Council

The four Northern Territory land councils are each independent statutory bodies established under the *Aboriginal Land Rights (Northern Territory) Act 1976* to represent Aboriginal interests in various processes under the Act. The land councils each submit an annual report to parliament.

Aboriginal Land Commissioner

The Aboriginal Land Commissioner is an independent statutory officer appointed by the Governor-General under the *Aboriginal Land Rights (Northern Territory) Act 1976*. The land commissioner inquires into land claims made by Aboriginal people, makes findings about traditional ownership and provides recommendations to the Australian Government on the grant of land. The land commissioner submits an annual report to parliament.

Wreck Bay Aboriginal Community Council

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

Registrar of Aboriginal Corporations

The Registrar of Aboriginal Corporations is an independent statutory officer appointed by the minister under the *Aboriginal Councils and Associations Act 1976*. The Act provides Aboriginal and Torres Strait Islander communities, groups and organisations with a means of incorporation including the flexibility to take account of Indigenous customs and traditions. The registrar reports under Outcome 6 of this report.

Figure 1.5 | Structure of Families, Community Services and Indigenous Affairs portfolio at 30 June 2006



SECRETARY'S REVIEW

Departmental overview



Role and purpose

FaCSIA plays a lead role in shaping and contributing to a broad range of social policy issues affecting Australian society and the living standards of Australian individuals, families and communities.

The department's purpose is to improve the lives of Australians by helping to build the capacity and well-being of individuals, families and communities.

Restructuring and redefining the new FaCSIA

Changes to Administrative Arrangements Orders

There has been significant change to the portfolio as a result of the Administrative Arrangements Orders issued on 27 January 2006. The Office of Indigenous Policy Coordination and the Department of Family and Community Services merged to form the Department of Families, Community Services and Indigenous Affairs.

FaCSIA executive and structure

At 30 June 2006, the department comprised the executive and 14 groups managed by senior staff (refer figure 1.6). The structure outlines the responsibilities of these groups and reflects the department's strategic themes. Some groups are responsible for delivering on outcomes outlined in the Portfolio Budget Statements while others help by enabling their business.

The FaCSIA regional network, with its specialist on-the-ground expertise, helps the department achieve its outcomes.



Dr Jeff Harmer, Secretary

Dr Harmer was appointed Secretary of FaCS in October 2004. He was previously Secretary of the Department of Education, Science and Training and has held a range of high-level policy advising positions in the Australian Government.

As Secretary, Dr Harmer is responsible for the administration and the corporate and strategic directions of the department and portfolio. He provides senior policy counsel on major and sensitive policy issues to the ministers. Dr Harmer represents the department in a variety of government, industry and business sector forums. Through these, he develops and maintains high-level relationships with the department's key stakeholders. Dr Harmer sits on the boards of the Australian Research Alliance for Children and Youth, the Foundation for Young Australians, and the Melbourne Institute Advisory Board.



Wayne Gibbons PSM, Associate Secretary

Mr Gibbons has been Associate Secretary of the Office of Indigenous Policy Coordination (OIPC) since July 2004, and was the former Chief Executive Officer of both Aboriginal and Torres Strait Islander Services and the Aboriginal and Torres Strait Islander Commission, where he helped to shape the Australian Government's whole-of-government arrangements in Indigenous affairs. He has played a major role in consolidating the Indigenous affairs reforms through the coordination of innovative policy development and service delivery for Indigenous Australians in collaboration with other agencies, including the identification of strategic directions for the future. Mr Gibbons is also leading the upgrade of the department's IT infrastructure.

'The formation of FaCSIA in January 2006 was a major milestone allowing the combined resources of the former FaCS and OIPC to tackle more intensively the urgent challenges presented in Indigenous affairs.'

'During 2005–06 we have laid strong foundations for the next phase of the Indigenous affairs arrangements. We will be taking a more active role in leading government service delivery in remote Australia where the critical need is. Our strategies will be place-based, partnership-based and multi-issue based. Our work in communities will reflect the uniqueness of each community, involve a bilateral partnership with the relevant state or territory government, and cover the range of issues facing communities.'

'The reform of arrangements for Indigenous housing is also integral to this new direction.'



Stephen Hunter, Deputy Secretary

Mr Hunter joined the former FaCS as a deputy secretary in July 2003 and has worked in the Australian Public Service since 1983. He came to the department after working for five years as a deputy secretary in the Department of Environment and Heritage. Prior to that he was with the Bureau of Transport and Communications Economics and the Department of Transport and Regional Development. He also spent 10 years in the administration of the ACT before and after self-government.

Mr Hunter assists the Secretary in managing the department and has particular responsibility for community, policy, disaster recovery and programs, housing, the FaCSIA regional network, disability programs and services. People management, resource management, legal services, ministerial and executive support and communication and events also fall under his area of responsibility.

'This has been a challenging and satisfying year for FaCSIA. The creation of the new department by bringing together Family and Community Services and the Office of Indigenous Policy Coordination has of course required considerable effort. We are working hard to realise the many synergies available as a result of the creation of the new department.'

'FaCSIA played a key whole-of-government leadership role in the Australian Government's response to Cyclone Larry. We were also involved in responses to further natural and other disasters both in Australia and overseas. These events kept parts of the department stretched for extended periods and brought out the very best in our staff.'

'Finally, the past year saw great progress in the implementation of the FaCSIA Online Funding Management System. This is a state-of-the-art funding management system that puts our community programs on a new and contemporary platform. It will enable more efficient and effective administration, as well as freeing resources to focus on more closely managing our relationships with community-based service providers.'



Glenys Beauchamp, Deputy Secretary

Ms Beauchamp joined FaCS in 2002 and, as group manager, covered a number of different areas including families and children, housing and communities, and youth and Indigenous policy. She became deputy secretary in January 2006.

Ms Beauchamp came to the department after holding senior positions in the ACT Government in areas such as housing, energy reform, transport, health and disabilities. Ms Beauchamp assists the secretary in leading the department and is responsible for strategic outcomes in relation to social policy, seniors, families, children, women and youth programs.

'Even more than previous years, we have faced substantial changes and have embarked on an exciting new course following the machinery-of-government'

changes in January 2006, with FaCS and the Office of Indigenous Policy Coordination coming together to form the new FaCSIA.

'This change, together with significant agendas to deliver for the Australian Government coming out of the last two Budgets, has resulted in renewed confidence in the portfolio to deliver and forge effective partnerships with key service providers.

'Our staff have been through much change and have responded admirably to help improve the way we do business – to strive for excellence, showing support and respect for each other and being responsive in effectively delivering outcomes for government.'



Mr Bernie Yates, Deputy Secretary

Mr Yates was Deputy Secretary of OIPC since its establishment in July 2004 and moved into the department with the January 2006 machinery-of-government changes.

Mr Yates assists the Secretary to manage the department and has particular oversight of OIPC's whole-of-government policy development, research, budget and evaluation work, support to the Ministerial Taskforce on Indigenous Affairs, Secretaries' Group on Indigenous Affairs and National Indigenous Council, and the network of multi-agency Indigenous Coordination Centres. Mr Yates also has responsibility for the program operations function, which is guiding and supporting the reform and strengthening of the department's approach to program design and management.

'Much has been achieved over the past two years in establishing a whole-of-government approach to the Australian Government's Indigenous business. New ways have been developed for engaging and reaching agreements with Indigenous Australians at local and regional levels and bilaterally with state and territory governments. Progressive reforms to mainstream and Indigenous-specific programs to achieve better outcomes for Indigenous people are under way and a number of strategic interventions in key communities and regions are being developed, in partnership with state and territory governments, Indigenous people and other stakeholders. But there remains a long way to go in terms of better practice and changed working cultures, including within the public sector. FaCSIA now has the opportunity to lead and support whole-of-government initiatives for Indigenous Australians as it combines OIPC's coordination role with major program areas relevant to Indigenous people, including housing, child care and family support.

'The ongoing reform of FaCSIA's programs is important to achieving improvements in the compliance, efficiency and impact that they have in improving the lives of all Australians. This is a major focus for the department and is underpinning our efforts to simplify and re-engineer our business processes and improve the administration of our programs to achieve better results for our clients.'

Figure 1.6 | Organisational structure at 30 June 2006



Secretary
Jeff Harmer

Associate Secretary Wayne Gibbons

Deputy Secretary
Bernie Yates

Office of Indigenous Policy Coordination (OIPC)

Program Operations
Roger Barson

Information Management and Technology
Max Devereux
A/g

OIPC State and Territory Managers
NSW
Barry Johnson
NT
Brian Stacey
QLD
Di Hawgood
SA
Adrienne Gillam
TAS
Wendi Key
VIC
Wendi Key A/g
WA
Andrew Jagers

Performance
Jenny Bryant

Policy
Helen Hambling

Land and Resources
Greg Roche
A/g

Development
Kerrie Tim

Program Advice and Compliance
Fiona Smart

ICT Operations
Tony Mee

Agreement Implementation
Lesley Daw

Inter-governmental and Welfare Reform
Dr Alison Smith /
Dr Bruce Smith

Land Policy and Repatriation
Paul Omaji

Leadership Delivery
Geoff Richardson

Service Delivery and Performance
Deborah Winkler A/g

Applications and Development
Kylie Williams
A/g

Regional and Priority Interventions
Kate Gumley

Mainstream Engagement
Deidre McNally A/g

Land Rights Services
Yvonne Fetherston A/g

Information Management
Jenny Bourne

ICC Support and Development
Jan Lawless

Performance and Information Planning
Bryan Palmer

Communities Engagement
Greg Andrews

Secretariat
Susan Black

ICC Managers
QLD
- Brisbane
- Cairns
- Mt Isa
- Rockhampton
- Roma
- Townsville
WA
- Perth
- Broome
- Derby
- Geraldton
- Sth Hedland
- Kalgoorlie
- Kununurra
SA
- Adelaide
- Ceduna
- Port Augusta

NSW
- Sydney
- Bourke
- Coffs Harbour
- Dubbo
- Queanbeyan
- Tamworth
- Wagga Wagga
NT
- Darwin
- Alice Springs
- Katherine
- Tennant Creek
- Nhulunbuy
TAS
- Hobart
VIC
- Melbourne

Funding Reform and Single Budget
Christine Williams

Central Australia Petrol Sniffing Implementation Unit
TBA
Current process being finalised

Senior Indigenous Mentor
Shane Williams

Investigation Services
Brian McMillan

Registrar of Indigenous Corporations
Laura Beacroft

SECRETARY'S REVIEW

Outcome and output structure



The department's outcome structure changed during 2005–06. This report is based on the outcome structure in figure 1.7, published in the 2005–06 Portfolio Budget Statements and modified in the 2005–06 FaCSIA Portfolio Additional Estimates Statements by the addition of Outcome 6: Innovative whole-of-government policy on Indigenous affairs:

In July 2006, the outcome structure was changed to four outcomes. The new structure is set out in figure 1.8.



Figure 1.7 | Outcomes and outputs groups for 2005–06 reporting

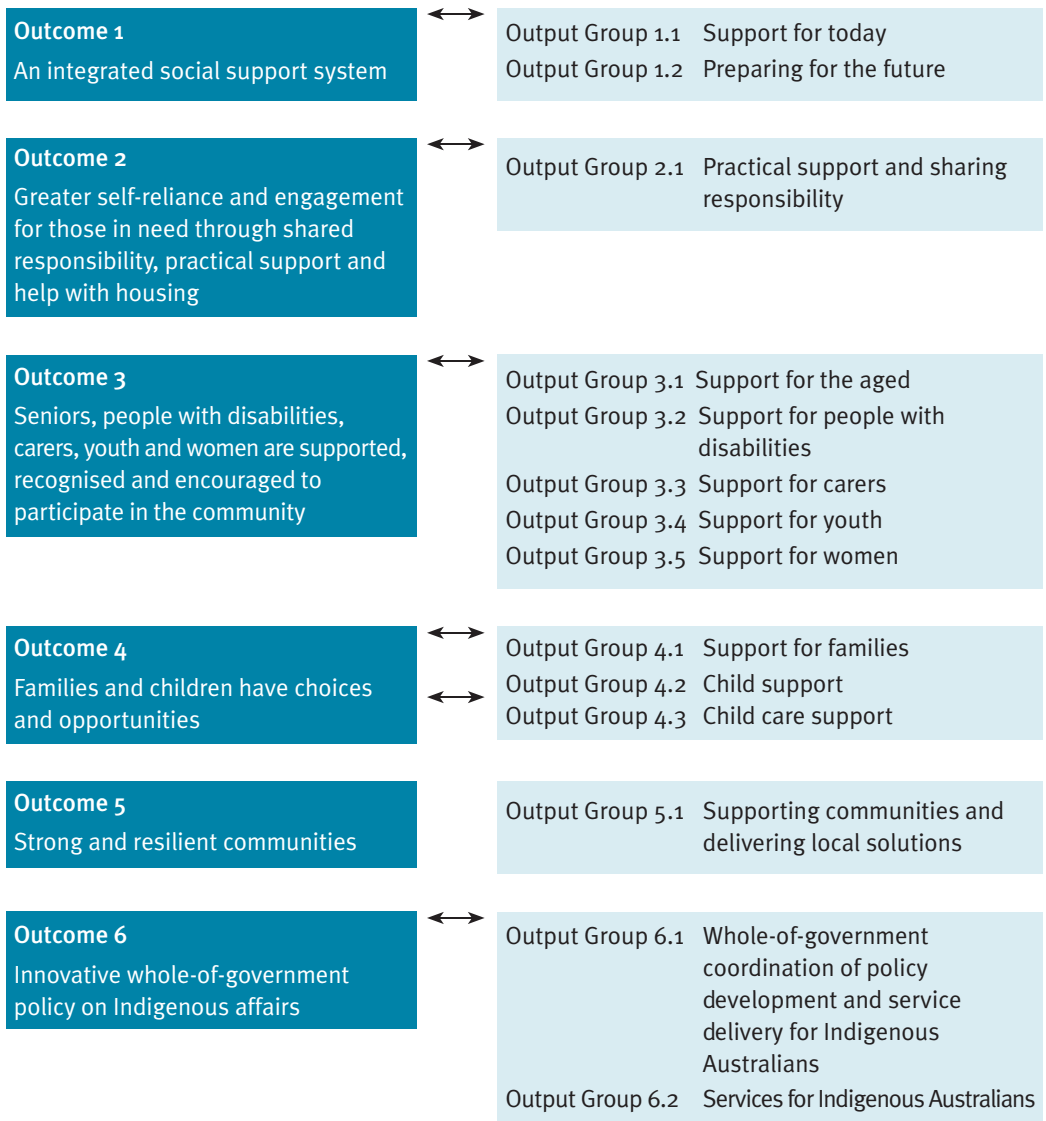
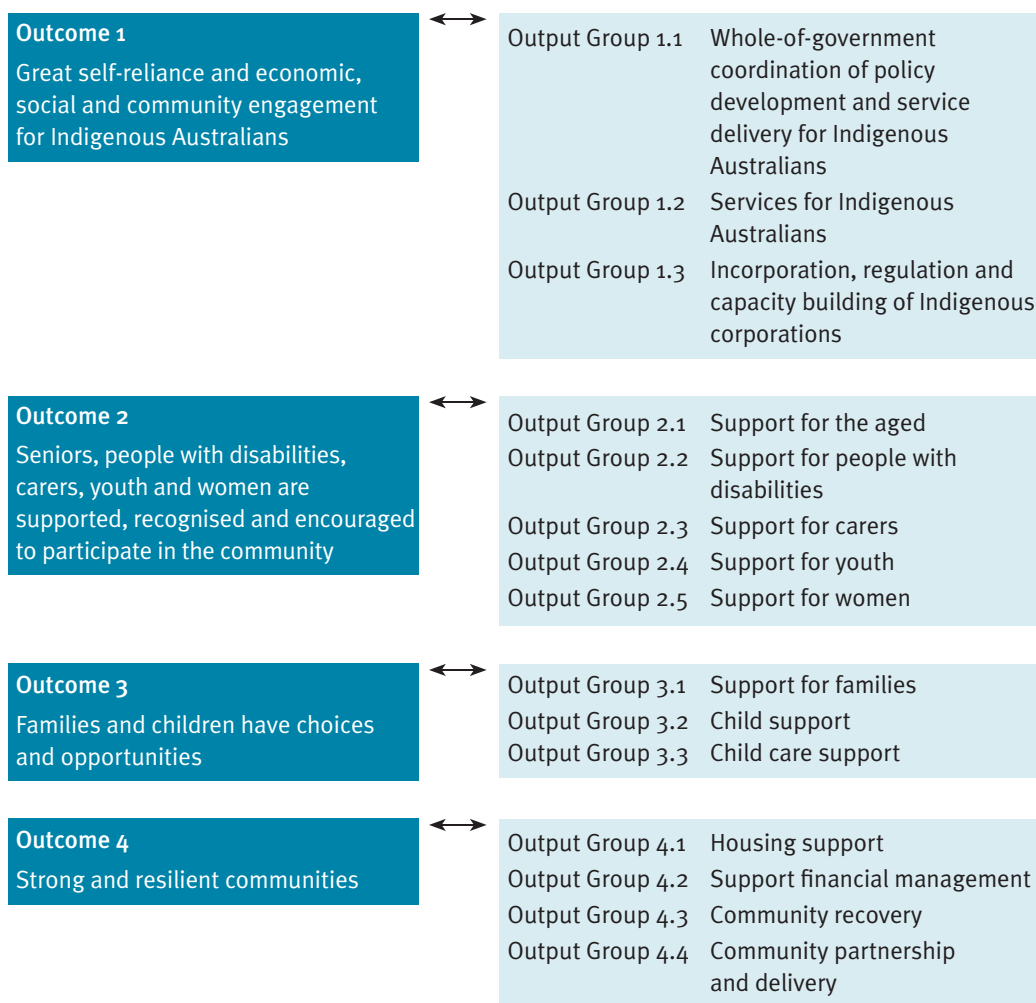


Figure 1.8 | Outcomes and outputs groups, July 2006



PART 2

PERFORMANCE REPORTING



External performance reporting framework

Outcome 1	An integrated social support system	40
	Output Group 1.1 Support for today	
	Output Group 1.2 Preparing for the future	
Outcome 2	Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing	52
	Output Group 2.1 Practical support and sharing responsibility	
Outcome 3	Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community	84
	Output Group 3.1 Support for the aged	
	Output Group 3.2 Support for people with disabilities	
	Output Group 3.3 Support for carers	
	Output Group 3.4 Support for youth	
	Output Group 3.5 Support for women	
Outcome 4	Families and children have choices and opportunities	154
	Output Group 4.1 Support for families	
	Output Group 4.2 Child support	
	Output Group 4.3 Child care support	
Outcome 5	Strong and resilient communities	198
	Output Group 5.1 Supporting communities and delivering local solutions	
Outcome 6	Innovative whole-of-government policy on Indigenous affairs	220
	Output Group 6.1 Whole-of-government coordination of policy development and service delivery for Indigenous Australians	
	Output Group 6.2 Services for Indigenous Australians	

OUTCOME 1

An integrated social support system



Services and assistance that promote a forward-looking social support system based on sound policy, effective social coalitions and partnerships, and help to build the capacity and well-being of individuals, families and communities.

Description

Outcome 1 reflects the lead role FaCSIA plays within government to oversee and maintain an integrated social support system. The system acknowledges and supports the importance of income support and services in providing for the well-being of Australians, their families and their communities. The department:

- oversees the Social Security Act and ensures its integrity across agencies
- undertakes and funds significant research that contributes to our understanding of the social policy environment and provides support for policy development
- manages and maintains social policy data and data products required to monitor and evaluate programs and to support policy development for an integrated social support system
- supports ongoing liaison with national and international agencies such as the Organisation for Economic Cooperation and Development and the International Social Security Association
- funds and supports national peak bodies.

Figure 2.1 | Outputs contributing to Outcome 1

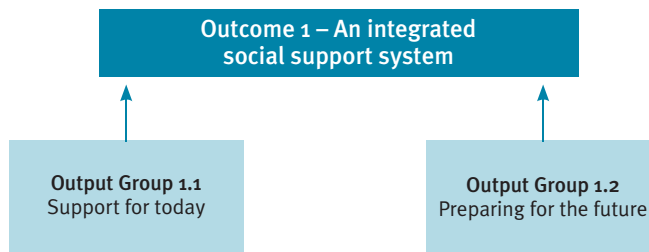


Table 2.1 | Financial and staffing resources summary

Outcome 1: An integrated social support system	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Items applicable across Outcome 1				
National Secretariats	2,118	2,097	- 21	2,129
Payments to universities and other organisations for special studies and research	1,173	1,084	- 89	2,716
Payments under s.33 of the FMA Act 1997	400	277	- 123	170
Total administered expenses	3,691	3,458	- 233	5,015
Price of departmental outputs				
Output Group 1.1 Support for today	17,476	17,919	443	20,728
Output Group 1.2 Preparing for the future	22,072	22,632	560	26,179
Appropriations applicable across Outcome 1				
Policy services & program management	-	-	-	-
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	1,268	1,297	29	1,296
Revenue from other sources	121	136	15	514
Total price of departmental outputs	40,937	41,984	1,047	48,717
TOTAL FOR OUTCOME 1 (Administered expenses and price of departmental outputs)	44,628	45,442	814	53,732
Staffing Years (Number)				
FaCSIA (including the Social Security Appeals Tribunal)			274	287

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies for strengthening social support capabilities are:

- managing longitudinal surveys to produce high quality data to support future policy and program needs
- managing FaCSIA research, relationships and activities to deliver timely, high quality research to support policy development and advice
- promoting the use of FaCSIA research and evaluation by internal and external stakeholders
- promoting research that informs whole-of-government responsibilities for Indigenous affairs, women and youth
- building program evaluation capability to produce high quality and useful evaluation information to improve policy and program development.

Performance highlights and policy outlook

Key achievements included:

- coordinating the Australian Government's response to the Senate Community Affairs References Committee Report – Poverty and Financial Hardship. The Australian Government lodged this response on 7 March 2006.
- progressing and advancing various stages and phases of longitudinal studies – for details of specific progress refer to Output Group 1.2.

Work is required to:

- continue strong partnership relationships with research institutions and ensure their understanding of FaCSIA policies, programs and priorities
- support the use of quantitative methodologies for research and evaluation proposals, especially in relation to the use of longitudinal surveys
- continue to promote the Household, Income and Labour Dynamics in Australia (HILDA) Survey and the Longitudinal Study of Australian Children (LSAC) to the social research community to use new waves of data as they become available.

Portfolio Additional Estimates Statements

Stronger Families and Communities Strategy – additional funding for the Longitudinal Study of Australian Children (LSAC)

LSAC was originally funded \$20.2 million over 12 years for four waves of data collection based on telephone interviews followed by a face-to-face interview.

At the 2005–06 Additional Estimates, the government provided an additional \$10.6 million to LSAC from 2005–06 to 2010–11.

LSAC is funded for a total of \$30.8 million to complete four waves of data collection until 2010–11. Additional funding for LSAC in 2005–06 has been used to implement the collection of second wave data using the Australian Bureau of Statistics as a data collector for the first time.

Evaluation

Research activities undertaken in Outcome 1 contributed to evaluations under other outcomes.

OUTPUT GROUP 1.1

Support for today



Contribution to Outcome 1

Support for today contributes to Outcome 1 by:

- developing social policy proposals to help the Australian Government meet today's social policy demands
- using longitudinal surveys to describe the current situation of Australian families and children, including Indigenous children
- developing effective partnerships with other Australian Government agencies that contribute to the social support system
- collecting and analysing social policy data sourced from Australian Government and state and territory agencies and organisations
- improving Australian Government access to standardised key social policy data and data products across the full scope of the social support system
- producing management information to monitor and evaluate programs
- enabling peak bodies to contribute to Australian Government policy.

Strategies

- continue to develop the information and evidence base to support evaluation, compliance and research
- manage data policy and data supply arrangements to support whole-of-government activity
- manage information reporting for programs administered by FaCSIA
- provide mechanisms for regular consultation and cooperation between agencies in the social support system, especially Centrelink and the departments of Human Services, Employment and Workplace Relations, and Education, Science and Training
- research and analyse external and longitudinal data
- analyse a diverse range of data from the Australian Bureau of Statistics, Australian Institute of Health and Welfare and others, and participate in steering and advisory groups
- develop FaCSIA's policy modelling capacity
- support peak organisations to contribute to Australian Government policy and service delivery and to channel information between their membership and the Australian Government.

Outputs under Output Group 1.1

- Provide briefs and advice supported by available data and policy analysis to the Minister and departmental executive.

Key achievements included:

- completing the data management review delivering more effective data management for FaCSIA
- delivering a longitudinal data set, to provide an evidence base for the child support reform
- developing standard reports for FaCSIA-administered programs
- engaging the Australian Institute of Health and Welfare to ensure research projects align with Australian Government policy priorities
- completing the revision of the FaCSIA policy development and advice and Core Business Process to ensure standardised and consistent policy development processes across the department
- coordinating the Australian Government's response to the Senate Community Affairs References Committee Report on Poverty and Financial Hardship.

Work is required to:

- maintain strategic relationships with other Australian Government agencies to assist with FaCSIA's effective participation in cross-government policy development, including development of the access card.

Table 2.2 | Financial and staffing resources summary

Output Group 1.1: Support for Today	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Price of departmental outputs				
Policy services & program management	17,476	17,919	443	20,728
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	17,476	17,919	443	20,728
TOTAL FOR OUTPUT GROUP 1.1 (Administered expenses and price of departmental outputs)	17,476	17,919	443	20,728
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			121	127

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Departmental outputs

Policy services and program management

Quality–Assurance

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

100 per cent.

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

100 per cent.

Quality–Client satisfaction

Minister, Parliamentary Secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The Ministers, Parliamentary Secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the Ministers', Parliamentary Secretary's and their offices' assessments can be found in Part 3 – Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

One.

Number of contracts/service agreements under management

Three.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services—number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.2 page 46.

OUTPUT GROUP 1.2

Preparing for the future



Contribution to Outcome 1

Preparing for the future contributes to Outcome 1 by:

- ensuring research activities assist in identifying future needs within the social support system
- using longitudinal surveys to chart the future situation for Australian families and children, including Indigenous children
- continuing funding for research and evaluation to support and develop evidence based policy
- working with policy advisers and researchers to define future data requirements to support social policy research and quality administrative data sets
- delivering research aligned to the priorities of the Australian Government and the requirements of the FaCSIA portfolio
- delivering research and evaluation publications to build the evidence base on social policy issues
- developing capability for program evaluation to build the evidence base about what works.

Strategies

- keep abreast of research and evidence to assist in development of policy
- ensure research activities build the evidence base
- manage longitudinal surveys and research to produce high quality, useful data to support future policy and program needs
- promote research that informs whole-of-government responsibilities for Indigenous affairs, women and youth
- build program evaluation capability to produce high quality and useful evaluation information to support policy and program development and improvement
- commission strategically relevant social policy research under the Social Policy Research Service Agreements 2005–2009.

Outputs under Output Group 1.2

Longitudinal studies and surveys

- design and pilot a research model for Longitudinal Study of Indigenous Children (LSIC) that has cultural integrity
- manage and progress the Household, Income and Labour Dynamics in Australia (HILDA) and Longitudinal Survey of Australian Children (LSAC) surveys.

Other

- manage the activities of the Research and Evaluation Committee including funding and secretariat services
- publish quality research and evaluation materials.

Performance summary for Output Group 1.2

Key achievements included:

- supporting research closely aligned with FaCSIA's strategic themes. For the past year, this has encompassed research that underpins whole-of-government approaches to address social policy issues. This includes 20 social policy research reports across FaCSIA on key strategic themes such as early intervention, especially for children and families; balancing rights and responsibilities in the design and delivery of Australian Government assistance; and child care
- making available the fourth wave of HILDA data in January 2006 and releasing the 2005 annual report in April 2006
- releasing the statistical report *Families, Incomes and Jobs: A Statistical Report of the HILDA Survey*, providing insight into the breadth of data available from the HILDA survey
- signing a contract with Cornell University in the USA to include HILDA-harmonised variables as part of the cross-national equivalence files, allowing researchers to have access to HILDA data for cross national comparisons. HILDA's growing reputation both internationally and within Australia is reflected in the overall number of users applying for access to the data, as well as respondents' cooperation in participating to the contribution of data
- completing an initial analysis of the Wave 5 fieldwork for HILDA, showing the response rate was 94.6 per cent, an increase from the previous year
- making available the LSAC Wave 1 dataset to researchers, academics and government for the initial analysis phase of child outcomes, commence Wave 1.5 data collection and finalise Wave 2 questionnaire and commence data collection
- designing and pilot testing a survey instrument for LSIC in partnership with the Australian Bureau of Statistics with about 300 Indigenous children and their families in urban, regional and remote locations
- completing reports as part of the development work for LSIC on Indigenous Views on Research in their Communities; Growing up in the Torres Strait Islands; and Growing up in the Australian Capital Territory and Queanbeyan.

Work is required to:

- further develop the partnership relationship with research institutions and foster a greater understanding of government policies, programs and priorities
- support the use of quantitative methodologies for research and evaluation proposals, especially in relation to the use of longitudinal surveys
- continue to promote HILDA and LSAC to the social research community to use new waves of data as they become available.

Table 2.3 | Financial and staffing resources summary

Output Group 1.2: Preparing for the future	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Price of departmental outputs				
Policy services & program management	22,072	22,632	560	26,179
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	22,072	22,632	560	26,179
TOTAL FOR OUTPUT GROUP 1.2 (Administered expenses and price of departmental outputs)	22,072	22,632	560	26,179
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			153	160

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Departmental outputs

Policy services and program management

Quality–Assurance

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

100 per cent.

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

100 per cent.

Quality–Client satisfaction

Minister, Parliamentary Secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The Ministers, Parliamentary Secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the Ministers', Parliamentary Secretary's and their offices' assessment can be found in Part 3 – Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Completed 32 pieces of research.

Completed three evaluations.

Number of contracts/service agreements under management

30.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.3 page 50.

OUTCOME 2

Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing



Services and assistance that support Indigenous families and communities and help homeless people and low-income households to gain affordable and appropriate housing.

Description

Outcome 2 reflects the Australian Government's commitment to provide affordable housing for Indigenous Australians, people in low-income households and people who are at risk of homelessness. To build on the provision of affordable housing, the department:

- develops partnerships with key stakeholders to improve the efficiency and effectiveness of the delivery of housing and housing-related infrastructure
- provides funding to state and territory governments to facilitate the delivery of housing assistance
- provides community housing, municipal services and environmental health-related infrastructure in rural and remote Indigenous communities
- provides assistance to low income households to enable them to access affordable housing and encourage workforce participation
- provides assistance to people who are vulnerable to homelessness.

Figure 2.2 | Outputs contributing to Outcome 2

Outcome 2 – Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing

Output Group 2.1
Practical support and sharing responsibility

Table 2.4 | Financial and staffing resources summary

Outcome 2: Greater Self-reliance and Engagement for those in Need Through Shared Responsibility, Practical Support and Help With Housing	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Output Group 2.1 Practical support and sharing responsibility	1,417,051	1,417,437	386	1,428,043
Total administered expenses	1,417,051	1,417,437	386	1,428,043
Price of departmental outputs				
Output Group 2.1 Practical support and sharing responsibility	126,373	126,981	608	95,657
Appropriations applicable across Outcome 2				
Policy services & program management	-	-	-	-
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Revenue from other sources	90	101	11	382
Total price of departmental outputs	126,463	127,082	619	96,039
TOTAL FOR OUTCOME 2 (Administered expenses and price of departmental outputs)	1,543,514	1,544,519	1,005	1,524,082
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			204	213

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies for Outcome 2 are to:

- oversee Australian Government investment in the Commonwealth-State Housing Agreement, which aims to provide appropriate housing assistance for those most in need
- identify emerging housing and homelessness issues through research and analysis to inform policy development
- collaborate with the states and territories to improve social housing outcomes
- assist people affected by homelessness or needing crisis support through the Supported Accommodation Assistance Program (SAAP) and the National Homelessness Strategy
- provide early intervention assistance to families who are at risk of homelessness through the Household Organisational Management Expenses (HOME) Advice Program
- provide financial assistance to individuals and families in the private rental market
- supplement the efforts of state and territory governments through funding for rental housing for Indigenous people
- administer programs that address the barriers to economic and social participation, particularly for disadvantaged Indigenous Australians
- provide housing and infrastructure assistance to Indigenous people, particularly those living in rural and remote areas
- undertake a review of the Community Housing and Infrastructure Program (CHIP) to provide a strategic and operational framework for the future delivery of housing and related infrastructure to Indigenous Australians.

Performance highlights and policy outlook

Key achievements included:

- reducing and preventing homelessness through the Supported Accommodation Assistance Program and the National Homelessness Strategy
- identifying effective methods of recognising families at risk of homelessness and providing early assistance through the HOME Advice Program
- assisting an average of 954,317 income units with the cost of private renting each fortnight at a cost of \$2.13 billion per annum
- effectively administering the Commonwealth-State Housing Agreement, which included the provision of \$943.5 million for public housing, community housing and crisis accommodation in 2005–06
- negotiating a new funding agreement with the states and territories to continue research funding to the Australian Housing and Urban Research Institute
- commencing the review of the Community Housing and Infrastructure Program
- signing Indigenous Housing and Infrastructure Agreements for 2005–2008 with the states and territories

Continuing its leadership in environmental performance, FaCSIA staff participated in a mobile phone muster to raise funds for the Spastic Centre. In getting the initiative underway, Dr Jeff Harmer was joined by Geraldine Walters, Fundraising Coordinator of the Spastic Centre ACT.



- providing \$78.5 million in grants to Indigenous organisations for 328 community housing, municipal services and housing-related infrastructure activities for Indigenous communities across Australia
- continuing the Healthy Indigenous Housing Budget measure to progress the principles and objectives of *Building a Better Future – Indigenous Housing to 2010*
- introducing the Indigenous Land Reform – Home Ownership Incentive Program to establish home ownership on Indigenous Land.

Work is required to:

- implement the 2006–07 Budget measures and the Council of Australian Governments (COAG) initiatives, including giving effect to provision of a robust and up-to-date evidence base on the current situation facing Indigenous Australians in regard to housing and related infrastructure through the review of the Community Housing and Infrastructure Program
- strengthen the delivery of housing and housing-related infrastructure in rural and remote Indigenous communities
- identify and build on current best practice and the knowledge base regarding the Supported Accommodation Assistance Program and homelessness issues
- build participation of diverse family groups at risk of homelessness, including Indigenous and culturally diverse families, through the HOME Advice Program.

Budget measures

Addressing Indigenous needs – Healthy Indigenous Housing – continuation

As part of the Community Housing and Infrastructure Program, the Healthy Indigenous Housing measure for 2005–2009 provides funding of \$102.8 million over four years and focuses on progressing the principles and objectives of *Building a Better Future – Indigenous Housing to 2010*.

In 2005–06 the department administered:

- \$11.345 million to states and territories under Indigenous Housing and Infrastructure Agreements 2005–2008 to progress governance reforms for Indigenous community housing organisations for four years

- \$550,000 directed to improving the management of FaCSIA-funded Indigenous Community Housing Organisations (ICHOs) by establishing a meta-analysis for all FaCSIA-funded ICHOs. The analysis will be used to determine governance reviews undertaken and reviews required to be completed, as well as compiling information on state-funded Indigenous Housing Organisations, using a nationally consistent governance framework
- \$2.1 million to undertake housing stock condition surveys and governance reviews of ICHOs overseen by the Australian Government in Queensland
- \$5 million for Fixing Houses for Better Health, a project building Indigenous capacity to assess and maintain housing stock in rural and remote locations
- \$5 million to continue Army Aboriginal Community Assistance Program (AACAP) projects in at least one community a year as a positive demonstration of practical reconciliation. In 2006, AACAP will be delivered in the four town camps in Borroloola in the Northern Territory. The project will deliver 10 new houses as well as upgrades to essential services including power, water and sewerage.

National Homelessness Strategy

In 2005–06, eight funding agreements were signed to trial innovative service delivery models to respond to homelessness under the National Homelessness Strategy Demonstration Projects. Four funding agreements for communication activities were also signed.

Portfolio Additional Estimates Statements

Indigenous land reform – Home Ownership Incentive Program

In October 2005, the Australian Government announced the introduction of a measure to establish home ownership on Indigenous land. This complemented the announcement of proposed changes to the *Aboriginal Land Rights (Northern Territory) Act 1976*, designed to facilitate long-term individual land tenure in Indigenous communities.

The department worked closely with Indigenous Business Australia in the Employment and Workplace Relations portfolio to develop policy and program guidelines for the Home Ownership on Indigenous Land Program. This involved reviewing the Home Purchase Incentive Scheme guidelines to support home ownership on Indigenous land.

Supported Accommodation Assistance Program – continuation of funding

All states and territories signed the fifth Supported Accommodation Assistance Program (SAAP V) Multilateral Agreement with the Australian Government, providing support for people who are homeless or at risk of homelessness. Total resources available to the program will be increased by almost \$350 million to an estimated \$1.81 billion over the life of SAAP V. The Australian Government will contribute \$932 million over five years.

Family Tax Benefit – preventing duplicate Rent Assistance payments

The measure for prevention of duplicate Rent Assistance payments with Family Tax Benefit was implemented on 1 July 2005.

Assurance of Support – additional funding

Increased funding of \$8.5 million was provided through the Additional Estimates process for Centrelink to administer the Assurance of Support Program in 2005–06. The funding supplementation was needed by Centrelink to undertake more assessments due to a general increase in the numbers of migrants entering Australia under the relevant categories of visa, as well as higher numbers of people entering into a joint assurance of support for a new migrant.

OUTPUT GROUP 2.1

Practical support and sharing responsibility



Contribution to Outcome 2

Practical support and sharing responsibility contributes to Outcome 2 by:

- assisting low and moderate income households to access appropriate affordable housing
- supporting initiatives to assist homeless people
- providing housing for Indigenous people including constructing, purchasing, renovating and upgrading community-owned and managed rental housing
- improving housing-related infrastructure and municipal services to Indigenous communities.

Strategies

- develop agreed objectives and strategies with all states and territories for improving housing and environmental health outcomes for Indigenous Australians, as well as a national framework for measuring and reporting progress against these outcomes
- negotiate, with each state and territory, Indigenous Housing and Infrastructure agreements and annual operating plans
- move towards pooling Australian Government and state and territory government funds under Indigenous Housing and Infrastructure agreements to achieve one level of service delivery
- manage the Community Housing and Infrastructure Program by supplementing the efforts of state and territory governments through community housing, municipal services and environmental health-related infrastructure
- oversee Australian Government investment in the Commonwealth–State Housing Agreement, which aims to provide appropriate and secure housing assistance for those most in need
- provide early intervention assistance to families who are at risk of homelessness through the Household Organisational Management Expenses (HOME) Advice Program
- assist people affected by homelessness or needing crisis support through the Supported Accommodation Assistance Program and the National Homelessness Strategy
- identify emerging housing and homelessness issues through research and analysis to inform policy development
- collaborate with the states and territories to achieve better social housing outcomes
- provide financial assistance to individuals and families in the private rental market.

Outputs under Output Group 2.1

Community Housing and Infrastructure Program

The Community Housing and Infrastructure Program provided \$289 million in 2005–06 to improve access for Indigenous Australians to adequate housing, housing-related infrastructure and municipal services. There are a number of sub-programs which include:

- National Aboriginal Health Strategy (NAHS): NAHS is a national program delivering critical housing and essential environmental health infrastructure, such as water, sewerage and power, to communities and organisations primarily in rural and remote areas.
- Army Aboriginal Community Assistance Program (AACAP): AACAP is a continuing budget-funded program that is a collaborative partnership between FaCSIA and the Australian Army, with input from the Office of Aboriginal and Torres Strait Islander Health within the Department of Health and Ageing. The Australian Army provides construction manpower and project management skills to coordinate a comprehensive community capacity building program in remote Indigenous communities throughout northern Australia.
- Connecting Neighbours: FaCSIA is working with the Northern Territory Government Department of Planning and Infrastructure to undertake a program to regularise the provision of power, water and sewerage services in up to 41 Aboriginal urban living areas across the Northern Territory. Regularisation of these services will improve the living standards of approximately 3,500 Indigenous residents by upgrading utilities infrastructure and by providing levels of service equitable with adjacent urban areas.

Community Housing and Infrastructure Program – community housing and infrastructure output

The Community Housing and Infrastructure Program supplements funding provided by state, territory and local governments to:

- construct, purchase or upgrade community-owned or managed rental housing
- repair and maintain existing housing stock, or supplement general administration costs
- cover capital costs of essential services such as water, roads, sewerage and power to remote communities.

This funding is increasingly being provided through Indigenous Housing and Infrastructure Agreements with the states and territories.

Community Housing and Infrastructure Program – municipal services output

Recurrent funding is provided under the Community Housing and Infrastructure Program to maintain community power, water and sewerage services, garbage collection, internal road maintenance, dog health programs and operational costs where mainstream services are not available. This funding is increasingly being provided through Indigenous Housing and Infrastructure Agreements with the states and territories.

Indigenous Housing and Infrastructure – expand the supply of healthy housing – Fixing Houses for Better Health

Another sub-program of the Community Housing and Infrastructure Program, Fixing Houses for Better Health (FHBH), seeks to improve Indigenous health by fixing critical health hardware and safety systems in Indigenous housing and increasing the skills of local people to maintain their own houses in the long-term. The project recruits and trains local Indigenous people, contracts tradespeople and employs local office staff to immediately repair health and safety hardware in every house in a community. Workers are trained to regularly maintain these systems, thereby reducing the reliance on contracted tradespeople.

In 2005–06, funding of \$5 million was provided for FHBH under the continuation of the Healthy Indigenous Housing Budget measure. Two FHBH projects commenced in early 2006: one in Western Australia and the other in the Northern Territory. The management of FHBH projects was tendered in 2005. Five tenders were received and the successful national supplier, Healthabitat Pty Ltd, has been contracted until 30 June 2009 to survey and fix 2,050 houses and to manage seven research and development projects that will improve Indigenous housing design, construction and maintenance.

Commonwealth State Housing Agreement

The Commonwealth State Housing Agreement provides Australian Government grants to states and territories of around \$4.75 billion over the five-year period from 1 July 2003. The agreement aims to assist those whose housing needs cannot be met in the private market to access appropriate and affordable housing.

Commonwealth State Housing Agreement - Aboriginal Rental Housing Program

As part of the total Commonwealth State Housing Agreement funding, around \$94 million is provided to states and territories each year to fund safe, healthy and sustainable housing for Indigenous people. Expenditure is directed to rural and remote areas where there is limited public or private housing.

Household Organisational Management Expenses (HOME) Advice Program

The Household Organisation Management Expenses (HOME) Advice Program is an early intervention initiative aimed at assisting families at risk of homelessness to manage their finances and household expenses to prevent future accommodation crises. The HOME Advice Program funds one community organisation and one Centrelink social worker in each state and territory to work collaboratively to assist families at risk of homelessness. Centrelink social workers provide clients with detailed advice on a range of Centrelink services, while community organisations provide specialised assistance on a range of issues.

National Homelessness Strategy

The National Homelessness Strategy addresses homelessness directly through funding for demonstration projects, communication activities and the Commonwealth Advisory Committee on Homelessness. Demonstration project funding provides opportunities to trial, evaluate and document new and innovative approaches to prevent, reduce or respond to homelessness. Communication activity funding allows products and activities to be developed which increase awareness of homelessness and share learnings and best practice about responding to homelessness. The Commonwealth Advisory Committee on Homelessness provided advice on matters referred to it by the Minister. The National Homelessness Strategy provides a link between programs and initiatives assisting people who are vulnerable to homelessness.

National Housing Priorities

The National Housing Priorities Program provides funding for housing reform, policy research and administration for organisations involved in the development of community housing, housing surveys and data collection.

National Housing Research

National Housing Research funds are used for research, development, demonstration and evaluation in relation to housing. In 2005–06, funds were part of the Australian Government's contribution to the Australian Housing and Urban Research Institute, a joint research venture between the Australian, state and territory governments and research centres to provide policy-relevant housing research.

Rent Assistance

Rent Assistance helps improve housing affordability and complements broader income support objectives by assisting individuals and families with extra costs associated with renting in the private housing market. It helped almost one million Australians each fortnight in 2005–06 with an Australian Government provision of \$2.13 billion. Rent Assistance is a non-taxable income supplement payable to those who receive an income support payment (except Austudy payment) of more than the base rate of Family Tax Benefit Part A.

Social Housing Subsidy Program

The Social Housing Subsidy Program is a long-term pilot project that subsidises the costs of additional rental accommodation for low and moderate income earners. Only one pilot project operated under the program in 2005–06, the expansion of community housing opportunities in New South Wales.

Supported Accommodation Assistance Program (SAAP)

SAAP helps reduce homelessness by providing Australian Government funds to states and territories – over \$178.5 million in 2005–2006. The Australian Government will contribute approximately \$932 million over the life of the SAAP V agreement (2005–2010).

Performance summary for Output Group 2.1

Key achievements included:

- commencing a review of the Community Housing and Infrastructure Program over 2005–2006
- signing Indigenous Housing and Infrastructure Agreements for 2005–2008 with the states and territories
- providing \$78.5 million in grants to Indigenous organisations for 328 community housing, municipal services and housing-related infrastructure activities in Indigenous communities across Australia
- continuing the Healthy Indigenous Housing Budget measure to progress the principles and objectives of *Building a Better Future – Indigenous Housing to 2010*
- commencing the fifth Fixing Houses for Better Health project to survey and fix 2,050 houses in Indigenous communities to June 2009
- continuing the Army Aboriginal Community Assistance Program, utilising the expertise of the Australian Army to provide vital infrastructure assistance to remote Indigenous communities, with an emphasis on improved environmental and primary health outcomes
- signing a Memorandum of Understanding between the Australian and Northern Territory governments to upgrade essential service infrastructure in Aboriginal town camps in the Northern Territory through the Connecting Neighbours Program
- introducing the Home Ownership on Indigenous Land Program
- assisting an average of 954,317 income units with the cost of private renting each fortnight at a cost of \$2.13 billion over 2005–06
- conducting a random sample survey of Rent Assistance customers
- signing agreements between the Australian Government and all state and territory governments on SAAP V
- announcing funding under the National Homelessness Strategy for eight demonstration projects
- finalising funding agreements with four organisations for National Homelessness Strategy communication activities
- conducting a national consultation on Indigenous Homelessness on behalf of the Commonwealth Advisory Committee on Homelessness
- supporting 1,300 agencies across Australia and assisting some 100,400 clients and 56,800 children with SAAP funding. Total recurrent allocation for 2005–06 amounted to \$323.95 million
- providing grants totalling just over \$943.5 million to states and territories for public, community and Indigenous housing, as well as crisis accommodation programs through the Commonwealth State Housing Agreement
- accommodating 335,264 households in public housing.

Minister Brough launched the Raising Children website in Sydney—17 May 2006.



Work is required to:

- provide a robust and up-to-date evidence base on the current situation facing Indigenous Australians in regard to housing and related infrastructure through the review of the Community Housing and Infrastructure Program
- continue to work with all levels of government to strengthen the delivery of housing and housing-related infrastructure in rural and remote Indigenous communities
- monitor the progress of Indigenous Housing and Infrastructure Agreements to improve service delivery and help address disadvantage in rural and remote communities, and to achieve safe, healthy living conditions for these communities
- improve the governance arrangements within the Indigenous Community Housing Organisation sector
- identify and build on current best practice and the knowledge base regarding the Supported Accommodation Assistance Program and homelessness issues
- disseminate the findings of the National Homelessness Strategy demonstration projects and the knowledge base around homelessness
- continue to raise awareness about the complex nature of homelessness
- continue to encourage linkages between agencies providing services to people who are at risk of, or experiencing, homelessness
- monitor the performance of states and territories in delivering housing assistance under the Commonwealth State Housing Agreement, and to help define long-term strategies to deliver agreed outcomes
- engage with state and territory counterparts and representatives of non-government organisations to progress work concerning affordable housing.

Table 2.5 | Financial and staffing resources summary

Output Group 2.1: Practical support and sharing responsibility	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Commonwealth State Housing Agreement	943,519	943,519	0	954,636
Community Housing and Infrastructure Programme	288,975	289,575	600	292,053
Household Organisational Management Expenses	1,278	1,278	0	1,298
National Homelessness Strategy	1,955	1,816	- 139	1,998
National Housing Priorities	379	373	- 6	387
National Housing Research	420	420	0	420
Social Housing Subsidy Program	1,995	1,926	- 69	1,995
Supported Accommodation Assistance Programme	178,530	178,530	0	175,256
Total administered expenses	1,417,051	1,417,437	386	1,428,043
Price of departmental outputs				
Policy services & program management	17,849	18,888	1,039	21,170
Service delivery (FaCSIA)	11,607	12,283	676	13,767
Service delivery (Centrelink)	96,917	95,810	-1,107	60,720
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	126,373	126,981	608	95,657
TOTAL FOR OUTPUT GROUP 2.1 (Administered expenses and price of departmental outputs)	1,543,424	1,544,418	994	1,523,700
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			204	213

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–2007 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–2007 PBS to the six-outcome structure used for Financial Statement reporting 2005–2006.

Performance information

Commonwealth Housing and Infrastructure Program – community housing and infrastructure output

Effectiveness–Capacity

Number of Indigenous Community Housing Organisations undertaking organisational or housing management training

29.4 per cent of Indigenous employees in Indigenous Community Housing Organisations have completed accredited training.

Number of states and territories with strategies in place to help Indigenous Community Housing Organisations improve management of housing stock

100 per cent.

Effectiveness–Targeting

Mechanism for Indigenous input to planning, decision-making and delivery of housing and infrastructure services is maximised

All Indigenous Housing and Infrastructure Agreements 2005–2008 require Indigenous people to be involved in planning, decision-making and delivery of housing.

Ratio of recurrent to capital funding in Indigenous housing and infrastructure

30 per cent recurrent to 70 per cent capital.

Quality–Access and Choice

Reduction in number of families in rural and remote areas living in improvised dwellings

All Indigenous Housing and Infrastructure Agreements 2005–2008 require Indigenous housing plans to include strategies to reduce overcrowding and improve dwelling condition as a means of reducing improvised dwellings.

The number of communities with new/upgraded power, water, sewerage and internal roads

Approximately 220.

The number of Indigenous people housed in new or upgraded houses

Approximately 4,800.

Quality–Assurance

All housing construction and upgrades are undertaken in accordance with the National Framework for the Design, Construction and Maintenance of Indigenous Housing and with the Building Code of Australia

100 per cent.

Percentage of states and territories with Indigenous housing agreements in place for 2005–2008 by December 2005

50 per cent were in place by December 2005 with a further 37.5 per cent in place by January 2006.

Quantity

Number of houses under management of Indigenous community housing organisations receiving recurrent support

Approximately 20,000.

Number of new houses acquired or constructed

Approximately 170 houses were acquired or constructed directly by the Australian Government. A further 420 were acquired or constructed through joint bilateral arrangements between the Australian Government and state and territory governments.

Number of upgraded houses

Approximately 220 houses received major upgrades directly from the Australian Government. A further 560 houses received major upgrades through joint bilateral arrangements between the Australian Government and state and territory governments.

Commentary

National data for the Community Housing and Infrastructure Program is collected through a variety of sources including:

- the Indigenous Housing Indicators Report which is published every two years by the Australian Institute for Health and Welfare
- the Community Housing and Infrastructure Needs Survey which is published every five years
- annual reporting by state and territory jurisdictions under the Indigenous Housing and Infrastructure Agreements
- financial reports prepared through the Australian Government's Grant Management System.

Data for this annual report has been provided using the most up-to-date information available, noting that in some cases it is only cost-effective to collect this data every two to five years.

The most recent Indigenous Housing Indicators Report provides data for the year ending 30 June 2004. The most recent Community Housing and Infrastructure Needs Survey was conducted in 2001. The 2006 survey is expected to be available in mid 2007. The number of upgraded houses refers to those that received a major upgrade valued at around \$20,000 or more. It does not include houses that received minor upgrades or routine repairs and maintenance.

Community Housing and Infrastructure Program – municipal services output

Effectiveness–Targeting

Percentage of municipal services funding provided to Indigenous communities in rural and remote areas of Australia

Approximately 98 per cent.

Quality–Access and Choice

Number of Indigenous community organisations providing municipal and essential services to residents of homelands as a result of funding support

170.

Number of Indigenous people provided with adequate municipal and essential services

Approximately 40,000 to 50,000 Indigenous people were assisted under the Community Housing and Infrastructure Program.

Percentage of small Indigenous discrete communities in rural and remote Australia that have improved access to local government and essential services

Approximately 50 per cent.

Quality–Assurance

All Indigenous organisations receiving municipal services funding are required to have current housing and infrastructure management plans established and implemented

100 per cent.

Indigenous organisations funded for municipal services purposes are required to negotiate with mainstream local and state agencies in regard to accessing improved mainstream services

A targeted approach has been adopted to assist Indigenous organisations seek improved access to mainstream services (where such services are within reasonable proximity).

Quantity

Number of essential infrastructure facilities maintained

Approximately 4,000.

Commentary

During 2005–06 FaCSIA undertook a process of reform in the Municipal Services component of the Community Housing and Infrastructure Program, particularly in Western Australia, to improve outcomes for Indigenous people. This reform focused on identifying opportunities to mainstream delivery of essential and municipal services wherever possible, to ensure that funding is provided on a fair and equitable basis, and that funded activities are consistent with the objective of the Municipal Services component of the Community Housing and Infrastructure Program.

Indigenous Housing and Infrastructure – expand the supply of healthy housing – Fixing Houses for Better Health

Effectiveness–Capacity

Percentage of Indigenous housing providers participating in Fixing Houses for Better Health that support housing managers and housing maintenance teams to assess the need for maintenance, organise repairs to safety and health hardware and to maintain their houses to a safe, healthy and sustainable standard by having a cyclical maintenance system such as Maintain Houses for Better Health

63 per cent.

Effectiveness– Take Up/Coverage

Percentage of Indigenous housing authorities that integrate Fixing Houses for Better Health methodology (or similar methodology) within the housing maintenance and upgrade programs of state and territory Indigenous housing authorities

100 per cent.

Quality–Assurance

Improvement in the functionality of housing health hardware between survey/fix 1 and survey/fix 2 in all communities participating in Fixing Houses for Better Health

25 per cent.

Quantity

The number of Indigenous community housing managers who are trained in housing maintenance through Maintaining Houses for Better Health

Seven.

Commentary

Fixing Houses for Better Health projects survey and fix critical health hardware items such as hot water systems, taps, toilets, drains, showers and electrical fittings in houses in rural and remote Indigenous communities. Local community teams are trained to fix health hardware as they survey houses. Urgent items that cannot be fixed immediately are fixed within a day or two by tradespeople and less urgent items are repaired over the next two to three months. A second survey six months later checks completed works and repairs urgent faults that may have arisen since the first survey.

Evaluation of Fixing Houses for Better Health projects

In 2005–06, 42 Fixing Houses for Better Health projects funded under the 2001 Budget measure were evaluated against four program objectives and the following achievements were noted:

- improvements in the safety and functioning of Indigenous housing
- good levels of participation among Indigenous communities
- engagement with states and territories to adopt this methodology in their asset management systems
- the establishment of an excellent framework for understanding housing stock quality.

The evaluation's findings were based on material from field visits to Indigenous communities, analysis of data from the survey/fix process and interviews with informants in states and territories. The report's recommendations included a new costings approach and better alignment with related initiatives in environmental health, living skills, asset management and housing upgrade projects. These recommendations were taken into account in tendering and contracting for the next round of Fixing Houses for Better Health projects to be implemented in rural and remote Indigenous housing across Australia from 2006 to 2009.

Commonwealth Housing and Infrastructure Program

Total Price

See table 2.5 page 64.

Commonwealth-State Housing Agreement

Data for the Commonwealth-State Housing Agreement refers to public housing for 2004–05 as data for 2005–06 is not available until December 2007.

Effectiveness–Adequacy

Percentage of households where dwelling size is not appropriate due to overcrowding, 2004–05

Table 2.6

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
0.5	0.9	1.3	0.4	0.5	0.7	0.2	1.1	0.7

Effectiveness–Affordability

Rent charged as a proportion of market rent for each dwelling (after reducing market rent by the amount of Rent Assistance a household would receive if renting privately, 2004–05).

Table 2.7

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
61.6	73.2	78.1	87.6	81.9	69.3	46.5	71.7	70.5

Note: states and territories used different methods for calculating market rent and the nature of the private rental markets differ.

Effectiveness–Targeting

New allocations to those in greatest need as a percentage of all new allocations, 2004–05

Table 2.8

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
22.8	67.4	16.9	26.2	40.1	93.5	87.9	19.4	37.7

Note: 'greatest need' means that a household was, at the time of allocation, in one or more of the following circumstances: they were homeless, their life or safety was at risk in their accommodation, their health condition was aggravated by their housing, their housing was inappropriate to their needs, or they had extremely high rental costs. Queensland data represents applicants who satisfied stringent priority housing criteria but do not include households in similar circumstances to those who satisfy the criteria who were housed through Queensland's standard 'wait turn' criteria.

Percentage of new low income householders as a percentage of all new households, 2004–05

Table 2.9

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
98.3	90.8	90.0	93.9	96.1	94.9	100.0	100.0	94.8

Note: this indicator shows the percentage of households allocated public housing where household income was below the effective cut-off for receiving income support payments (at the pensioner rate).

Percentage of new tenancies allocated to households with special needs, 2004–05

Table 2.10

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
55.7	47.1	62.7	64.8	63.2	67.6	48.4	100.0	58.2

Note: households with special needs have one or more of the following characteristics: Indigenous, have a member with a disability, the principal tenant is aged either 24 years or under, or 75 years or more.

Quality–Access and Choice

Percentage of households rating amenity and location aspects of their dwelling as important and meeting their needs, 2004–05

Table 2.11

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
Amenity	77	78	78	80	81	79	77	79	78
Location	85	87	88	84	88	87	88	85	86

Quality–Assurance

Time (days) taken to occupy vacant stock, 2004–05

Table 2.12

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
26	40	24	30	38	33	50	62	32

Note: the data is affected by changes in maintenance programs, and some jurisdictions may have difficulty in excluding stock upgrades.

Quality– Client Satisfaction

Client satisfaction with service (as a percentage), 2004–05

Table 2.13

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
65	66	78	76	80	74	68	70	71

Quantity

Number of dwellings, 2004–05

Table 2.14

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australia
124,247	64,727	49,137	31,510	45,648	11,644	10,846	5,542	343,301

Commentary

The third year of the 2003 Commonwealth-State Housing Agreement saw work undertaken to progress various strategies to reduce workforce disincentives for social housing tenants and attract outside investment into the social housing sector.

On a broad level, the performance indicators show that public housing continues to target low income households and households with special needs or those requiring priority allocation. Public housing tenants are generally happy with the housing provided, rating housing as suitable, both in terms of location and with regard to accessing facilities that are important to them. The dwelling size is generally appropriate to the composition of the household and the housing is being used efficiently (the occupancy rate for public housing is no different than that of the private sector and the rent collection practices are efficient). Public housing continues to be more affordable for tenants than if they had been renting an equivalent dwelling in the private market.

Commonwealth-State Housing Agreement – Aboriginal Rental Housing Program

Effectiveness–Adequacy

An improvement in the average housing occupancy rates for Indigenous households

Housing occupancy rates for the Indigenous community housing sector ranged from 78.8 per cent to 100 per cent across state and territory jurisdictions. National data on all Indigenous households will be available with the 2006 Census.

Effectiveness–Capacity

Increase in Indigenous community housing income from rent collections

Average weekly rents collected in 2001 ranged from \$23 to \$61 (across jurisdictions) compared with a range of \$22 to \$118 in 2004.

Percentage of Indigenous community housing organisations that have housing management plans which include policies on rent collection, rent arrears management and asset management

100 per cent of Indigenous community housing organisations that are funded under the Community Housing and Infrastructure Program.

Number of state and territories with training plans for the Indigenous community housing organisations sector in place

Eight (all).

Effectiveness–Targeting

Percentage of capital funding and recurrent funding

80 per cent capital to 20 per cent recurrent.

Quality–Assurance

Percentage of states and territories with Indigenous housing agreements in place for 2005–2008 by December 2005

50 per cent were in place by December 2005 with a further 37.5 per cent in place by January 2006.

Improved condition of Indigenous housing stock

All states and territories have adopted the National Framework for the design, construction and maintenance of Indigenous housing which seeks to improve the condition of Indigenous housing stock. Over 95 per cent of houses met the Fixing Houses for Better Health, healthy living standards.

Indigenous community housing organisations have staff with accredited housing management training

29.4 per cent of Indigenous employees in Indigenous community housing organisations have completed accredited training.

Reduction in the number of Indigenous families in rural and remote areas living in improvised dwellings

All Indigenous Housing and Infrastructure Agreements 2005–2008 require that Indigenous housing plans include strategies to reduce overcrowding and improve dwelling conditions as a means of reducing improvised dwellings.

Commonwealth-State Housing Agreement

Total Price

See Table 2.5 page 64.

Household Organisational Management Expenses (HOME) Advice Program

Effectiveness–Early Intervention

Percentage of families remaining in their own homes or re-housed as measured at the end of the support period

85 per cent.

Effectiveness–Take Up/Coverage

Percentage of Indigenous individuals accessing the program

29 per cent.

Quality–Client Satisfaction

Percentage of families with a program rating of ‘improved somewhat’ or ‘improved substantially’ as measured at the end of the support period

85 per cent.

Quantity

Number of families assisted

740.

Price

See table 2.5 page 64.

Commentary

Clients assisted under the HOME Advice Program whose support period continues into the next financial year are recorded under the year in which their support concludes, and therefore are not included in the current data. Due to the nature of early intervention support, HOME Advice clients tend to have long support periods, meaning that many clients are not recorded in the year in which their support commences.

HOME Advice has recently established a new program logic based around four service provider outputs: financial, family health and well-being, participation and early intervention. All service providers are now required to report how they deliver services against these categories.

National Homelessness Strategy

Quantity

Number of projects funded

Eight demonstration projects.

Four communication activities.

Quality

Satisfaction with the level to which funded organisations meet the requirements of the funding agreement

100 per cent.

Price

See table 2.5 page 64.

Commentary

There has been considerable interest in receiving funding under the National Homelessness Strategy. A large number of expressions of interest were received from a diverse range of applicants.

National Housing Priorities

Quality–Assurance

Satisfaction with quality and timeliness of policy advice/sector information received from organisations for use in housing policy development

Advice provided under this program is focused on current and emerging issues within the not-for-profit housing sector.

Satisfaction with quality and timeliness of policy advice/sector achievement of funding agreements targets

Not all funding agreement targets were met.

Reports to FaCSIA through organisations' representative structures represent broad membership views

In 2005–06, FaCSIA examined the effectiveness of funded organisations and will refocus future funding to ensure the effective identification of current housing priorities for the not-for-profit housing sector.

Satisfaction with quality and timeliness of project outputs

FaCSIA is satisfied with most of the project outputs and is engaging with organisations to address identified issues.

Price

See table 2.5 page 64.

Commentary

The Community Housing Federation of Australia's mapping project (which provides detailed information on providers in the community housing sector) was not finalised due to delays in developing an appropriate data collection instrument.

National Housing Research

Quality–Assurance

Satisfaction with the level to which funded organisations meet the requirements of the funding agreement and associated documents

The Australian Housing and Urban Research Institute is the major vehicle for housing research and has met the requirements of the current funding agreement, which operates until June 2008.

Price

See table 2.5 page 64.

Commentary

Under the current Australian Housing and Urban Research Institute funding agreement, the Australian Government funding was due to cease in December 2005. The Australian Government has subsequently extended the funding commitment until June 2008.

Rent Assistance

Effectiveness–Affordability

Impact of Rent Assistance on housing affordability – percentage of persons/couples paying more than 50 per cent of their combined income on rent after Rent Assistance taken into account

As at March 2006, if Rent Assistance were not payable 26 per cent of recipients would have paid more than 50 per cent of their income in rent. When Rent Assistance is taken into account this drops to 9 per cent.

Table 2.15 | Ratio of housing costs to income, before and after Rent Assistance, sample fortnights, June 2000 to March 2006

if rent assistance not available		with rent assistance available	
date	paying more than 50 per cent of income in rent (%)	date	paying more than 50 per cent of income in rent (%)
March 2006	26	March 2006	9
June 2005	27	June 2005	9
June 2004	28	June 2004	9
June 2003	28	June 2003	9
June 2002	28	June 2002	9
June 2001	27	June 2001	9
June 2000	33	June 2000	11

Note: Latest information available for the reporting period is for the fortnight ending 3 March 2006.

Impact of Rent Assistance on rental affordability – percentage of persons/couples paying more than 30 per cent of their combined income on rent after Rent Assistance taken into account

As at March 2006, if Rent Assistance were not payable, 67 per cent of people or couples would have had to pay more than 30 per cent of their income in rent. When Rent Assistance is taken into account, this percentage drops to 35 per cent.

Table 2.16 | Ratio of housing costs to income, before and after Rent Assistance, sample fortnights, June 2000 to March 2006

if rent assistance not available		with rent assistance available	
date	paying more than 50 per cent of income in rent (%)	date	paying more than 50 per cent of income in rent (%)
March 2006	67	March 2006	35
June 2005	68	June 2005	35
June 2004	68	June 2004	35
June 2003	70	June 2003	36
June 2002	70	June 2002	35
June 2001	69	June 2001	34
June 2000	75	June 2000	42

Note: Latest information available for reporting period is for the fortnight ending 3 March 2006.

Effectiveness—Targeting

Percentage of individuals and families paying enough rent to receive maximum assistance

Table 2.17 | Percentage of individuals/couples paying enough rent to receive maximum assistance

date	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006
Paying enough rent to receive maximum assistance (%)	63	57	57	59	62	65	66

Quantity

Average number of individuals and families receiving Rent Assistance

On average 954,000 individuals and families were assisted each fortnight. Of the 956,192 Rent Assistance recipients at 9 June 2006, 51 per cent were single without children, 24 per cent were single with children, 16 per cent were couples with children, and 9 per cent were couples without children.

Table 2.18 | Number of people or couples receiving Rent Assistance at 9 June 2006

primary payment ^a	people or couples receiving Rent Assistance		gender of recipients		
	number	%	female only (%)	male only (%)	both members of a couple (%)
Age Pension	172,574	18	52	28	20
Disability Support Pension	183,444	19	42	50	8
Newstart Allowance	161,092	17	42	55	3
Parenting Payment Partnered ^b	28,760	3	90	9	1
Parenting Payment Single	198,829	21	93	7	0
Youth Allowance	78,025	8	59	40	1
Family Tax Benefit ^c	100,491	11	83	16	1
Other	32,977	3	69	22	9
Total	956,192	100	62	31	6

a One member of a couple is treated as the reference person depending upon the type of payment received.

b A couple is reported as receiving Parenting Payment (partnered) only if neither member of the couple receives another social security payment.

c A person or couple is reported as receiving Family Tax Benefit only if neither the person nor partner receives a social security payment.

Price

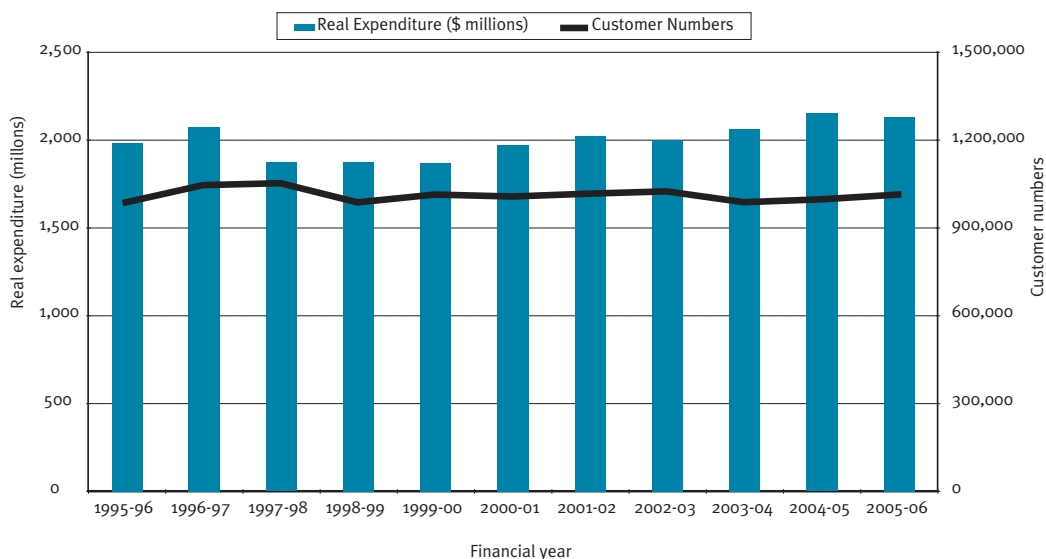
\$2.13 billion.

Rent Assistance payments are included in the special appropriation expenses for various primary payments made under the social security and family assistance legislation. This expenditure includes amounts paid by Centrelink on behalf of the Department of Employment and Workplace Relations and the Department of Education, Science and Training.

Commentary

The average rent paid by individuals or couples entitled to receive Rent Assistance for 3 March 2006 was \$304 per fortnight while the average amount of Rent Assistance was \$82 per fortnight.

Figure 2.3 | Rent Assistance Expenditure (\$2006) and customer numbers



The figure is a combination chart. Columns representing real expenditure based on Consumer Price Index and expressed in millions by 2006 dollars are plotted on the primary axis; lines representing customer numbers are plotted on a secondary axis.

Social Housing Subsidy Program

Quantity

Number of dwellings funded

253.

Price

See table 2.5 page 64.

Supported Accommodation Assistance Program

Performance information for the Supported Accommodation Assistance Program (SAAP) refers to 2004–2005. Data for 2005–06 will be available towards the end of 2006. The indicators below use a mix of client data and support period data because some SAAP clients make multiple use of the SAAP program’s services. All program data is based on support periods or occasions of support, but it is possible to estimate the number of clients and derive demographic details. Unit costs are based on recurrent funding allocations, excluding casual and potential clients, and accompanying children.

Cost

Cost per client assigned a SAAP service

\$3,190.

Cost per completed support period

\$2,080.

Cost per day of support

\$39.

Effectiveness—Early Intervention

Percentage of SAAP clients' identified needs which are met by the program

96.6 per cent.

Effectiveness—Independence

Reduction in the proportion of clients, before and after support, who did not have income and requested assistance to obtain government allowance

Reduction from 16.2 per cent before support to 6.1 per cent after support.

Percentage of clients exiting to independent housing after support

72.6 per cent.

Quality—Access and Choice

Percentage of unmet demand for SAAP accommodation by adult and unaccompanied children

3 per cent.

Percentage of SAAP clients who identified themselves as Aboriginal and Torres Strait Islander

16.4 per cent of all SAAP clients.

Percentage of people with culturally and linguistically diverse backgrounds seeking services

10.4 per cent of all SAAP clients.

Quality—Assurance

Service improved through increased percentage of clients with a case plan

55.8 per cent.

Quality—Client Satisfaction

Percentage of clients who express their satisfaction with the assistance they receive from the service

91 per cent based on a 2003 national SAAP client satisfaction survey.

Quantity

Number of clients assisted annually

100,400.

Number of occasions of support

173,100.

Price

See table 2.5 page 64.

Commentary

The SAAP Coordination and Development Committee and the Productivity Commission agreed to changes in some 2004–2005 performance data (for example, percentage of clients with no income). The objective was to make the performance measure more accurate and more relevant to the SAAP logic. As a result, some performance measures cannot be compared with those of previous years.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

9c:\$1

Policy services and program management

Quality–Assurance

Department ensures that service providers meet terms and conditions of funding

100 per cent.

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

100 per cent.

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

100 per cent.

Quality–Client Satisfaction

Minister, Parliamentary Secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 – Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

The Australian Government contributed \$1.25 million to the Australian Housing and Urban Research Institute for a range of housing research projects from the National Housing Research Fund and departmental funds.

During the 2005–06 year, 42 Fixing Houses for Better Health projects funded under the 2001 Budget measure were evaluated against four program objectives. The following positive achievements were noted:

- improvements in the safety and functioning of Indigenous housing
- good levels of participation among Indigenous communities
- engagement with states and territories to adopt this methodology in their asset management systems
- the establishment of an excellent framework for understanding housing stock quality.

The evaluation's findings were based on material from field visits to Indigenous communities, analysis of data from the survey/fix process and interviews with informants in states and territories. The report's recommendations included a new costings approach and better alignment with related initiatives in environmental health, living skills, asset management and housing upgrade projects. These recommendations were taken into account in tendering and contracting for the next round of projects to be implemented in rural and remote Indigenous housing across Australia between 2006 and 2009.

Number of contracts/service agreements under management

58.

Number of service providers under management

430.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and parliamentary services—number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.5 page 64.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA 100 per cent.

Quality–Client Rights and Obligations

Control of incorrect payment and fraud in the Rent Assistance Program: savings in administered items arising from targeted compliance activities

Mechanisms for detection and control of incorrect payment and fraud, and performance outcomes for debt recovery and prosecution activity, are described in Part 3, ‘Right payments to the right people.’

In 2005–06, Centrelink’s Integrated Review System indicated that an estimated 134,877 Rent Assistance compliance reviews were completed by Centrelink on behalf of the departments of Families, Community Services and Indigenous Affairs; Employment and Workplace Relations; and Education, Science and Training. It is estimated that reductions resulted in fortnightly savings of \$3,896,670 and upward variations resulted in fortnightly increases of \$407,696. The debts totalled \$4,411,091.

Incorrect Rent Assistance payments and fraud are controlled through review activities undertaken for those people qualifying for primary payments.

Percentage of reviews and appeals where the original decision is changed

Table 2.19 | Reviews and appeals – Output Group 2.1

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Rent Assistance	305	34	55	35	15	13

Price

See table 2.5 page 64.

OUTCOME 3

Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community



Services and assistance that help people to participate actively in community and economic life, access a responsive and sustainable safety net and develop their capabilities.

Description

To help reduce economic and social disadvantage and enhance economic growth, the Australian Government is committed to:

- helping people participate actively in community and economic life
- providing a strong social security system that is responsive and sustainable
- helping people develop their capabilities.

In contributing to achieving these objectives, the portfolio's strategies included:

- providing income support for senior Australians, primarily through a sustainable age pension and associated concessions, and encouraging Australians to become financially stronger by providing financial information services
- encouraging economic and social participation of people with disability by promoting independence, self-reliance and providing employment assistance and other services
- providing financial and other assistance that supports carers to balance caring with their other roles and aspirations
- supporting youth to make the transition to independence and providing particular assistance for vulnerable youth and their families
- acknowledging that women have differing needs across their lifespan and providing opportunity and choice for Australian women in the many and diverse roles they undertake.

Figure 2.4 | Outputs contributing to Outcome 3



Part 2 | Performance Reporting
Outcome 3 | Seniors, people with disabilities, carers, youth and women

Table 2.20 | Financial and staffing resources summary

Outcome 3: Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Output Group 3.1 Support for the aged	21,258,254	21,191,665	- 66,589	22,537,382
Output Group 3.2 Support for people with disabilities	842,273	821,123	- 21,150	854,446
Output Group 3.3 Support for carers	2,472,850	2,486,352	13,502	2,372,233
Output Group 3.4 Support for youth	36,673	35,746	- 927	34,688
Output Group 3.5 Support for women	461,026	459,613	- 1,413	418,230
Items applicable across Outcome 3				
Ex-gratia payments to former TPV and THV holders	381	65	- 316	-
Bereavement Allowance	1,186	1,079	- 107	1,280
Special Benefit	75,451	75,042	- 409	69,183
Total administered expenses	25,148,094	25,070,685	- 77,409	26,287,442
Price of departmental outputs				
Output Group 3.1 Support for the aged	382,504	379,071	- 3,433	253,813
Output Group 3.2 Support for people with disabilities	22,450	23,825	1,375	26,627
Output Group 3.3 Support for carers	63,546	63,070	- 476	45,772
Output Group 3.4 Support for youth	22,197	23,558	1,361	26,329
Output Group 3.5 Support for women	11,374	11,521	147	8,782
Appropriations applicable across Outcome 3	-	-	-	-
Policy Services & Program Management	406	417	11	482
Service Delivery (FaCSIA)	-	-	-	-
Service Delivery (Centrelink)	20,196	19,847	- 349	13,027
Service Delivery (Other)	-	-	-	-
Revenue from other sources	204	230	26	870
Total price of departmental outputs	522,877	521,540	- 1,337	375,702
TOTAL FOR OUTCOME 3 (Administered expenses and price of departmental outputs)	25,670,971	25,592,225	- 78,746	26,663,144
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			494	521

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies for improving social and economic participation are:

Support for the aged

- promoting participation, self-reliance and financial strength among older Australians through policy development and information services.

Support for people with disabilities

- facilitating continuous improvement in business services for people with disability needing supported employment assistance. This is being achieved through reforms to these services, including flexible assistance to improve their viability and meet the costs of fairer, award-based wages, and ongoing support to consumers with very low productivity, as well as monitoring service quality and case-based funding activities and employment outcomes.

Support for carers

- promoting social and economic participation among carers while providing support in their caring role, through policy development and implementation
- undertaking research and analysis to help FaCSIA understand its customers, their circumstances, needs and aspirations.

Support for youth

- helping young people overcome barriers to participation through the delivery of targeted programs
- improving the life prospects of young Australians by engaging young people, helping to enhance their self-esteem and improving their profile and perceptions in the community
- developing partnership arrangements within and across levels of government to ensure coordinated provision of support for young people and their families to help young people in their transition to independence and adulthood.

Support for women

- ensuring that women are consulted on, and have input to, emerging policy and program implementation that has a major impact on them
- communicating with, and providing information to, women
- helping vulnerable women, such as those experiencing domestic violence, through prevention, awareness raising, research and identifying best practice ways of support
- increasing the number of women in leadership roles throughout society by providing capacity building, such as leadership programs
- acknowledging and celebrating the many and diverse contributions that women make to Australia.

FaCSIA implements these strategies through relationships with service providers, other levels of government, business, community-based and private organisations, and formal purchaser-provider relationships with Australian Government agencies such as Centrelink.

Performance highlights and policy outlook

Outputs and payments under Outcome 3 are designed to help people actively participate in community and economic life, develop their capabilities and access a responsive and sustainable safety net. A central focus is to promote self-reliance among seniors and productive use of financial resources throughout retirement. Another important part of this strategy is to support those who are engaged in the workforce and have caring responsibilities or have a disability.

Key achievements included:

Output Group 3.1: Support for the aged

- implementing a one-off payment to older Australians announced in the 2006–07 Budget
- developing and implementing means test measures that respond to community expectations and promote effective targeting of Age Pension.

Output Group 3.2: Support for people with disabilities

Delivering continuous improvement through reforms to business services employing people with disability including:

- the successful completion of the two-year phase-in of the new case-based funding model announced in the 2003–04 Budget, which links funding to the support needs of workers and employment outcomes
- an additional 380 places allocated to business services to help meet the demand for supported employment assistance
- the introduction of a new Rural and Remote Supplement in November 2005 to boost funding to business services located in rural and remote Australia
- a new disability business website, *BizAbility.com.au*, launched in October 2005 to showcase the wide range of products and services provided by business services

- the approval of \$27.6 million in funding assistance to bolster the viability of business services. Funding has also been available under a new Cross Sector Initiative Program to help business services build new alliances across the sector and attend industry days and trade fairs to promote their products and services.

Output Group 3.3: Support for carers

- supporting young carers in their caring role by producing a range of age-appropriate information products including a website, information package and primary school education kit
- providing a one-off bonus payment to eligible carers who receive Carer Payment or Carer Allowance
- developing a package of measures worth \$230.5 million to assist parents or immediate family members wishing to make private financial provisions for the current and future care and accommodation for a person with severe disability.

Output Group 3.4: Support for youth

- providing mentoring services from 12 existing Mentor Marketplace pilot program service providers from 1 July 2005 and 14 new service providers from 1 January 2006
- launching the national Youth Mentoring Network with the Governor-General on 9 March 2006 to foster the growth and development of high quality mentoring programs for young people
- selecting and funding eight new service providers to deliver the Newly Arrived Youth Support Services initiative, bringing the total number of services to 14
- developing a performance management framework for FaCSIA youth programs with staged implementation to begin from 1 July 2006. An integral part will be a FaCSIA online performance information and data collection system with work underway to develop the system for the Reconnect, Newly Arrived Youth Support Service, YouthLinX, Mentor Marketplace and Transition to Independent Living Allowance programs
- completing the transition from the former Youth Activities Services and Family Liaison Worker Program to YouthLinX.

Output Group 3.5: Support for women

- delivering, on behalf of the Minister Assisting the Prime Minister for Women's Issues, two premier events: White Ribbon Day – International Day for the Elimination of Violence Against Women, on 25 November 2005 and International Women's Day on 8 March 2006 with the theme 'Women: Strength in Diversity'
- facilitating broad consultation with women across Australia through the National Women's Secretariats to identify issues of most significance to Australian women
- presenting Australia's combined 4th/5th report on the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) to the CEDAW committee in January 2006 and participating in other key international forums for women, including the 50th session of the United Nations Commission on the Status of Women and the inaugural East Asia Gender Equality Ministerial Meeting in June 2006
- partnering with the Australian Sports Commission to provide 168 Sports Leadership Grants to build women's leadership capacity in the area of sport

- increasing the number of project and capacity-building grants to national women's non-government organisations from 14 grants in 2004–2005 to 22 grants in 2005–2006
- delivering eight Grantseeker Workshops in rural and remote Australia to build the capacity of women's community organisations to access funding from sources other than government
- launching the Aspects of Retirement for Older Women report which underlines the importance of planning for retirement, as well as providing important implications for superannuation, health and flexible employment policy
- conducting a national multimedia campaign, '*Violence Against Women. Australia Says NO*' and continuing a confidential helpline to support the campaign with counselling and referral services
- continuing personalised support for women affected by people trafficking.

Work is required to:

Implement 2006–07 Budget initiatives such as:

- changes to Carer Payment (child) to include carers of children with severe intellectual, psychiatric or behavioural disabilities requiring constant care or supervision for their safety or the safety of others
- including Diabetes Mellitus Type 1 on the Lists of Recognised Disabilities
- concessional assets treatment for older Australians residing in regional and rural areas. Under the measure almost 10,000 age pensioners will become eligible for a pension or higher rate of pension and be able to remain in their home (and adjacent land on the same title as the home)
- simplify and streamline superannuation through the halving of assets test taper rate and removal of the assets test concession for certain complying income streams
- commitment to help reduce the number of younger people with disability in residential aged care
- \$224.7 million over five years for over 650 respite care places, with a particular focus on elderly parents who live with and care for children (including adult children) who have a severe mental illness or an intellectual disability
- \$248.8 million over five years for 900 personal helpers and mentors to assist people with a severe mental illness to better manage their daily activities and to access a range of appropriate services and supports when they need them
- \$45.2 million over five years for funding for community groups and the non-government sector to deliver flexible projects to assist families, children and young people affected by mental illness.

Budget measures

Age Pension – detection and prevention of incorrect payments arising from overseas income

In the 2005–06 Budget, the Australian Government announced a measure designed to prevent customers with income from foreign sources incurring debts. This measure is described in Part 3 ‘Right payments to the right people’ on page 316.

Age Pension and Service Pension registers – improved integrity

In the 2005–06 Budget, the Australian Government announced a measure to automatically cross-match Department of Veterans’ Affairs and Centrelink identity registers to help prevent people inadvertently or fraudulently claiming payments to which they are not entitled. This measure is described in Part 3, ‘Right payments to the right people’ on page 316.

Asia Pacific Economic Cooperation (APEC) 2007

In the 2005–06 Budget, funding was allocated to FaCSIA for 2006–07 to convene a Social Safety Net Capacity Building Network meeting as part of APEC 2007, hosted by Australia.

Carer Allowance – backdating provisions

Backdating provisions in legislation for Carer Allowance have been standardised to allow for a maximum of 12 weeks prior to the claim lodgement date by carers of both adults and children. However, for adults backdating is only available due to acute onset of a medical condition or disability.

Carers – payment of one-off carer bonus

Funding was again provided for a one-off carer bonus to eligible carers.

Debt prevention research and development

In the 2005–06 Budget, a research and development package was announced for areas of risk to payment correctness for some FaCSIA programs. This measure is described in Part 3 ‘Right payments to the right people’ on page 316.

Mentor Marketplace Program – extension

In the 2005–06 Budget, the Australian Government announced total administered and departmental funding of \$12 million over four years to extend the Mentor Marketplace Program.

Transition to Independent Living Allowance – continuation

In the 2005–06 Budget, the Australian Government provided additional funding of \$10.6 million over four years to continue the Transition to Independent Living Allowance (TILA). The government also expanded the eligibility criteria to include young people exiting juvenile justice, Indigenous kinship care or out-of-home care and who are moving to independent living.

Welfare to Work

- increasing participation of parents
- increasing participation of people with disability

The Department of Employment and Workplace Relations Budget measures of Increasing Participation of Parents and Increasing the Participation of People with a Disability have financial impacts for FaCSIA from 2006–07. They form part of a broader measure impacting upon the FaCSIA portfolio—Enhance Child Care Arrangements to Support Workforce Participation.

Women’s Leadership and Development Program

The \$19.6 million Women’s Leadership and Development Program announced in the 2005 Budget continues for a further four years. Existing and new initiatives provide funding to build women’s participation in all parts of Australian life through increased capacity and better information.

For the Young Women’s Mentoring Program and the Women’s Active Living Kits pilot initiative, research and consultation phases were undertaken, program delivery models were agreed to and delivery mechanisms determined. Both programs will be rolled-out in 2006–07.

A number of publications, events, workshops, websites and other grants were provided to acknowledge and develop women, enhancing their opportunities to contribute to and participate more fully in Australian life.

Women’s Safety Agenda

The Women’s Safety Agenda announced in the 2005 Budget, builds on the Partnership Against Domestic Violence Initiative and the National Initiative to Combat Sexual Assault. Funding of \$75.7 million is provided over four years for a number of initiatives which contribute to the elimination of domestic violence and sexual assault in the Australian community. The Women’s Safety Agenda addresses four broad themes – prevention, health, justice and services. Together they aim to focus attention on preventing violence, early intervention and support for those affected by violence.

Non Budget measures

Accommodation bonds – exemption from assets test

This election commitment was implemented from 1 July 2005. The refundable balance of all lump sum accommodation bonds paid on entry to residential aged care is now exempt from the social security and veterans' entitlements assets tests. Around 6,000 customers have had their bond exempted from the assets test.

Carer Allowance (child) – changes to the Lists of Recognised Disabilities

Changes have been made to the Lists of Recognised Disabilities used for the assessment of Carer Allowance (child). The changes included adding new conditions such as Asperger's disorder, and modifying some of the disability or medical condition eligibility descriptors. This has made it easier for some carers to claim Carer Allowance.

Portfolio Additional Estimates Statements

Private financial provisions

New measures to assist parents and immediate family who wish to make private financial provisions for the current and future care and accommodation needs of a person with severe disability were announced by the Prime Minister at the launch of Carers Week on 13 October 2005. The measures include:

- a future care planning information package. This is being developed to help older carers make provision for the future care and support of children with severe disabilities. The package will provide advice about legal, financial, mediation and counselling aspects of establishing future care and accommodation arrangements for their children
- trusts and gifting exemption from the means tests. Complying trusts set up to provide for the future care and accommodation needs of a child with a severe disability will not be affected by social security and Veterans' Affairs means tests. Income from the trusts will not affect the beneficiary's income support payments, such as Disability Support Pension. Parents and immediate family members of age pension age who contribute to the Special Disability Trust for a person with a severe disability will be exempt from gifting rules
- assistance for establishing private care arrangements for future care. An extension of the existing Family Relationship Services Program will provide families who are experiencing conflict when making decisions regarding private financial provisions, with access to mediation and counselling services
- further consultation and research into the needs of carers planning for the future.

Welfare to Work – expanded eligibility for Carer Payment

Eligibility for Carer Payment has been extended to include parents who are caring for children with severe intellectual, psychiatric or behavioural disability requiring constant care or supervision for their safety, or the safety of others.

Superannuation – means test treatment of retirement income products

Two Treasury portfolio retirement income policy measures with social security impacts were implemented from 1 January 2006. These measures introduced greater flexibility in the types of income stream products available to retirees.

Evaluation

Quality Strategy for disability employment services

The evaluation of the quality strategy for disability employment services was completed in 2005–06 and incorporated a review of the quality assurance system, continuous improvement and complaints and referrals mechanisms. As part of the evaluation, consultations were held with key stakeholders across Australia.

The evaluation found the strategy to be effective in assuring people with disability receive a quality service from disability employment services and in ensuring all disability employment services meet the legislated quality standards. The evaluation made a number of recommendations for improvements in consumer involvement and information, promoting and recognising continuous improvement practices, selection and training of auditors, and reviewing audit procedures and interaction with Australian Standards.

Support for Victims of People Trafficking Program

An evaluation of the Support for Victims of People Trafficking Program was conducted in September 2005. Feedback was positive overall and complimentary about the program. Areas for improvement included improved communication strategies between agencies involved in the program and a review of agreed principles to ensure a shared understanding of the operational protocols.

Australian Domestic and Family Violence Clearinghouse

An evaluation of the Australian Domestic and Family Violence Clearinghouse was conducted in September 2005. Recommendations included the re-establishment of the reference group to guide research on domestic violence and an increased focus on networking and marketing to promote services.

‘Violence Against Women. Australia Says NO’ campaign helpline

An evaluation of this helpline service was conducted in September 2005. The recommendations from the evaluation were used to inform the Office for Women’s tender process to continue to provide the national helpline from 1 July 2006 to 30 June 2007.

Your career, your choice – look where science can take you

A qualitative evaluation of this DVD and kit was undertaken in early 2006. The findings showed that this type of product is a useful tool for teachers.

Commonwealth Disability Strategy

The Commonwealth Disability Strategy was introduced in 1994 as a 10 year planning framework to assist Australian Government organisations meet their obligations under the *(Commonwealth) Disability Discrimination Act 1992*. The key objective of the strategy is to ensure equal access for people with disability to all Australian Government mainstream policies, programs and services.

A mid-term evaluation was conducted in 1999, which resulted in the strategy being revised in 2000. The final evaluation was conducted in 2005–06 to determine the strategy’s effectiveness and achievements since the mid-term review, highlight barriers and drivers to success, and consider possible opportunities for further development. This evaluation is expected to be finalised in early 2006–07.

OUTCOME 3.0

Outputs across Outcome 3



Outputs under Output Group 3.0

Bereavement Allowance

Bereavement Allowance is paid for up to 14 weeks to a surviving partner. It is subject to an income and assets test. It is also paid under international social security agreements.

Special Benefit

Special Benefit provides assistance to people in severe financial need and for whom no other pension, allowance or support is available.

Performance summary for Output Group 3.0

Key achievements included:

- paying ex-gratia payments to former Temporary Protection Visa and Humanitarian Protection Visa holders who were undergoing Department of Immigration and Multicultural Affairs security checks for a Return Pending Visa and who were no longer eligible for Special Benefit.

Work is required to:

- implement the Department of Employment and Workplace Relations Welfare to Work measures that affect Special Benefit recipients.

Performance information

Special Benefit

Effectiveness– Independence

Average amount of earnings of Special Benefit recipients per fortnight

\$220.45.

Average duration on Special Benefit

149 weeks.

Percentage of Special Benefit recipients with earnings

1.5 per cent.

Effectiveness–Targeting

Percentage of Special Benefit recipients on part rate

72 per cent.

Number of Special Benefit recipients assisted

6,841.

Total Number of Bereavement Allowance recipients assisted

414.

Price

See table 2.20 page 86.

Commentary

Special Benefit numbers continued to decline in 2005–06, with 6,841 recipients being paid on 16 June 2006. The decrease in numbers from 9,408 on 17 June 2005 mainly resulted from:

- former Temporary Protection Visa holders transferring to another income support payment after being issued a new visa type by the Department of Immigration and Multicultural Affairs on completion of their security checks
- recipients of workforce age continuing to enter the labour market.

As the number of recipients of workforce age has decreased, the percentage of recipients receiving Special Benefit as a result of not being residentially qualified for Age Pension has increased.

Departmental outputs

Cost

Policy services and program management

Quality–Assurance

Department ensures that service providers meet terms and conditions of funding
100 per cent.

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

Service agreements/contracts that meet legislative, government policy and departmental requirements in place with all service providers
100 per cent.

Quality–Client Satisfaction

Ministers, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed
Nil.

Number of contracts/service agreements under management
One.

Number of service providers under management
One.

Number of items to minister and parliamentary secretary

Refer to table 3.3 Ministerial and Parliamentary Services–number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.20 page 86.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA 100 per cent.

Quality–Client Rights and Obligations

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

Review mechanisms common across most payment types for detection and control of incorrect payment and fraud and performance outcomes for debt recovery and prosecution activity are described in Part 3, ‘Right payments to the right people’ on page 316.

In 2005–06, Centrelink’s Integrated Review System indicated that an estimated 53,489 Special Benefit reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$801,686, and upward variations resulted in fortnightly increases of \$24,386. The debts totalled \$851,830.

Percentage of reviews and appeals where the original decision is changed

Table 2.21 | Reviews and appeals – Output Group 3.0

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Special Benefit	277	29	53	36	10	0

Price

See table 2.20 page 86.

OUTPUT GROUP 3.1

Support for the aged



Contribution to Outcome 3

Support for the aged contributes to Outcome 3 by:

- providing income support targeted to seniors in need, while providing incentives for seniors to productively use savings and investments and participate in paid work
- providing seniors with access to concessions and related allowances
- assisting Australians to become financially stronger through the provision of financial information services.

Strategies

- contribute to an adequate and targeted safety net through the means test and policy directions that focus on older Australians
- promote participation, independence and self-reliance among older Australians through policy settings and information services
- influence and inform policy debate about population ageing and retirement income issues
- recognise the contribution older Australians make to building the community
- enter into international social security agreements to enable Australians to gain access to overseas pensions and domestic benefits that would otherwise not be available.

Outputs under Output Group 3.1

Age Pension

Age Pension is a payment for people of age pension age who cannot support themselves fully in retirement. The qualifying age for the Age Pension is currently 65 for men and 63 for women. The qualifying age for women is being progressively raised and will reach 65 by 2014. From 1 July 2007, the qualifying age for women will be 63.5.

Compensation for Extension of Fringe Benefits to Pensioners and Older Long-Term Allowees and Beneficiaries

This payment is made to state and territory governments to compensate for additional people entitled to state and territory government concessions following the extension of the Pensioner Concession Card to all part-rate pensioners in 1993.

Concession cards – Australian Government

The Pensioner Concession Card, Commonwealth Seniors Health Card and Health Care Card are issued to provide holders with access to:

- certain prescriptions at cheaper rates
- reduced thresholds for the Medicare Safety Net
- bulk-billed medical services (at the discretion of the doctor).

Card holders may also access a range of other concessions provided by states and territories and private organisations, such as concessions on health, household, transport, education and recreation services. The range of concessions available varies according to card type, and also differs from state to state.

FaCSIA seniors publications

FaCSIA promotes independence and self-reliance through a range of publications which provide information to retirees and pre-retirees on planning, saving and preparing for retirement, investment options and the effective use of savings for self-support. The department works with other agencies and community groups in producing these publications which are available through Centrelink offices and on the FaCSIA website.

National Information Centre on Retirement Investments

The National Information Centre on Retirement Investments is an independent body funded by the Australian Government to provide free information on planning and saving for retirement, investment options and effective use of financial resources in retirement.

One-off Payment for older Australians

Available to:

- income support recipients of age (or service) pension age, and all Mature Age, Partner and Widow Allowance recipients who were receiving, or were qualified for, an income support payment on 9 May 2006
- Commonwealth Seniors Health Card holders who were receiving, or were qualified for, a card on 9 May 2006.

Pension Bonus Scheme

The Pension Bonus Scheme is intended to encourage older Australians to defer Age Pension and continue working beyond age pension age rather than retiring from the workforce and claiming Age Pension. It provides a one-off tax-free lump sum to eligible people and is paid when a person registered in the scheme finally claims and receives Age Pension.

Reimbursement to Great Southern Rail for Concessional fares

An agreement has been implemented with Great Southern Rail to provide rail travel concessions to pensioners, eligible veterans and Commonwealth Seniors Health Card holders on the Ghan, the Overland and the Indian Pacific rail services.

Seniors Concession Allowance for Commonwealth Seniors Health Card holders

Seniors Concessions Allowance is a payment for Commonwealth Seniors Health Card holders to help with household costs. The payment recognises that most card holders cannot access the state-based concessions available to income support recipients with a Pensioner Concession Card.

Telephone Allowance to Commonwealth Seniors Health Card holders

Available to Commonwealth Seniors Health Card holders to assist with the cost of maintaining a telephone service.

Utilities Allowance

Utilities Allowance is paid to income support recipients of age pension or veterans' service pension age to help with utilities bills.

Performance summary for Output Group 3.1

Key achievements included:

- implementing a one-off payment to older Australians announced in the 2006–07 Budget. These payments were provided in June 2006 to income support recipients eligible for the Utilities Allowance and to Commonwealth Seniors Health Card holders
- implementing (from 1 July 2005) a social security assets test exemption for lump sum accommodation bonds paid on entry to residential aged care
- implementing (from 1 January 2006) social security measures to provide more choice for retirees through more flexible income stream products
- enhancing information services and products for senior Australians to help them use their private resources effectively in retirement
- implementing a new international social security agreement with Belgium (from 1 July 2005) and revised agreements with Malta (from 1 July 2005) and Ireland (1 January 2006), and signing a new agreement with Norway (2 December 2005). Good progress has also been made on negotiations with a number of other countries including Greece, Japan and Latvia.

Work is required to:

- assist Treasury with Age Pension assets test changes announced in the Australian Government plan to simplify and streamline superannuation
- implement the special disability trust means test concession measure on 20 September 2006. This will assist families who have the financial means to make private financial provision for the future care and accommodation needs of family members with severe disabilities
- implement the 2006–07 Budget measure that will allow, from 1 January 2007, Age Pension and Carer Payment recipients of age pension age (subject to certain qualifying conditions) to have the maximum amount of private land that can be exempt from the assets test increased from two hectares to encompass all land on the same title as the home
- implement the 2006–07 Budget measure Improved Assessment of Assets: Real Estate by obtaining enabling legislation to undertake data matching exercises with state and territory land titles offices. An education campaign will be undertaken to prompt customers to have their assets valued and to consider their options, and Centrelink will also conduct 30,000 (120,000 over four years) valuation reviews of FaCSIA assets tested customers.

Table 2.22 | Financial and staffing resources summary

Output Group 3.1: Support for the aged	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Compensation for the extension of fringe benefits to pensioners and older long-term allowees and beneficiaries	197,538	197,538	0	201,834
National Information Centre on Retirement Investments	479	479	0	487
Reimbursement to Great Southern Rail for concessional fares	7,138	5,377	- 1,761	7,506
Special Appropriations				
Age Pension	20,670,429	20,588,124	- 82,305	22,094,652
Aged persons savings bonus	0	4	4	-
Self-funded Retiree's supplementary bonus	0	23	23	-
Seniors Concession Allowance	84,097	93,420	9,323	65,259
Telephone Allowance for Commonwealth Seniors Health Card holders	14,854	18,591	3,737	15,575
Utilities Allowance	283,719	288,109	4,390	152,069
Total administered expenses	21,258,254	21,191,665	- 66,589	22,537,382
Price of departmental outputs				
Policy services & program management	14,323	15,036	713	16,987
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	363,647	359,494	- 4,153	230,300
Service delivery (Other)	4,534	4,541	7	6,526
Total price of departmental outputs	382,504	379,071	- 3,433	253,813
TOTAL FOR OUTPUT GROUP 3.1 (Administered expenses and price of departmental outputs)	21,640,758	21,570,736	- 70,022	22,791,195
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			125	134

a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.

b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Minister Cobb joined local children as they toured the Western Plains Zoo in Dubbo as part of National Youth Week activities.



Performance information

Age Pension

Effectiveness–Adequacy

Maximum payments to recipients – single pension base as a percentage of male total average weekly earnings

The maximum basic rate and pension supplement for Age Pension are indexed twice a year in line with increases in the Consumer Price Index (CPI). If, after CPI adjustment, the maximum single basic rate is less than 25 per cent of male total average weekly earnings, it is adjusted up to that benchmark with a proportional flow-on to the maximum partnered basic rate.

While indexation in line with CPI increases ensures payment rates reflect increases in prices, the male total average weekly earnings benchmark ensures pensioners share in any increases in community living standards as measured by the growth in wages. The real value of pension payments has substantially increased over the last decade.

Maximum payments to recipients – index of real value

Payments indexed in line with CPI.

Table 2.23 | Maximum payments to recipients of pension: index of real value, June 1996 to June 2006

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Age Pension - single	100.0	100.0	102.2	102.5	103.7	105.9	107.8	109.2	112.4	112.5	114.8
with Rent Assistance	100.0	100.0	101.8	102.1	103.0	106.2	107.7	108.8	111.5	111.6	113.4
Age Pension - couple	100.0	100.0	102.2	102.6	103.7	105.9	107.8	109.2	112.5	112.6	114.9
with Rent Assistance	100.0	100.0	102.0	102.3	103.3	106.1	107.8	109.0	112.0	112.0	114.1

Figure 2.5 | Maximum payments to recipients of pension: index of real value, 1996 to 2006

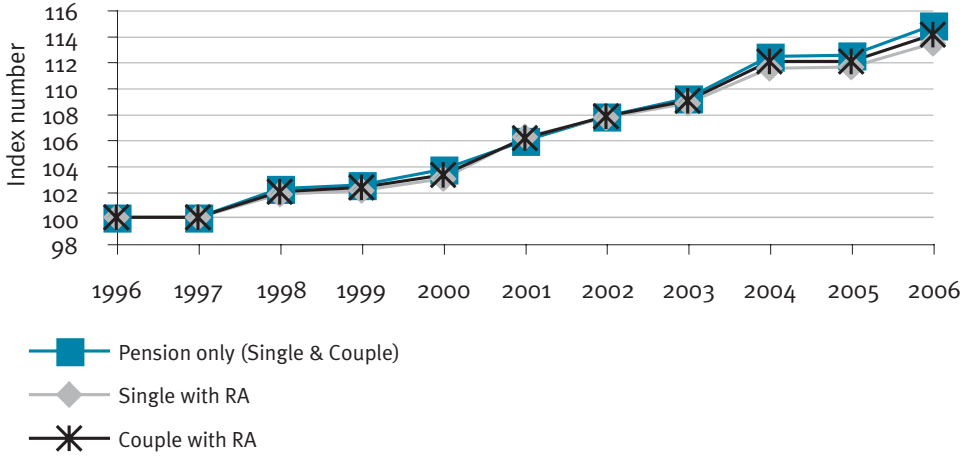
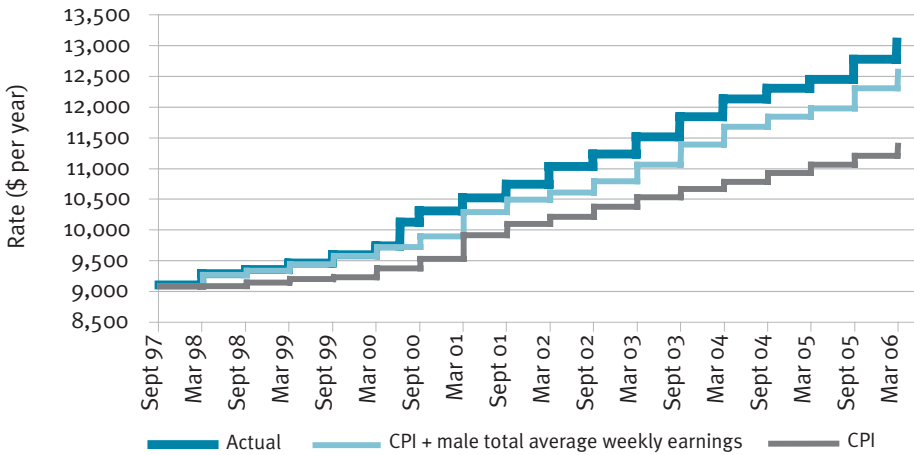


Figure 2.6 | Increases to the single pension rate under actual and alternative scenarios, 1997 to 2006



Note: From 1 July 2000, to compensate pensioners for the impact of the GST, the maximum rate of pension increased by 4 per cent (half of which was a payment in advance of the normal March 2001 CPI increase). This increase is known as the pension supplement. It increases in line with CPI and is paid in addition to the base rate of pension that is set to at least 25 per cent of male total average weekly earnings.

Effectiveness–Independence

Average amount of assessed income

Table 2.24 | Percentage of customers on Age Pension with assessable income (per cent) and their average assessed income (\$), 2003–04 to 2005–06.

	2003–04		2004–05		2005–06	
	\$	Per cent	\$	Per cent	\$	Per cent
Single age pensioners	3,375	92.3	3,513	92.6	3,748	93.0
Partnered age pensioners	3,839	98.1	3,998	98.2	4,240	98.3

At June 2006, 96 per cent of age pensioners (94 per cent in June 2001) had assessed private income from sources other than their pension.

For age pensioners with assessable income, assessed income in June 2006 made up, on average, 26 per cent of total income (including pension), up from 25 per cent in 2004 and unchanged from 26 per cent in 2005.

Percentage of age pensioners with assessed income greater than \$500 a year
60 per cent (single), 76.9 per cent (partnered).

Average assessed income per year for people receiving less than maximum rate Age Pension
\$8,683.

Average assessed income per year for people receiving maximum rate Age Pension
\$867.

Ratio of assessed income to total income for age pensioners

Ratio of assessed income to total income (including Age Pension):

- \$24.10 of assessed income to every \$100 of total income in 2002–03
- \$25.50 of assessed income to every \$100 of total income in 2003–04
- \$25.90 of assessed income to every \$100 of total income in 2004–05
- \$26.30 of assessed income to every \$100 of total income in 2005–06.

Percentage of age pensioners with private earnings

3.1 per cent.

Age Pension single average earnings per fortnight

\$321.

Age Pension partnered average earnings per fortnight

\$391.

Percentage of income units headed by a person aged 65 years and over with government pension as principal source of income

Australian Bureau of Statistics figures on the proportion of these income units relying on Australian Government pensions and benefits as their principal source of income are:

- 74.7 per cent in 1999–00
- 70.6 per cent in 2000–01
- 68.4 per cent in 2002–03
- 69.4 per cent in 2003–04.

Percentage of income units headed by a person aged 65 years and over with government pension contributing less than 20 per cent of income

19.9 per cent.

Percentage of income units headed by a person aged 65 years and over with government pension contributing less than 50 per cent of income

30.6 per cent.

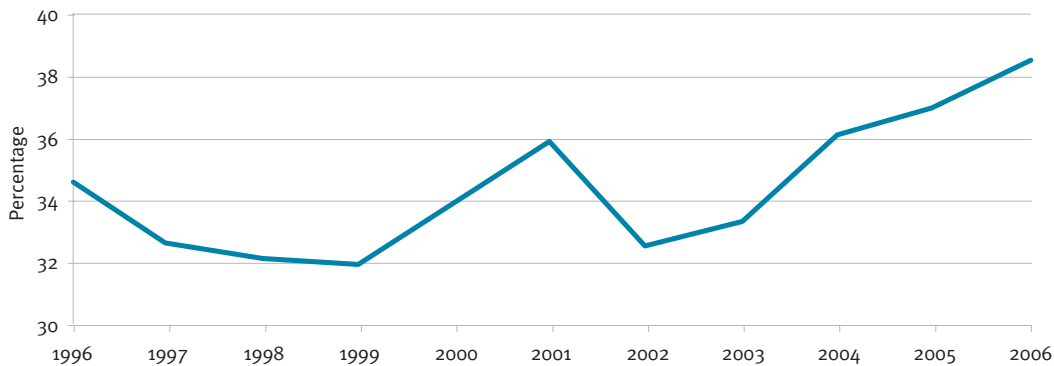
Percentage of age pensioners on part-rate due to means tests

38.4 per cent.

Table 2.25 | Income and asset value limits for full pension as at 30 June 2006

	Single (\$)	Couple (\$ combined)
Income free area (per fortnight)	124	220
Asset value limit for home owners (home not included)	157,000	223,000
Asset value limit for non-home owners	270,500	336,500

Figure 2.7 | Proportion of Age Pension customers receiving a part-rate pension, June 1996 to June 2006



Average base rate reduction per part-rate pensioner per fortnight

\$119.69 per fortnight.

Reductions in previous years were:

- \$103.32 per fortnight in 2002–03
- \$105.78 per fortnight in 2003–04
- \$113.41 per fortnight in 2004–05.

Effectiveness–Take Up/Coverage

Percentage of estimated aged population who are clients

The Australian Bureau of Statistics estimates the Australian population over qualifying age for Age Pension at 2,913,628 people for June 2006. At this time, 66 per cent, or 1,922,129 people, received Age Pension. In addition, 269,787 people over Age Pension age received a similar means-tested income support payment from the Department of Veterans’ Affairs, bringing total Australian Government pension take-up for this group to 75 per cent in June 2006, down from 78 per cent in 1996.

Figure 2.8 | Take-up of Age Pension, June 1996 to June 2006



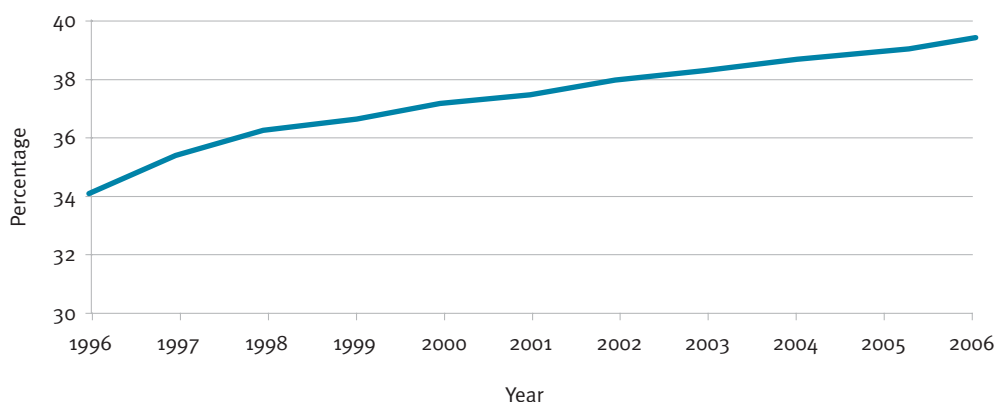
Quality–Access and Choice

Equitable access to payments for target or special interest groups based on level of need

Women have longer life expectancy and lower qualifying age for Age Pension than men. Consequently, women comprise the greater proportion of people receiving Age Pension (58.4 per cent in June 2006). Women receiving Age Pension are less likely than men to have accumulated income and assets to provide for retirement and consequently have to spread their wealth over a longer retirement period. As a result, 63.1 per cent of women receiving Age Pension receive the full rate compared with 59.5 per cent of men.

Almost 43.9 per cent of Age Pension customers are single, and singles tend to be older than partnered pensioners. Single pensioners are more likely to receive a full rate pension than are partnered pensioners (68.1 per cent compared with 56.6 per cent). An increasing proportion of people receiving Age Pension were born overseas. As at June 2006, 39.3 per cent of Age Pension customers assisted by Centrelink were born overseas.

Figure 2.9 | Percentage of age pensioners born overseas, June 1996 to June 2006



Note: Does not include Department of Veterans' Affairs data

Quantity

Number of clients assisted

At June 2006 Centrelink paid Age Pension to 1,915,793 people, up from 1,785,544 in June 2001.

In addition, at June 2006 the Department of Veterans' Affairs paid Age Pension to 6,336 people, down from 8,026 in June 2001.

Number of age pensioners paid Rent Assistance

10.9 per cent (208,031) of age pensioners were paid Rent Assistance.

Price

See table 2.22 page 104.

Commentary

Number of customers paid under international social security agreements

At June 2006, 31,286 Age Pensions were paid under agreements (excluding New Zealand and the United Kingdom), averaging \$4,154 per year per customer. An additional 8,085 Age Pensions were paid under the agreement with New Zealand at an average of \$6,138 per year per customer, and 561 Age Pensions were paid under the former agreement with the United Kingdom, averaging \$5,677 per year per customer.

Compensation for extension of fringe benefits to pensioners and older long-term allowees and beneficiaries

Quality–Assurance

Certification from states and territories that they are complying with the agreement

All state and territory governments certified that they continue to comply with the terms of their agreement with the Australian Government.

Price

See table 2.22 page 104.

Commentary

In 1993, the Australian Government extended the Pensioner Concession Card to all part rate pensioners and certain older long-term allowance recipients. In response to concerns from states and territories that an increase in the number of eligible card holders would have an impact on their state concession programs, the Australian Government agreed to provide an annual payment as compensation for the increased costs of core concessions – utilities, municipal and water rates, public transport and motor vehicle registration.

Concession cards – Australian Government

Quantity

Table 2.26

Card type	Card holder numbers	Listed dependants
Health Care Card	1,116,405	858,134
(Low Income) Health Care Card	331,675	20,143
Pensioner Concession Card	3,157,560	1,072,964
Commonwealth Seniors Health Card	310,633	Not Applicable
Total	4,916,273	1,951,241

(Data current at June 2006)

Commentary

The Australian Government’s main purpose in issuing concession cards is to provide access to Pharmaceutical Benefits Scheme prescription items and certain Medicare services at a cheaper rate. Other concessions that may be offered to card holders are the responsibility of state, territory or local governments and authorities, and some private organisations. Concession cards issued by the Australian Government include:

- the Pensioner Concession Card for pensioners and certain older long-term social security allowees
- the Health Care Card generally for social security allowees, families receiving maximum rate Family Tax Benefit Part A by fortnightly instalment and low paid workers
- the Commonwealth Seniors Health Card for eligible self-funded retirees of age-pension age.

FaCSIA seniors publications

Seniors publications promote independence and self-reliance and provide information to retirees and pre-retirees on planning, saving and preparing for retirement, investment options and the effective use of savings for self-support. Over 170,000 copies of these publications were distributed during 2005–06.

National Information Centre on Retirement Investments

Quality–Assurance

FaCSIA satisfied that National Information Centre on Retirement Investments met terms and conditions of government funding, as specified in the contract between FaCSIA and the centre. FaCSIA is satisfied that the centre met the terms and conditions of government funding by providing technical information to the public on retirement investment and planning issues, and by assisting Centrelink’s Financial Information Service.

Price

See table 2.22 page 104.

Commentary

During 2005–06, the National Information Centre on Retirement Investments:

- addressed 76 retirement seminars (including 55 for Centrelink’s Financial Information Service) for which feedback was very positive
- conducted training sessions for Centrelink Financial Information Service officers and various community workers
- distributed 156,095 leaflets on issues including types of investment, financial planning and preparation for retirement
- responded to 4,885 enquiries from the public, financial advisers and Financial Information Service officers
- maintained a website at www.nicri.org.au that was accessed 31,119 times
- developed a web-based financial planning guide that will assist users to understand their current financial circumstances, assess their risk profile, and identify an investment strategy appropriate to their needs and preferences.

One-off Payment for older Australians

Quantity

Number of eligible income support customers paid the One-off Payment

1,913,490 (which includes 80,714 customers receiving income support payment administered by DEWR).

Number of eligible Commonwealth Seniors Health Card holders paid the One-off Payment

311,736.

Price

Total price \$179.6 million.

In table 2.22 (page 104), \$148.3m is included in the Utilities Allowance; and \$31.3m is included in Seniors Concession Allowance.

Pension Bonus Scheme

Number of Pension Bonus Scheme registrations

At June 2006, among those over age pension age who were working, 29 per cent received Age Pension (includes those with earnings or business income) and another 20 per cent were registered in the Pension Bonus Scheme. At 30 June 2006, 104,165 people had registered in the scheme since it commenced on 1 July 1998. In 2005–06, a total of \$91,973,124 was paid in bonuses to 8,030 people.

Reimbursement to Great Southern Rail for concessional fares

Quantity

Number of journeys on Great Southern Rail services by eligible clients

70,751.

Price

See table 2.22 page 104.

Commentary

The Australian Government funds Great Southern Rail for the cost of concessional travel by eligible veterans, Pensioner Concession Card holders and Commonwealth Seniors Health Card holders.

Seniors Concession Allowance for Commonwealth Seniors Health Card holders

Quantity

Number of eligible Commonwealth Seniors Health Card holders paid Seniors Concession Allowance

298,677.

Number of eligible cardholders paid Seniors Concession Allowance at 30 June 2006.

Instalments are paid in June and December each year.

Price

See table 2.22 page 104.

Telephone Allowance for Commonwealth Seniors Health Card holders

Effectiveness–Take Up/Coverage

Percentage of eligible Commonwealth Seniors Health Card holders receiving Telephone Allowance
93.2 per cent.

Quantity

Number of Commonwealth Seniors Health Card holders receiving Telephone Allowance
287,984.

Price

See table 2.22 page 104.

Utilities Allowance

Quantity

Number of eligible income support customers paid Utilities Allowance
1,879,822.

Number of eligible cardholders paid Utilities Allowance at 30 March 2006.
Instalments are paid in March and September each year.

Price

See table 2.22 page 104.

Departmental outputs

Cost

Ratio of departmental expense to administered expense
1.8c:\$1

Policy services and program management

Quality–Assurance

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

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

100 per cent.

Service providers meet terms and conditions of funding

FaCSIA ensures that service providers meet terms and conditions of funding.

Quality–Client Satisfaction

Ministers, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

One.

Number of contracts/service agreements under management

Four.

Number of service providers under management

Four.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.22 page 104.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA

Centrelink’s Financial Information Service is an education and information service that helps people make informed decisions about investment and financial issues for their current and future financial needs. The service aims to ensure people have sufficient information to help them make effective use of their private resources for self-support, make informed decisions about retirement issues and have adequate financial preparation for a retirement that allows participation in their community.

At 30 June 2006, there were 134 full-time equivalent Financial Information Service officers throughout Australia (122 full-time and 19 part-time). Between July 2005 and June 2006, officers conducted 204,474 calls and 80,741 face-to-face interviews. Over the same period 73,762 people attended seminars. The seminars are increasingly focused on assisting and encouraging pre-retirees to commence planning for retirement.

Quality–Client Rights and Obligations

Review mechanisms common across most payment types for detection and control of incorrect payment, and fraud and performance outcomes for debt recovery and prosecution activity are described in Part 3, ‘Right payments to the right people’ on page 316.

In 2005–06, Centrelink’s Integrated Review System indicated an estimated 511,323 Age Pension reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$4,631,563, and upward variations resulted in fortnightly increases of \$1,087,362. The debts totalled \$37,982,695.

Percentage of reviews and appeals where the original decision is changed

Table 2.27 | Reviews and appeals – Output Group 3.1

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Age Pension	3,545	36	879	34	186	15

Price

See table 2.22 page 104.

OUTPUT GROUP 3.2

Support for people with disabilities



Contribution to Outcome 3

Support for people with disabilities contributes to Outcome 3 by:

- promoting independence and self-reliance through the provision of employment assistance services and other services for people with disability
- supporting people with disability to participate actively in community and economic life.

Strategies

- manage the Commonwealth State Territory Disability Agreement between the Australian Government and all state and territory governments, focusing on better outcomes for people with disability and improved reporting and accountability
- facilitate national events such as International Day of People with a Disability
- facilitate participation of people with disability at national and international disability conferences held in Australia
- facilitate access for people with disability to information, including recreation information and video captioning
- continue to roll-out and build on the gains made with the reforms to business services providing supported employment assistance to people with more significant disability by:
 - ensuring that business services continue to meet legislated quality standards and promoting an ongoing culture of service improvement
 - continuing to monitor the impact of case-based funding on employment outcomes
 - providing flexible assistance to business services to improve their viability and meet the costs of fairer, award-based wages
 - providing ongoing support to individuals whose very low productivity could place their employment at risk
 - providing responsive and integrated financial and consumer management processes for business services
 - funding research and development projects in accordance with strategic priorities, including the facilitation of participation of people with disability, their carers and the disability services sector in departmental consultations.

Outputs under Output Group 3.2

Commonwealth State Territory Disability Agreement

The Commonwealth State Territory Disability Agreement (CSTDA) provides the national framework for the provision of specialist disability support services.

Under the three agreements signed so far (the first in 1991), all parties have continuing responsibility for funding specialist services for people with disability. State and territory governments have responsibility for planning, setting policy and managing accommodation support, community support, community access and respite care services. The Australian Government has similar responsibility for specialised employment assistance. Both levels of government are responsible for support for advocacy, information and print disability services.

The current agreement is due to expire on 30 June 2007.

Employment assistance and other services

Advocacy services

Advocacy services enable people with disability to gain access to and participate in community life and to achieve and maintain rights as citizens, involving their families where possible and appropriate.

Disability Employment Assistance Program

Under the Disability Employment Assistance Program, business services provide supported employment assistance to people with moderate to severe disability who need substantial ongoing on-the-job support in the workplace. Business services are commercial enterprises enabling people with disability to engage in a wide variety of work tasks such as packaging, assembly, production, recycling, garden maintenance and landscaping, plant nursery, screen printing, cleaning services, laundry services and food services. Employees of business services enjoy the same working conditions as those in the general workforce, including pro rata wages linked to their productivity.

Information access services for people with disability

Postal Concessions for the Blind enables blind people and organisations that serve the needs of blind people to send Braille, Moon, audio recordings and other eligible material through Australia Post free of charge or at a concessional rate. Captioning Information Services help people who are hearing impaired to access recreation information and captioned entertainment videos. Print Disability Services produce alternative formats of communication for people who, by reason of their disability, are unable to access information in a print format.

National Auslan Booking Service

The National Auslan Booking Service coordinates bookings and payments of accredited Auslan interpreters on behalf of deaf people, doctors and health professionals for specified private health or medical appointments.

Promotion and Inclusion Services

The National Disability Conference Funding Program assists people with disability to attend national and international disability-focused conferences held in Australia. International Day of People with Disability, held annually on 3 December, aims to raise awareness of disability issues and to celebrate the achievements of people with disability.

Performance summary for Output Group 3.2

Key achievements included:

- completing the two-year phase-in of the new case-based funding model announced in the 2003–04 Budget. The new funding arrangements address historical funding inequities between business services and more closely match individual support needs of workers, with explicit links between funding and employment outcomes
- completing the evaluation of the quality strategy for disability employment services in April 2006. As part of the evaluation, consultations were held with key stakeholders across Australia. The evaluation confirms that disability employment services have made significant progress in providing a quality service to people with disability and that the independent certification of disability employment services against legislated quality standards has played an important part in achieving this outcome
- ensuring approximately 80 per cent of business services now pay their workers pro rata award-based wages as a result of the Quality Strategy. The remaining services are making steady progress towards this outcome
- allocating an additional 380 places to business services to help meet demand for supported employment assistance
- launching a new disability business website, BizAbility.com.au, in October 2005. The website aims to extend the market reach of business services across Australia by promoting an online directory of the range of products and services they offer. The website provides business services with means to advertise and improve financial viability by giving them access to a larger market
- approving approximately \$27.6 million in funding assistance to bolster the viability of business services. Around 90 per cent of business services have participated in financial review and business planning processes available through the Security, Quality Services and Choice for People with Disability Package. Funding has also been available under a new Cross Sector Initiative Program which provides grants of up to \$75,000 to help business services build new alliances across the sector. Grants of up to \$2,000 are also available to help business services take part in trade fairs and industry days where they can promote their products and services

- introducing a new rural and remote supplement in November 2005 to boost funding to business services located in rural and remote Australia that have higher operating costs. Around 120 business service outlets will benefit from additional funding of between \$15,000 and \$60,000 a year
- enabling workers with low productivity to access CRS Australia case management services to help them decide whether they wish to stay in employment or move to non-vocational activities. Around 1,420 workers have been approved for case management assistance and of those assisted to date, around 80 per cent have chosen to stay in employment
- conducting a pilot survey of business services workers (current, former and potential) to gain insight into the factors that influence the choices people with disability make about their employment options and the extent to which employment in these services meets their needs and aspirations. The findings highlight the importance of social interaction in the workplace to consumer well-being and job satisfaction
- extending operating hours for easier access to the National Auslan Booking Service for deaf people seeking an accredited Auslan interpreter to attend medical consultations. The booking service, which has provided Auslan interpreters for around 870 medical consultations each month since it started in January 2005, is now open on Saturday mornings
- supporting the Australian Government delegation to the sixth and seventh sessions of the United Nations General Assembly's ad hoc committee on the Convention on the Rights and Dignity of Persons with Disabilities. Together with the Attorney-General's Department, FaCSIA undertook consultations with stakeholders from disability, community and other relevant sectors during the year. The information gathered allowed the Australian Government to finalise its position on a number of key issues contained within the convention that impact on people with disability
- negotiating bilateral agreements with state and territory governments leading to the implementation of the COAG helping younger people with disability in residential aged care initiative
- finalising negotiations with all jurisdictions and establishing bilateral agreements under the CSTDA to enable additional respite for older parent carers of sons and daughters with disability.

Work is required to:

- evaluate the impact of case-based funding on business services
- ensure business services continue to meet the quality standards, promote continuous improvement in business services, and implement the recommendations of the evaluation of the Quality Strategy
- establish new business services to improve access for Indigenous Australians, people facing mental health issues and people living in rural and remote areas to supported employment assistance
- continue to work with business services to improve their business viability and monitor the financial impacts of phasing in pro rata award-based wages to their employees
- implement the national compliance and fraud control strategy in business services following pilot testing in June 2006

- enhance the functionality of the BizAbility website by adding advanced search capabilities and enabling customers to order and pay for goods and services online
- expand the pilot survey of workers of business services to survey service users in three states by December 2008
- finalise the review of the National Disability Advocacy Program
- finalise the evaluation of the Commonwealth Disability Strategy
- implement the 2006–07 Budget measure giving effect to the COAG commitment to help reduce the number of younger people with disability in residential aged care.

Table 2.28 | Financial and staffing resources summary

Output Group 3.2: Support for people with disabilities	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Auslan Interpreting Services	4,556	1,910	- 2,646	5,163
Commonwealth State Territory Disability Agreement	606,033	598,583	- 7,450	616,908
Employment Assistance and Other Services	231,684	220,630	- 11,054	232,375
Total administered expenses	842,273	821,123	- 21,150	854,446
Price of departmental outputs				
Policy services & program management	4,146	4,400	254	4,918
Service delivery (FaCSIA)	18,304	19,425	1,121	21,709
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	22,450	23,825	1,375	26,627
TOTAL FOR OUTPUT GROUP 3.2 (Administered expenses and price of departmental outputs)	864,723	844,948	- 19,775	881,073
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			155	163

a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.

b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Commonwealth State Territory Disability Agreement

Effectiveness–Targeting

Proportion of consumers per 1,000 of potential population from linguistically and culturally diverse and Indigenous backgrounds by service type

This is an Australian and state and territory government agreement and no target or estimates are set by the Australian Government – information on usage is reported in the annual Commonwealth State Territory Disability Agreement public report.

Table 2.29

Service type	English proficiency groups 2-4	Indigenous origin
	Non-English speaking origin percentage	
Accommodation support	0.5	2.2
Community support	n/a	n/a
Community access	n/a	2.6
Respite	n/a	n/a
Employment	1.5	6.0

(Source: Productivity Commission Report on Government Services 2006)

N/A – data is not reported for these service types

Table 2.30

Jurisdiction	Expenditure
NSW	\$879,370,505
VIC	\$887,559,846
QLD	\$329,269,549
SA	\$161,973,604
WA	\$234,186,929
TAS	\$71,897,316
NT	\$22,833,322
ACT	\$49,388,663

Figures provided are for the 2004–05 financial year. Figures for 2005–06 will be published in the next annual report as they are subject to acquittals by jurisdictions which are not available until after this report is published.

Source: CSTDA Schedule A

Price

See table 2.28 page 122.

Employment assistance and other services

Cost

Average cost per employment outcome in business services

\$8,681.

Average a year cost per place in a business service

\$7,938.

Effectiveness—Early Intervention

Young users of business services per 1,000 of the eligible population aged 15 to 24 years

58.2.

Effectiveness—Take Up/Coverage

Users of business services per 1,000 of the eligible population with a profound or severe disability

49.

Effectiveness—Targeting

Average hourly wage rate of business service employees

\$2.90.

Average hours worked per week in a business service

27.2.

Indigenous people using business services per 1,000 of the indigenous population

1.6.

Number of users of business services per 1,000 of the eligible population for employment services

63.8.

Users of business services per 1,000 of the eligible population born in a non-English speaking country

13.2.

Users of supported business per 1,000 of the eligible population in outer regional and remote areas

7.

Quantity

Capacity utilisation rate in business services

95 per cent.

Total number of people using business services

21,275.

Employment assistance and other services – Employment Assistance (Block Grant Funding)

Effectiveness–Capacity

Percentage of business service users who have achieved an employment outcome of 13 weeks or more

91 per cent.

Employment assistance and other services – Employment Assistance (case-based funding)

Percentage of business service users who have achieved an employment outcome of 26 weeks or more

88 per cent.

Total price

See table 2.28 page 122.

Commentary

At 30 June 2006, FaCSIA funded a network of approximately 400 business service outlets across Australia to provide supported employment assistance to over 18,000 people with disability. In keeping with the Australian Government’s commitment to ensuring the long-term viability and sustainability of the business service sector, a number of important initiatives were introduced in 2005–06.

The former Minister for Family and Community Services, Senator the Hon. Kay Patterson, launched a new disability business website, BizAbility.com.au in October 2005. In November, a \$3.5 million funding boost for business services was announced, covering a new rural and remote service supplement and funding for cross-sector initiatives. The latter initiatives are aimed at enabling business services to access a larger market in which to promote their services and products and foster collaborative business partnerships across the sector.

To help meet demand for supported employment assistance, an additional 380 places were allocated to business services that had filled all their funded places and had already phased in pro rata award-based wages. In 2006–07, there will be further opportunities to provide more supported employment opportunities for people with disability in rural and remote Australia, for Indigenous Australians, and for people facing mental health issues.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

2.9c:\$1

Policy services and program management

Quality–Assurance

Collection and analysis of data on employment services, research of relevant policy topics and evaluation of programs are comprehensive, based on sound methodology, informative and contribute to policy understanding and development

100 per cent.

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

100 per cent.

Service providers meet terms and conditions of funding

100 per cent.

Quality–Client satisfaction

Ministers, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Three completed but significant supporting activity has occurred on five other research projects.

Number of contracts/service agreements under management

547.

Number of service providers under management

539.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.28 page 122.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA
100 per cent.

Price

See table 2.28 page 122.

OUTPUT GROUP 3.3

Support for carers



Contribution to Outcome 3

Support for carers contributes to Outcome 3 by:

- helping to support carers through the provision of income support, income supplement payments and assistance.

Strategies

- provide targeted income support and supplementary payments for carers that recognise their diversity
- maintain policies that encourage the social and economic participation of carers, including voluntary or paid work and study
- provide carers who wish to re-enter the labour market with assistance while in the caring role and when their caring responsibilities cease
- increase community awareness of carer payment programs and other support for carers provided by the government.

Outputs under Output Group 3.3

Assistance for carers

Carers are assisted through a number of Australian Government payments and services. Young carers are encouraged to complete secondary education or vocational equivalent through the provision of respite services, and are supported through a telephone hotline and age-appropriate information.

The Young Carers 'at risk' Respite Program provides respite to young carers under the age of 25 years at risk of prematurely leaving school. Young carers can access up to five hours of home respite a week during the school or study term to complete secondary or vocational equivalent education as well as two-week blocks of respite to undertake activities such as study for exams, training or recreation.

Respite Support for Carers of Young People with Severe or Profound Disabilities program

This program provides immediate and short-term respite to carers of young people with severe or profound disabilities whose needs are not being met through existing state government or other Australian Government initiatives. Funding is provided to purchase, organise and coordinate respite care assistance tailored to the individual needs of carers and those for whom they care. The program is delivered nationally through Commonwealth Carer Respite Centres. These centres are managed by the Australian Government Department of Health and Ageing.

Carer Allowance

Carer Allowance is an income supplement for people who provide daily care and attention at home to a person who has a disability, a severe medical condition, is frail, or aged. The payment is not means-tested and is indexed annually.

Carer Payment

Carer Payment is an income support payment for people whose caring responsibilities prevent them from undertaking substantial workforce participation. The payment is means-tested and paid at the same rate as other social security pensions.

Performance summary for Output Group 3.3

Key achievements included:

- developing a \$230.5 million package to assist parents or immediate family members wishing to make private financial provisions for the current and future care and accommodation for a person with severe disability
- undertaking a publicity program to raise awareness about the availability of Carer Allowance
- supporting young carers in their caring role by producing a range of age appropriate information products including a website, information package and primary school education kit
- paying a one-off carer bonus to eligible carers.

Work is required to:

- implement the private financial provisions package of measures
- implement the 2006–07 Budget measure to establish peer support groups for parents of young children with disabilities
- implement the changes to Carer Payment (child) eligibility for carers of children with severe intellectual, psychiatric or behavioural disabilities that require constant care or supervision for their safety or the safety of others
- implement the 2006–07 addition to the Carer Allowance List of Recognised Disabilities for Diabetes Mellitus Type 1
- undertake a review of the lapsing program Respite Support for Carers of Young People.

Table 2.31 | Financial and staffing resources summary

Output Group 3.3: Support for carers	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Assistance for carers	7,225	7,127	- 98	7,333
Special Appropriations				
Carer Allowance	1,240,767	1,258,397	17,630	1,053,787
Carer Payment	1,224,858	1,220,828	- 4,030	1,311,113
Total administered expenses	2,472,850	2,486,352	13,502	2,372,233
Price of departmental outputs				
Policy services & program management	3,661	3,859	198	4,342
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	59,034	58,360	- 674	40,206
Service delivery (Other)	851	851	0	1,224
Total price of departmental outputs	63,546	63,070	- 476	45,772
TOTAL FOR OUTPUT GROUP 3.3 (Administered expenses and price of departmental outputs)	2,536,396	2,549,422	13,026	2,418,005
Staffing Years (Number)				
FaCSIA (including the Social Security Appeals Tribunal)			2005–06 30	2006–07 32

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Assistance for carers

Quantity

Number of young at-risk carers assisted by short-term respite care of up to five hours a school week

883.

Number of young carers assisted by blocks, up to 14 days a year, of respite care

883.

Price

See table 2.31 page 130.

Commentary

Carer Allowance

Effectiveness–Adequacy

Carer Allowance is indexed by the Consumer Price Index (CPI) on 1 January each year.

Quantity

Number of clients receiving Carer Allowance

- 255,451 received Carer Allowance (adult)
- 106,622 received Carer Allowance (child)
- 4,231 received both Carer Allowance (adult) and Carer Allowance (child)
- 15,966 did not receive Carer Allowance (child) but received a Health Care Card only
- 656 were 'not coded'.

Number of people cared for by clients receiving Carer Allowance

413,643 Carer Allowance care receivers, including 267,415 adults, 125,593 children and 20,635 children for whom a Health Care Card only was received.

Carer Payment

Effectiveness–Adequacy

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

Carer Payment is adjusted twice a year in line with the CPI. If after CPI adjustment, the single pension rate (excluding the component added as part of the new tax system) is less than 25 per cent of male total average earnings, then Carer Payment is adjusted up to that benchmark (with, for partnered recipients, a proportional flow on to the partnered rate of pension).

Effectiveness–Independence

Percentage of clients with private income from employment and average amount of income from employment per fortnight (June 2006)

12 per cent, \$448 per fortnight.

Effectiveness–Take Up/Coverage

Percentage of Carer Payment clients also in receipt of Carer Allowance

82 per cent.

Effectiveness–Targeting

Percentage on part rate due to means test

24 per cent.

Quantity

Number of clients receiving Carer Payment

105,058.

Price

See table 2.31 page 130.

Commentary

In 2005–06, the number of customers receiving Carer Payment increased by 10 per cent, compared with a 14 per cent increase in 2004–05. The number of customers receiving Carer Allowance increased by 8 per cent, compared with a 14 per cent increase in 2004–05. These increases reflect:

- demographic changes, such as the ageing of the population and associated increase in the incidence of people suffering from disability
- greater public awareness of the two payments
- the increase in the number of people with disability and medical conditions being cared for at home
- recent changes to qualification criteria which have extended eligibility of these payments to a wider group.

Minister Cobb flanked by official 2006 National Youth Week supporters, Dan O'Connor and Lauren Jackson, at the launch of National Youth Week. Also present were representatives from the Commonwealth Bank Trophy National netball league and members of the Melbourne Storm team.



Departmental outputs

Cost

Ratio of departmental expense to administered expense

2.5c:\$1

Policy services and program management

Quality–Assurance

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

100 per cent.

Service providers meet terms and conditions of funding

100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The minister, parliamentary secretary and their offices did not provide feedback on individual output groups, but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Nil completed but significant supporting activity has occurred on three research projects.

Number of contracts/service agreements under management

Two.

Number of service providers under management

One.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.31 page 130.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA

100 per cent.

Quality– Client Rights and Obligations

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

Review mechanisms common across most payment types for detection and control of incorrect payment and fraud, and performance outcomes for debt recovery and prosecution activity are described in Part 3, ‘Right payments to the right people’ on page 316.

In 2005–06, Centrelink’s integrated review system indicated an estimated 230,793 Carer Payment and Carer Allowance reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$2,352,175, and upward variations resulted in fortnightly increases of \$108,051. The debts totalled \$9,486,132.

Table 2.32 | Reviews and appeals – Output Group 3.3

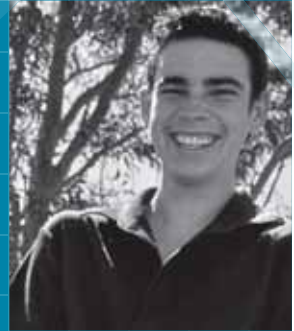
Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Carer Payment	958	33	181	29	29	24
Carer Allowance	1,354	26	230	23	41	15

Price

See table 2.31 page 130.

OUTPUT GROUP 3.4

Support for youth



Contribution to Outcome 3

Support for youth contributes to Outcome 3 by:

- helping young people at risk of being or who are disengaged from their families, employment, community or education and training, through the delivery of targeted programs
- improving the life prospects of young Australians by successfully engaging young people, helping to recognise and achieve their potential and improving the profile and contribution of young people in the community
- developing sound and collaborative relationships within and across levels of government to support young people and their families
- developing support arrangements around young people's development and transition to independence and adulthood.

Strategies

- manage a range of programs that help disadvantaged young people (particularly those who are homeless or at risk of homelessness) to improve their level of engagement and to overcome barriers to participation with their families and the community including:
 - Transition to Independent Living Allowance
 - Reconnect
 - Mentor Marketplace
 - YouthLinx – (formerly the Youth Activities Services/Family Liaison Worker program)
 - Newly Arrived Youth Support Service
- create opportunities for young people to express their views on issues that concern them through initiatives such as the National Youth Roundtable and the National Indigenous Youth Leadership Group, and promote the engagement and greater participation of young people in community activities including through National Youth Week
- raise the profile and positive image of young people in the community
- facilitate and undertake research on families and young people to inform policy and program development
- liaise with other stakeholders to improve services for young people on a range of issues affecting them including mental health, education and work.

Outputs under Output Group 3.4

Mentor Marketplace

The Mentor Marketplace Program builds on the proven effectiveness of mentoring by establishing new mentoring activities and assisting the growth of successful existing projects. It encourages the use of mentoring to improve outcomes for young people, particularly those at greatest risk of disconnection from their families, community, education and work.

Mentor Marketplace is designed to develop a mentoring culture in business, schools and communities with the objective of having a wide-ranging engagement of business and community sectors in mentoring activities for young people.

A total of 26 service providers across Australia were funded in 2005–06 to provide mentoring services to disadvantaged and ‘at risk’ people aged 12 to 25 years.

Funding has been implemented in two phases.

Phase 1 of the measure provided for up to 12 existing Mentor Marketplace pilot service providers to be granted extended funding for their Mentor Marketplace projects. All 27 existing service providers were invited to apply for funding. Twelve were successful and received extended funding from 1 July 2005.

Phase 2 of the measure provided funding for up to 15 new Mentor Marketplace service providers. An open, competitive selection process identified a further 14 new service providers to receive funding from 1 January 2006.

Funding agreements have been negotiated and signed for both Phase 1 and Phase 2, service providers and Mentor Marketplace services have commenced with the implementation of their projects.

Reconnect

Reconnect provides early intervention support for people aged between 12 and 18 years who are homeless, or at risk of homelessness, and their families. Reconnect aims to assist young people to improve their level of engagement with family, work, education, training and the community. Services include counselling, mediation and practical support to both the young person and their family. At June 2006, FaCSIA had funded 98 Reconnect services, 13 of which were Indigenous-specific, in metropolitan, rural and remote locations.

The Newly Arrived Youth Support Service (NAYSS) Initiative was announced in the 2004–05 Budget and provides combined Reconnect and Job Placement Employment and Training services to newly arrived young people between the ages of 12 and 21. The 14 NAYSS multi function service outlets provide assistance to young people at all stages along the continuum of assistance, from early intervention to transitional support, in ways that are culturally and contextually appropriate.

Transition to Independent Living Allowance

The Transition to Independent Living Allowance is a one-off payment for up to \$1,000 worth of goods and services to assist young people aged 15 to 25 years who are moving from formal and informal care. The allowance assists young people who lack family support to offset some of the costs of moving to independence. It is administered nationally by 19 non-government organisations on behalf of the Australian Government.

YouthLinx (formerly the Youth Activities Services/Family Liaison Worker Program)

YouthLinx is a prevention and early intervention program that supports young people aged 11 to 16 and their families to build self-reliance, strengthen family relationships and encourage community involvement. The program provides activities, generally after school, to young people living in disadvantaged areas who are at risk of disconnecting with their families, schools and communities.

The types of services provided include recreational, vocational, cultural, educational and personal development activities. Some services provide specialised activities targeting specific groups, such as young people with disability, and specific cultural groups.

YouthLinx also provides practical support and guidance to young people and their families by helping them deal with issues affecting their family well-being. This support may include advocacy, referral and information, skill development and provision of skilled practical assistance.

There are 101 YouthLinx services located in urban, rural and remote locations throughout Australia delivered by local councils and community organisations.

Performance summary for Output Group 3.4

Key achievements included:

- implementing funding for the extended Mentor Marketplace Program. A total of 26 service providers across Australia were funded to provide mentoring services to disadvantaged and at risk young people aged 12 to 25 years
- launching a new national mentoring network – Youth Mentoring Network – with the Governor-General to foster the growth and development of high quality mentoring programs for young people. The network is the initiative of a partnership between FaCSIA, the Smith Family, Job Futures, Big Brothers Big Sisters Australia, and the Dusseldrop Skills Forum
- selecting and funding eight new service providers to deliver the Newly Arrived Youth Support Services Initiative, bringing the total number of services to 14
- developing a performance management framework for FaCSIA youth programs with staged implementation to begin from 1 July 2006. An integral part of the framework is the development of a FaCSIA online performance information and data collection system. Work has begun on the development of the system for the Reconnect, YouthLinx, Mentor Marketplace and Transition to Independent Living Allowance programs
- completing the transition from the former Youth Activities Services and Family Liaison Worker Program to YouthLinx. Services will deliver activities for young people with a stronger focus on including families.

Work is required to:

- review the Reconnect program – lapsing program review
- undertake further consideration of the remaining recommendations of the 2004 Transition to Independent Living Allowance review. The work being undertaken is to improve service delivery and program design, update allowance guidelines and develop a comprehensive communications and promotion plan
- implement the extension of the Mentor Marketplace, ‘Mentors to Assist Disadvantaged Young Australians’, as part of the National Action Plan for social cohesion, harmony and security approved in July 2006.

Table 2.33 | Financial and staffing resources summary

OUTPUT GROUP 3.4: Support for youth	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Mentor Marketplace	1,710	1,710	0	2,389
Reconnect	22,602	22,143	- 459	22,722
Transition to Independent Living Allowance	2,560	2,368	- 192	2,560
YouthLinx (formerly Youth Activities Services)	9,801	9,525	- 276	7,017
Total administered expenses	36,673	35,746	- 927	34,688
Price of departmental outputs				
Policy services & program management	10,590	11,239	649	12,561
Service delivery (FaCSIA)	11,607	12,319	712	13,768
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	22,197	23,558	1,361	26,329
TOTAL FOR OUTPUT GROUP 3.4 (Administered expenses and price of departmental outputs)	58,870	59,304	434	61,017
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			154	160

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Mentor Marketplace

Quantity

Number of young people assisted

3,500.

Price

See table 2.33 page 139.

Commentary

The estimated number of young people being assisted by Mentor Marketplace projects increased from approximately 3,100 in 2004–05 to an estimated 3,500 in 2005–06. These figures are based on the existing, established Mentor Marketplace pilot service providers and new service providers commencing from 1 January 2006.

Reconnect

Effectiveness—Early Intervention

Percentage of clients with a positive change in their overall situation

78.6 per cent.

Percentage of clients with an improved level of engagement with family

69.3 per cent.

Percentage of clients with an improved level of engagement with community

61 per cent.

Quantity

Number of people assisted

5,040 individuals and 9,781 participants in groups.

Number of families assisted

4,264.

Number of people assisted through the Newly Arrived Youth Support Services

426.

Price

See table 2.33 page 139.

Commentary

Only six of the 14 Newly Arrived Youth Support Services were fully operational during the 2005–06. The remaining eight providers were selected and funded between April and June 2006. A data system for the services is currently being established.

Transition to Independent Living Allowance

Quantity

Number of young people assisted

1,258.

Price

See table 2.33 page 139.

Commentary

The uptake of the Transition to Independent Living Allowance increased by 43 per cent from the previous financial year. About 8,000 pamphlets were distributed to more than 650 agencies specifically targeting referrers from Centrelink, Child Protection, juvenile justice, the Supported Accommodation Assistance Program and youth centres. Fact sheets and 1,600 promotional posters were also developed and distributed to 707 organisations.

YouthLinx (formerly the Youth Activities Services/Family Liaison Worker Program)

Effectiveness—Early Intervention

Percentage of young people and YouthLinx service providers reporting positive outcomes from participation in YouthLinx activities

91.53 per cent.

Percentage of young people, young peoples’ families and YouthLinx service providers reporting positive outcomes from contact with the YouthLinx family support

92.36 per cent.

Quantity

Number of contacts with young people through YouthLinx activities

277,738.

Number of young people engaged through YouthLinx family support

33,943.

Number of families engaged through YouthLinx family support

11,459.

Price

See table 2.33 page 139.

Commentary

The transition to the refocused YouthLinx has been completed, including finalisation of the YouthLinx program logic. Provider forums were also conducted in May and June 2006, which focused on service delivery in the context of families and sharing good practice in implementing the transition.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

65.9c:\$1

Policy services and program management

Quality–Assurance

Department ensures that service providers meet terms and conditions of funding

99.6 per cent.

Research is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and relevant to current policy and program priorities and interests

95 per cent.

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

100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The Ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Nil.

Number of contracts/service agreements under management

268.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.33 page 139.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA

99.6 per cent

Price

See table 2.33 page 139.

OUTPUT GROUP 3.5

Support for women



Contribution to Outcome 3

Support for women contributes to Outcome 3 by:

- ensuring women are consulted on, and have input to, emerging policy that has a major impact on them
- communicating with and providing information to women
- helping vulnerable women, such as those experiencing domestic violence, through prevention, awareness raising, research and identifying best practice ways of support
- increasing the number of women in leadership roles by providing capacity building, such as leadership programs
- acknowledging and celebrating the many and diverse contributions that women make to Australia.

Strategies

- develop and implement the elements of the Women's Safety Agenda announced in the 2005 Budget
- continue to raise community awareness of domestic violence and sexual assault through the national '*Violence Against Women. Australia Says NO*' campaign and through the delivery of a confidential helpline to support the campaign with counselling and referral services
- produce women's budget documents for the 2006–07 Budget outlining the government's measures benefiting women, including a booklet highlighting Budget initiatives
- deliver two premier events for the Minister Assisting the Prime Minister for Women's Issues: White Ribbon Day on 25 November 2005 at the Melbourne Museum, and International Women's Day on 8 March 2006 at the Great Hall, Parliament House, Canberra
- implement and manage new four-year funding agreements with the National Women's Secretariats, which provide, among other deliverables, broad consultations with women across Australia to identify issues of most significance to them
- provide grants to women's non-government organisations to help them become more effective through increased capacity building and funding to undertake projects that contribute to public policy or service development for women. The grants were made available in two separate rounds this year to increase access to funding. The number of organisations that were successful rose from 14 in 2004–05 to 22 in 2005–06

- provide resources and training to increase the capacity of non-government, national women's organisations to access funding other than that provided by government
- provide high-level advice to the Minister Assisting the Prime Minister for Women's Issues on issues impacting on women
- influence and monitor policy development and program implementation on women's issues through consultation within FaCSIA and Commonwealth and state agencies
- commission research on issues affecting women to contribute to policy development and greater understanding of issues that impact significantly on women's lives
- represent the government at national and international forums on women's issues.

Outputs under Output Group 3.5

Wife Pension (age)

Wife Pension (age) is a payment for female partners of recipients of Age Pension where those partners are not eligible in their own right for the Age Pension. The payment was closed to new entrants from 1 July 1995.

Wife Pension (Disability Support Pension – DSP)

Wife Pension (DSP) provides income support for female partners of people receiving DSP who are not eligible for a pension in their own right. The payment was closed to new entrants from 1 July 1995.

Widow B Pension

Widow B Pension is paid only to widowed, divorced and separated women aged 50 years and over on 1 July 1987, and women aged 45 years and over on 1 July 1987 who received Sole Parent Pension (or one of its forerunners) on or after that date. The payment was closed to new entrants from 20 March 1997.

Women's Leadership and Development Program

The new Women's Leadership and Development Program helps women to participate, both socially and economically, in their communities. The program:

- builds women's capacity to take on greater leadership responsibilities
- funds communication and consultation activities with women's groups
- funds capacity building initiatives
- commissions research on issues relevant to women.

Women's Safety Agenda

The Women's Safety Agenda continues a strong commitment to the elimination of domestic violence and sexual assault through a range of measures. The agenda addresses four broad themes: prevention, health, justice and services. Together they aim to increase attention on preventing violence and early intervention and support for those affected by violence.

The Women's Safety Agenda replaces and consolidates the two previous programs – Partnerships Against Domestic Violence and the National Initiative to Combat Sexual Assault. The initiatives include the national '*Violence Against Women. Australia Says NO*' campaign which was run in 2004 and 2005. The campaign increases community awareness of the issues of domestic violence and sexual assault and is supported by a national helpline which provides practical assistance to those affected by domestic violence. The agenda also includes a range of research and information initiatives – the Australian Centre for the Study of Sexual Assault; the Domestic and Family Violence Clearinghouse; a research resource at the Australian Institute of Criminology and research projects at community level.

A range of training resources is also included in the agenda – training for practice nurses in regional and rural areas to help them identify and respond to domestic violence; training for the legal sector to ensure that it is attuned to the sensitivities that accompany women's experiences of sexual assault; and training resources for services that work with men who use violence. Delivery of these training resources will begin in 2006–07.

Women's Safety Agenda – Support for Victims of Trafficking Program

Funding is provided to support people-trafficking victims who are able to assist with an investigation or prosecution of a people trafficking offence. Individual case managers are responsible for ensuring the appropriate delivery of these support services, to meet clients' individual needs. The Support for Victims of People Trafficking Program aims to support victims at a level similar to income support programs and provide additional assistance to give them skills to regain control over their lives.

Performance summary for Output Group 3.5

Key achievements included:

- conducting the national multimedia campaign, '*Violence Against Women. Australia Says NO*' and continuing a confidential helpline to support the campaign with counselling and referral services
- delivering personalised support for women affected by people trafficking
- celebrating and recognising women's achievements through a successful International Women's Day luncheon and 486 letters of congratulations sent to women recipients of formal awards and other community accolades
- re-contracting the four National Women's Secretariats under new four-year funding agreements to facilitate outreach and consultation with a broad cross-section of women across Australia
- presenting Australia's combined 4th/5th report on the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) to the CEDAW committee in January 2006

- partnering with the Australian Sports Commission to provide 168 Sports Leadership Grants to women worth \$400,000 to build women's leadership capacity in the area of sport
- providing an increased number of project and capacity-building grants totalling \$779,316 to national women's non-government organisations. Twenty-two grants were provided in 2005–06, an increase of eight from 2004–05
- delivering eight Grantseeker Workshops in rural and remote locations in Vic, Qld, NT, NSW and WA to build the capacity of women's community organisations to access funding from sources other than government
- highlighting the issues around domestic violence through an event and activities on White Ribbon Day (25 November 2005), the International Day for the Elimination of Violence Against Women
- commissioning:
 - research into aspects of retirement for women and men using the Household, Income and Labour Dynamics of Australia survey
 - a survey of small business and carer and family friendly provisions using the Sensis Business Index
 - an anthology of women in small business
 - research on participation in sport and recreation by women from culturally and linguistically diverse backgrounds
 - research on mothers, fathers, children and work using the Longitudinal Study of Australian Children.

Work is required to:

- continue to implement the Women's Safety Agenda, the Support for Victims of Trafficking Program and the Women's Leadership and Development Program announced in the 2005 Budget
- continue to ensure issues that affect women are considered in program delivery and policy development across the whole-of-government including the impact on women of Australia's ageing population, women's financial literacy (including vulnerable women's well-being in retirement), and women's leadership potential
- develop and deliver a research agenda that builds a solid evidence base for informing government and other stakeholders about current women's issues
- work with the four National Women's Secretariats on the delivery and analysis of reports arising from their in-depth consultation with a broad cross-section of Australian women on key issues of concern
- undertake strategic program reviews to improve efficiency and effectiveness of outcomes in line with government priorities.

Table 2.34 | Financial and staffing resources summary

OUTPUT GROUP 3.5: Support for women	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Support for Victims of Trafficking	755	549	- 206	755
Women's Leadership and Development Programme	4,389	4,201	- 188	3,808
Women's Safety Agenda	16,826	16,748	- 78	15,454
Special Appropriations				
Widow B Pension	6,966	6,491	- 475	6,701
Wife Pension (Age)	173,273	173,127	- 146	156,264
Wife Pension (Disability Support Pension)	258,817	258,497	- 320	235,248
Total administered expenses	461,026	459,613	- 1,413	418,230
Price of departmental outputs				
Policy services & program management	3,824	4,054	230	4,535
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	7,409	7,325	- 84	4,043
Service delivery (Other)	141	142	1	204
Total price of departmental outputs	11,374	11,521	147	8,782
TOTAL FOR OUTPUT GROUP 3.5 (Administered expenses and price of departmental outputs)	472,400	471,134	- 1,266	427,012
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			27	29

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Wife Pension (age)

Effectiveness–Independence

Percentage with assessed income greater than \$500 a year
53 per cent.

Percentage with private earnings
8.3 per cent.

Average income per fortnight
\$82.

Percentage on part-rate due to means test
21.4 per cent.

Average base rate reduction per part-rate pensioner per fortnight
\$167.

Quantity

Number of clients assisted
16,254.

Number of clients paid Rent Assistance
1,392.

Price

See table 2.34 page 148.

Wife Pension (Disability Support Pension)

Effectiveness–Independence

Percentage on part-rate due to means test
25 per cent.

Quantity

Number of clients receiving Wife Pension (DSP)
24,627.

Price

See table 2.34 page 148.

Commentary

In 2005–06, the number of clients receiving Wife Pension (DSP) decreased by 12 per cent.

Widow B Pension

Effectiveness–Independence

Percentage with assessed income greater than \$500 a year

68 per cent.

Percentage with private earnings

Less than 1 per cent.

Average income per fortnight

\$197.

Percentage on part-rate due to means test

43.1 per cent.

Average base rate reduction per part-rate pensioner per fortnight

\$161.

Quantity

Number clients assisted

775.

Number of clients paid Rent Assistance

Five.

Price

See table 2.34 page 148.

Women’s Leadership and Development Program

Effectiveness–Adequacy

Percentage of women assisted reporting positive outcomes as a result of assistance through program initiatives

90 per cent.

Quality–Client Satisfaction

Program activities are of a high quality, delivered in a timely manner and are well regarded by all stakeholders

100 per cent.

Quantity

Number of events/activities/communications on women's issues

18.

Number of grants provided to business organisations/individuals for capacity building

22.

Number of young women participating in leadership and mentoring initiative

This program will be implemented in 2006–07.

Price

See table 2.34 page 148.

Commentary

The Office for Women advises and supports the Minister Assisting the Prime Minister for Women's Issues. The Office for Women participated in a range of inter-departmental committees, worked closely with other departments in the development and implementation of policy, and was involved in a number of steering committees and reference groups.

Women's Safety Agenda – Support for Victims of Trafficking Program

Effectiveness–Take Up/Coverage

Program participants report being well supported and assisted in their recovery and preparation for reintegration. More successful prosecutions of traffickers occur

90 per cent.

Quality–Access and Choice

Suspected victims accessing the program are appropriately supported during their participation

100 per cent of identified eligible victims.

Quantity

Percentage of suspected victims identified by the Australian Federal Police accommodated within the program

100 per cent of identified victims.

Women's Safety Agenda

Effectiveness–Take Up/Coverage

Improvement in community awareness of violence against women and available methods of response

Tracking research conducted in January 2006 showed that violence towards women still rates highly as an issue of concern in the community and there was a strong awareness of the avenues of help and support.

Quality–Assurance

Percentage of stakeholder feedback indicating that response options have been improved
90 per cent.

Quantity

Percentage of projects successfully completed

All community action research and pilot projects are being delivered to contracted standards and timeframes.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

2.5c:\$1

Policy services and program management

Quality–Assurance

Contracted agents meet terms and conditions of funding

100 per cent.

Contracts that meet legislative, government policy and departmental requirements are in place with all service providers

100 per cent.

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

100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The minister, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Six.

Number of contracts/service agreements under management

27.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services—number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.34 page 148.

Service delivery

Quality—Assurance

Contracted agents deliver services to the standards agreed with FaCSIA

100 per cent.

Quality—Client Rights and Obligations

Review mechanisms common across most payment types for detection and control of incorrect payment and fraud and performance outcomes for debt recovery and prosecution activity are described in the chapter, ‘Right payments to the right people’.

In 2005–06, Centrelink’s Integrated Review System indicated that an estimated 4,039 Wife Pension (age), 9,538 Wife Pension (DSP) and 141 Widow B Pension reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$84,042, and upward variations resulted in fortnightly increases of \$11,932. The debts totalled \$3,017,666.

Percentage of reviews and appeals where the original decision is changed

Table 2.35 | Reviews and appeals – Output Group 3.5

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Wife Pension (age)	39	36	12	17	1	0
Wife Pension (DSP)	111	40	34	38	2	0
Widows B Pension	5	20	1	0	0	0

Price

See table 2.34 page 148.

OUTCOME 4

Families and children have choices and opportunities



Services and assistance that help children have the best possible start to life, promote healthy family relationships, and help families adapt to changing economic and social circumstances and take an active part in the community.

Description

Outcome 4 reflects the government's commitment to investing in the well-being of Australian children, their families and communities. Recognising the contribution of families to the overall health and well-being of individuals, the department:

- assists families to build their capacity and their resilience, including through supporting and strengthening relationships
- provides greater choice about participation in the economic and social life of the community and access to financial assistance and services that support those choices, such as child care
- builds the community's and government's knowledge base about the needs, priorities and aspirations of contemporary Australian families
- develops partnerships with key stakeholders to improve the efficiency of services delivered, identifies emerging issues and develops appropriate policy advice
- assists Indigenous families and communities to build self-reliance and access appropriate services and support through a whole-of-government approach.

Figure 2.10 | Outputs contributing to Outcome 4

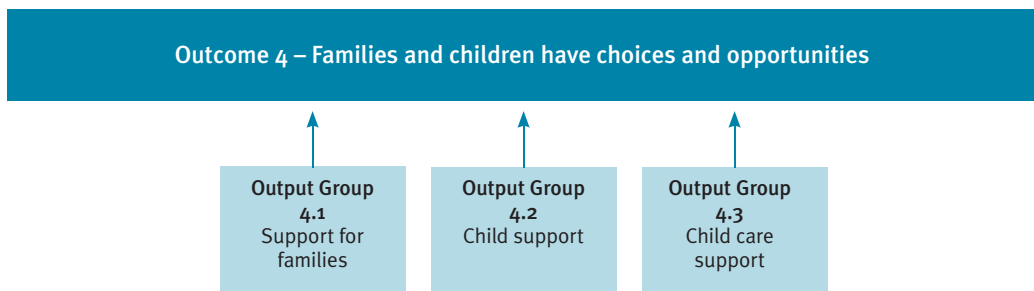


Table 2.36 | Financial and staffing resources summary

OUTCOME 4: Families and children have choices and opportunities	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Output Group 4.1 Support for Families	14,796,774	14,580,665	- 216,109	15,703,588
Output Group 4.2 Child Support	-	-	-	-
Output Group 4.3 Child Care Support	1,773,659	1,760,339	- 13,320	1,828,554
Total administered expenses	16,570,433	16,341,004	- 229,429	17,532,142
Price of departmental outputs				
Output Group 4.1 Support for Families	638,372	634,180	-4,192	430,504
Output Group 4.2 Child Support	350	371	21	415
Output Group 4.3 Child Care Support	108,767	109,515	748	87,468
Appropriations applicable across Outcome 4				
Policy services & program management	-	-	-	-
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Revenue from other sources	225	253	28	957
Total price of departmental outputs	747,714	744,320	-3,394	519,344
TOTAL FOR OUTCOME 4 (Administered expenses and price of departmental outputs)	17,318,147	17,085,324	- 232,823	18,051,486
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			556	591

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies for improving choices and opportunities for families and children are:

- providing financial assistance to families to help with the costs of children
- implementing the comprehensive changes announced for the child care system commencing from 1 July 2006 to further assist parents to participate in the workforce
- influencing policy in light of emerging social trends and issues affecting Australian families and their well-being, including through the family impact statement process which ensures government is aware of the family impacts of Cabinet and Budget proposals
- providing money management services to Indigenous families and their communities to strengthen self-reliance and improve outcomes for Indigenous children
- improving family relationships to prevent or reduce the incidence of family breakdown and minimise emotional, social and economic costs associated with family relationship breakdown
- delivering locally-tailored family support services that reduce Indigenous family violence in partnership with Indigenous communities and state and territory governments
- implementing and managing a range of initiatives for families, including the Stronger Families and Communities Strategy.

Performance highlights and policy outlook

Key achievements included:

- supporting government consideration of the impact of decisions on families by managing and providing advice on family impact statements for all relevant Cabinet and Budget proposals
- developing the Australian Government response to the report of the Ministerial Taskforce on Child Support, and undertaking the lead role in the implementation of the reforms in three stages commencing 1 July 2006
- implementing the package of measures announced in the 2005–06 Budget to help families estimate their income correctly, and in doing so, reducing the possibility that families will incur a Family Tax Benefit overpayment
- implementing measures announced in the 2006–07 Budget to extend the Large Family Supplement to families with three children and increase the Family Tax Benefit Part A lower income threshold so that families can earn more before their income affects their payment
- developing a measure announced in the 2006–07 Budget to improve the use of family payments in Indigenous communities
- continuing to deliver support to help Indigenous communities address family violence issues through around 90 projects under the Family Violence Regional Activities Program and the Family Violence Partnership Program
- successfully completing the first phase of the New Family Law System reforms through the 2005 Family Relationship Services Program competitive selection process in partnership with the Attorney-General's Department. This saw the selection of providers for 15 new Family Relationship Centres and a further 33 early intervention services and 17 post-separation services

- implementing the recommendations of the Uhrig Review for the Australian Institute of Family Studies
- implementing the renewed Stronger Families and Communities Strategy that has a specific early childhood focus
- developing and implementing the national evaluation framework for the Stronger Families and Communities Strategy
- implementing Supported Playgroups across Australia, which are facilitated by a coordinator and target families who would not normally access playgroups
- completing data collection for the 2006 Australian Government Census of Child Care Services
- introducing the Inclusion Support Subsidy, enabling child care services to build their capacity to include children with high ongoing support needs such as those with a disability and refugee children
- implementing enhancements to the Child Care Access Hotline enabling parents to access information on child care services in their local area
- removing the cap on Outside School Hours and Family Day Care places from 1 July 2006. Services are now able to respond more immediately and flexibly to meet the needs of families, including parenting payment clients who are returning to the workforce
- finalising administration and assessment processes for Family Day Care start up payments for implementation in July 2006
- removing regional boundaries for Family Day Care services. These services are now able to broaden their business base and carers are free to choose to work with the service of their choice, rather than being limited to the service in their area.

Work is required to:

- implement stages two and three of the reforms to the Child Support Scheme
- review the Family Violence Regional Activities Program and the Family Violence Partnership Program to ensure the best outcomes are being achieved for Indigenous families and to improve administration
- implement a redeveloped performance framework for the Family Relationship Services Program
- develop strategies to further implement the four key action areas in the National Agenda for Early Childhood: healthy families with young children, early learning and care, supporting families and parenting and creating child friendly communities
- build the sustainability and capacity of the Raising Children website by fostering links with Australian Government agencies and providing complementary promotion of the website and Australian Government services
- develop a child care management system.

Budget measures

A New Family Law System – Children’s Contact Service

The Family Relationship Services Program is jointly funded by the Attorney-General’s Department and FaCSIA, is administered by FaCSIA and is delivered by non-government organisations.

The Children’s Contact Service is one of the Attorney-General’s Department funded services being expanded through the New Family Law System measure, with FaCSIA receiving additional funding to administer the expansion in services.

A New Family Law System – Contact Order Program

The Contact Order Program is another of the Attorney-General’s Department-funded services being expanded through the New Family Law System measure, with FaCSIA receiving additional funding to administer the new services.

A New Family Law System – Family Relationship Centres

Family Relationship Centres are a new Attorney-General’s Department funded service which has been introduced through the New Family Law System measure. FaCSIA received additional funding to administer this new service.

A New Family Law System – Family Relationship Services

The Australian Government, through the New Family Law System measure, announced a further 82 early intervention services over three years at a cost of \$96 million. In 2005–06, FaCSIA selected a further 33 early intervention service providers at a cost of \$10.5 million. These services commenced operation in July 2006 and are delivering a wider range of integrated family relationship services. These complement the other measures under the New Family Law System being undertaken by the Attorney-General’s Department such as the establishment of Family Relationship Centres and additional post-separation services. An ongoing challenge remains to continue to broaden the range of organisations in the service provider network.

A New Family Law System – national education campaign

In conjunction with the Attorney-General’s Department, FaCSIA developed and is managing the implementation of the national community education campaign for the New Family Law System. The campaign aims to raise awareness about changes to the family law system and will be conducted in phases tied to the commencement of changes to the law.

The campaign’s first round of national and regional advertising commenced in June 2006.

Migration Program – increase of up to 20,000 skilled places

In the 2005–06 Budget, the former Department of Immigration, Multicultural and Indigenous Affairs increased the Migration Program by 20,000 skilled places to meet Australia’s short and long-term labour force needs. This measure provided funding of \$12.6 million for FaCSIA for 2005–06, primarily to meet the costs of Family Tax Benefit for the families of skilled migrants.

Increased Family Assistance

- increase in maximum rate of Family Tax Benefit Part A income threshold
- extend the Large Family Supplement to families with three or more children
- Maternity Payment – extend the age limit on adopted children.

In the 2005–06 and 2006–07 Budgets, the government increased financial assistance to families. The lower income threshold for Family Tax Benefit Part A was to be increased to \$37,500 from 1 July 2006 as a result of the 2005–06 Budget, but was further increased to \$40,000 from 1 July 2006 in the 2006–07 Budget.

The 2006–07 Budget also extended the Large Family Supplement to families with three or more children from 1 July 2006. Previously the supplement was only available to families with four or more children. The 2005–06 Budget increased financial assistance through the extension of Maternity Payment to adopted children up to the age of two years from 1 July 2005.

Reducing Family Assistance overpayments

- Family Assistance – a negotiated payment option to reduce overpayments
- Family Assistance – automatically updating income estimates
- Family Assistance – maintenance income credit
- Family Assistance – assistance to families at risk of overpayment
- Family Assistance – changes to arrangements for separated couples.

The 2005–06 Budget package assisted families reduce the risk of overpayment through a range of measures. From 1 July 2006, income estimates were automatically updated. The Family Assistance Office works out an income estimate for calculating payments based on the family's most recent income estimate adjusted in line with average weekly earnings. The family can choose to provide their own estimate or use the estimate provided by the Family Assistance Office.

From 1 July 2006, there were changes to the way late or irregular child support payments affect Family Tax Benefit. These changes reduce the risk of irregular child support payments resulting in Family Tax Benefit Part A overpayments. Families can now receive late or irregular child support payments and still receive the same amount of Family Tax Benefit as they would have been paid if they had received their child support payments when they were actually due.

From 1 July 2006, families have been provided with the option of negotiating a new rate of Family Tax Benefit payment if a change in their circumstances would result in an overpayment at the end of the year. In addition, from 1 July 2005, information sessions and increased support have also been provided to families at risk of overpayment.

From January 2006, changes have been made so separated customers have their non-lodger debts set aside or written off where these debts are caused by the non-lodgement of their ex-partner's tax return.

Improving the recovery of Family Assistance debts

- Family Assistance – improving debt recovery
- Family Assistance – using reconciliation top-up payments and tax refunds to offset outstanding Family Assistance debts.

The 2005–06 Budget also provided extra assistance to families who had already incurred overpayments. From January 2006, families with debts over \$3,000 are contacted to discuss debt reduction strategies. From 1 July 2006, debt recovery rates were increased from:

- \$20 to \$30 for debts under \$750
- \$40 to \$60 for debts over \$750.

Tax refunds and Family Tax Benefit top-ups are used to repay Family Assistance debts from previous years.

Welfare to Work – enhance child care arrangements to support work participation

The child care measures included in the Welfare to Work package are designed to support the new participation requirements and facilitate parents' transition from welfare to work.

The child care measures announced in the 2005–06 Budget as part of the Welfare to Work package will cost \$226.4 million over four years to 2008–09 and include:

- boosting the number of Outside School Hours Care places by 84,300, Family Day Care places by 2,500 and In Home Care places by 1,000 (from July 2006 Outside School Hours Care and Family Day Care places are now uncapped)
- providing additional assistance with child care fees for around 52,000 low income families through the Jobs, Education and Training (JET) Child Care Program
- strengthening the Child Care Benefit work/training/study test for approved child care
- providing practical support to attract and train new child care workers through a child care workforce incentive package.

Portfolio Additional Estimates Statements

Drought assistance – Family Relationships Services Program

In May 2005, the Australian Government announced an additional \$4 million during 2005–06 and 2006–07 for family counselling services in communities affected by drought through the Family Relationship Services Program and Centrelink. In 2005–06, FaCSIA distributed \$1.52 million across 21 service providers to target and meet the needs of drought-affected areas.

Institutional care – response to Senate Committee reports

In November 2005, the Australian Government tabled its response to the two reports of the Community Affairs References Committee inquiry into children in institutional or out-of-home care, *Forgotten Australians* and *Protecting Vulnerable Children*. The Australian Government's response included:

- \$100,000 to assist organisations supporting people who were in institutional care as children
- a \$100,000 contribution towards state or territory initiated memorials
- two national conferences (\$120,000), focusing on the Forgotten Australians and contemporary child protection issues.

The government convened two national conferences in June 2006. The first, *Healing the Past – Building the Future*, examined the current and ongoing needs of people who were in institutional care as children. The second, the *National Child Protection Forum*, built on existing work in the child protection sector to develop a national strategy to be presented to Ministers.

Memorial and support group funding will be expended in the 2006–07 financial year.

Jobs, Education and Training (JET) child care fee assistance – additional funding

This program provides extra fee assistance to help people who receive certain Centrelink payments to improve their employment prospects by participating in study, work or job search activities. An increase in demand for JET fee assistance during 2005–06 resulted in an extra \$6 million being provided.

Disability support – assistance for establishing private care arrangements for future care

This measure will support families, parents and siblings to resolve family conflict and negotiate private provisions under the 'Supporting parents in making private financial provision for care of sons and daughters with a severe disability package.'

Evaluation

A drought counselling evaluation has been conducted by Australian Healthcare Associates in response to an Australian National Audit Office audit on drought assistance. This evaluation assessed the extent to which promotion of drought counselling assistance during 2002–03 and 2003–04 raised awareness of the services in targeted communities. A final report was submitted to the department in June 2006 identifying a range of options for improving program outcomes.

OUTPUT GROUP 4.1

Support for Families



Contribution to Outcome 4

Support for Families contributes to Outcome 4 by:

- providing payments to families to help with the costs of children, including newborns, in a way that recognises the needs and choices of both single and dual income families
- helping support and strengthen families through the provision of services to enhance family relationships, assist in preventing family breakdown and resolve conflict around separation
- focusing on early childhood through early intervention, prevention and capacity building initiatives to support and strengthen Australian families, and working with local communities to identify solutions to their local issues
- helping support and strengthen Indigenous families and communities through the provision of culturally-appropriate family support mechanisms and services
- supporting government consideration of the impact of decisions on families by managing and providing advice on family impact statements for all relevant Cabinet and Budget proposals.

Strategies

- continue to explore national mechanisms and activities to reduce child abuse and neglect, particularly in Indigenous and disadvantaged communities
- implement and support the New Family Law System measure
- develop and implement the Family Relationship Services Program Strategic Plan 2005–2008 to deliver accessible and responsive, high quality and integrated family relationship services, including strategies to better incorporate services to Indigenous and culturally and linguistically diverse communities
- provide support for Indigenous communities to identify and address family violence issues
- provide a system of financial assistance available to most families that recognises changing work and family responsibilities, and structures payments according to the number and ages of children in the household as well as income
- provide financial support to particular groups, including parents with newborn babies, sole parents, single-income couples and people caring for orphaned children

- promote choice-of-delivery mechanisms so families can elect whether they receive their financial assistance as a transfer payment or through the tax system
- ensure administrative arrangements and delivery mechanisms help families obtain their correct payment and avoid an overpayment
- use the framework of the National Agenda for Early Childhood as an overarching policy framework for action to promote the positive development of all children living in Australia from before birth to age eight
- implement the Stronger Families and Communities Strategy 2004–2009.
- coordinate and promote community education and project funding in early childhood development and child abuse prevention
- provide positive early childhood development using a variety of playgroup models to meet the needs of families in a range of diverse family circumstances.

Outputs under Output Group 4.1

Child abuse prevention

Funding is provided for the following child abuse prevention initiatives:

- REACh (Responding Early Assisting Children) Program – supports children and parents in vulnerable families, those experiencing significant transition or who are at risk of child abuse and neglect or other crises. REACh encourages early intervention approaches to prevent child abuse, neglect and other poor outcomes for children
- National Child Protection Clearinghouse – information dissemination on child protection activities and research
- NAPCAN Foundation for the annual National Child Protection Week
- Australian Council for Children and Parenting – provides policy advice to the Minister for Families, Community Services and Indigenous Affairs and is also responsible for the biennial National Child Protection Awards.

Double Orphan Pension

The Double Orphan Pension is a non-means tested payment for children with at least one deceased parent who cannot have contact with the other for reasons such as the parent being a long-term prisoner or the parent's whereabouts being unknown. Some refugee children may also be considered as double orphans.

Family and Youth Support (National Illicit Drugs Strategy)

The National Illicit Drugs Strategy Strengthening Families Program is an early intervention, family-focused component of the broader National Illicit Drugs Strategy. The program provides support, advice, information, referral and counselling services to families coping with, or at risk of, illicit drug use. It is specifically directed towards family support rather than the health, education or criminal aspects of the strategy.

Twenty organisations are developing 21 projects across Australia. A range of approaches to supporting families is provided including parenting education focusing on drug prevention, education programs for families of drug users, family support programs (including counselling, therapy and advocacy), support groups for children of drug-using parents, support for grandparents raising grandchildren and targeted Indigenous projects to help young Indigenous people, their families and kinship carers.

Family Relationships Services Program

The Family Relationships Services Program provides Australian Government funds to over 100 community organisations for education and relationship skills training, counselling, mediation and community development to:

- enable families to sustain safe, supportive and nurturing relationships, and to strengthen parenting and relationship skills
- minimise the emotional, social and economic costs associated with the disruption of family relationships.

The program also provides specific services targeted to men, adolescents, humanitarian entrants, and to address family violence through early intervention approaches.

It also administers funding on behalf of the Attorney-General's Department to provide post-separation services such as children's contact services, parenting orders programs and family dispute resolution, plus Family Relationship Centres under the New Family Law System.

Family Tax Benefit

Family Tax Benefit Part A helps families with the cost of raising dependent children. It is paid to families for children up to 21 years of age and for young people between the ages of 21 and 24 years who are studying full-time and not receiving Youth Allowance or a similar payment.

Family Tax Benefit Part B provides extra assistance to families with one main income earner, including sole parents. It is paid to families with children under 16 years of age and to families with children between the ages of 16 and 18 if one of them is studying full-time.

Family Violence Partnership Program

The Australian Government is working in partnership with state and territory governments to support and resource strategies that reduce and prevent family violence and child abuse in Indigenous families.

The Family Violence Partnership Program focuses on supporting state and territory government initiatives to achieve:

- sustainable reductions in, and prevention of, family violence and child abuse in Indigenous families, within and across jurisdictions
- improved capacity across jurisdictions to respond to family violence and child abuse concerns identified by Indigenous communities
- effective and efficient use of partnership resources.

Family Violence Regional Activities Program

The Family Violence Regional Activities Program is an ongoing initiative that provides practical and flexible support for grassroots projects identified by Indigenous communities as a local priority to address family violence and child abuse. The program aims to:

- reduce and prevent Indigenous family violence, sexual assault and child abuse within Indigenous communities
- increase awareness of family violence and improve the capacity for communities to identify needs and develop sustainable solutions in response to family violence and child protection issues.

Indigenous Parenting and Family Well-Being

Established in response to the *Bringing Them Home* report, this program recognises and promotes the importance of strong families among Indigenous Australians while increasing understanding, knowledge and skills about parenting and family well-being. A range of service delivery methods target the needs of children and young people including enhancing parenting capacity, improving self-esteem of children and young people, building leadership skills, awareness of culture and family, and preventing family violence. Community organisations are funded to provide a range of culturally appropriate parenting and support programs.

During 2005–06 the program merged with the Aboriginal and Islander Child Care Agency Program to form the Indigenous Children Program.

Maternity Immunisation Allowance

Maternity Immunisation Allowance is a one-off lump sum payment paid for children fully immunised to the level recommended for an 18 month old child. It must be claimed on or before the child turns two years of age and is not income tested.

Maternity Payment

Maternity Payment is a one-off lump sum payment made to families following the birth (including stillbirth) of a baby or the adoption of a baby up to the age of two years. Maternity Payment recognises the extra costs incurred at the time of a new birth or the adoption of a very young child and is not income tested.

MoneyBusiness (formerly known as Indigenous Financial Management Program)

This initiative helps Indigenous families and communities build sound money management skills as a basic building block to self-reliance, strong families and strong communities. In partnership with the ANZ Bank, it is being implemented in six sites across the Northern Territory and Western Australia. Non-government organisations have been funded to deliver the program. A key component is the development of a comprehensive money management training program for all MoneyBusiness staff.

Services for Families with Children – Playgroups

This program includes a range of initiatives to help families with children develop effective parenting skills, confidence and self-esteem. Key elements are:

- playgroups – playgroup associations are funded in each state and territory to help people find a Community Playgroup that meets their needs. Playgroup Australia is funded as the national provider of Supported Playgroups to assist specific types of families who would not normally access Community Playgroups. Intensive Support Playgroup service providers assist vulnerable families with children experiencing multiple crises
- other services for families with children – services and support in health, well-being (including child abuse prevention), education and child care.

Services for Families with Children – Aboriginal and Islander Child Care Agencies Program

The Aboriginal and Islander Child Care Agencies Program supports Indigenous communities to raise and care for their children. They provide a range of services focused on children including family and parenting support, alternative care services and placement (fostering and adoption) and family reunification.

In 2005–06, the program merged with the Indigenous Parenting and Family Well-Being Program to form the Indigenous Children Program. The merging of the programs, which commenced on 1 January 2006, followed reviews of both programs conducted in 2004–05.

Stronger Families and Communities Strategy – Communities for Children

The renewed Stronger Families and Communities Strategy 2004–2009 provides a greater focus on early childhood development guided by the National Agenda for Early Childhood. It will give families, their children and communities the opportunity to build a better future.

The Communities for Children Initiative funds non-government organisations as facilitating partners in 45 disadvantaged communities around Australia. Facilitating partners work with the community to develop and implement local early childhood initiatives. These initiatives are designed to achieve better outcomes for children and families in the priority areas of healthy young families, early learning and care, supporting families and parents, child-friendly communities and families, and children's services working effectively as a system.

Stronger Families and Communities Strategy – Early Childhood – Invest to Grow

Early Childhood – Invest to Grow contributes to outcomes for young children and builds the Australian evidence base on prevention and intervention in early childhood. Funding is provided for national early childhood programs and resources ensuring Australia continues to be one of the world leaders in best practice in the early childhood development area.

Stronger Families and Communities Strategy – National evaluation

The first Stronger Families and Communities Strategy (2000–2004) was evaluated by a consortium based at the Royal Melbourne Institute of Technology and included analysis and reporting on the achievements and learnings from the strategy.

A framework for the evaluation of the strategy (2004–2008) was approved following a consultation process in December 2005. The framework outlines the key evaluation questions and methodological approaches to be used in the national evaluation of three of the strategy initiatives, Communities for Children, Invest To Grow and Local Answers.

The final evaluation report is due on 30 June 2008.

Performance summary for Output Group 4.1

Key achievements included:

- assisting Indigenous communities by funding approximately 90 projects designed to increase awareness of and address family violence issues
- implementing the package of measures announced in the 2005–06 Budget to help families estimate their income correctly, and in doing so, reducing the possibility of incurring Family Tax Benefit overpayments
- implementing measures announced in the 2006–07 Budget to extend the Large Family Supplement to families with three children and increasing the Family Tax Benefit Part A lower income threshold so families can earn more before their income affects their payment
- developing a measure announced in the 2006–07 Budget to improve the use of family payments in Indigenous communities
- implementing a multicultural communication campaign to inform families from non-English speaking backgrounds about the range of Family Assistance available
- implementing the extension of the National Illicit Drugs Strategy Strengthening Families measure to provide 21 new services across Australia
- enabling more than 105,000 families and 145,000 children to participate in approximately 8,500 self-managed playgroups Australia-wide. An initiative to expand playgroups commenced in 2003–04 with an expected increase in Community Playgroups, Supported Playgroups and Intensive Support Playgroups over the next four years in each state and territory
- implementing Supported Playgroups across Australia, which are facilitated by a coordinator and target families who would not normally access playgroups
- successful rollout of the Australian Early Development Index (AEDI) across 28 communities comprising 475 primary schools and 18,619 children
- launching the Australian Government supported Raising Children website which provides up-to-date, evidence-based and quality-assured early childhood and parenting information for parents, professionals and the community

- the Aboriginal and Islander Child Care Agency (AICCA) and the Indigenous Parenting and Family Wellbeing (IPFW) programs were merged in 2005–06 to form the Indigenous Children Program (ICP). The ICP is being delivered through 34 services, 12 of which were previously AICCA services and 22 of which were IPFW services
- establishing all 45 Communities for Children sites. Facilitating partners are selected for each site to work with the local community to develop and deliver early childhood services within their sites
- establishing Invest to Grow’s 23 established and developing early intervention programs.

Work is required to:

- finalise the family payments training package and materials for delivery to Indigenous communities to help improve the use of family payments
- consolidate and develop the Indigenous Children Program through ongoing assistance to funded organisations, compilation of achievements and successes, and through the development of mechanisms to share best practice delivery between all ICP services
- build the sustainability and capacity of the Raising Children website by fostering links with Australian Government agencies, providing complementary promotion of the website and Australian Government services
- implement the Expansion of Playgroups Initiative and support the final stages of implementation of eight Intensive Support Playgroups.

Table 2.37 | Financial and staffing resources summary

Output Group 4.1: Support for families	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Child Abuse Prevention	4,283	4,163	- 120	4,357
Family and Youth Support (National Illicit Drugs Strategy)	3,195	3,060	- 135	3,211
Family Relationships Services Programme	39,556	39,556	0	52,181
Family Violence Partnership Programme	14,394	10,973	- 3,421	-
Family Violence Regional Activities Programme	4,201	3,706	- 495	-
Indigenous Parenting and Family Well-being	1,949	1,857	- 92	-
Services for Families with Children	10,998	10,941	- 57	7,080
Services for Families with Children SPP	383	382	- 1	385
Stronger Families and Communities Strategy: Families Initiatives	43,904	41,909	- 1,995	53,204

Table 2.37 continued

Output Group 4.1: Support for families	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Special Appropriations				
Double Orphan Pension	2,706	2,669	- 37	2,888
Family Assistance Scheme (One-off Payment to Families and Carers) 20004	20,075	22,697	2,622	427
Family Tax Benefit	13,750,693	13,534,246	- 216,447	14,497,608
Maternity Allowances	20	- 16	- 36	-
Maternity Immunisation Allowance	53,609	49,483	- 4,126	55,147
Maternity Payment	846,808	855,039	8,231	1,027,100
Total administered expenses	14,796,774	14,580,665	- 216,109	15,703,588
Price of departmental outputs				
Policy services & program management	31,593	33,384	1,791	37,472
Service delivery (FaCSIA)	12,436	13,141	705	14,750
Service delivery (Centrelink)	577,318	570,843	- 6,475	357,654
Service delivery (Other)	17,025	16,812	- 213	20,628
Total price of departmental outputs	638,372	634,180	- 4,192	430,504
TOTAL FOR OUTPUT GROUP 4.1 (Administered expenses and price of departmental outputs)	15,435,146	15,214,845	- 220,301	16,134,092
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			348	371

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Child abuse prevention

Effectiveness–Capacity

Percentage of completed funded projects assessed as meeting the objectives set for the project
100 per cent.

Quality–Assurance

Percentage of completed funded projects delivering outputs agreed with FaCSIA
100 per cent.

Percentage of funded projects meeting milestones agreed with FaCSIA
100 per cent.

Price

See table 2.37 page 168.

Commentary

REACH funding for the majority of service providers is approved under multi-year funding agreements. These projects under existing funding agreements will be completed in future years. Performance agreement information provided in relation to completed projects is based on the one funded project that was completed in 2005–06.

Double Orphan Pension

Quantity

Number of customers receiving Double Orphan Pension
1,312 customers at 30 June 2006.

Number of children in respect of whom Double Orphan Pension is paid
1,769 children at 30 June 2006.

Price

See table 2.37 page 168.

Family and Youth Support (National Illicit Drugs Strategy)

Quantity

Number of families assisted
5,196.

Price

See table 2.37 page 168.

Commentary

The Portfolio Budget Statement estimate of 5,000 families is based on changed service delivery arrangements through non-government organisations. The new projects provide a diverse range of intensive and long-term assistance to families with young people who have substance misuse issues, as well as Indigenous specific services. Targeted assistance is also provided to children of drug-using parents, including brokerage funding models.

Family Relationships Services Program

Cost

Average cost per session

\$279.

Average cost per client

\$571.

Effectiveness–Capacity

Percentage of clients recording improvement in their presenting relationship issue

Approximately 80 per cent of clients, based on intended client benefit ratings, reported at least good progress towards an improvement in their circumstances. This is lower than reported in 2004–05. However, the changes in the ‘good progress’ category reflect a more rigorous data collection process.

Quality–Assurance

Percentage of service providers meeting Family Relationship Services Program approval requirements

97 per cent.

Quantity

Number of sessions provided

265,486.

Number of clients

129,530.

Price

See table 2.37 page 168.

Commentary

The client numbers represent the total number of clients for the Family Relationship Services Program, which includes both Early Intervention Programs (FaCSIA) and the Post Separation Services provided by the Attorney-General's Department. These figures also include numbers seen under Humanitarian, Sugar and Drought measures.

Family Tax Benefit

Effectiveness–Take Up/Coverage

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

Around 2.2 million families claimed and received the benefit for the financial year 2003–04 by the cut-off date of 30 June 2006.

Quality–Access and Choice

Percentage of customers choosing fortnightly payments compared with end of year lump sum, through either the taxation system or Centrelink

Table 2.38

	Number of customers	Per cent of customers
Tax Office lump-sum payments	139,233	6
Centrelink lump-sum payments	56,865	3
Centrelink fortnightly payments	2,016,380	91

Note: the methodology applied to identify customers receiving Centrelink fortnightly payments has changed from previous years. Payment information refers to customers who received assistance for the 2004–05 financial year as at the end of June 2006. Customers who claimed assistance using more than one payment method during the year could be included in more than one of the above categories. For example, a customer may have received fortnightly payments from Centrelink for part of the year, as well as a lump-sum payment through the taxation system.

Number and value of top-ups, overpayments, and nil adjustments created by the reconciliation process

Table 2.39

	2004–05	2005–06
Top-ups	1,731,494 averaging \$1,392 in value and totalling \$2.41 billion	1,719,837 averaging \$1,634 in value and totalling \$2.8 billion
Overpayments	202,593 averaging \$1,181 in value and totalling \$239 million	172,814 averaging \$1,242 in value and totalling \$214 million
Nil adjustments	94,798	115,045

Note: 2004–05 information refers to customers who received assistance for the 2003–04 financial year as at the end of June 2005. 2005–06 information refers to customers who received assistance for the 2004–05 financial year as at the end of June 2006.

Quality–Assurance

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

90.4 per cent.

Quantity

Number of recipients of Family Tax Benefit: Family Tax Benefit Part A maximum rate (with and without income support), broken rate, base rate, below base, and Family Tax Benefit Part A with Rent Assistance; Family Tax Benefit Part B maximum rate for sole parents and couples and broken rate for couples.

Table 2.40 | Number of fortnightly Family Tax Benefit recipients

Payment	Families	Children
Family Tax Benefit Part A		
Maximum rate with income support	446,395	839,629
Maximum rate without income support	145,742	254,904
Broken rate	522,324	1,148,265
Base rate	619,668	1,107,191
Below base rate	77,698	171,885
Total Family Tax Benefit Part A	1,811,827	3,521,874
Family Tax Benefit Part A with Rent Assistance	370,712	709,955
Family Tax Benefit Part B		
Maximum rate sole parents	591,869	1,012,357
Maximum rate couples	354,587	770,770
Broken rate couples	426,236	885,137
Total Family Tax Benefit Part B	1,372,692	2,668,264
Total fortnightly Family Tax Benefit customers	1,860, 905	3,617,511
Large Family Supplement	111,411	478,801
Multiple Birth Allowance	317	1,244

Note: Figures are for customers paid on a fortnightly basis as at 30 June 2006, based on income estimates, and do not include customers claiming through the tax system. A customer can receive Family Tax Benefit Part A, Family Tax Benefit Part B and Rent Assistance at the same time.

Price

See table 2.37 page 168.

Commentary

Family Tax Benefit Part A customers receive an average of \$195 a fortnight, or \$5,090 a year. In addition, it is estimated that the \$627.80 per child Family Tax Benefit Part A supplement is providing approximately an extra \$1,050 a family after reconciliation. Customers eligible for a zero rate of Family Tax Benefit are excluded from the calculation of average rates of payment. On 24 June 2006, the average estimated 2005–06 taxable income for non-income support couples receiving Family Tax Benefit Part A was \$58,912 and for non-income support sole parents was \$42,862.

Family Tax Benefit Part B customers receive an average of \$82 a fortnight, or \$2,143 a year. In addition, for 2005–06 a supplement of \$306.60 for Family Tax Benefit Part B was also available to be paid on reconciliation.

Family Violence Partnership Program

Effectiveness–Capacity

Percentage of partnership agreements executed with state and territory governments assessed as meeting the relevant outcomes of the program

100 per cent.

Quality–Assurance

Percentage of funded projects meeting milestones agreed with FaCSIA

92 per cent.

Price

See table 2.37 page 168.

Commentary

The Australian Capital Territory is the only state or territory government that has not entered into an agreement or Memorandum of Understanding with the Australian Government. However it is anticipated that agreement will be reached in 2006–07.

Family Violence Regional Activities Program

Effectiveness–Capacity

Percentage of funded services assessed as meeting the relevant outcomes of the program

100 per cent.

Quality–Assurance

Percentage of funded projects meeting milestones agreed with FaCSIA

92 per cent.

Price

See table 2.37 page 168.

Commentary

Family Violence Regional Activities Program funding is provided to Indigenous communities through a whole-of-government approach coordinated through Indigenous Coordination Centres throughout Australia.

Indigenous Parenting and Family Well-Being

Effectiveness–Capacity

Percentage of funded projects assessed as meeting the relevant Indigenous Parenting and Family Well-Being objectives

100 per cent.

Quality–Assurance

Percentage of funded projects delivering outputs agreed with FaCSIA

100 per cent.

Percentage of funded projects meeting milestones agreed with FaCSIA

100 per cent.

Price

See table 2.37 page 168.

Commentary

Services funded under Indigenous Parenting and Family Well-Being have been rolled into the Indigenous Children Program from January 2006. No projects ceased in 2005–06. Performance will be assessed under the Indigenous Children Program requirements in 2006–07.

Maternity Immunisation Allowance

Quantity

Number of customers receiving Maternity Immunisation Allowance

223,058.

Number of children in respect of whom Maternity Immunisation Allowance paid

227,647.

Price

See table 2.37 page 168.

Maternity Payment

Quantity

Number of families granted Maternity Payment

268,751.

Number of children in respect of whom Maternity Payment paid

273,562.

Price

See table 2.37 page 168.

Commentary

Maternity Payment was provided to 492 families who adopted 509 children. There were 10,876 Indigenous customers paid Maternity Payment in respect of 11,307 children.

MoneyBusiness

Effectiveness–Capacity

Not applicable.

Quality–Assurance

Not applicable.

Price

\$ 4.4 million.

Commentary

The Australian Government committed \$4.4 million over four years in the 2004–05 Budget to establish the Indigenous Financial Management Initiative, or MoneyBusiness as it is now known.

MoneyBusiness, launched in Katherine in July 2005, is being implemented in partnership with the ANZ Bank. FaCSIA and the ANZ Bank share a strong interest in working together with Indigenous people so they can build better lives for themselves, their families and their communities.

MoneyBusiness provides Indigenous people with:

- information and support in financial literacy and budgeting
- assistance accessing financial institutions, products and services
- ongoing budgeting support, related family support and referrals
- bill paying and purchasing assistance
- referrals to other services such as problem gambling and drug and alcohol services.

The interim Indigenous money management materials have been trialled in the MoneyBusiness sites.

The ANZ Bank is supporting the development of the training materials. The bank will also offer its Saver Plus program in some sites.

MoneyBusiness sites are Nguiu, Galiwinku, Katherine and Tennant Creek in the Northern Territory and Geraldton and Kununurra in Western Australia.

Services for Families with Children – Playgroups

Effectiveness–Capacity

Percentage of children under five years of age participating in playgroups

11.5 per cent.

Number of pages viewed per year on the national playgroups website

The number of pages viewed for February to July 2006 is 40,922.

Quality–Assurance

Percentage of funded projects meeting milestones agreed with FaCSIA

100 per cent.

Commentary

Use of the website has significantly increased with 40,922 pages viewed in a six month period in comparison to 37,976 pages viewed in the previous 12 months (2004–05).

Findings from the Review of State and Territory Playgroup Associations around enhancing governance outcomes were successfully implemented in 2005–06.

The final year of the Playgroup Marketing Strategy was implemented in 2005–06. As a result of the strategy, 39 per cent of parents and caregivers who joined a state or territory playgroup association community playgroup in 2006 mentioned a marketing activity as their source of awareness about playgroups.

Services for Families with Children – Aboriginal and Islander Child Care Agency Program

Effectiveness–Capacity

Percentage of funded services assessed as meeting the relevant objectives of the Aboriginal and Islander Child Care Agency Program

100 per cent.

Commentary

Indigenous Child Care Agencies services were rolled into the Indigenous Children Program on 1 January 2006. Performance will be assessed against Indigenous Children Program requirements in 2006–07.

Stronger Families and Communities Strategy – Communities for Children

Effectiveness–Capacity

Percentage of sites that have an agreed community strategic plan
90 per cent.

Percentage of Communities for Children sites that have a range of sectors (health, education, family and children, government and non-government) working together to achieve better outcomes for children

100 per cent.

Quantity

Number of local strategies funded by the Communities for Children initiative
Five per site.

Commentary

The first 35 Communities for Children sites have implemented community strategic plans. It is expected that the participation data will be available in 2006–07.

The most recent 10 sites have submitted their initial community strategic plans and are due to begin implementation from July 2006. Data will be also be available for these sites in 2006–07.

Stronger Families and Communities Strategy – Early Childhood – Invest to Grow

Effectiveness–Targeting

Percentage of projects that focus on one or more of the following four key action areas: healthy young families, early learning and care, supporting families and parents, child friendly communities

100 per cent.

Quality–Assurance

Percentage of funded projects meeting milestones agreed with FaCSIA
95 per cent.

Quantity

Number of projects funded

35.

Commentary

Implementation of 45 of the 46 Invest to Grow projects is under way and each project meets one or more of the key action areas under the National Agenda for Early Childhood. All 22 established and developing programs have robust independent evaluations underway and many projects are already showing encouraging early findings. Evaluations of these programs will help build the Australian evidence base in the area of what works in early intervention and prevention.

Under the tools and resources category of Invest to Grow a number of resources have been funded to support parents and professionals in their work in the area of early intervention and prevention.

Other resources funded under Invest to Grow include the National (Indigenous) Resource Service, resources for foster carers, culturally appropriate resources for parents from culturally and linguistically diverse backgrounds, and the Australian Research Alliance for Children and Youth.

The Raising Children website was formally launched on 17 May 2006. It provides up-to-date, evidence-based and quality-assured early childhood and parenting information for parents, professionals and the community. To 30 June 2006, there were over 100,000 visits to the website.

Stronger Families and Communities Strategy

Total Price

See table 2.37 page 168.

Commentary

The current Stronger Families and Communities Strategy continues the principles of the original strategy but with a greater focus on early childhood development. The current strategy is guided by the latest research and the consultation feedback from the National Agenda for Early Childhood.

The strategy now consists of the following streams:

- **Communities for Children** targets up to 45 disadvantaged communities providing funding for local early childhood initiatives.
- **Early Childhood – Invest to Grow** provides funding for national early childhood programs and resources. It will ensure that Australia continues to be one of the world leaders in best practice in early childhood development.
- **Local Answers** gives communities the power to develop their own solutions and helps them help themselves by supporting locally developed and implemented projects which provide help in such areas as parenting and relationship skills, community strengthening and participation for young parents, volunteering, mentoring and leadership. In addition, Volunteer Small Equipment Grants provide up to \$3,000 to local community organisations to purchase equipment.
- **Choice and Flexibility in Child Care** continues the groundbreaking work of the first strategy in providing Australian parents with flexible and innovative child care solutions. It will fund the continuation of the in home care program and provide additional places for families without other formal child care options. There will be incentives for Long Day Care providers to set up in areas of high need, and funding will continue to the quality assurance systems for Family Day Care and Outside School Hours Care.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

4.3c:\$1

Policy services and program management

Quality–Assurance

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

91.5 per cent.

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

100 per cent.

Service providers meet terms and conditions of funding

100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Six.

Number of contracts/service agreements with community organisations under management for delivery of services to the community

6,829.

Number of service providers under management

6,672.

Number of business agreements under management

Eight.

Number of contracts/service agreements for provision of services to FaCSIA to support programs

31.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.37 page 168.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA

100 per cent.

Quality–Client Satisfaction

Number of complaints relating to Family Assistance Office service delivery

5,517 complaints were received relating to Family Assistance Office service delivery for the year to 30 June 2006.

Quality–Client Rights and Obligations

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

Review mechanisms common across most payment types for detection and control of incorrect payment and fraud and performance outcomes for debt recovery and prosecution activity are described in Part 3, ‘Right payments to the right people’ on page 316.

In 2005–06, Centrelink’s Integrated Review System indicated an estimated 113,483 Family Assistance reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$1,642,215, and upward variations resulted in fortnightly increases of \$185,642. The debts totalled \$8,784,365.

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

Table 2.41 | Reviews and appeals – Output Group 4.1

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Double Orphan Pension	22	23	5	40	0	0
Additional Family Payment	11	27	2	50	0	0
Family Payment	71	35	14	21	4	50
Family Tax Payment	48	23	3	33	3	0
Family Tax Benefit Part A	883	30	196	31	53	15
Family Tax Benefit Part B	119	21	26	38	5	0
Family Tax Benefit	3,820	30	691	30	105	15
Maternity Allowance	90	10	28	7	8	0
Maternity Payment	245	14	62	9	6	0
Maternity Immunisation Allowance	119	28	13	8	0	0

Quantity

Number of Family Assistance claims received by each of the partner agencies: Medicare Australia, Australian Taxation Office and Centrelink

- Medicare Australia: 179,653.
- Centrelink: 1,164,422.
- Australian Taxation Office: 134,535.

Total number of Family Assistance outlets

- 583 outlets:
 - 323 Centrelink customer service centres
 - 239 Medicare Australia offices
 - 21 Australian Taxation Office sites.

Price

See table 2.37 page 168.

Staff Insight

Invest to Grow Team

Children's Policy and Programs

'Early Childhood - Invest to Grow provides funding for early childhood programs and resources and helps build the Australian evidence base about what works in early intervention and prevention. This program is really enhancing the lives of children and their families and is a very rewarding program to be a part of. An example of an intervention is Jessie and her family who were part of a specialist preschool-based program for five months. Jessie responded well, with significant positive changes to her behaviour, including improved communication and social skills.'

'Her family was also part of a concurrent home visiting program which helped to educate Jessie's mum in developing a parenting style to continue to improve Jessie's behaviour. Jessie progressed very well and was able to attend a mainstream school facility. Even having completed the program, Jessie's mum is able to contact the program for advice if she ever feels she needs it.'

'Seeing these positive results and children successfully leave the program with changed behaviours is a great motivator for the Invest to Grow team. We also are pleased that we will be able to share the findings about what works and have these effective early intervention models made available for broader application.'

OUTPUT GROUP 4.2

Child support



Contribution to Outcome 4

Child support contributes to Outcome 4 by:

- promoting parental responsibility for the care and financial support of children in separated families
- providing policy advice to government in relation to child support
- undertaking research, monitoring, performance management and evaluation in relation to child support
- implementing government policy
- developing partnerships within and across levels of government to facilitate the provision of services that assist in the payment of child support.

Strategies

- assist the government to prepare its response to the report of the Ministerial Taskforce on Child Support
- develop project management structure, including governance, risk management and reporting, to oversee the implementation of the reforms
- prepare legislation for stage 1, to commence on 1 July 2006
- engage with relevant stakeholders to promote comprehensive and accurate understanding of the child support reforms.

Outputs under Output Group 4.2

- child support policy and program management
- policy support for the Child Support Scheme, which facilitates and ensures the transfer of child support payments between separated parents
- implementation of reforms to the Child Support Scheme.

Performance summary for Output Group 4.2

Key achievements included:

- assisting the government to develop and announce its response to the report of the Ministerial Taskforce on Child Support
- undertaking the lead role in preparing for the implementation of the reforms in three stages commencing 1 July 2006
- providing drafting instructions for the *Child Support Legislation Amendment (Reform of the Child Support Scheme-Initial Measures) Act 2006*, enacted on 15 June 2006
- commencing development of an enhanced research, monitoring and policy advice capacity as recommended by the Ministerial Taskforce
- leading the governance arrangements with other agencies to oversee the implementation of the Child Support reforms.

Work is required to:

- develop legislation and policy guidance for stages 2 and 3 of the Child Support reforms
- oversee project implementation of the child support reforms
- improve and manage relationships with key stakeholders, including establishing an agreement to manage FaCSIA's business relationship with the Child Support Agency.

Table 2.42 | Financial and staffing resources summary

Output Group 4.2: Child support	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Price of departmental outputs				
Policy services & program management	350	371	21	415
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	350	371	21	415
TOTAL FOR OUTCOME 4.2 (Administered expenses and price of departmental outputs)	350	371	21	415
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			2	3

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Departmental outputs

Policy services and program management

Quality–Assurance

Number of contracts/service agreements under management

Two.

Number of service providers

One (Child Support Agency).

Research and evaluation is of a high standard (timely, fulfils terms of reference, complete, methodologically sound) and contributes to policy understanding and development 100 per cent.

Service providers meet terms and conditions of funding
100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The minister, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and Parliamentary services.

Quantity

Major pieces of research and evaluation completed

Five research projects were completed.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.42 page 186.

Service delivery – Child Support Agency

Effectiveness–Targeting

Net clawback – reduction in Family Tax Benefit outlays as a result of child support obligations being met
\$539 million.

Price

See table 2.42 page 186.

OUTPUT GROUP 4.3

Child care support



Contribution to Outcome 4

Child care support contributes to Outcome 4 by:

- helping families to participate in the economic and social life of the community by assisting them with the cost of child care and supporting the provision of flexible child care services
- implementing quality assurance of child care services and professional development for the child care sector
- providing access to early childhood intervention and prevention initiatives for vulnerable families and children by funding quality child care services.

Strategies

- continue to implement improved quality assurance in Long Day Care Centres, Family Day Care schemes and Outside School Hours Care services, and introduce spot checks
- manage the Child Care Support Program, which provides significant support for the availability and quality of child care.

Outputs under Output Group 4.3

Child Care Benefit

Child Care Benefit assists parents with the cost of approved and registered child care. The payment of Child Care Benefit varies depending on family income and work status, the number of children in care, the hours of care, and the type of child care used. This means families who are on the lowest incomes and use approved services, receive the highest rate of Child Care Benefit.

Child Care Benefit is intended to be a contribution to the cost of care. Eligible families can have the benefit paid directly to their child care service to reduce their fees, or claim it as a lump sum at the end of the financial year. Every family using approved child care is eligible for at least the minimum rate of Child Care Benefit. Working families using registered carers, including nannies, preschool teachers, neighbours and relatives, can claim the minimum rate of Child Care Benefit.

Child Care for eligible parents undergoing training

Jobs, Education and Training (JET) Child Care is available to eligible parents to help with the cost of approved child care to support parents while they undertake study, work, or job search activities. JET Child Care helps meet the cost of child care by paying most of the gap fee – the difference between the total fee charged and the amount covered by Child Care Benefit for care related to JET Child Care approved activities.

Stronger Families and Communities Strategy – choice and flexibility in child care

This initiative contributes funding toward the quality assurance systems for Family Day Care and Outside School Hours Care. It also funds in-home care for families without other formal child care options, and provides incentives for Long Day Care providers to set up in areas of high need.

Support for child care

The objectives of the Child Care Support Program are to:

- promote, support and enhance quality child care
- improve access to child care for children and families with special or additional needs
- support equitable access to child care for children and families in areas or circumstances where services would not otherwise be available.

Performance summary for Output Group 4.3

Key achievements included:

- increasing the number of families receiving access to child care. From December 2004 to December 2005, the number of children using Australian Government-approved child care increased from around 787,000 to 802,000
- implementing the new Inclusion and Professional Support Program on 1 January 2006 by appointing eight state-based professional support coordinators to oversee and manage the delivery of professional support to child care services
- implementing the community support payments of the Child Care Support Program. These payments provided approximately \$138 million in 2005–06 to help establish new child care services and to ensure existing services remain viable in communities that need them
- establishing 67 regionally based inclusion support agencies to help child care services build capacity to include children from culturally and linguistically diverse backgrounds, children with ongoing high support needs including children with a disability, and Aboriginal and Torres Strait Islander children
- allocating 29,000 new Out of School Hours Care places to services across Australia, making workforce participation outside of school hours and school terms more feasible
- implementing enhancements to the Child Care Access Hotline to enable families to access information on vacancies in their local area.

Work is required to:

- implement 2006–07 child care budget initiatives
- give effect to the Council of Australian Governments (COAG) Human Capital decisions
- finalise processing of the 2006 Australian Government Census of Child Care Services
- implement the comprehensive compliance strategy announced as part of the 2006–07 Budget
- implement the Inclusion Support Subsidy that will replace the Special Needs Subsidy Scheme and the Disabled Supplementary Services Payment
- continue to establish new rural, remote and Indigenous services
- implement and monitor the new measure to uncap Family Day Care and Outside School Hours Care from July 2006
- implement quality assurance spot visits to child care services to ensure quality standards are met on a day-to-day basis and develop an integrated child care quality assurance system for all service types
- develop a child care management system.

Table 2.43 | Financial and staffing resources summary

Output Group 4.3: Child Care Support	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Child Care for Eligible Parents Undergoing Training	21,658	21,658	0	27,340
Support for Child Care	221,534	226,529	4,995	169,368
Support for Child Care SPP	10,865	10,865	0	11,026
Special Appropriations				
Child Care Benefit	1,519,602	1,501,287	- 18,315	1,620,820
Total administered expenses	1,773,659	1,760,339	- 13,320	1,828,554
Price of departmental outputs				
Policy services & program management	12,622	13,384	762	14,971
Service delivery (FaCSIA)	16,483	17,477	994	19,549
Service delivery (Centrelink)	69,790	68,993	- 797	42,526
Service delivery (Other)	9,872	9,662	- 210	10,422
Total price of departmental outputs	108,767	109,515	748	87,468
TOTAL FOR OUTPUT GROUP 4.3 (Administered expenses and price of departmental outputs)	1,882,426	1,869,854	- 12,572	1,916,022
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			206	217

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

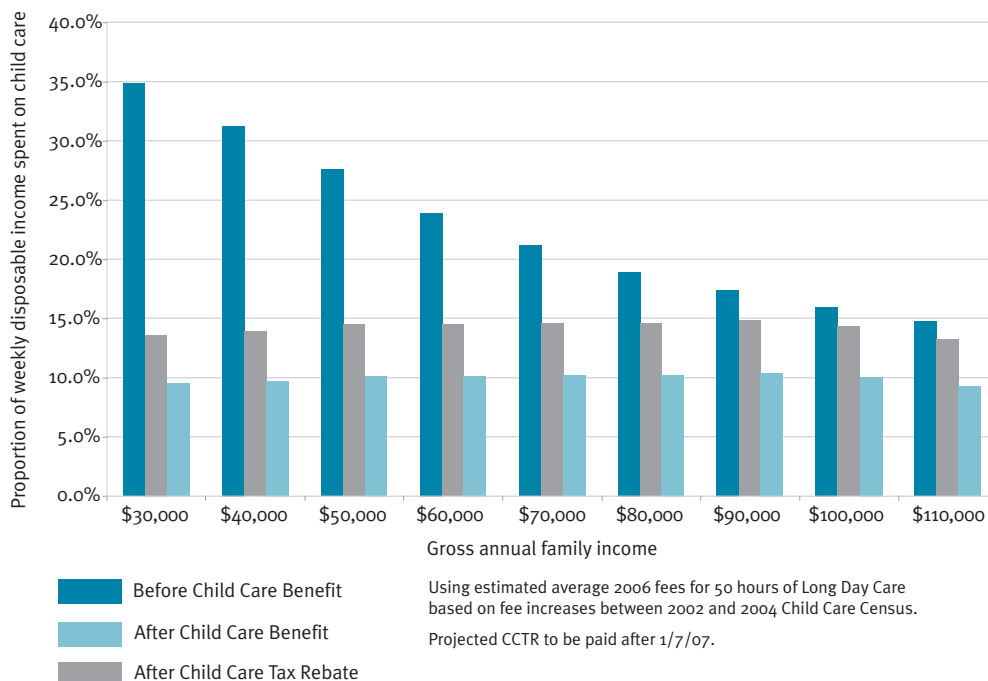
Performance information

Child Care Benefit

Effectiveness–Affordability

The figure below shows that for families earning between \$30,000 and \$100,000 a year with one child in full-time child care, Australian Government assistance through the Child Care Benefit and Child Care Tax Rebate reduces the average costs in Long Day Care centres to around 10 per cent or less of weekly disposable family income.

Figure 2.11 | Child Care full-time gap fees as a proportion of weekly disposable income before and after Child Care Benefit and the Child Care Tax Rebate—one child, 2005–06



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

For one child in full-time Long Day Care, depending on income up to \$100,000 a year, the out-of-pocket cost is 10 to 14 per cent.

Percentage of families using approved child care claiming maximum rate Child Care Benefit
34 per cent.

Percentage of families using approved child care claiming minimum rate Child Care Benefit
19 per cent.

Effectiveness-Independence

Percentage of Commonwealth-funded child care used for work-related purposes

90 per cent.

Percentage of Commonwealth-funded child care used for non-work related purposes

10 per cent.

Quantity

Number of calls to the Child Care Access hotline

35,800.

Number of child care places available

588,000.

Number of eligible approved services funded

10,400.

Number of families eligible to receive Child Care Benefit

573,000.

Number of families using approved Commonwealth-funded child care services and receiving Child Care Benefit

552,000.

Price

See table 2.43 page 191.

Commentary

The Australian Government announced in the 2006–07 Budget the biggest changes to child care since the introduction of Child Care Benefit in 2000. From 1 July 2006, there is no limit on the number of Outside School Hours Care places and Family Day Care places available to services. As a result, almost 99 per cent of Child Care Benefit-approved places will be uncapped.

Uncapping will allow services to set-up, expand and offer places when and where they want, providing they meet the approval processes.

The uncapping of Family Day Care and Outside School Hours Care places will enable a more flexible response by services to accommodate parenting payment clients who are returning to the workforce.

Implementing a comprehensive compliance strategy will protect the integrity of payments made to support families accessing approved child care.

The changes will significantly advance the Australian Government's commitment to enhancing the access, flexibility and the quality of child care available to families.

Child care for eligible parents undergoing training

Effectiveness–Take Up/Coverage

Number of parents assisted

18,188.

Number of children in child care

28,645.

Price

\$21,658,000.

Commentary

The number of families assisted by JET Child Care has continued to increase. The government announced in the 2006–07 Budget it would provide extra funding of \$9.4 million in 2006–07 and continue top-up funding of around \$3.7 million a year for the JET Child Care Program.

This measure supports the Australian Government’s Welfare to Work reform package. It will help more parents with the costs of child care while they develop the skills needed in the workforce.

To streamline the delivery of JET Child Care for parents and child care services, the program’s administration will move to Centrelink from 1 July 2006.

Stronger Families and Communities Strategy – choice and flexibility in child care

Effectiveness–Capacity

Increase in places and new services

Long Day Care Incentive Scheme – 987 extra places in 23 new services. Nine of these services opened in 2005–06.

Quality–Assurance

Percentage of Outside School Hours Care services satisfactorily participating in quality assurance

100 per cent.

Price

See table 2.43 page 191.

Commentary

The department is developing the future directions for in-home care following the completion of the in-home care review report.

Support for child care

Effectiveness–Targeting

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

- 22,101 children with a disability
- 14,326 Aboriginal, Torres Strait and Australian South Sea Islander children
- 84,506 children from non-English speaking background
- 116,150 total number of children with additional needs using Australian Government-approved child care services.

Note: These figures are based on preliminary data from the 2006 Australian Government Census of Child Care Services.

Quality–Access and Choice

Number of children with a disability assisted into mainstream services

16,700.

Quality–Assurance

Percentage of centres satisfactorily participating in quality improvement and accreditation system

100 per cent.

Percentage of Family Day Care services satisfactorily participating in Family Day Care quality assurance

100 per cent.

Percentage of Outside School Hours Care services satisfactorily participating in Outside School Hours Care quality assurance

100 per cent.

Quantity

Number of Indigenous specific services

285.

Number of services specifically targeted to outer regional and remote areas

1,130.

Price

See table 2.43 page 191.

Commentary

At 1 June 2006, 5,043 Long Day Care (LDC) centres were registered with the National Childcare Accreditation Council (NCAC). Of these, 4,308 LDC centres participated in the five steps of the Quality Improvement and Accreditation System (QIAS) and 97.2 per cent achieved accreditation.

At 1 June 2006, 318 Family Day Care (FDC) schemes were registered with the NCAC. Of these, 317 FDC schemes participated in the five steps of the Family Day Care Quality Assurance (FDCQA) System and 89.6¹ per cent achieved accreditation.

At 1 June 2006, 3,034 Outside School Hours Care (OSHC) centres were registered with the NCAC. Of these, 938² OSHC services participated in the five steps of the Outside School Hours Care Quality Assurance (OSHCQA) System and 85.5 per cent achieved accreditation.

- 1 *FDC Quality Practices Guide 2001* was reviewed in 2004. As the accreditation process takes 2.5 years, services are now progressively moving into the current *FDC Quality Practices Guide 2004*, which contains higher standards for the services to achieve.
- 2 OSHC services began participating in Child Care Quality Assurance in 2003. These figures include a number of OSHC services progressing through the five steps of OSHCQA for the first time.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

6.2c:\$1

Policy services and program management

Quality–Assurance

Department ensures that service providers meet terms and conditions of funding
100 per cent.

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

Service agreements/contracts that meet legislative, government policy and departmental requirements in place with all service providers
100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The minister, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', Parliamentary Secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Three.

Number of contracts/service agreements under management

6,394.

Number of service providers under management

6,511.

Number of items to minister and parliamentary secretary

Refer to table 3.3 Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.43 page 191.

Service delivery

Quality-Assurance

Service providers deliver services to the standards agreed with FaCSIA

100 per cent.

Quality-Client Rights and Obligations

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

Review mechanisms common across most payment types for detection and control of incorrect payment and fraud and performance outcomes for debt recovery and prosecution activity are described in the chapter 'Right payments to the right people'.

In 2005–06, Centrelink's Integrated Review System indicated an estimated 2,102 Child Care Benefit reviews were completed. It is estimated that reductions resulted in fortnightly savings of \$621, and upward variations resulted in fortnightly increases of \$28. The debts totalled \$1,119,199.

Percentage of reviews and appeals where the original decision is changed

Table 2.44 | Reviews and appeals – Output Group 4.3

Payment type	Authorised review officers		Social Security Appeals Tribunal		Administrative Appeals Tribunal	
	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed	Reviews finalised	Percentage changed
Child Care Benefit	343	12	64	19	7	0

Price

See table 2.43 page 191.

OUTCOME 5

Strong and resilient communities



Services and assistance that promote community partnerships and encourage participation in the local community by individuals, families, business and government.

Description

Outcome 5 reflects the government's commitment to strengthening communities so they can deliver local solutions that support individuals and families. Stronger communities support people to respond positively to changing circumstances and emerging problems. Building on the capabilities of communities, the department:

- works in partnership with service providers and local communities to better deliver, integrate and coordinate FaCSIA programs to meet local needs
- facilitates partnerships between business, community groups and government to develop effective local solutions on the ground
- supports and encourages people to lend a hand, including through formal volunteering
- responds to financial crisis, improve money management and addressing problem gambling
- works with communities in crisis, including as the result of natural disasters
- addresses the social impact of natural and other disasters
- contributes to whole-of-government crisis and disaster recovery arrangements.

Figure 2.12 | Outputs contributing to Outcome 5

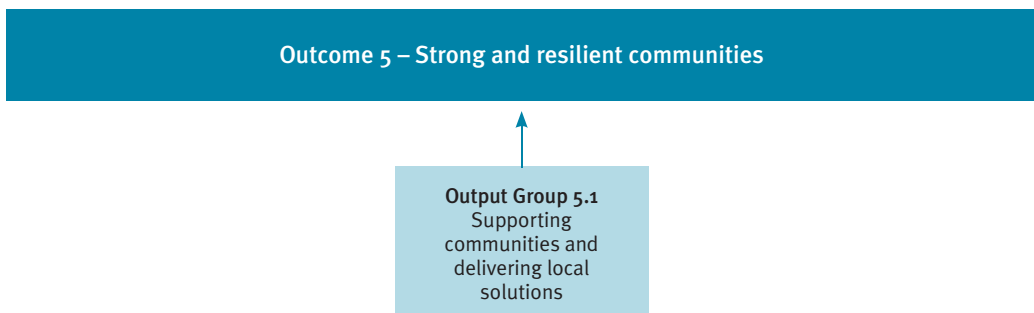


Table 2.45 | Financial and staffing resources summary

Outcome 5: Strong and resilient communities	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Output Group 5.1 Supporting communities and delivering local solutions	160,213	105,726	- 54,487	120,141
Total administered expenses	160,213	105,726	- 54,487	120,141
Price of departmental outputs				
Output Group 5.1 Supporting communities and delivering local solutions	28,773	30,185	1,412	33,469
Appropriations applicable across Outcome 5				
Policy services & program management	-	-	-	-
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Revenue from other sources	85	96	11	363
Total price of departmental outputs	28,858	30,281	1,423	33,832
TOTAL FOR OUTCOME 5 (Administered expenses and price of departmental outputs)	189,071	136,007	- 53,064	153,973
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			193	202

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies and activities for strong and resilient communities are:

- implementing a range of local, small-scale, time-limited projects, developed by local organisations to help strengthen disadvantaged families and communities, through the Local Answers initiative of the Stronger Families and Communities Strategy
- building the capacity for self-reliance of at-risk individuals, families and communities
- promoting positive engagement between business, community and government
- leading the national effort to address the negative impacts of problem gambling on individuals, families and communities
- working with individuals, families and communities affected by disasters by helping to address the social and community impacts of disasters and by providing, when required, financial assistance and personal support.

Performance highlights and policy outlook

Key achievements included:

- funding an additional 140 projects worth \$20 million through the Local Answers initiative under the Stronger Families and Communities Strategy
- opening the eighth Volunteer Small Equipment Grants round in June 2006 and introducing an online application facility hosted by the department's online funding management system
- releasing the landmark research project, *Giving Australia*, commissioned by the department on behalf of the Prime Minister's Community Business Partnership, in October 2005
- developing whole-of-government recovery assistance packages to support individuals, families and communities following disasters such as the 2006 tropical cyclone Larry and 2005 floods in South Australia and New South Wales
- establishing the Australian Government Disaster Recovery Committee
- contributing to whole-of-government planning and preparedness for a range of events including a pandemic influenza, liquid fuel emergency and terrorist attack
- developing new measures to assist people affected by the crisis in Solomon Islands and in East Timor
- helping to fund family income management in Cape York
- implementing the National Framework on Problem Gambling 2004–2008 in partnership with state and territory governments
- facilitating agreement by the Ministerial Council on Gambling to release the report *Problem gambling and harm – towards a national definition*, and to adopt the national definition of problem gambling set out in the report
- completing the second report from Gambling Research Australia, *Analysis of gambler's pre-commitment behaviours*
- implementing standard funding agreements, program guidelines and standard selection criteria for organisations in the Emergency Relief Program.

Launching the SIDS and Kids initiative at Parliament House gave Minister Brough the opportunity to talk with invited guests—1 June 2006.



Work is required to:

- build on assistance to communities through funding for capacity-building projects that have been developed by local organisations to help strengthen disadvantaged families and communities
- promote better practice in community recovery and resilience during times of disasters or crisis
- strengthen the problem gambling research effort by enhancing Gambling Research Australia
- better understand the links between problem gambling, money management, and financial well-being including in Indigenous communities.

Budget measures

National Research Strategy to Help Prevent Problem Gambling – continuation

As part of the National Research Strategy to Help Prevent Problem Gambling, the department has commissioned research on behalf of the Australian Government, which has assisted with national research efforts to address the negative consequences of problem gambling.

Also with Australian Government funding from the National Research Strategy, Gambling Research Australia released the report *Problem gambling and harm – towards a national definition* in December 2005, and completed the report *Analysis of gambler pre-commitment behaviour*, which was released in June 2006.

The Australian Government continues to build on previous investments in research conducted in partnership with state and territory governments through Gambling Research Australia, and will seek to undertake independently-commissioned gambling research.

Non Budget measures

Community organisations – one-off grants

The Community Initiatives One-Off Grants Program funded eight projects. Four in Victoria, two in South Australia, one in New South Wales and one in Western Australia. All of the projects have been implemented. One project was delayed to May 2006 due to negotiations between the local council and the community.

Portfolio Additional Estimates Statements

Family Income Management Program – additional funding

The Family Income Management pilot in Cape York communities contributed to a better standard of living for participants through improved budgeting and sharing of essential living expenses, reductions in debt levels, and saving for specific purchases. It also helped participants gain better skills to manage their own financial affairs.

A mainstream banking model is now being implemented by the project managers, Cape York Partnerships, with the support and expertise from corporate partner, Westpac. Additional government funding enabled the original pilot sites to operate to the end of the financial year. The program also received funding in the 2006–07 Budget to expand into two new sites, and to continue operation in the existing sites of Aurukun, Mossman Gorge, Coen, Weipa and Hopevale.

Floods – ex-gratia assistance to affected households

Ex-gratia assistance was provided to help those people who permanently lost their principal place of residence, or whose homes were rendered uninhabitable for a period of two weeks, as a result of floods in South Australia and New South Wales.

London bombings – ex-gratia assistance

Ex-gratia assistance was also provided to help individuals and families directly affected by the 2005 London bombings. This included assistance to help injured Australians return to Australia, out-of-pocket medical costs on their return to Australia, reasonable costs of counselling and psychological care for the close family of Australian survivors and for close relatives of deceased non-Australians, and assistance with funeral and associated costs.

Reconnecting people – assistance package for those adversely affected by inappropriate immigration detention

Assistance is available to Australians who have been adversely affected as a direct result of inappropriate immigration detention within Australia, to re-establish their lives and to reconnect with their families and communities. Assistance may include support from a family liaison officer, reasonable out-of-pocket health care expenses, help to find somewhere to live and assistance for rent or other household expenses, money for food, clothes or other immediate necessities, and help with travel home within Australia after detention.

OUTPUT GROUP 5.1

Supporting communities and delivering local solutions



Contribution to Outcome 5

Supporting communities and delivering local solutions contributes to Outcome 5 by:

- funding programs and activities and providing grants to develop community capacity to identify and resolve local issues, explore opportunities, build greater economic self-reliance, strength and resilience
- assisting people to become involved in their community by supporting volunteering and providing training to build community leadership and initiative
- building and understanding links between Australian state, territory and local government policies, programs and initiatives, and the likely impacts of program changes or new policy initiatives within a regional context
- working with service providers and communities to develop integrated and coordinated programs and services that meet local need, and maintaining information on local areas and having an understanding of the service system – program, sector, cross-government, and other locational variants
- providing a range of community support programs including those aimed at improving financial well-being
- funding programs and activities that facilitate partnerships between business, community groups and government to achieve well-targeted and tailored local solutions
- helping people living in rural and remote areas to access services that support their special needs and enable them to take advantage of opportunities
- leading the Australian Government's response to problem gambling
- assisting individuals, families and communities directly impacted by disasters.

Strategies

- lead the implementation of the national approach to address problem gambling through the National Framework on Problem Gambling 2004–08
- support the Minister as chair of the Ministerial Council on Gambling and through the council, help build the evidence base on problem gambling and facilitate a national response to problem gambling

- identify needs arising as a result of the impacts of disasters on individuals, families and communities
- develop and implement measures to assist those affected by disasters
- implement the Australian Government Disaster Recovery Arrangements
- implement a range of local, small-scale, time-limited projects, developed by local organisations to help strengthen disadvantaged families and communities, through the Local Answers initiative of the Stronger Families and Communities Strategy
- continue to support volunteering activities through the Volunteer Small Equipment Grants and the Volunteer Management Program
- build partnerships with governments, communities and business
- encourage a greater understanding of the role of philanthropy in increasing resources available to the not-for-profit sector
- encourage a greater understanding of corporate social responsibility.

Outputs under Output Group 5.1

Commonwealth Financial Counselling Program

The Commonwealth Financial Counselling Program is focused on low-income groups. It funds community organisations and local government community service organisations to provide free financial counselling services to people experiencing personal financial difficulties due to circumstances such as unemployment, sickness, credit over-commitment and family breakdown. From time-to-time, supplementary elements (short-term or ongoing) are added to the program. During 2005–06, the crisis financial counselling element of the Sugar Industry Reform Program was delivered through Commonwealth Financial Counselling Program organisations in Queensland, New South Wales and Western Australia. In addition, the four organisations in Queensland received funding from the crisis financial counselling component of the Great Barrier Reef Marine Park Structural Adjustment Package.

Prime Minister's Community Business Partnership

The Prime Minister's Community Business Partnership promotes the benefits of corporate social responsibility, works to foster community business partnerships and advises government on ways to promote increased philanthropic activity and corporate giving.

Stronger Families and Communities Strategy – Local Answers

Local Answers helps strengthen disadvantaged communities by funding projects focusing on opportunities communities create for themselves in partnership with local government, business and community organisations. These local, small-scale, time-limited projects help communities build skills and capacity in areas such as parenting and relationships, economic self-reliance, volunteering and mentoring of young people.

Stronger Families and Communities Strategy – Volunteer Small Equipment Grants

Volunteer Small Equipment Grants provide funding to help community not-for-profit organisations purchase small equipment to support volunteers whose work contributes to encouraging and developing stronger families and communities.

Volunteer Management Program

The Volunteer Management Program provides funding for Volunteer Resource Centres to support volunteer matching, referral and training activities, as well as assistance and training to organisations that use volunteers.

Emergency Relief Program

The Emergency Relief Program provides funding to community and charitable organisations to help them provide emergency, financial and other assistance to people in financial crisis. The program also funds training and support for paid and voluntary workers in the sector. It helps service providers (generally community and charitable organisations) to provide emergency assistance to individuals and families in immediate financial crisis. The aim of the program is to help people deal with their immediate crisis situation in a way that maintains dignity and encourages self-reliance. Assistance is primarily provided in the form of food vouchers, help with accommodation, part payment of utility accounts, material assistance such as food parcels or clothing, and sometimes cash.

National research on gambling

The government aims to reduce the negative impacts of problem gambling on individuals, families and communities through the National Framework on Problem Gambling 2004–08 and by undertaking specific research activities.

Assistance to Solomon Islanders

FaCSIA coordinated and managed the delivery of financial and other assistance provided by the Queensland Government, the Migrant Resource Centre and Centrelink social workers in Townsville to a number of Solomon Islanders for the period of their temporary visa.

Disaster Relief Payment

Where the Minister for Families, Community Services and Indigenous Affairs declares a major disaster, Disaster Relief Payment provides one-off financial assistance to eligible affected people.

Assistance to East Timorese

FaCSIA coordinated a package of assistance for immediate family members of non-Australians who were medically evacuated to Australia as a result of injuries incurred in East Timor. This assistance included meeting travel and accommodation costs and ex-gratia payments for living expenses.

Ex-gratia payments to victims and family members of victims of the Bali terrorist attacks 2002

Ex-gratia assistance was provided to help individuals and families directly affected by the 2002 Bali bombings. This included holding commemorations in Bali and Canberra, assistance with travel and accommodation costs, the extension of access to personal support workers, the provision of emergency financial assistance and lifetime rehabilitation assistance to those injured in the tragedy.

Ex-gratia payments to bushfire victims in New South Wales and Victoria

Ex-gratia assistance was provided to help those who permanently lost their principal place of residence, or whose homes were rendered uninhabitable, as a result of bushfires in New South Wales and Victoria.

Bali bombings trials 2005

Ex-gratia assistance was provided to assist individuals and families directly affected by the 2005 Bali bombings with travel to and from Bali to attend part of the Bali bombings (1 October 2005) trials.

London bombings 2005 first anniversary

Ex-gratia assistance was provided to individuals and families directly affected by the 2005 London bombings to enable them to attend the first anniversary commemorations in London. This included assistance with travel and accommodation costs and access to personal support workers while in London.

Tropical cyclone Larry aftermath assistance

Ex-gratia assistance was provided to individuals and families directly affected by cyclone Larry in March 2006 including assistance to those who lost their homes or whose principal place of residence was rendered uninhabitable. One-off financial assistance to meet immediate emergency needs, and reimbursement of any excise paid on diesel or petrol fuel, was also provided to businesses, and farmers, as well as for households that generated their own electricity until normal services were restored.

Tropical cyclone Monica aftermath assistance

Assistance was provided to individuals and families affected by the cumulative effects of both tropical cyclones Larry and Monica in 2006 including one-off financial assistance to meet immediate emergency needs.

Tsunami aftermath assistance

Ex-gratia assistance was provided to assist Australians most affected by the Asian tsunami crisis in December 2004. This included emergency evacuations, including domestic travel within Australia, reuniting with their family members, Australians injured by the tsunami and recovering in Australian hospitals, funeral and associated costs, including estate management of Australian victims.

Family and Community Networks Initiative

The Family and Community Networks Initiative is a discretionary grants program primarily targeted to support Indigenous communities. Since 2003, the initiative has been focused toward those communities participating in the Council of Australian Governments Indigenous Community Coordination Pilots.

Performance summary for Output Group 5.1

Key achievements included:

- funding 28 projects through the Family and Community Networks Initiative to deliver local solutions to Indigenous families and communities
- implementing the National Framework on Problem Gambling 2004–2008 in partnership with state and territory governments
- improving administration of the Emergency Relief Program with the implementation of national program guidelines, standard funding agreements and standard selection criteria and application process for new providers
- establishing a panel of training providers for emergency relief provider agency staff and volunteers to provide greater access to training
- funding an additional 140 projects worth \$20 million through the Local Answers initiative under the Stronger Families and Communities Strategy
- opening a further round of Volunteer Small Equipment Grants in June 2006. Grants of up to \$3,000 (GST inclusive) are available to help community not-for-profit organisations purchase equipment that will make the work of their volunteers easier, safer and more enjoyable
- supporting the work of Volunteer Resource Centres under the Volunteer Management Program to provide volunteer matching, referral and training activities, as well as assistance and training to organisations that use volunteers
- releasing the most comprehensive research on philanthropy ever undertaken in Australia, *Giving Australia*, commissioned by the department on behalf of the Prime Minister's Community Business Partnership in October 2005
- implementing *Workplace Giving Australia*, an initiative designed to help business support the community by increasing charitable donations by employees. A similar initiative is being undertaken to encourage employees of the Australian Public Service to also make donations through payroll giving
- staging the Prime Minister's Awards for Excellence in Community Business Partnerships with a record number of state and territory award winners
- staging National Community Business Partnerships Week with events held in each capital city to encourage a greater understanding of the benefits of community business partnerships
- staging the Corporate Social Responsibility Essay competition for secondary and tertiary students to encourage and generate debate about corporate social responsibility
- providing a wide range of assistance and support to individuals, families and communities directly impacted by disasters

- developing whole-of-government recovery assistance packages to support individuals, families and communities following disasters such as the 2006 tropical cyclone Larry and 2005 floods in South Australia and New South Wales
- establishing the Australian Government Disaster Recovery Committee
- contributing to whole-of-government planning and preparedness for a range of events including a pandemic influenza, liquid fuel emergency, and terrorist attack
- developing new measures to assist people affected by the crisis in Solomon Islands and in East Timor.

Work is required to:

- progress the Australian Government's priorities of shared responsibility, regional partnerships, flexible service delivery arrangements and increased self-reliance
- strengthen the problem gambling research effort by enhancing Gambling Research Australia
- identify the links between problem gambling and financial literacy and well-being, with a focus on Indigenous communities
- more closely align the Emergency Relief Program with related FaCSIA programs and explore refinements to the service model to ensure it best meets community needs for emergency assistance and improves outcomes for clients
- encourage small and medium enterprises to participate in community business partnerships
- identify and analyse the nature of corporate social responsibility practiced by Australian businesses
- continue to promote individual philanthropy and the resources that will flow to the community through greater philanthropic giving from individuals
- continue with the successful implementation of the Stronger Families and Communities Strategy around Local Answers and Volunteer Small Equipment Grants
- strengthen FaCSIA's new whole-of-government leadership role in community recovery
- manage the implementation of the new Australian Government Disaster Recovery Arrangements
- develop measurable performance indicators and tools that will measure the impact of FaCSIA community-based programs and interventions
- develop compliance strategies for FaCSIA community-based programs that will measure efficiency and effectiveness.

Table 2.46 | Financial and staffing resources summary

Output Group 5.1: Supporting communities and delivering local solutions	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Assistance to Solomon Islanders	80	34	- 46	-
Commonwealth Financial Counselling Program	2,905	2,985	80	2,689
Community Business Partnership	3,357	2,531	- 826	3,207
Emergency Relief Program	30,400	30,310	- 90	31,162
Ex-Gratia Payments - SA & NSW floods	94	112	18	-
Ex-Gratia Payments to Bushfire Victims	369	192	- 177	-
Ex-Gratia Payments to Victims and Family Members of the Bali Terrorist Attacks	1,510	984	- 526	1,510
Family and Community Network Initiative	2,073	1,873	- 200	2,416
London bombings - assistance to victims	135	131	- 4	1,215
National Research on Gambling	500	482	- 18	500
Payments under Special Circumstances	5	3	- 2	5
Reconnecting People Assistance Package	754	571	- 183	118
Stronger Families and Communities Strategy: Communities Initiative	20,142	20,241	99	34,263
Tropical Cyclone Larry Aftermath Assistance	95,435	43,260	- 52,175	40,006
Tsunami Aftermath Assistance	710	273	- 437	70
Volunteer Management Program	1,744	1,744	0	1,672
Special Appropriations			0	
Disaster Relief Payment	-	-	-	1,308
Total administered expenses	160,213	105,726	- 54,487	120,141
Price of departmental outputs				
Policy services & program management	16,449	17,282	833	19,477
Service delivery (FaCSIA)	11,607	12,194	587	13,767
Service delivery (Centrelink)	717	709	- 8	225
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	28,773	30,185	1,412	33,469
TOTAL FOR OUTCOME 5.1 (Administered expenses and price of departmental outputs)	188,986	135,911	- 53,075	153,610
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			193	202

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Commonwealth Financial Counselling Program

Cost

Average cost per client

Approximately \$200 per client.

Effectiveness—Adequacy

Percentage of clients (closed cases) whose problem was resolved

Approximately 80 per cent.

Percentage of total clients (closed cases) with improved ability to manage financial affairs in the future

Approximately 70 per cent.

Quantity

Number of clients

Approximately 15,000.

Price

See table 2.46 page 210.

Emergency Relief Program

Effectiveness—Capacity

Number of staff in the emergency relief sector attending training

1,038 (2004–05). See commentary.

Effectiveness—Independence

Number of emergency relief episodes

700,000 (2004–05). See commentary.

Quantity

Number of agencies provided with emergency relief funds

858 (2005–06).

Number of clients assisted

440,000 (2004–05). See commentary.

Number of service delivery outlets

1,331 (2005–06).

Price

See table 2.46 page 210.

Commentary

As service providers submit their performance reports in September each year, the latest available data on training, episodes and clients assisted is for 2004–05. Due to a change in data definitions and the method for collecting data, the number of emergency relief episodes and clients assisted is higher than estimated.

A tender process has been undertaken to establish a panel of providers to deliver training to emergency relief staff. The numbers trained reflect the limited external training available while the tender was undertaken. Other support provided to emergency relief staff included sponsoring staff to attend external budget skills workshops. However, the numbers for 2005–06 do not include anyone who attended these workshops as this data is not available.

National research on gambling

Quality–Assurance

Research undertaken by the department under the National Research Strategy to Help Prevent Problem Gambling, is of a high standard and timely in its assistance towards addressing the national research effort.

The research has contributed to policy understanding and development at the national and state level and assisted the Australian Government and state and territory governments to strengthen Gambling Research Australia. Research projects have also assisted the department's policy understanding by summarising the direct and broader impacts of problem gambling and identifying gaps in current data collection that inhibit quantifying the total impact of problem gambling.

Research has also been undertaken by Gambling Research Australia on behalf of the Australian Government and state and territory governments. For example, the *Analysis of gambler pre-commitment behaviour*, released in June 2006, provided some preliminary information about individual behaviours towards setting limits on money and time spent on gambling activities. Findings contribute to policy understanding for some states and territories.

Problem gambling: towards a national definition, also commissioned by Gambling Research Australia and released in December 2005, resulted in an agreed definition of problem gambling for Ministerial Council on Gambling work and the adoption of the Canadian Problem Gambling Index as the preferred measure for population-based surveys. It contributed to policy understanding and development at the national and state level.

Quantity

Number of research reports generated by the department

The department completed three research projects.
Gambling Research Australia completed two research projects.

Price

See table 2.46 page 210.

Commentary

The department notes that research on problem gambling is relatively new and the evidence base in Australia and internationally is sparse compared to other fields such as drug and alcohol research.

The National Research Strategy to Help Prevent Problem Gambling builds on previous investments in research commissioned independently by the Australian Government and in research conducted in partnership with state and territory governments through Gambling Research Australia. To improve national research efforts the Ministerial Council on Gambling is strengthening current arrangements under Gambling Research Australia.

Gambling Research Australia, an initiative of the *Ministerial Council on Gambling*, was established through a Memorandum of Understanding signed by the Australian Government and state and territory ministers in 2003.

Community Business Partnership

Effectiveness–Capacity

Number of visits to Prime Minister’s Community Business Partnership website

145,055.*

*The exact figure is unobtainable due to lost data for all of July 2005, and half of August 2005. The figure above is an estimate derived from the available data and is accurate to within plus or minus 5 per cent.

Percentage change in visits to Prime Minister’s Community Business Partnership website

65 per cent increase.*

*The exact figure is unobtainable due to lost data for all of July 2005, and half of August 2005. The figure above is an estimate derived from the available data and is accurate to within plus or minus 5 per cent.

Quantity

Number and quality of essays from (a) secondary school students and (b) university students received for the Corporate Social Responsibility Essay Competition

(a) 308 essays received: 90 per cent met eligibility standards.

(b) 201 essays received: 90 per cent met eligibility standards.

Number and calibre of nominations from business and community for awards that recognise excellence in partnerships

There were 284 nominations received and 83 per cent met eligibility criteria. Judges did not make an award in seven categories (Australian Capital Territory: small business; Northern Territory: medium business; Tasmania: small, medium and large business; Western Australia: small business and media category); however more awards were given in 2005 than in previous years.

Increase in philanthropy: percentage increase in tax deduction claims made to the Australian Taxation Office for donations to deductible gift recipient organisations

The latest figures are not available but figures released by the Australian Taxation Office for 2003–04 show a 17.85 per cent increase in deductible donations.

Price

See table 2.46 page 210.

Stronger Families and Communities Strategy – Local Answers

Effectiveness–Capacity

Percentage of funded projects meeting agreed milestones

98 per cent.

Quantity

Number of participants, which includes participants in projects that build parenting or relationship skills, develop economic self-reliance, provide opportunities for leadership, mentoring or volunteering, or facilitate further education or transition to employment

29,532.

Number of projects funded

396.

Percentage of projects that build partnerships between local services

90 per cent.

Price

See table 2.46 page 210.

Commentary

Local Answers commenced in April 2004. Since this time, 400 projects have been approved for funding to help local communities build skills and capacity with local, small-scale, time-limited projects. Projects have been across areas such as parenting and relationship skills, community strengthening, participation for young parents, volunteering, mentoring and leadership, and have created productive partnerships with local government, business and community organisations.

Volunteer Management Program

Quantity

Number of volunteers referred for a period of six months or more
8,490 (July – December 2005).

Number of volunteers retained for a period of six months or more
3,924 (July – December 2005).

Number of volunteers trained for a period of six months or more.
5,550 (July – December 2005).

Price

See table 2.46 page 210.

Commentary

A total of 17,964 volunteers were referred, retained in a volunteer position and received training during the first six months of 2005–06 under the Volunteer Management Program. Similar numbers are expected for the second half of the financial year.

Disaster Relief Payment

Disaster Relief Payment was not enacted for major disasters in 2005–06.

Ex-gratia payments to victims and family members of victims of the Bali terrorist attacks

Effectiveness–Take Up/Coverage

Percentage of total Bali clients (1,871) assisted since 12 October 2002 by type of assistance in 2005–06

Personal Support 0.5 per cent. Emergency Financial Assistance: 0 per cent. Rehabilitation Assistance: 0.5 per cent.

Quantity

Number of eligible Bali clients assisted in 2005–06 by type of assistance

A total of 76 customers received personal support, no customers received emergency financial assistance, and 11 customers received rehabilitation assistance.

Price

See table 2.46 page 210.

Commentary

The Australian Government has continued to help those most affected by the Bali tragedy by providing a range of assistance and support.

Tsunami aftermath assistance

Effectiveness–Take Up/Coverage

Percentage of people obtaining assistance (108 in 2005–06), including those supported by Centrelink family liaison officers – contact and ongoing – by type of financial assistance provided, and referrals to other agencies

There were a total of 565 claims in the aftermath of the tsunami. Note: some individuals received multiple forms of assistance.

Percentage of family members supported by Family Liaison Officers

81.5 per cent.

Percentage of people who received financial assistance

18.5 per cent. This financial assistance included family hospital travel, out-of-pocket accommodation, out-of-pocket travel, management of estate and funeral costs. Note: some individuals received multiple forms of financial assistance.

Quality–Client Satisfaction

Service quality feedback from customers emailing FaCSIA's Tsunami assist website

No negative feedback received.

Percentage satisfied in service quality feedback to Centrelink family liaison officers

Satisfaction with the service quality of family liaison officers was rated 100 per cent with no negative feedback received. However, 20 per cent of family liaison officer contact was related to frustration at the lack of assistance available, specifically for Australians whose non-Australian loved ones were killed, missing or injured in the tsunami.

Quantity

Number of people obtaining assistance, including those supported by Centrelink family liaison officers, by type of financial assistance provided, and referrals to other agencies

Eighty-eight family members were supported by family liaison officers. Twenty people received financial assistance. This financial assistance included family hospital travel, out-of-pocket accommodation, out-of-pocket travel, management of estate and funeral costs. Note: some individuals received multiple forms of financial assistance.

Number of phone calls received by Centrelink's Tsunami Assistance hotline

237.

Number of visits to Tsunamiassist website

12,968.

Number of hits on Centrelink tsunami-related web pages

15,604.

Price

See table 2.46 page 210.

Family and Community Networks Initiative

Effectiveness–Capacity

An independent evaluation of the Family and Community Networks Initiative conducted in November 2005 found funded projects had a positive social impact in the local communities in which they were implemented. Progress reports on those funded in 2005–06 indicate projects have either achieved, or are on track to achieving, agreed program objectives.

Quantity

In 2005–06 a total of 28 projects were funded to provide community networking initiatives within Indigenous communities across Australia.

Price

See table 2.46 page 210.

Commentary

There has been significant whole-of-government activity funded through the Family Community Networks Initiative in 2005–06 including shared responsibility agreements, regional partnership agreements, Council of Australian Governments pilot site and bilateral agreements with states and territories. These activities have a strong focus on addressing Indigenous disadvantage and working toward capacity building and self-reliance.

Departmental outputs

Cost

Ratio of departmental expense to administered expense

28.6c:\$1

Policy services and program management

Quality–Assurance

Department ensures that service providers meet terms and conditions of funding

100 per cent.

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

100 per cent.

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

100 per cent.

Quality–Client Satisfaction

Minister, parliamentary secretary and their offices satisfied with the quality of policy advice and department meets standards for policy advice

The ministers, parliamentary secretary and their offices did not provide feedback on individual output groups but did provide feedback on departmental performance as a whole. Information on the ministers', parliamentary secretary's and their offices' assessment can be found in Part 3 - Ministerial and parliamentary services.

Quantity

Major pieces of research and evaluation completed

Four.

Number of contracts/service agreements under management

1,398.

Number of service providers under management

1,787.

Number of items to Minister and Parliamentary Secretary

Refer to table 3.6 on page 306, Ministerial and Parliamentary Services - number of briefings, submissions, ministerial correspondence and parliamentary questions on notice in Part 3.

Price

See table 2.46 page 210.

Service delivery

Quality–Assurance

Service providers deliver services to the standards agreed with FaCSIA 100 per cent.

Price

See table 2.46 page 210.

Staff Insight

Ray Wallis

Indigenous Coordination Centre, Cairns

‘In the aftermath of Cyclone Larry, I jumped on a bus from Cairns to Innisfail and volunteered to assist with the Disaster Control Centre. I was delegated to helping people filling in forms to get access to available relief funds. But by the second person I realised I was going to be doing more than just helping with administrative issues.

‘The second man I assisted broke down and I quickly realised then that my job was also going to be about providing an ear to listen and a shoulder to cry on. People were very emotional. They were shell shocked and hurting. Some of them didn’t believe they were entitled to the money.

‘Although it was a very difficult day, my time spent in Innisfail was very rewarding and I am really glad I could help.’



Photograph courtesy of Marnie Wettenhall.

OUTCOME 6

Innovative whole-of-government policy on Indigenous affairs



Description

The department's sixth outcome covers the activities of the Office of Indigenous Policy Coordination (OIPC), which became part of FaCSIA on 27 January 2006, after transferring from within the former Department of Immigration and Multicultural and Indigenous Affairs.

OIPC supports national and regional implementation of the Australian Government's Indigenous affairs arrangements. The arrangements, established on 1 July 2004, initiated profound changes in government methodologies based on:

- efficient and strategic use of funds across the Australian Government
- active engagement and partnership with Indigenous people in the areas where they live
- sharing responsibility with Indigenous people, state and territory governments and the private and non-government sectors to produce benefits for Indigenous communities.

Implementation of the reforms requires a long-term process.

Figure 2.13 | Outputs contributing to Outcome 6

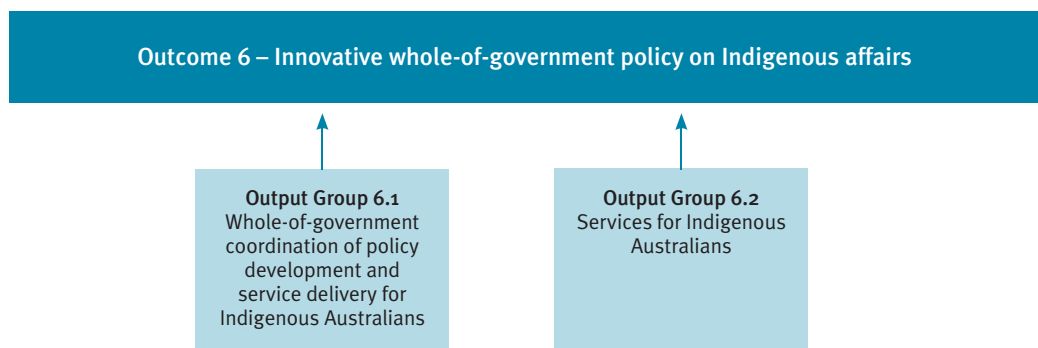


Table 2.47 | Financial and staffing resources summary

Outcome 6: Innovative whole-of-government policy on Indigenous affairs	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Administered expenses (including third party outputs)				
Output Group 6.1 Whole-of-government coordination of policy development and service delivery of Indigenous Australians	-	-	-	-
Output Group 6.2 Services for Indigenous Australians	-	-	-	-
Items applicable across Outcome 6				
Combating Petrol Sniffing	500	500	0	1,073
Indigenous Affairs Litigation*	1,227	181	- 1,046	1,500
Indigenous Leadership	3,657	3,435	- 222	7,967
Native Title and Land Rights	18,643	16,974	- 1,689	61,189
Public Information	2,034	2,017	- 17	2,801
Reconciliation Australia	1,500	1,498	-2	-
Repatriation	422	131	- 291	532
Shared Responsibility Agreements Implementation	13,624	12,353	- 1,271	34,577
Special Appropriations				
Aboriginals Benefit Account	34,955	32,108	- 2,847	67,300
Indigenous Land Fund	23,759	23,750	0	25,346
Ranger Payment	200	200	0	200
Total administered expenses	100,521	93,156	- 7,365	202,485
Price of departmental outputs				

* 2005–06 Budget figures for Indigenous Affairs Litigation and Reconciliation Australia have been increased to reflect additional appropriation received in the second section 32 transfer, which occurred in June 2006.

Table 2.47 continued

Outcome 6: Innovative whole-of-government policy on Indigenous affairs	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Output Group 6.1 Whole-of-government coordination of policy development and service delivery of Indigenous Australians	12,904	13,336	432	76,275
Output Group 6.2 Services for Indigenous Australians	3,168	3,274	106	18,726
Appropriations applicable across Outcome 6	-	-	-	-
Policy services & program management	-	-	-	-
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Revenue from other sources	48	54	6	204
Total price of departmental outputs	16,120	16,664	544	95,205
TOTAL FOR OUTCOME 6 (Administered expenses and price of departmental outputs)	115,692	56,314	- 59,378	297,690
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			522	522

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Key strategies

The key strategies and activities for innovative whole-of-government policy in Indigenous affairs are:

- supporting the work of the top-level structures established to oversee the Indigenous affairs arrangements:
 - the Ministerial Taskforce on Indigenous Affairs, which sets national policy and priorities
 - the National Indigenous Council, appointed to advise the Ministerial Taskforce
 - the Secretaries' Group on Indigenous Affairs, which assists the Ministerial Taskforce and implements its priorities
- coordinating Indigenous policy development and service delivery across the Australian Government in collaboration with other agencies
- managing the network of multi-agency Indigenous Coordination Centres in 30 sites across urban, regional and remote Australia

- developing new ways of engaging directly with Indigenous Australians under the principle of ‘shared responsibility’, including the negotiation of agreements between government and Indigenous communities – Shared Responsibility Agreements at the local level and Regional Partnership Agreements at the regional level
- providing support for communities in crisis
- leading intensive whole-of-government strategic interventions targeting selected communities in remote Australia
- leading the negotiation of bilateral agreements between the Australian Government and state and territory governments under the National Framework of Principles for Delivering Services to Indigenous Australians, endorsed by the Council of Australian Governments (COAG) in June 2004
- progressing and evaluating the COAG trials established in each state and territory to test new ways of working with Indigenous communities
- reporting on the performance of government programs and services for Indigenous people to inform policy review and development
- managing flexible funding to support agreement-making with Indigenous communities
- managing Indigenous programs relating to land and native title – including the administration of legislation – and Indigenous rights and identity
- administering through the independent Office of the Registrar of Aboriginal Corporations the *Aboriginal Councils and Associations Act 1976*
- advising the Australian Government and the Minister for Families, Community Services and Indigenous Affairs.

Ministerial Taskforce on Indigenous Affairs: three national priorities

- **early childhood intervention**, a key focus of which will be improved mental and physical health, in particular primary health, and early educational outcomes
- **safer communities** (which includes issues of authority, law and order, but necessarily also focuses on dealing with issues of governance to ensure communities are functional and effective)
- **building Indigenous wealth, employment and entrepreneurial culture**, as these are integral to boosting economic development and reducing poverty and dependence on passive welfare.

Performance highlights

Key achievements included:

- further consolidating the Australian Government's Indigenous affairs arrangements as part of a longer-term reform process
- facilitating and supporting six meetings of the Ministerial Taskforce on Indigenous Affairs, four meetings of the National Indigenous Council, and regular meetings of the Secretaries' Group
- coordinating the second whole-of-government Indigenous Budget, which involved a major commitment of new resources and initiatives
- coordinating the single application process for Indigenous-specific funding across Australian Government agencies
- collaborating with other agencies on major Indigenous policy issues, such as the development of a comprehensive strategy to combat petrol sniffing in Central Australia
- increasing cooperation between the Australian Government and state and territory governments reflected in the negotiation of bilateral agreements with three jurisdictions and other whole-of-government work
- growing acceptance of the concept of 'shared responsibility' reflected in increased agreement-making between government and Indigenous communities
- establishing strategic interventions in selected Indigenous communities to demonstrate the power of coordinated investment and action in securing broadly-based and lasting change
- further developing the whole-of-government evaluation and reporting framework
- developing major reforms to Australia's most significant land rights legislation, the *Aboriginal Land Rights (Northern Territory) Act 1976*, to facilitate economic use of Indigenous land
- implementing and expanding initiatives promoting leadership in Indigenous communities, with a particular focus on women
- progressing the Corporations (Aboriginal and Torres Strait Islander) Bill 2005, which will improve the incorporation regime for Indigenous corporations and promote good governance in corporations.

Work is required to:

- continue systemic reforms to:
 - improve the performance of mainstream programs and coordinate their delivery with Indigenous programs
 - clarify the roles and responsibilities of the various levels of government in providing services to Indigenous people
 - coordinate basic services delivered by the states and territories with services funded by the Australian Government, including through the development of further bilateral agreements
 - improve the responsiveness of agencies across government to initiatives developed at the local level
- develop integrated place-based strategic interventions in selected communities in cooperation with state and territory governments and the Indigenous people involved, and demonstrate the capacity to achieve results

- implement the reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976* once passed by parliament
- implement and extend the petrol sniffing strategy
- assist corporations in the lead up to a new incorporation regime, and extend training to build the governance and capacity of corporations
- extend leadership development initiatives to Indigenous men, young people and organisations.

Policy outlook

The policy outlook for Outcome 6 reflects the Ministerial Taskforce's long-term vision that 'Indigenous Australians, wherever they live, should have the same opportunities as other Australians to make informed choices about their lives, realise their full potential in whatever they choose to do and to take responsibility for managing their own affairs'.

Partnerships across governments and with Indigenous communities remain crucial to the next phase of the Indigenous affairs reforms. The reforms are based not on structures but on testing new ways of working, guided by the key principles of collaboration, responding to regional and local need, flexibility in the use of programs and funds, accountability and leadership. Outcomes are being assessed to ensure the reforms are developed in light of experience, and produce better results in the longer term.

In the coming year, a principal focus of OIPC's work with other governments will be on intensive interventions in selected communities utilising a place-based strategy, acknowledging the uniqueness of each community and involving a close bilateral partnership with the relevant state or territory government. Interventions will address a range of issues, and government responsibilities at all levels.

Integral to the new directions will be:

- reviewing the Community Housing and Infrastructure Program administered by the department (Outcome 2) to inform new approaches to public housing provision in remote communities
- leveraging the reforms to land rights legislation which will allow private leasehold ownership on Aboriginal land including the purchase of homes through low-cost loans and the establishment of small businesses
- working with the states and territories to improve law and order in remote Indigenous Australia
- improving living conditions in Alice Springs town camps including improvements to the delivery of essential services
- consolidating innovative approaches to combating the abuse of alcohol, petrol and other substances
- strengthening engagement with Indigenous people and their representatives
- creating incentives to move away from dependence on welfare
- taking up the 'urban challenge' recognising that Indigenous people in urban and regional Australia have different needs to people in remote areas, including better service provision from mainstream programs.

Budget measures

Addressing Indigenous needs – native title system – extension of funding

In the 2005–06 Budget the government agreed to an extension of the additional funding originally provided in 2001 to improve the operations of the native title system established under the *Native Title Act 1993*. The extra funding included \$15.6 million over four years to 2008–09 to enhance the performance of Native Title Representative Bodies, which represent Indigenous interests within the native title system, and to provide for the highly unpredictable funding needs of contested native title litigation.

This funding has enabled a continuation of efforts to build capacity and improve performance in Native Title Representative Bodies without the need to divert further resources from the operational needs of representative bodies. New activities have focused on improving the organisations' ability to attract and retain key staff, including the provision of dedicated funding for staff development and support.

OIPC concluded an agreement with Monash University for a new common services agency project that will deliver a range of human resource development and support services for representative bodies. The project provides for the implementation of a range of strategies recommended by a number of previous reports, including the April 2005 Potok report into the professional needs of legal officers in Native Title Representative Bodies.

Addressing Indigenous needs – Shared Responsibility Agreements and community engagement – implementation assistance

The 2005–06 Budget provided \$85.9 million over four years to 2008–09 to continue funding the Shared Responsibility Agreements Implementation Assistance Program, which commenced in 2004–05 as a foundation element of the new arrangements in Indigenous affairs. The measure provided extra resources to support engagement and partnership with Indigenous communities and to fund activities that do not fall neatly into individual agencies' responsibilities.

Implementation of this measure is reported under the Shared Responsibility Agreement Implementation Assistance Program below.

Addressing Indigenous needs – combating petrol sniffing

The Central Australian Petrol Sniffing Strategy, announced and funded in September 2005, has eight elements aimed at breaking the petrol-sniffing cycle and building healthy, functional communities:

- consistent legislation with strong penalties for the illegal sale or supply of volatile substances
- appropriate levels of policing
- further roll-out of non-sniffable petrol
- alternative activities for young people
- treatment and respite facilities
- communication and education strategies
- strengthening and supporting communities
- evaluation.

The strategy provides a holistic regional approach based on what works and will be tailored to individual communities in the region. It is being implemented across Australian Government portfolios in cooperation with the Northern Territory, South Australia and Western Australia. OIPC has carriage of five of the strategy's eight key elements, with the Department of Health and Ageing having carriage of treatment and rehabilitation, communication, and the roll-out of non-sniffable fuel.

A steering committee of senior Australian Government and state and territory representatives is overseeing the strategy. Implementation plans are being developed in consultation with key partners, and a cross-government implementation unit managed by OIPC has been established in Alice Springs to deliver the strategy at the local level.

Funding of \$500,000 was provided to assist in setting up a substance abuse intelligence desk to target drug and petrol trafficking in the remote cross-border regions of Central Australia. Located in Alice Springs and staffed by Northern Territory police together with South Australian and Western Australian police, the intelligence desk conducts joint operations to gather intelligence, enforce laws, and educate communities, roadhouse operators and local police. These activities have resulted in drug-related arrests and charges, and seizures of drugs, petrol, alcohol, cash and property.

Evaluation

No evaluations of OIPC programs or activities were conducted during the year.

OIPC commissioned and completed evaluations for three of the eight COAG trial sites. The reports had not been released at 30 June 2006.

Administered outputs under Outcome 6

OIPC administers a set of Indigenous programs on behalf of the Australian Government.

Indigenous affairs litigation

OIPC manages the conduct of some litigation where the Australian Government's responsibilities in Indigenous affairs are involved. OIPC does not manage native title litigation, apart from some matters arising under Division 6 of Part 2 and Part 11 of the *Native Title Act 1993*.

As a result of the *Aboriginal and Torres Strait Islander Act 2005*, the Australian Government, represented by OIPC, has inherited assets and liabilities of the Aboriginal and Torres Strait Islander Commission including litigation costs resulting from a challenge by the commission to the creation of Aboriginal and Torres Strait Islander Services. OIPC is progressing these costs-related issues as well as matters concerning former commission personnel and agreements.

The 2,094 separated children claims lodged in the High Court have been discontinued following the Australian Government's earlier successful defence of the Cubillo and Gunner test cases.

Indigenous women

The Indigenous Women's Program provides funding to organisations to deliver services to Indigenous women that include building leadership skills, providing forums and information, establishing networks or undertaking research and surveys. Activities funded through Indigenous Coordination Centres are designed to meet the needs and aspirations of local Indigenous women.

In 2005–06 the program enabled 105 organisations to run 109 projects resulting in 360 events, workshops and forums being convened for a total investment of \$4.206 million. It supported activities providing leadership development for 88 women, and enabled the employment of Indigenous women in various roles within their communities, including family support worker, women's coordinator, policy information officer or project officer.

Native title

The Professional Services to Native Title Claimants Program funds Native Title Representative Bodies and Native Title Service Delivery Agencies to provide professional services to Aboriginal and Torres Strait Islander people to pursue the recognition and protection of native title under the *Native Title Act 1993*.

A suite of performance enhancement activities is also provided to make the organisations' operations more efficient and cost-effective, and hence improve outcomes for Indigenous people from the native title system. This is further reported under Budget measures and Output Group 6.2 – Services to Indigenous Australians.

In 2005–06, \$50.5 million was committed to 16 organisations to deliver professional services to native title claimants, and a further \$1.1 million for contested native title litigation (five claims-related matters and one future act matter).

The program continued to fund the Australian Institute of Aboriginal and Torres Strait Islander Studies to operate its Native Title Research Unit. The unit delivers high-quality professional services to Native Title Representative Bodies including the annual national native title conference, web-based services, research and publications, maintenance of resource and professional development networks, access to the institute's collections, and development of training and materials on conflict management in native title.

At 30 June 2006, there were 604 active native title claims, consisting of 553 claimant, 39 non-claimant and 12 compensation applications.

Public information

The Public Information Program is a small grant-funded program to promote wider community understanding of, and respect for, Indigenous cultures. It has two elements:

- public awareness, which funds selected activities capable of reaching a significant audience of non-Indigenous people
- National Aborigines and Islanders Day Observance Committee (NAIDOC), which funds the annual Indigenous community celebrations during NAIDOC Week in July.

The program supports both local and national NAIDOC activities. OIPC coordinates national NAIDOC events, including the national poster competition and the awards and ball, this year held in Cairns on 8 July 2006. National NAIDOC is overseen by an Indigenous committee chaired in 2005–06 by former Senator Aden Ridgeway. The committee receives secretariat support from OIPC.

In 2005–06 just over \$2.6 million was expended under this program.

Reconciliation Place – completion of stage three

OIPC continued its collaboration with the National Capital Authority under a Memorandum of Understanding signed in 2004 to complete stage three of Reconciliation Place, Canberra. Five large sandstone plinths bearing quotations from deceased Indigenous leaders were designed, carved, and installed in May 2006, and were unveiled by the Minister for Indigenous Affairs at a ceremony in July 2006. OIPC released \$911,677 to the National Capital Authority in 2005–06, bringing to \$1,911,677 the funding provided for stage-three development.

An advisory committee with both Indigenous and non-Indigenous members was established during the year and preliminary conceptual and design work began on a further four artworks with advice from this committee.

Repatriation

The Overseas Repatriation Program facilitates the return of Indigenous Australian human remains from museums and other collecting institutions overseas, and consults and supports Indigenous communities in relation to repatriation, including providing funds to enable remains to return to country.

In recent years, government-to-government approaches have been pursued to help secure agreement to the return of remains. In 2005–06 this involved working with the United Kingdom (UK), France and the United States of America. A Prime Ministerial Joint Statement on Aboriginal Remains, released by the Australian and UK Prime Ministers in July 2000, commits both governments to facilitating the return of Indigenous human remains from public collecting institutions in the UK. Advancing the intentions of this statement has been a major focus of OIPC's repatriation work.

OIPC has contracted the National Museum of Australia to receive and store returned remains, and prepare them for repatriation to their communities of origin. The origin of certain remains cannot be established however, and care of these remains will be the subject of a national consultation process.

Shared Responsibility Agreements Implementation Assistance

The Shared Responsibility Agreements Implementation Assistance Program provides flexible on-the-ground support for the development and implementation of Shared Responsibility Agreements, Regional Partnership Agreements and other interventions such as regional Indigenous engagement arrangements, tailored support to communities in crisis and strategic interventions in selected communities.

The principal element of the program, Shared Responsibility Agreements, are voluntary agreements negotiated between the Australian Government and Indigenous communities to work towards identified goals. The government provides funding and the community makes commitments (or ‘mutual obligations’) to help reach their goals. Other governments and the private and non-government sectors may also be party to the agreements.

Regional Partnership Agreements are made with groups of communities and set out a coherent government investment strategy across a region. Regional Indigenous engagement arrangements help Indigenous people to talk to government and to participate in program and service delivery, and are a mechanism for making and implementing agreements.

Indigenous Coordination Centres developed and funded more than 180 projects from the 2005–06 allocation of \$19.8 million for this program.

Performance information

Innovative whole-of-government policy on Indigenous affairs

Extent to which government policy development and service delivery of Indigenous issues is coordinated:

- *level of direct engagement with Indigenous Australians at the regional and local level, including through:*
 - *Regional Partnership Agreements and Shared Responsibility Agreements*
 - *brokering effective relations with state and territory governments on Indigenous issues*
- *level of leadership development and strong governance arrangements within Indigenous organisations and communities*
- *extent to which OIPC/FaCSIA work with Indigenous communities and state and territory governments to maximise the impact of coordinated service-delivery strategies.*

In its second year of operation, OIPC progressed the Indigenous affairs reforms under the guiding principles of collaboration, meeting local and regional need, flexibility, accountability and leadership.

Indigenous engagement

Direct engagement with Indigenous Australians is managed through Indigenous Coordination Centres, which in addition to administering most of the Australian Government’s Indigenous-specific programs, are charged with brokering innovative solutions to local needs using both Indigenous-specific and mainstream funding from across government. The Shared Responsibility Agreement Implementation Assistance Program supported more than 180 projects in 2005–06, including 95 Shared Responsibility Agreements with Indigenous communities and one Regional Partnership Agreement, the latter covering 12 communities in the remote Ngaanyatjarra lands in Western Australia. Additional agreements are under negotiation. Regional Indigenous engagement arrangements have been finalised and funded in two areas: Ngaanyatjarra and the Murdi Paaki (Bourke) region of western New South Wales. Further proposals have been received, and will be developed in accordance with parameters for funding regional engagement approved by the Minister during the year.

Relations with the states and territories

Engagement with state and territory governments takes place at a number of levels. At the national level, three bilateral agreements setting out joint areas of action were signed, with Queensland, New South Wales and South Australia, and the agreement signed last year with the Northern Territory was implemented and extended. In South Australia, the Australian Government continued to cooperate with the state government in improving governance and service delivery in the Anangu Pitjantjatjara Yankunytjatjara lands. Both governments sponsor the peak body, Tjungunngu Kuranyukutu Palyantjaku, comprising government and community representatives, and are funding service coordinators in the lands. The comprehensive strategy on petrol sniffing was devised in cooperation with the Northern Territory, South Australia and Western Australia. Reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976* were developed in consultation with the Northern Territory, which will enact complementary legislation.

The strategic interventions will be developed in close consultation with state and territory governments and development experts. While this methodology is in its early days, the interventions will draw on the development of bilateral agreements and on lessons learned from the COAG trials and implementation of the whole-of-government arrangements to date.

At the local and regional level, Indigenous Coordination Centres engage with on-the-ground representatives of the states and territories. State and territory governments contributed \$4.9 million to the development of Shared Responsibility Agreements and other projects negotiated through Indigenous Coordination Centres. In New South Wales, state government staff began joining selected Indigenous Coordination Centres under an agreement reached last year.

Leadership development and capacity building

The Indigenous Women's Development Program was developed and implemented during the year, providing leadership training to 74 women. A proposal to extend intensive leadership training to men, young people and to Indigenous communities and organisations was supported in the 2006–07 Budget.

The Registrar of Aboriginal Corporations continued with an active focus on capacity building and the development of good governance within the Indigenous bodies incorporated under the Aboriginal Councils and Associations Act.

Extent to which OIPC/FaCSIA provides services to Indigenous Australians which recognise the collective rights of Aboriginal and Torres Strait Islander people as original custodians of Australia.

- *degree to which policies that support reconciliation are implemented*
- *level of recognition and support for the cultural significance of repatriation*
- *extent to which Indigenous communities maximise the use of available resources eg land.*

Native title

OIPC provided operational funding and other support to Native Title Representative Bodies to assist them in representing Indigenous people within the native title system. The year saw an increase in the number of native title determinations from 13 in 2004–05 to 20 in 2005–06, and a significant increase in the number of Indigenous Land Use Agreements registered with the National Native Title Tribunal, from 184 at 30 June 2005 to 248 at 30 June 2006. These agreements are

voluntary but binding and provide benefits to Indigenous people without the need for a native title determination. The improved outcomes from the native title system are consistent with government's desire to achieve more cost-effective and timely native title processes.

Land rights

The office advised the Minister on the administration of Commonwealth land rights legislation, including the finalisation of land claims in the Northern Territory and advancement of the Jervis Bay land claim. Major reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976* were developed and announced, with legislation entering parliament in May 2006. The amendments will allow for 99-year leases to make it easier for Aboriginal people to own a home or establish a business in Aboriginal townships, while maintaining the rights of traditional owners and the inalienable freehold title established by the Land Rights Act.

Reconciliation and repatriation

OIPC worked with the National Capital Authority in the continued development of Reconciliation Place as a national symbol of reconciliation, and actively pursued the Australian Government's commitment to the return of Indigenous remains held in overseas collections to their communities of origin. The policy basis was consolidated, and considerable progress was made in furthering the intergovernmental commitment between Australia and the UK to repatriate remains held in Britain, where formal agreements were finalised to repatriate remains from six collections. Institutions in other countries are also recognising the cultural significance of repatriation.

Price

See table 2.47 page 221.

Indigenous affairs litigation

Quality

Minimise the extent to which legal actions against the Commonwealth are successful

The outcome of litigation in a number of cases involving the Commonwealth protected the Australian Government's interests.

Price

See table 2.47 page 221.

Indigenous women

Quantity

Events, workshops and forums

Target: 113.

Actual: 360.

Participants in activities

Target: 4,800.

Actual: 5,832.

Research projects

Target: two.

Actual: three.

Reports and publications produced

Target: five.

Actual: four.

Quality

The ability of the events, activities and publications to empower and/or inform Aboriginal and Torres Strait Islander women

The 109 grants provided under the Indigenous Women's Program benefited more than 5,800 Indigenous participants. Examples of the variety of projects funded in 2005–06 include:

- in metropolitan Western Australia, the delivery of two financial literacy programs for Aboriginal women. Run over a 12-month period, the programs provided around 50 women with financial and money-management skills and increased their capacity to deal with financial institutions
- in regional New South Wales, a project involving four workshops and development of a resource booklet to increase local women's awareness of relevant policies, programs and services
- in rural Victoria, a 13-week project for 10 older Indigenous women to strengthen their role in maintaining local Aboriginal culture. The project developed resource materials and increased the women's skills in the transmission of cultural knowledge, including through story-telling and writing children's books.

Native title and land rights

Quantity

Professional native title services delivered in the native title representative areas

Target: 17.

Professional services were delivered to native title claimants in 16 representative areas. This included funding to 13 of the 14 recognised Native Title Representative Bodies. In three areas without a recognised Native Title Representative Body – Queensland South, New South Wales and Victoria – alternative native title service providers were funded under section 203FE(1) of the Native Title Act. Only Tasmania and the Australian Capital Territory remained without a native title service provider. (OIPC does not manage funding to the Torres Strait Regional Authority in its role as a Native Title Representative Body.)

Quality

Effective support provided to enhance the delivery of professional native title services to Indigenous people

The Native Title Representative Body performance enhancement program funded a range of initiatives designed to improve capacity and performance of representative bodies including:

- a series of successful and productive communication forums and workshops for Native Title Representative Body management and key staff groups, including principal legal officers, chief finance officers, senior anthropologists and field officers
- greater focus by Native Title Representative Bodies on the training and development needs of their staff, with the provision of additional dedicated funding in the representative body budgets for staff development
- provision of 11 specialist training workshops on governance, administrative law and contract management for staff and governing councils
- continued delivery of high-quality professional services to Native Title Representative Bodies by the Australian Institute of Aboriginal and Torres Strait Islander Studies – Native Title Research Unit
- research and investigations into a number of issues of significance for representative body efficiency and effectiveness, including preliminary specification of future web-resource development to provide single-point information services for Native Title Representative Bodies
- assistance for representative bodies in difficulty with change management and funds management, including assistance with compliance obligations.

Price

See table 2.47 page 221.

Public information

Quantity

Number of successful events and initiatives taking place (within the guidelines and aims of the program)

Target: 50.

More than 530 separate projects funded.

Quality

The extent to which knowledge and understanding of Indigenous people and their cultures and traditions are promoted in the wider Australian community

In 2005–06 the Public Information Program funded 19 general public-awareness activities including the Garma Festival, the Deadlys, five Croc Festivals, the Woodford Folk Festival and The Dreaming Festival, and made the major contribution to local NAIDOC celebrations around Australia through 515 grants for community activities. All events funded were very successful, and have contributed to awareness of Indigenous cultures. There continued to be intense interest in NAIDOC, the major focus of this program.

Price

See table 2.47 page 221.

Reconciliation Place – completion of stage three

Quantity

Design and installation of at least two artworks in Reconciliation Place completed

Five carved stones were designed and installed.

Quality

Implementation through National Capital Authority effectively managed

Representatives of OIPC and the National Capital Authority met regularly during 2005–06, contributing to the successful completion of this year’s joint project.

Quality

Relevant Indigenous stakeholders fully consulted

The families of the people whose words feature on the carved stones were very closely involved in the designs. A majority of the advisory committee appointed this year to guide stage-three redevelopment of Reconciliation Place are Indigenous.

Price

See table 2.47 page 221.

Repatriation

Quantity

100 per cent of remains released by overseas institutions repatriated to Australia

Half of the remains released by Exeter (where agreement was secured last financial year) were brought back to Australia; the remainder were held back on advice of their traditional custodians. Other United Kingdom museums progressively released 16 remains towards the end of the financial year and work is under way to return them to Australia in 2006–07.

Quantity

100 per cent of the repatriated remains returned to the communities of origin ready to receive them

A total of 115 remains, representing 31 per cent of remains being held at the National Museum of Australia, were prepared for return, but their communities were not ready to receive them. Matters such as acquiring land for reburial and establishment of keeping places are being addressed. Twenty-four communities or representative groups are being consulted on these matters.

Quality

Coordination with overseas institutions effectively managed

Negotiations with 21 United Kingdom museums known to hold remains reached advanced stages, resulting in six museums agreeing to return remains.

Quality

Return of ancestral remains to Indigenous communities effectively managed

As communities for identified remains were unable to receive them, the National Museum of Australia continued to care for these remains under a contract with OIPC.

Price

See table 2.47 page 221.

Shared Responsibility Agreements implementation assistance

Quantity

Number of Shared Responsibility Agreements in place

Target: 100.

95 agreements were signed in 2005–06.

Quantity

Number of holistic Shared Responsibility Agreements in place

Target: five.

None have been finalised to date, with several under development.

Quantity

Number of Regional Partnership Agreements in place

Target: five.

One agreement has been signed to date.

Quality

Level of stakeholder satisfaction with SRA development and implementation

The Indigenous Coordination Centre network is responsible for facilitating the development and implementation of Shared Responsibility Agreements including monitoring the level of stakeholder satisfaction with agreement development and implementation. Two-way feedback mechanisms are negotiated for each agreement. Indigenous Coordination Centres have an ongoing whole-of-government responsibility to work with and respond to community needs.

The first phase of the formal evaluation of Shared Responsibility Agreements is under way and is expected to capture perceptions from all parties regarding agreement development and implementation.

Price

See table 2.47 page 221.

Commentary

A key outcome of Shared Responsibility Agreements and Regional Partnership Agreements is engaging with Indigenous communities in a more effective way to build partnerships and greater self-reliance within communities. The slower than expected progress in the development of Regional Partnership Agreements and holistic Shared Responsibility Agreements reflects the complexity of the environment and the limited capacity of some communities to engage in such agreements at this stage.

Negotiations with a range of communities and regions to develop more comprehensive Shared Responsibility Agreements and Regional Partnership Agreements are ongoing. These more complex agreements are developed in collaboration with state and territory governments to address a range of community priorities, potentially across an entire region.

Table 2.48 | Signed Shared Responsibility Agreements by state or territory, 2005–06

NSW	Victoria	Qld	WA	SA	Tasmania	ACT	NT	Australia
20	1	15	19	16	5	0	19	95

OUTPUT GROUP 6.1

Whole-of-government coordination of policy development and service delivery of Indigenous Australians



Contribution to Outcome 6

Whole-of-government coordination and collaboration in policy development and service delivery for Indigenous people contributes to Outcome 6 by coordinating, driving and evaluating whole-of-government innovative policy and service delivery across the Australian Government.

Strategies

Support partnership development with Indigenous communities

- operate a network of Indigenous Coordination Centres to work with Indigenous communities to customise and shape government investment and service delivery, including through negotiated Regional Partnership Agreements and Shared Responsibility Agreements
- establish strategic interventions in a number of Indigenous communities in conjunction with state and territory governments
- provide whole-of-government training and support and coaching and mentoring to Indigenous Coordination Centre staff and others
- progress the Council of Australian Governments (COAG) trials with lead agencies to test new ways of working and identify gaps and lessons learned
- develop and maintain links with community organisations, corporate philanthropists and social entrepreneurs
- initiate and drive an innovative Indigenous leadership development strategy
- implement the Central Australian Petrol Sniffing Strategy and Substance Abuse Intelligence Desk.

Policy development and innovation

- in collaboration with other Australian Government agencies, lead and facilitate innovative policy development and advice in relation to cross-portfolio issues for the Ministerial Taskforce on Indigenous Affairs and Secretaries' Group on Indigenous Affairs
- develop and manage relationships with the states/territories at state, territory and regional levels, and with the Department of the Prime Minister and Cabinet at the national or multi-jurisdictional level.

Performance assessment and evaluation

- establish a rigorous and transparent system for monitoring and evaluating the performance of government programs and services for Indigenous people, including arrangements for independent scrutiny
- monitor and evaluate the effectiveness of the COAG trials and other whole-of-government activities
- coordinate the single Budget Submission for the Ministerial Taskforce on Indigenous Affairs on the annual reprioritisation of the Australian Government's Indigenous Budget, supported by a report on the effectiveness of Australian Government expenditure on Indigenous outcomes
- prepare, in collaboration with other agencies, an annual report on the outcomes of Indigenous-specific programs for the Secretaries' Group on Indigenous Affairs
- analyse the extent of duplication or overlap in reporting and accountability arrangements across Australian Government programs, both mainstream and Indigenous-specific, and develop options to streamline funding procedures
- map Australian Government funding at a regional and community level where practicable
- maintain sound working relationships with information providers, including academic institutions and research centres with Indigenous specialisations.

Outputs under Output Group 6.1

Support partnership development with Indigenous communities

ICC operations

OIPC manages the national network of multi-agency Indigenous Coordination Centres on behalf of all agencies represented in the centres. A particular focus has been to:

- address the leadership development needs of Indigenous Coordination Centre managers and deputy managers
- enhance the skills of Indigenous Coordination Centre staff in engaging with Indigenous communities, facilitating capacity development and working in a whole-of-government environment.

A skills audit was conducted for all OIPC staff employed in Indigenous Coordination Centres to identify priority development areas, and training was provided for specific role groups. A mentoring program for managers was coordinated and delivered jointly by OIPC and the Australian Public Service Commission in conjunction with senior executive staff from other agencies. OIPC also worked with the Australian Public Service Commission to deliver training focused on working collaboratively in a whole-of-government environment to all staff in Indigenous Coordination Centres.

Shared Responsibility Agreements

OIPC administers flexible funds through the Shared Responsibility Agreement Implementation Assistance Program to support partnerships with Indigenous communities. OIPC also supports the agreement process through development of operational policy, maintaining a database of agreements, and providing advice and guidance to Indigenous Coordination Centres and other agencies on agreement development and implementation.

During the year 95 Shared Responsibility Agreements were signed in 84 communities, representing a diverse range of benefits delivered in return for community commitments to positive change. This brings to more than 180 the number of agreements signed over the two years of the Indigenous affairs arrangements.

The largest Australian Government investment was provided to agreements focused on community development, school attendance and education, and training and employment, consistent with the three national priorities identified by the Ministerial Taskforce on Indigenous Affairs.

Tailored support is also provided to communities in crisis to re-establish good governance and service delivery in collaboration with other agencies. Eighteen communities have been approved for special assistance:

- Queensland – Doomadgee, Kowanyama, Mornington Island, Palm Island
- Western Australia – Balgo, Beagle Bay, Kalumburu, Warmun
- Northern Territory – Ali Curung, Gunyangara, Gurungu, Milikapiti, Mutitjulu, Nhulunbuy, Papunya, Yirrkala
- South Australia – Gerard, Yalata.

More than \$6.9 million has been invested in these communities since 2004–05, of which \$2.1 million was committed and expended in 2005–06.

To provide on-the-ground support to communities, four panels of experts were established as part of an overall strategy to develop the skills and capacity of Indigenous communities and families and to help them engage with government. In addition a multi-use list of community facilitators and coordinators is currently being finalised.

In the second half of the year an implementation review of Shared Responsibility Agreements was undertaken to inform future strategy. Independent evaluations will be conducted in the new financial year.

Regional partnership and engagement

Regional Partnership Agreements coordinate government services and deliver initiatives across several communities in a region. The agreements also seek to build the capacity of communities to control their own affairs, and may include Shared Responsibility Agreements that support the wider agreement. The first Regional Partnership Agreement was signed in August 2005 in the Ngaanyatjara lands in Western Australia. Further agreements are under development.

These agreements will be the primary mechanism for government funding to regional Indigenous engagement arrangements. The Australian Government does not want to design engagement structures, but will support and work with arrangements that are developed locally or regionally

and accepted by local Indigenous people as their means to talk with government. Parameters for funding these arrangements were developed and approved during the year.

In Western Australia and New South Wales, the Australian and state governments are already supporting new engagement arrangements in the Ngaanyatjarra and Murdi Paaki regions. Bilateral agreements signed with state and territory governments also set out approaches to regional engagement.

Community interventions

OIPC has been developing a methodology for strategic interventions to demonstrate the power of coordinated investment and action in securing broadly-based and lasting change in the living standards, behaviours, expectations and future prospects of an Indigenous community. These strategic interventions will be tailored to the needs and circumstances of particular communities and developed in conjunction with state and territory governments. The planned investments will be designed to reap maximum benefit from the clustering of initiatives, sequencing of interventions, setting of priorities and creative use of incentives.

Negotiations on potential communities for strategic interventions had commenced with the Northern Territory, Queensland and Western Australian governments by June 2006, and agreement was reached on two sites in the Northern Territory.

COAG trials

The COAG trials were established to try out new approaches to the coordination and delivery of government programs and services for Indigenous communities. Governments agreed to work in partnership with Indigenous communities in eight regions:

- Anangu Pitjantjatjara Yankunytjatjara lands, South Australia
- Australian Capital Territory
- Cape York, Queensland
- East Kimberley region, Western Australia
- Murdi Paaki region, New South Wales
- North-east Tasmania
- Shepparton, Victoria
- Wadeye, Northern Territory.

While each trial is led by two agencies – one from the Australian Government and one from the relevant state or territory – OIPC has a broad role across the trial sites on behalf of the Australian Government, including through:

- Indigenous Coordination Centres which coordinate government services in collaboration with lead agencies
- secretariat support to a forum of senior lead-agency officials which met on four occasions in 2005–06 to discuss cross-agency issues
- supporting the Prime Minister’s involvement in COAG on Indigenous affairs issues and the involvement of senior officials in various multilateral forums
- coordinating an evaluation of each site.

OIPC had been the lead agency for the north-east Tasmania site (through the Department of Immigration and Multicultural and Indigenous Affairs) and during the year assumed this role for Wadeye, Cape York, the Shepparton region and the Australian Capital Territory.

Indigenous Women's Development Program

The Indigenous Women's Development Program was established by the 2004 Budget with \$16.5 million over four years as an integral part of the new Indigenous affairs arrangements. The program seeks to develop the leadership capacity of Indigenous women in particular, and expose them to leading-edge thinking and experience. It recognises that Indigenous women are severely under-represented in formal positions of influence and often find it difficult to influence policies and programs that affect their communities and families, despite their carrying significant responsibility for community well-being.

The program comprises three broad initiatives:

- **Indigenous Women's Leadership**, which each year supports and develops around 70 women who have leadership ability and are already making a contribution to their communities.
- **Networking Indigenous Women**, which provides women with opportunities to exchange ideas and share learning through a quarterly newsletter, an annual national women's conference and a secure contact database.
- **Men and Family Relationships**, which assists Indigenous men to reconnect with family responsibilities and support women within their community.

Program activity covers:

- leadership-development training for Indigenous women
- national Indigenous leadership forums for men and young people
- national Indigenous networking workshops
- management of stakeholders, including governments and the private, community, academic and philanthropic sectors
- enhanced development opportunities including scholarships.

In 2005–06 the Indigenous Women's Development Program provided capacity building for 74 Indigenous women and delivered four Indigenous leadership forums. Leadership and learning opportunities were extended to women from the COAG trial sites, including participation in the program and a leadership course in November 2005.

Advanced learning opportunities for Indigenous women included one Fulbright Scholarship, five scholarships to undertake courses at the Australian Indigenous Leadership Centre, and one funded place on the Australian Rural Leadership Program.

Policy development and innovation

Whole-of-government Indigenous policy

OIPC has a central role in the Australian Government's processes for whole-of-government policy development in Indigenous affairs, including contributing to the deliberations of the Ministerial Taskforce on Indigenous Affairs and the Secretaries' Group on Indigenous Affairs. It leads a cross-agency senior executive taskforce that assists in developing and testing policy ideas across portfolios and monitoring implementation of the Indigenous affairs arrangements.

OIPC works with other agencies in generating whole-of-government solutions to major issues. It lodged a joint submission with the Department of Health and Ageing to the Inquiry into Petrol Sniffing in Remote Aboriginal Communities being conducted by the Senate Community Affairs References Committee, and worked with that department to develop the Central Australian Petrol Sniffing Strategy in consultation with the Northern Territory, Western Australian and South Australian governments. Announced in September 2005, the strategy is informed by a range of evidence and being implemented over a large area of the remote cross-border region of Central Australia as a cooperative measure across the four jurisdictions.

OIPC managed cross-government consideration of a proposal from the Cape York Institute to develop welfare reform proposals that could be trialled in remote Indigenous communities. The proposal was funded in the 2006–07 Budget.

On 26 June 2006, OIPC supported the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities involving the states and territories. The summit was convened and chaired by Minister Brough in close consultation with the Attorney-General and the Minister for Justice and Customs. It discussed strategies to address the law and order issues that undermine government work in many Indigenous communities.

Participants agreed on an integrated action strategy to cover:

- a legislative and regulatory framework that protects those at risk of, and those who have suffered, violence and abuse
- adequate policing and child protection resources to deal with issues arising in remote communities
- a criminal justice system that recognises and adequately addresses the particular issues faced by those living in remote localities
- appropriate control of alcohol and other substances, and rehabilitation support for those addicted
- complementary measures, including compulsory school attendance, support for local Indigenous leaders and sound community and corporate governance.

All jurisdictions agreed to put the strategy to COAG for consideration and decision.

OIPC also provides advice on the handling of Indigenous matters within United Nations processes and institutions, including by engagement with Indigenous people on international human rights matters through support for activities undertaken by the Human Rights and Equal Opportunities Commission.

Agreements with the states and territories

OIPC leads discussions with state and territory governments on the negotiation of overarching bilateral agreements in Indigenous affairs. Negotiations have focused on obtaining agreement to areas of joint action consistent with COAG's National Framework of Principles.

Agreements were signed with three jurisdictions during the year:

- Queensland (signed December 2005). Initial implementation is focusing on funding reform in the Lockhart River community and developing a framework to guide future joint work on Cape York, Palm Island and Mornington Island
- South Australia (announced April 2006). A joint government taskforce is working on a strategic plan to inform development of schedules to the agreement
- New South Wales (announced April 2006). The initial focus will be economic development and joint work in specific high priority locations.

The agreement signed in April 2005 with the Northern Territory Government is being implemented and extended. Progress has been made on the three joint action areas: streamlining responsibility for housing provision, reform of regional authorities, and support for Indigenous arts. A new schedule was agreed, on employment and economic development, and additional schedules are under development.

Discussions with the remaining jurisdictions are continuing.

Remote infrastructure

Officers of the Australian and Northern Territory governments visited homelands in June 2006, after which both governments agreed to establish a joint working party on issues relating to homelands including the provision of essential services.

Performance assessment and evaluation

Evaluation, research and information

OIPC supports the Australian Government's commitment to accountability, and to reviewing and revising the Indigenous affairs arrangements in the light of lessons learned. Activities include evaluation, research and the building of systems to capture data on Indigenous programs and expenditure to develop an evidence base for policy. The office also provides a statistical analysis service to the Minister and Indigenous Coordination Centres.

An OIPC evaluation plan 2006–09 was developed to coordinate a range of evaluation activities to monitor the performance of the whole-of-government approach. The plan complements the more specific role of other agencies to evaluate programs for which they are responsible. The evaluation program will be reviewed annually in consultation with all Australian Government agencies working in Indigenous affairs.

Evaluation activities undertaken during the year included:

- compiling a directory of evaluations of Indigenous-specific programs across the Australian Government over the last five years
- commissioning a panel to conduct independent reviews of Shared Responsibility Agreements
- commissioning eight COAG trial evaluations, three of which have been completed but not released.

Three research projects were completed in 2005 under the Australian Government's four-year research partnership (from 2003–04) with the Centre for Aboriginal Economic Policy Research at the Australian National University. The centre carries out priority research relevant to OIPC's policy responsibilities. OIPC also maintains relationships with the Desert Knowledge Cooperative Research Centre; the Agreements, Treaties and Negotiated Settlements project at the University of Melbourne; and Reconciliation Australia on the Indigenous community governance research project.

Secretaries' Group annual report

OIPC coordinates and publishes the Annual Report on Indigenous Affairs on behalf of the Secretaries' Group with contributions from all major agencies administering Indigenous programs. The first report, for 2004–05, was released in November 2005 and distributed widely. The report will become the key means of reporting on progress with the Indigenous affairs arrangements.

Single Indigenous Budget

OIPC facilitates a collaborative process for an Indigenous Budget whereby the development of proposals for change and new investment in Indigenous affairs are managed through a single Indigenous Budget submission. The 2006–07 Budget was the second to be coordinated in this way, and once again resulted in extended and additional expenditure – close to half a billion dollars over five years, including a substantial investment in financial assets.

Coordinated funding arrangements

OIPC facilitates and coordinates common funding arrangements through Indigenous Coordination Centres for a core set of Australian Government Indigenous programs. Applicants for funding were able to apply for 15 separate programs across six agencies and receive funding under a common funding agreement. This process managed more than 3,200 funding requests from over 900 organisations. A successful web-based application process, eSub, was developed to promote and receive funding applications for the 2006–07 round. Approximately 40 per cent of applicants applied for funding online. The use of a common system enables agencies to coordinate funding to communities and share performance information.

Funding reform

An analysis of the nature and extent of the administrative burden ('red tape') faced by organisations providing services to Indigenous communities was released in June 2006. The project, undertaken by Morgan Disney and Associates, reviewed the funding agreements of 22 service providers, including a variety of Australian Government and state agencies.

The report found that the definition of red tape is problematic—one person’s red tape is another person’s accountability—and that the perception of red tape is greater than the reality. Nevertheless issues identified included:

- the requirement for grant applications every year, including where multi-year grants would be appropriate in combination with an annual budget update
- the use of lengthy and complex contracts for relatively small funding agreements
- the imposition of reporting requirements that are out of proportion to the size of the grant
- lack of skills within organisations to apply for and manage grants
- inconsistent approaches between funding agencies
- too many performance indicators.

The report suggested a number of ways forward and OIPC is developing a plan to address a range of red tape issues. A collaborative project with the Queensland Government to develop streamlined service-delivery arrangements in the Cape York region, beginning with the Lockhart River community, began as part of the bilateral agreement signed this year. This project will develop common approaches to more streamlined funding.

Program accountability and investigation services

OIPC coordinates a whole-of-government approach to the detection and prevention of fraud in Indigenous programs and convenes the Indigenous Program Integrity Committee. The office assesses and investigates allegations of fraud; manages and monitors matters referred to other agencies for investigation, prosecution and recovery action; and undertakes due diligence scrutiny of persons and entities.

It is also finalising investigations in relation to fraud committed under programs formerly the responsibility of the Aboriginal and Torres Strait Islander Commission and Aboriginal and Torres Strait Islander Services, and was actively involved in two successful prosecutions during the year. OIPC works closely with agencies that received programs from these agencies, advising on identified fraud risks.

OIPC will have a role in acting on priorities identified at the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities, and in particular the Australian Government’s position that funding will be provided only to organisations run by fit and proper persons.

Performance summary for Output Group 6.1

Key achievements included:

Support partnership development with Indigenous communities

- signing and implementing 95 Shared Responsibility Agreements in 84 communities, with funds contributed from across government and the private and non-government sectors
- building skills in the Indigenous Coordination Centre network in the negotiation of mutual obligation, improving the quality of performance information reflected in Shared Responsibility Agreements and developing implementation tools

- establishing four panels of experts and a multi-use list of community facilitators and coordinators to assist in community capacity building
- developing one Regional Partnership Agreement, with others being negotiated
- developing ministerially approved parameters on regional Indigenous engagement arrangements
- gaining formal recognition and funding of engagement arrangements in two regions
- establishing a methodology for strategic interventions, commencing negotiations with state and territory governments on potential communities and gaining agreement with the Northern Territory on two sites
- working in partnership with governments and Indigenous communities to implement the petrol sniffing strategy in Central Australia
- providing capacity building for 74 Indigenous women and delivering four Indigenous leadership forums under the Indigenous Women's Development Program
- collaborating across government and with the Indigenous leadership sector on leadership and capacity building in Indigenous communities and within the Australian Public Service.

Policy development and innovation

- developing the intergovernmental strategy to tackle petrol sniffing in Central Australia in conjunction with eight Australian Government agencies and three states and territories
- facilitating the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities
- coordinating discussions with state and territory governments on bilateral agreements, and signing of three agreements
- adding a new schedule to the bilateral agreement with the Northern Territory
- coordinating cross-government consideration of a proposal to develop and trial welfare reforms in remote communities
- developing the policy and rationale for strategic interventions.

Performance assessment and evaluation

- publishing the first Annual Report on Indigenous Affairs on behalf of the Secretaries' Group
- developing a whole-of-government OIPC evaluation plan 2006–2009
- commissioning a panel to conduct independent reviews of Shared Responsibility Agreements
- coordinating COAG trial evaluations
- facilitating the 2006–07 single Indigenous Budget
- overseeing a common funding round for a core set of Indigenous programs including developing an online application process
- publishing the red tape evaluation report and commencing a pilot project to reduce red tape in one community.

Work is required to:

Support partnership development with Indigenous communities

- address the leadership-development needs of Indigenous Coordination Centre managers and enhance the skills of their staff
- establish strategic interventions in selected Indigenous communities in partnership with state and territory governments and the relevant communities
- support communities to develop and implement effective agreements with government and to restore good governance and service delivery to move out of crisis situations
- harness mainstream programs to increase the level of Australian Government 'buy-in' to Shared Responsibility Agreements, as well as increase investment from state and territory governments and other partners
- streamline the mechanisms to engage members of the panels of experts and the list of facilitators to enable access to a range of essential skills and expertise to support Indigenous communities and Indigenous Coordination Centres across Australia
- ensure the targeting of funds for Shared Responsibility Agreements is consistent with the focus on more strategic interventions, whole-of-government activities and state and territory planning processes
- improve performance measurement of Shared Responsibility Agreements and ensure robust mutual obligation commitments to achieve community-identified priorities and goals
- promote regional Indigenous engagement arrangements to Indigenous communities and regions
- implement and monitor the Central Australian Petrol Sniffing Strategy through continued collaborative work across government and with communities. Establish the strategy's eight-point plan in two other areas with funding provided in the 2006–07 Budget
- work out next steps in each COAG trial site collaboratively with lead agencies and state/territory governments in the light of evaluation findings
- refine the Indigenous Women's Development Program, including developing a comprehensive communications strategy, consolidating the evaluation framework and ensuring continuous improvement.

Policy development and innovation

- finalise bilateral agreements with Western Australia, Victoria, Tasmania and the Australian Capital Territory
- develop and implement additional schedules to existing bilateral agreements including outcomes of the Intergovernmental Summit on Violence and Child Abuse in Indigenous Communities
- continue to work across government to develop comprehensive and coordinated responses to the key issues facing Indigenous individuals and families
- review and further develop effective approaches to enabling whole-of-government engagement
- participate in the steering group of the Cape York Institute welfare reform project and advise the government on proposals that emerge.

'Strengthening Leadership Ending Violence' was the central theme at the Indigenous Community Leadership Forum held on 20 June 2006. In bringing members of the Indigenous community together, Minister Brough has taken steps along the path of 'Igniting a grass roots movement of community leaders talking about and acting to improve circumstances in Indigenous families and communities'.



Performance assessment and evaluation

- complete the remaining five COAG trial evaluations
- evaluate Shared Responsibility Agreements
- enhance the performance-management framework used for the Secretaries' Group annual report
- complete the Australian Government Indigenous Management Information System and an Australian Government Investment Map as a planning tool for staff
- develop data-sharing arrangements with state and territory governments
- enhance the online application process for the 2007–08 funding round
- investigate actions that can be implemented across government to deal with issues identified in the red tape evaluation.

Table 2.49 | Financial and staffing resources summary

Output Group 6.1: Whole-of-government coordination of policy development and service delivery of Indigenous Australians	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Price of departmental outputs				
Policy services & program management	12,904	13,336	432	76,275
Service delivery (FaCSIA)	-	-	-	-
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	12,904	13,336	432	76,275
TOTAL FOR OUTCOME 6.1 (Administered expenses and price of departmental outputs)	12,904	13,336	432	76,275
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			419	419

a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.

b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Departmental outputs

Support partnership development with Indigenous communities

Quality

Level of community satisfaction with access to Australian Government services through Indigenous Coordination Centres

The Indigenous Coordination Centres network was strengthened during the year through enhancements to management and provision of training and other support. A new centre was added in Dubbo to focus intergovernmental activities across a significant area of western New South Wales.

The approximately 180 projects developed by Indigenous Coordination Centres were funded from the 2005–06 allocation of \$19.8 million for the Shared Responsibility Agreement Implementation Assistance Program. Engagement with communities proceeded under a broad range of initiatives, including:

- signing and implementing 95 Shared Responsibility Agreements and one Regional Partnership Agreement
- negotiating further regional agreements and formalising engagement arrangements in two regions
- the COAG trials
- joint work with state or territory governments under bilateral agreements
- implementing the Central Australian Petrol Sniffing Strategy.

The common funding round and development of eSub facilitated community access to the core programs administered through Indigenous Coordination Centres.

No formal indications of stakeholder satisfaction have been registered, although the forthcoming evaluation of Shared Responsibility Agreements will examine this issue.

Policy development and innovation

Quality

Degree of satisfaction of key stakeholders with:

- quality and timeliness of advice
- achievement of key tasks
- operation within budget

Feedback from key stakeholders including the Minister, Ministerial Taskforce on Indigenous Affairs and Secretaries' Group indicated their satisfaction with the quality and timeliness of advice and completion of key tasks. All operations were within budget.

Quality

The extent to which OIPC activities have facilitated innovative and effective responses in Indigenous affairs from:

- Australian Government agencies
- states and territories
- community and corporate sectors

In its second year of operation, OIPC has consolidated collaborative relationships with other Australian Government agencies through numerous activities and forums including the Secretaries' Group, senior executive taskforce, COAG trials, and coordination of the Indigenous Budget. The Central Australian Petrol Sniffing Strategy was developed across a range of Australian Government agencies, jointly led by OIPC and the Department of Health and Ageing, and three state and territory jurisdictions. During the year bilateral agreements were signed with three states, the agreement with the Northern Territory extended, and negotiation of further agreements advanced.

At the local and regional level, the approximately 180 projects funded under the Shared Responsibility Agreement Implementation Assistance Program harnessed mainstream funds, including investment in Shared Responsibility Agreements, in the order of \$26.3 million from all Australian Government agencies (including \$8.5 million from OIPC). This is in addition to \$4.9 million from state and territory governments, \$1 million from local government and \$1 million from the corporate and non-government sectors.

The new parameters for the support of regional Indigenous engagement arrangements will facilitate partnership with Indigenous communities, including through the negotiation of Regional Partnership Agreements.

Performance assessment and evaluation

Quality

Level of satisfaction with:

- quality and timeliness of evaluations and reports to the Minister, Secretaries' Group and Ministerial Taskforce
- the utility of these products

Key stakeholders have expressed satisfaction with OIPC's research and evaluation products, including the first Secretaries' Group Annual Report on Indigenous Affairs. The red tape evaluation was well received by the senior executive taskforce and will underpin the development of solutions to the problems raised. The COAG trial evaluations have provided the trial partners at each site with the opportunity to consider progress and forward directions.

The utility of these products will increase with more experience of implementing and evaluating the Indigenous affairs arrangements.

Quality

The extent to which OIPC has developed a sound evidence base to inform policy development

Research and evaluations commissioned by OIPC have added important data to the evidence base. The Australian Government Indigenous Management Information System is under development to collect and collate data from various sources to provide quick access to useful statistical and other information. The demographic data and mapping elements of the system were piloted in 2005–06. An Australian Government Investment Map, also under development, will identify where and how Indigenous services are funded, including drilling down to the regional and community level where practicable.

The Baryulgil Shared Responsibility Agreement (SRA) focuses on increasing school retention via the implementation of the school nutrition program which will provide healthier lifestyle options for the community. The Malabugilmah SRA focuses on upgrading and repairing the wastewater treatment system and constructing a sporting oval and recreational facilities. Both SRA's directly benefit the children of the community—Indigenous Coordination Centre, Coffs Harbour NSW.



Staff Insight

Pia Richter

Indigenous Coordination Centre – South Australia

‘A Shared Responsibility Agreement between the Yalata Women’s Group, OIPC - Ceduna Indigenous Coordination Centre and the South Australian Government developed a basket weaving program aimed at bringing Yalata women together through arts and crafts. It also helped by facilitating discussions with the women on health and well-being issues. The program ran for about six months and was very well received and had some very positive outcomes.

‘The highlight of the program was the baskets and other works being exhibited at the Ceduna Indigenous Cultural Arts Centre.’

OUTPUT GROUP 6.2

Services for Indigenous Australians



Contribution to Outcome 6

Services to Indigenous Australians contributes to Outcome 6 by delivering services aimed at accepting and recognising the collective rights of Aboriginal and Torres Strait Islander people as original custodians of Australia, promoting the repatriation and reconciliation programs and administering the *Aboriginal Councils and Associations Act 1976*.

Strategies

Administration of native title and land rights program

- advise the Minister on the administration of those parts of the *Native Title Act 1993* relating to Native Title Representative Bodies (NTRBs) and Prescribed Bodies Corporate and of Commonwealth land rights legislation
- advise the Australian Government on reforms to improve the delivery of land-related services to Indigenous Australians under legislation
- manage the delivery of OIPC's Native Title and Land Rights Program, including funding, monitoring and evaluating the service delivery and financial accountability of NTRBs, and developing and implementing initiatives to improve the capacity of representative bodies
- provide high-level policy advice in relation to land and resource issues affecting Indigenous Australians, including:
 - progressing the reform of the *Aboriginal Land Rights (Northern Territory) Act 1976* to improve its operation for Aboriginal people and other stakeholders
 - exploring opportunities for Indigenous people to gain economic and social benefits from land use and ownership
 - promoting involvement of Indigenous people in major land and resource projects, such as the Council of Australian Government (COAG) national water initiative.

Administration of repatriation and reconciliation programs

- provide policy advice to government on promoting reconciliation and administering projects and funding to support reconciliation
- provide policy advice to government and facilitating the repatriation of Indigenous ancestral remains held overseas.

Incorporation, regulation and building capacity of Indigenous corporations

- support the delivery of incorporation, regulation and related services for Indigenous people in accordance with the *Aboriginal Councils and Associations Act 1976*
- undertake this work in a manner consistent with the special needs, requirements and risks of Indigenous corporations and within the context of current and emerging Australian and international law and practice on sound corporate governance.

Outputs under Output Group 6.2

Administration of native title and land rights program

Native title

In addition to funding representative bodies for their day-to-day operations, OIPC administered funds of \$2.9 million in 2005–06 on performance enhancement activities for Native Title Representative Bodies, targeting the training and development needs of key staff groups. This is further reported under Outcome 6 Budget measures.

OIPC also worked with the Attorney-General's Department to develop reforms to the *Native Title Act 1993* aimed at more efficient claims processing and less litigation. The reforms will enhance all elements of the native title system and promote agreement-making as the most effective means to resolve native title issues. They include proposed measures announced in November 2005 to improve the effectiveness of Native Title Representative Bodies through:

- broadening the range of organisations that can undertake activities on behalf of claimants
- streamlining the process for withdrawing recognition from poorly performing Native Title Representative Bodies and appointing a replacement
- putting a time limit on the recognised status of Native Title Representative Bodies to ensure a focus on outcomes
- providing Native Title Representative Bodies with multi-year funding to assist their strategic planning.

A discussion paper setting out proposed technical amendments to the *Native Title Act 1993* was released for public comment in November 2005. The government is considering responses received.

Land rights

OIPC advises the Minister on administration of Commonwealth land rights legislation.

The *Aboriginal Land Rights (Northern Territory) Act 1976* has resulted in the transfer of around 45 per cent of the territory's land to Aboriginal ownership under inalienable freehold title. The Act has allowed claims over unalienated Crown land and provides a process for hearing claims by an Aboriginal Land Commissioner, and the grant of land after the consideration of recommendations from the Land Commissioner. The Act also establishes land councils (currently four) to represent Aboriginal interests, and sets out regimes for controlling access to Aboriginal land and managing

development, exploration and mining on Aboriginal land. An amount equivalent to royalties from mining projects on Aboriginal land is channelled to a trust account, the Aboriginals Benefit Account, for the benefit of traditional owners and Northern Territory Aboriginals.

OIPC's responsibilities under the Act include:

- processing reports received from the Aboriginal Land Commissioner, and providing briefings and advice to the Minister
- supporting the Office of the Aboriginal Land Commissioner, which tables a separate annual report
- managing the Aboriginals Benefit Account, which also tables a separate annual report.

OIPC also advises on two further Acts:

- *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*, which provides for the establishment of the Wreck Bay Aboriginal Community Council and the grant of land to Aboriginal people in the Jervis Bay Territory
- *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*, which provides for the grant and administration of two parcels of land in western Victoria.

During the year OIPC assisted in the development of major reforms to the Northern Territory Aboriginal Land Rights Act, announced in two packages on 5 October 2005 and 18 November 2005. After further consultations with Northern Territory Government officials and land council staff, the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006 was introduced to parliament on 31 May 2006. The reforms in the Bill are designed to:

- provide for individual property interests in Aboriginal townships to facilitate home ownership and business development
- streamline processes for development on Aboriginal land
- improve efficiency and enhance accountability of organisations established under the Act
- allow local decision-making where communities want it.

Progress was made on the Jervis Bay Territory land claim, under which the Wreck Bay Aboriginal Community Council has claimed the remaining 8 per cent of the Jervis Bay Territory not already granted. An interdepartmental committee met on several occasions and submitted its position to the council. The council advised that it substantially agreed with this position. The committee is currently considering the Commonwealth's position in light of council's response, and the matter is likely to be finalised in 2006–07.

An agreement between the Australian and the South Australian governments to fund organisations established under South Australian land rights legislation, Maralinga Tjarutja and Anangu Pitjantjatjara Yakunytjatjara, expired on 30 June 2006. Australian Government funding to South Australia will now be delivered in accordance with the bilateral agreement signed between the two governments this year.

Administration of the repatriation and reconciliation programs

OIPC supports the Australian Government's commitment to reconciliation and to the repatriation of Indigenous remains held overseas.

Incorporation, regulation and building capacity of Indigenous corporations

The Registrar of Aboriginal Corporations is a statutory officer appointed under the *Aboriginal Councils and Associations Act 1976* (ACA Act) with 40 departmental staff at 30 June 2006. The Office of the Registrar of Aboriginal Corporations (ORAC) delivers incorporation, regulation and related services to Indigenous people in accordance with the ACA Act.

ORAC performs its work in a way that takes account of the special needs, requirements and risks of Indigenous corporations, consistent with the races power of the Australian Constitution and the *Racial Discrimination Act 1975*. It also performs its functions within the context of Australian and international best practice on sound corporate governance.

ORAC's regulation work is coupled with delivering a suite of responses, such as a unique online Public Register of Indigenous Corporations, a complaints and information line on Indigenous corporations and workshops and accredited training in corporate governance to improve the practices of Indigenous corporations especially those in remote areas.

The Minister introduced the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 into the Australian Parliament on 23 June last year. The Bill affects all corporations registered with ORAC, and will start on 1 July 2007 if passed by parliament.

The Bill is currently being examined by the Senate's Legal and Constitutional Committee, which is expected to report soon. A transitional Bill—the Corporations (Aboriginal and Torres Strait Islander) Miscellaneous and Transitionals Bill—is being drafted to deal with all the practical difficulties for corporations transferring from the old ACA Act to the new law.

Advantages for Indigenous corporations under the proposed new legislation include:

- less reporting for most corporations
- earlier intervention by the registrar to prevent corporations failing
- a new register to record people disqualified from managing a corporation
- extending directors' duties to senior managers to ensure they act in a corporation's best interests
- confirming that ORAC will provide support and training to help corporations succeed.

Performance summary for Output Group 6.2

Key achievements included:

Administration of native title and land rights program

- developing and extending performance enhancement activities for Native Title Representative Bodies
- working with the Attorney-General's Department to develop proposed reforms to the native title system, including to the legislative regime governing Native Title Representative Bodies
- developing and negotiating major reforms to the *Aboriginal Land Rights (Northern Territory) Act 1976*
- assisting the settlement by agreement of the Borroloola No.2, Palm Valley and Loves Creek land claims under the Northern Territory Land Rights Act
- entering bylaws made by the Wreck Bay Aboriginal Community Council on the Federal Register of Legislative Instruments in December 2005

- assisting the interdepartmental committee on the Jervis Bay Territory land claim
- progressing the vesting of land at Lake Condah in Victoria to a successor body to Kerrup Jmara Aboriginal Corporation
- providing input to the resource policies and programs of other agencies for the benefit of Indigenous Australians. For example, the announcement in November 2005 of changed resource allocations in Torres Strait fisheries providing more quotas for Torres Strait Islanders.

Administration of the repatriation and reconciliation programs

- completing five new artworks at Reconciliation Place
- planning for further artworks, under the guidance of an advisory committee
- developing and releasing an Australian Government policy and strategy on the management of overseas repatriation
- finalising formal agreements to repatriate remains from six centres in the United Kingdom - Bristol, Cornwall, Glasgow, Manchester, Newcastle-upon-Tyne and the British Museum
- establishing a repatriation reference committee of Indigenous people with technical and traditional knowledge to guide national consultations on repatriation
- planning for nationwide consultations with Indigenous Australians about the management of remains that cannot be returned to their communities of origin.

Incorporation, regulation and building capacity of Indigenous corporations

- overseeing a total of 2,529 corporations registered under the *Aboriginal Councils and Associations Act 1976* at the end of 2005–06, a targeted reduction of nearly 2 per cent in corporation numbers
- achieving ORAC's highest compliance result with some 46 per cent of corporations compliant under the ACA Act for 2004–05
- achieving very positive findings following a review of ORAC's training in corporate governance
- actively regulating corporations to avoid corporate failure, including 49 examinations (good governance audits)
- progressing the Corporations (Aboriginal and Torres Strait Islander) Bill 2005.

Work is required to:

Administration of native title and land rights program

- developing and implementing systems for multi-year funding of Native Title Representatives Bodies to facilitate strategic planning and assist with the recruitment, development and retention of professional staff
- establishing a healthy and productive interaction between representative bodies and the new common services provider, and ensuring that staff recruitment and retention issues and staff development and training needs are identified and addressed through the new common services provider arrangements
- improving monitoring of Native Title Representative Body performance

The Shared Responsibility Agreement provides for education and training development. The Regional Partnerships Agreement is signed at the Warburton community — Indigenous Coordination Centre, Kalgoorlie, WA.



- ensuring continuing compliance with performance expectations and funding terms and conditions, including remedial assistance as necessary to develop an organisation's capacity to achieve compliance
- fostering development and adoption of best-practice ethical standards in the operations of Native Title Representative Bodies, particularly in relation to their interaction with Indigenous clients and claimant groups, including decision-making on representation and funding support
- ensuring the timely implementation of the township leasing scheme subject to passage of the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006
- finalising the Jervis Bay Territory land claim
- finalising the vesting of land at Lake Condah.

Administration of the repatriation and reconciliation programs

- designing and installing further artworks at Reconciliation Place, with effective input from the advisory committee
- progressing negotiations for the return of the bulk of Indigenous remains from the United Kingdom (around 500) held in only two institutions: the Natural History Museum and the University of Cambridge
- conducting inventories of Indigenous remains held in collections in the United States of America and Europe, and informing Indigenous communities of the known extent of their remains held overseas
- progressing national consultations with Indigenous Australians on the management of remains that cannot be returned to country, under the guidance of the repatriation reference committee.

Incorporation, regulation and building capacity of Indigenous corporations

- increasing the compliance of corporations
- extending the Office of the Registrar of Aboriginal Corporations (ORAC) training further into remote regions, targeting women, young people and senior staff
- preparing for the commencement of the Corporations (Aboriginal and Torres Strait Islander) Bill on 1 July 2007, including the register of disqualified directors
- developing a specialist recruitment service to support Indigenous corporations.

Table 2.50 | Financial and staffing resources summary

Output Group 6.2: Services for Indigenous Australians	(A) Budget ^a 2005–06 \$'000	(B) Actual 2005–06 \$'000	Variation (column B minus column A) \$'000	Budget ^b 2006–07 \$'000
Price of departmental outputs				
Policy services & program management	538	556	18	3,178
Service delivery (FaCSIA)	2,630	2,718	88	15,548
Service delivery (Centrelink)	-	-	-	-
Service delivery (Other)	-	-	-	-
Total price of departmental outputs	3,168	3,274	106	18,726
TOTAL FOR OUTCOME 6.2 (Administered expenses and price of departmental outputs)	3,168	3,274	106	18,726
Staffing Years (Number)			2005–06	2006–07
FaCSIA (including the Social Security Appeals Tribunal)			103	103

- a Final estimates have been used for administered annual appropriations, administered special appropriations and departmental annual appropriations, restated in the six outcome structure used for Financial Statement reporting in 2005–06.
- b 2006–07 Budget prior to additional estimates—figures have been restated from the four outcome reporting structure used in the 2006–07 PBS to the six-outcome structure used for Financial Statement reporting 2005–06.

Performance information

Departmental outputs

Administration of native title and land rights program

Quantity

Increase in area and economic use of lands granted under relevant legislation

Traditional owner groups holding title to around 45 per cent of the Northern Territory receive revenue from permits, mining tenements, leases and payments received from the Crown for use of land. Legislative reforms were advanced to promote greater economic use of Aboriginal land in the Northern Territory, and a number of projects were funded from the Aboriginals Benefit Account to facilitate regional economic development. Three land claims were finalised, resulting in the grant of a large number of islands and islets in the western Gulf of Carpentaria region, an area of about 21,110 hectares.

The Wreck Bay Aboriginal Community Council holds secure freehold title to over 92 per cent of the Jervis Bay Territory, yielding revenue from Booderee National Park entry fees and tourism in the park, rental of residential property and service-delivery contracts by Wreck Bay Enterprises Ltd. The council's claim to the remaining 8 per cent of the territory was progressed during the year.

Relevant corporations controlled and managed Aboriginal land under the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987* yielding revenue through tourism and related enterprises.

Quality

Aboriginal lands and associated assets effectively managed by funded organisations in compliance with policy and legislative requirements

Funded bodies in the Northern Territory generally complied with policy and legislative requirements. Under the *Aboriginal Land Rights (Northern Territory) Act 1976*, land councils represent Aboriginal land owners and Aboriginal people who are parties to land claims. Other functions during the year have included:

- consulting with landowners on mining activities, employment and economic development opportunities and other land-use proposals
- protecting Aboriginal cultural heritage
- promoting community development and improving service delivery
- helping resolve land disputes, native title claims and compensation cases
- running the permit system for visitors to Aboriginal land.

The Aboriginal Land Rights (Northern Territory) Amendment Bill 2005 was developed to change the legislative regime in relation to these organisations. Subject to the passage of the Amendment Bill, land councils will no longer have an entitlement to a percentage of royalty equivalents received by the Crown from mining activities undertaken on Aboriginal land.

In the Jervis Bay Territory the Wreck Bay Aboriginal Community Council lodged its 2004–05 annual report late. Revenue foregone due to failure to collect appropriate rent from community housing stock impacted negatively on the council's capacity to address a housing shortage at Wreck Bay Village.

Relevant Aboriginal corporations complied with the *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*.

Price

See table 2.47 page 221.

Administration of the repatriation and reconciliation programs

Quality

Repatriation management policy developed and consultation with key stakeholders effectively managed

A repatriation policy and strategy was developed and approved by the Prime Minister. All consultation with key stakeholders relating to both programs was effectively managed.

Price

See table 2.47 page 221.

Incorporation, regulation and building capacity of Indigenous corporations

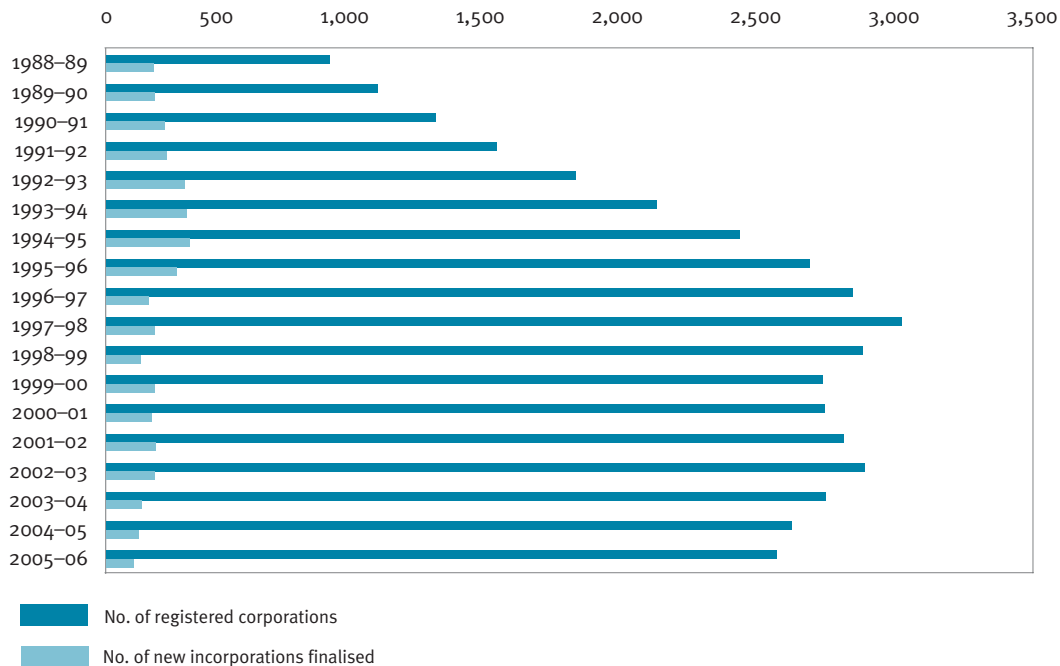
Quantity

Number of corporations incorporated under the *Aboriginal Councils and Associations (ACA) Act 1976*

Target: 2,500.

At 30 June 2006, 2,529 corporations were registered under the ACA Act. This is a targeted reduction of 2 per cent in line with an emphasis on ‘responsible and necessary incorporation’. After rapid growth in Indigenous corporations under the ACA Act in the early 1990s, the number of incorporations annually remained steady for some years and has now started to decline (see figure 1 and table 1). It is estimated that at least as many Indigenous corporations are incorporated under other legislation. However, some of these corporations are interested in transferring to ORAC when the new Corporations (Aboriginal and Torres Strait Islander) Bill commences, to gain the benefits of ORAC’s support and preventative work.

Figure 2.14 | Registered and new corporations, by year, 1988-89 to 2005-06



Corporations functions are diverse, from providing services such as health care and power supply to simply holding land. Many corporations are multifunctional.

Most groups incorporated under the ACA Act are located in remote areas and are publicly funded. However, some generate substantial private income—for example, corporations linked to mining compensation or to the Indigenous arts industry. Many hold significant community assets that were funded publicly and are now held privately by the corporations. See figure 2.15 and table 2.52 for the number of corporations, by income and assets, at 30 June 2006.

Table 2.51 | No. of registered and new corporations

	No. of registered corporations	No. of new incorporations finalised
1988–89	843	180
1989–90	1,024	181
1990–91	1,244	220
1991–92	1,474	230
1992–93	1,772	298
1993–94	2,076	304
1994–95	2,389	313
1995–96	2,654	265
1996–97	2,816	162
1997–98	2,999	183
1998–99	2,853	128
1999–00	2,703	183
2000–01	2,709	171
2001–02	2,783	187
2002–03	2,861	183
2003–04	2,713	134
2004–05	2,585	120
2005–06	2,529	102

Figure 2.15 | Number of registered corporations by income and assets at 30 June 2006

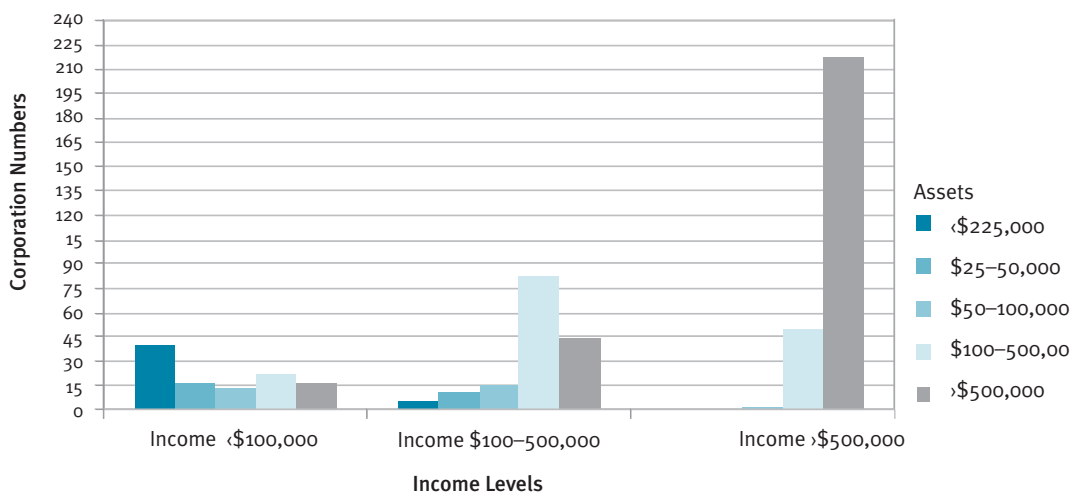


Table 2.52 | Number of corporations by income and assets at 30 June 2006

Assets	<\$25,000	\$25-50,000	\$50-100,000	\$100-500,000	>\$500,000	Total
Income <100,000	40	17	13	22	17	109
Income 100-500,000	6	11	15	83	44	159
Income >500,000	0	0	1	50	218	269
TOTALS	46	28	29	155	279	537

Notes:

1. Income = total grant plus other income. Assets = total of current plus non-current.
2. Income and assets are for the financial year 1 July 2004 to 30 June 2005.
3. Annual reports for 2005-06 are not due until 1 October 2006.

Quantity

Number of days of non-accredited training in corporate governance

Target: 70.

The ORAC training team consolidated its program of training in Queensland during 2005–06 and began adapting the three-day workshop and Certificate IV in Business (Governance) for use in more remote areas where most of ORAC's corporations are located. Training is based on ORAC's commitment to improve the sustainability of corporations and is undertaken using a tailored training method and materials. The training complements rather than duplicates mainstream programs and is offered to targeted high need localities and groups around Australia. The Certificate IV in Business (Governance) is increasingly being run independently of ORAC through some TAFE and private registered training organisations, and ORAC shares its materials with other providers.

An essential part of ORAC's incorporation work is providing information and assistance to groups before they incorporate and after they have incorporated. ORAC also helps corporations to manage disputes, although it does not act as a mediator.

ORAC's 2005–06 target of 70 days of non-accredited training has been exceeded, providing a total of 88 days of training and information sessions made up of:

- sixty-seven days of information sessions, consisting of one-day and half-day sessions, attended by 992 participants, primarily covering urgent or pre-incorporation corporate governance issues
- seven three-day introductory corporate governance workshops, including a remote workshop (that is, 21 days in total). ORAC's three-day workshops were attended by 127 participants and provide board members, senior staff and members with key corporate governance skills and encourage further accredited study.

ORAC conducted a review of its training in September 2005, looking at external evaluations and internal data, as well as an independent impact assessment of the Certificate IV in Business (Governance). The summary of the review is on ORAC's website at www.orac.gov.au

Key findings were:

- the training has met its original objectives and has performed very well against relevant indicators
- the scale of social capital built in communities as a result of the training is far greater than anticipated and will assist communities to engage with government
- the training addresses an important need, and the consequence of not addressing this need will be high levels of corporate failure and poor corporate practices which will ultimately undermine efforts to improve Indigenous life outcomes
- training has contributed to improved Indigenous governance and management by targeting Indigenous board members and key staff involved with critical sectors (for example, family violence, women's organisations), highest risk essential service organisations and in high need regions.

ORAC has produced a range of plain English publications and audiovisual materials aimed at making information more accessible to corporations in remote areas. Publications include visual tools and materials targeted toward Indigenous language speakers.

ORAC has also developed materials explaining the new Corporations (Aboriginal and Torres Strait Islander) Bill, including a national Indigenous radio campaign, an information booklet, a DVD, fact sheets and website animation.

Quantity

Number of days of accredited training including Certificate IV in Business (Governance) and diplomas

Target: 150

The Certificate IV in Business (Governance) is offered to directors and members of corporations who have completed the three-day introductory corporate governance workshop. These people are funded by ORAC to undertake the training, although it is increasingly being run through some TAFE and private registered training organisations independent of ORAC.

ORAC fell short of its target of accredited training with:

- five and a quarter accredited Certificate IV in Business (Governance) courses delivered over 21 blocks (98 days). The ORAC shift in focus to training in remote communities reduced the outputs because this kind of training takes longer due to cultural and language issues. Also there were changes in participants' entitlements to cover their costs, so ORAC's delivery costs were increased. However, ORAC's excellent retention rate has been maintained
- one hundred and forty-five students have completed the course since it was made available three years ago—135 have completed all assessments to the standard required to be awarded the Certificate IV, giving a retention rate of nearly 93 per cent.

Quantity

Number of examinations or reviews conducted

Target: 50.

Corporations that should be compliant under the ACA Act were targeted for regulation such as formal follow-up and examination.

In 2005–06 ORAC initiated 49 examinations of corporations, almost meeting the target of 50. Corporations for examination were selected in response to evidenced problems or as part of a program of rolling examinations responding to risk analysis involving criteria such as size, purpose, time since last examination, compliance status and history of member or other complaints. At June 2006:

- 10 (20 per cent) of the 49 examinations are operating well and require no further action
- 10 (20 per cent) of examinations remain under consideration for further action
- 19 (39 per cent) of the examinations initiated this year, plus a further 15 carried over from 2004–05, required rectification of less serious matters, involving the issue of a section 60A notice under the ACA Act
- six (12 per cent) of this year's examinations, plus a further five carried over from 2004–05, raised serious matters and have been required to advise why an administrator should not be appointed, involving the issue of a section 71 notice under the ACA Act. Of these 11, 10 administrators were appointed and one section 60A notice was subsequently issued

- four corporations required a liquidator to be appointed
- nine administrations continued from previous years, a total of 14 were appointed and one cancelled in 2005–06, making 22 administrations in progress at 30 June 2006, the highest in ORAC’s history.

The trend for high numbers of examinations shows ORAC is an active regulator. Examinations initiated, administrations appointed and deregistrations completed are shown in table 2.53.

Table 2.53 | Number of examinations initiated, administrations appointed and deregistrations completed 2002–03 to 2005–06

Regulatory actions	2002–03	2003–04	2004–05	2005–06
Examinations initiated	35	54	61	49
New administrations appointed	8	7	7	14
Deregistrations completed	116	282	269	180
Reinstatements				12

Quality

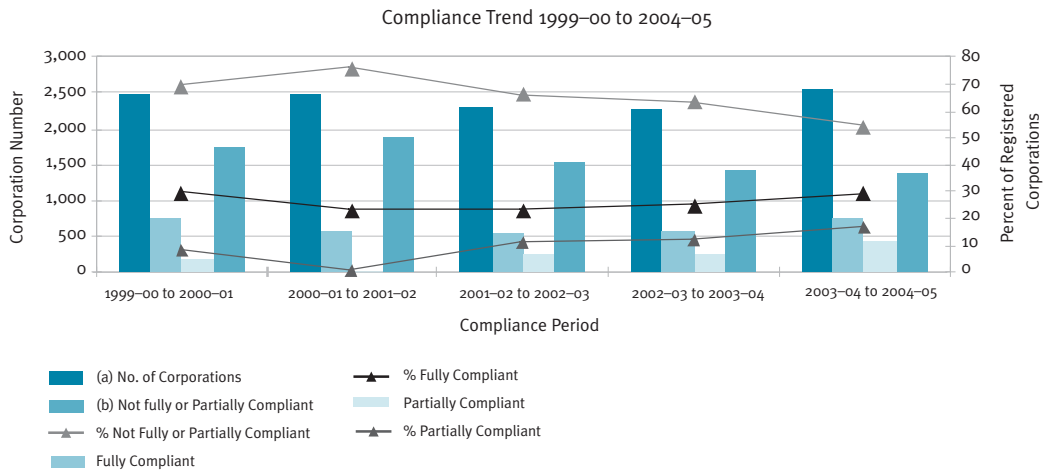
Percentage of corporations compliant with reporting requirements under the *Aboriginal Councils and Associations Act 1976*

Target: 55 per cent.

Under the ACA Act all corporations are required to submit certain documents to ORAC which are placed on the public register, including a list of members and financial reports, unless the corporation is exempted by the registrar.

Approximately 46 per cent of corporations have provided the three key reports (audit report, balance sheet and income and expenditure) required under the ACA Act for 2004–05 or have been exempted due to their size. While this does not meet the PBS estimate, it is the highest compliance result ORAC has ever had. Compliance with reporting is set out in figure 2.16 and table 2.54.

Figure 2.16 | Compliance of corporations, by number of corporations, 1999–00 to 2004–05



Note: Fully or partially compliant means that either five or three key annual return documents respectively have been provided by the corporation for the relevant two consecutive year period. The above figure shows all returns received by ORAC as at 30 June 2006. Corporations are not required to provide annual returns for 2005–06 until 31 December 2006.

Table 2.54 | Compliance trend 1999–00 to 2004–05

Compliance period	(a) No. of corporations	Fully compliant	Partially compliant	(b) Not fully or partially compliant	% Fully compliant	% Partially compliant	% Not fully or partially compliant
1999–00 to 2000–01	2,490	739	195	1,727	30	8	69
2000–01 to 2001–02	2,497	576	26	1,895	23	1	76
2001–02 to 2002–03	2,308	528	264	1,516	23	11	66
2002–03 to 2003–04	2,259	564	270	1,425	25	12	63
2003–04 to 2004–05	2,543	741	429	1,373	29	17	54

Many more corporations are now obtaining exemptions from some reporting requirements in recognition of their lack of capacity to report—that is, if they are not funded then they are not normally required to provide an audited financial statement and ORAC will usually grant an exemption.

Although most corporations (54 per cent) remain non-compliant with reporting requirements under the ACA Act, compliance improved in 2005–06 by 6 per cent. This improvement is a result of ORAC analysing non-compliance and implementing a plan for appropriate follow-up. Many of the non-compliant corporations are not funded at all, hold land only and may have no capacity to apply for even an exemption. The new Corporations (Aboriginal and Torres Strait Islander) Bill 2005 will enable more streamlined exemptions for some reporting—that is, exemptions for audited financial statements when warranted.

Because of its productive relationships with funding bodies ORAC has been able to establish which corporations are technically non-compliant but have in fact submitted reports required under the ACA Act to funding bodies and are operating well. Corporations that should be compliant under the ACA Act were targeted for regulation such as formal follow-up and examination. Non-compliant corporations that are no longer operating were deregistered.

Quality

Level of satisfaction with responses to Ministerial correspondence

ORAC's response to Ministerial correspondence is generally very prompt and comprehensive. ORAC has also supported the Minister in the development of the Corporations (Aboriginal and Torres Strait Islander) Bill and the Corporations (Aboriginal and Torres Strait Islander) Miscellaneous and Transitions Bill.

PART 3

MANAGEMENT AND ACCOUNTABILITY



Corporate governance and performance	272
Enabling and valuing our people	284
Environmental management	290
External scrutiny	292
Information strategies and technology management	302
Ministerial and parliamentary services	304
Partnerships for people	312
Right payments to the right people	316
Social Security Appeals Tribunal	324

CORPORATE GOVERNANCE AND PERFORMANCE



FaCSIA has in place necessary governance and management arrangements to control and improve accountability of its operations.

Boards and committees

When FaCSIA was created in January 2006, a review of governance arrangements occurred to ensure alignment with the business of the new department. New arrangements for committees were put in place in March 2006.

Before the machinery-of-government changes in January 2006, the department's Executive Management Group comprised the secretary (chair), deputy secretaries and all group managers. Within the Office of Indigenous Policy Coordination (OIPC), the Senior Governance Committee was the Management Committee, which comprised the associate secretary (chair), the secretary of the Department of Immigration, Multicultural and Indigenous Affairs, the deputy secretary, group managers, and the Registrar of Aboriginal Corporations.

The Executive Management Group has now become a smaller committee, consisting of the secretary (chair), the associate secretary, deputy secretaries, the chief financial officer, the group manager corporate support and the group manager with responsibility for the FaCSIA regional network. The Executive Management Group is the principal decision-making and advisory forum supporting the secretary's governance obligations. It meets weekly and considers strategic issues, organisational performance, resource allocation, financial and resource management, accountability requirements, and monitors the progress of major projects.

Legally required committees

The Risk Assessment and Audit Committee reports directly to the secretary. OIPC had a group manager representative on the Department of Immigration, Multicultural and Indigenous Affairs' Departmental Audit and Evaluation Committee.

The FaCSIA Risk Assessment and Audit Committee plays a key role in the department's corporate governance. It helps ensure effective and efficient use of resources by reviewing the performance and operation of internal controls and performance management systems. The committee

approves FaCSIA's Internal Audit Program and advises the executive on risk, fraud, compliance and performance. It also provides assurance to the secretary on preparing and reviewing financial statements.

The Risk Assessment and Audit Committee is chaired by a deputy secretary. Membership includes three group managers and two independent members external to the department. The committee keeps the Executive Management Group informed following each meeting.

Committees reporting to the Executive Management Group

FaCSIA Finance Committee

The FaCSIA Finance Committee reviews the department's financial policies and financial control framework. The chief financial officer chairs this committee, which meets and reports quarterly to the Executive Management Group.

FaCSIA Ethics Committee

FaCS did not have an ethics committee as the monitoring of systemic fraud was undertaken by the Risk Assessment and Audit Committee. The OIPC Ethics Committee reviewed allegations of fraud, misconduct, misbehaviour or impropriety, and oversighted responses to such allegations.

The new FaCSIA Ethics Committee determines the ethical position of the department in any governance situation of significance, doubt or difficulty. It determines and oversees remedial action, which may result from program operation or delivery, and oversees the department's responses to allegations of fraud, misconduct, misbehaviour or impropriety. The committee is chaired by the associate secretary and meets quarterly. Three group managers and the senior Indigenous mentor are members of the committee.

FaCSIA Business Information Technology Committee

Before January 2006, the department's Business Information Technology Committee provided leadership on information technology and infrastructure. The OIPC systems committee had a similar role.

Within broad direction set by the FaCSIA Executive Management Group, the information technology committee is now the major decision-making body for long-term information technology infrastructure and project planning for the department. It is chaired by the associate secretary and meets quarterly. Its members include three group managers, two branch managers, and the chairs of any information technology sub-committees that are operating.

FaCSIA Indigenous Senior Reference Group and Indigenous Policy Forum

Before the changes to the portfolio structure, the department's Indigenous Senior Reference Group's role was to set the department's strategic directions on Indigenous issues. OIPC's policy forum focused on developing approaches to whole-of-government Indigenous policy.

The FaCSIA Indigenous Policy Forum now supports development of the department's approaches to whole-of-government Indigenous policy and service delivery. It is chaired by a deputy secretary and meets monthly, or as required. Membership includes a range of group managers, the Registrar of Aboriginal Corporations, and the senior Indigenous mentor.

FaCSIA Program Design Committee

The FaCSIA Program Design Committee is in place for a transitional period to oversee business process re-engineering, strategies for improving the department's engagement with community services organisations and the associated change processes. The committee is chaired by a deputy secretary and after initially meeting weekly, now meets monthly. There are 10 group managers and two branch managers on the committee.

FaCSIA Research and Evaluation Committee

Under the department's former structure, a research committee (a sub-committee of the FaCS Executive Management Group) advised on the direction and priorities of the department's research effort. A data committee was responsible for an overall departmental approach to data management. OIPC did not have equivalent committees as line areas dealt with research and data matters.

The FaCSIA Research and Evaluation Committee assumed the responsibilities of the previous research and data committees following the machinery-of-government changes. The committee ensures research and evaluation is focused on FaCSIA's strategic priorities, makes decisions on new investments in research and evaluation, and oversees major research and evaluation activities. It is chaired by the deputy secretary responsible for social policy and meets monthly. Three group managers and five branch managers are on the committee.

FaCSIA People Committee

OIPC had a people committee, which was a sub-committee of the Management Committee. Under the department's previous structure, there was no active people committee as strategic workforce and human resource issues were considered by the Executive Management Group.

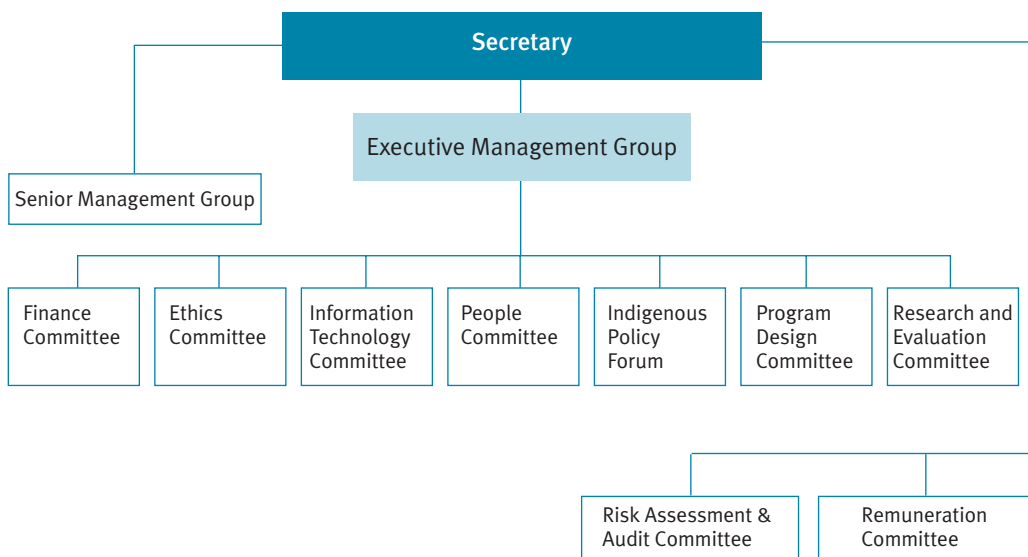
A new FaCSIA People Committee is now active to ensure human resources are aligned with the department's strategic directions and business priorities. It is chaired by the group manager, corporate support and meets quarterly. The committee includes one deputy secretary, two group managers, two branch managers, the senior Indigenous mentor and two managers from the regional network.

Committees reporting to the secretary

The Remuneration Committee was established in 2005 to advise the secretary on the development and implementation of remuneration policy, and provide advice on Australian workplace agreement offer proposals. The OIPC did not have an equivalent committee. The committee is chaired by a deputy secretary and meets monthly or as required.

The FaCSIA Senior Management Group was established in January 2006. It comprises the secretary (chair), associate secretary, all deputy secretaries, all group managers, the Registrar of Aboriginal Corporations and the senior Indigenous mentor. The group, which meets monthly, is the primary forum for senior executive consultation with group managers and considers the alignment of policy with organisational strategy.

Figure 3.1 | FaCSIA Governance



Senior management

An associate secretary and three deputy secretaries assist the Secretary, Dr Jeff Harmer, in leading and managing the department.

Associate Secretary, Wayne Gibbons, has leadership responsibility for OIPC and the department's Information Management and Technology Group.

Each deputy secretary works with group managers who are responsible for nominated strategic outcomes and for ensuring branches and state and territory offices in each group achieve their business results.

The deputy secretaries worked with the following group managers in 2005–06:

Glenys Beauchamp	Stephen Hunter	Bernie Yates
Social Policy Robyn McKay	Housing and Disability Robert Knapp	Program Operations Roger Barson
Families David Hazlehurst	Communities Cate McKenzie	Performance Jenny Bryant
Children Liza Carroll	Corporate Support Andrew Wood	Policy Helen Hambling
Women and Youth Kerry Flanagan	Business and Financial Services Tim Youngberry	Land and Resources Peter Vaughan
		Leadership Development Kerrie Tim

Under the leadership of group managers, the department's branch managers and state and territory office managers are responsible for delivering FaCSIA programs and services.

Internal audit

FaCSIA – internal audit

FaCSIA finalised 14 internal audits in 2005–06 and commenced work on 11 others. These audits were from the audit work plans approved by the FaCSIA Risk Assessment and Audit Committee in 2003–04, 2004–05 and 2005–06. Two audits were deferred from the 2005–06 work plan. Ernst and Young was the primary external provider of the internal audit function. The secondary external provider, KPMG, was called upon to undertake one audit this year.

Work on the following audits was completed during 2005–06:

- management of employment assistance for the People with Disability Program
- review of corporate governance and accountability arrangements
- project management
- management of Cabinet decisions and classified information
- tendering and contracting
- FaCSIA Online Funding Management System governance arrangements
- property management
- unrecorded prior service
- business planning
- cash management procedures and business processes
- review of FaCSIA's contract management: Getronics
- Indigenous Coordination Centres – financial management (OIPC)
- Child Care Benefit – assessment of need, allocation of places and approvals
- Native Title funding (OIPC) (Phase 1).

Work on the following audits commenced during 2005–06:

- Indigenous Coordination Centres – program administration
- integration of staff transferring in following machinery-of-government changes
- international social security agreements
- procurement (tendering and selection)
- evaluation
- management of IT access security
- regulatory compliance and business processes follow-up
- financial management and accountability delegations
- IT and internet security
- management representative letters
- Native Title funding (OIPC) (Phase 2).

Other major activities included:

- providing support to the FaCSIA Risk Assessment and Audit Committee
- monitoring the implementation of recommendations from audits by the Australian National Audit Office (ANAO) and FaCSIA's internal audit, including through the development and maintenance of an audit-monitoring database
- monitoring the findings and recommendations from audit activity undertaken by Centrelink where such recommendations have an impact on FaCSIA's funded programs delivered through Centrelink
- reviewing relevant audit activity at OIPC prior to the January 2006 changes, and incorporating this into the portfolio.

Project management

FaCSIA – project management

The department continued work towards greater project management maturity and knowledge through Project Management Integration Office.

Project status reporting to the Executive Management Group recommenced in July 2005 for significant projects. A series of education initiatives, including project planning sessions, one-on-one education, mentoring and coaching were also implemented for staff in national and state and territory offices.

FaCSIA continued to work closely with the Department of Prime Minister and Cabinet and other Australian Public Service agencies to support a whole-of-government approach to applying project management processes and methodologies to major initiatives.

Risk management

FaCSIA – risk management

Risk management is an important part of good corporate governance and in 2005–06 the department adopted the Australian and New Zealand risk management standard (AS/NZS 4360:2004) into its risk management policy.

The FaCSIA Risk Management Unit has been working closely with the Executive Management Group, Risk Assessment and Audit Committee, and the Internal Audit Unit to develop operational strategies to manage exposure to risk using an enterprise-wide approach.

Achievements this year include:

- regular reviews of the department's strategic risk management planning process from which organisational strategic risks have been identified
- adoption of a new framework for the quarterly strategic risk report
- development of a working risk environment document to help identify sources of risk across different areas of FaCSIA business
- production, completion and analysis of an internal risk survey
- starting development of a uniform methodology to undertake risk assessments
- important progress on identifying new risks associated with the January 2006 changes and their integration into FaCSIA's risk management framework
- implementation of a new e-helpdesk to facilitate risk queries
- building synergies through combined use of risk management, project management, core business processes and other governance tools.

Protective security

FaCSIA – protective security

FaCSIA continues to commit resources to strengthen and maintain the department's protective security framework.

The FaCSIA Security Action Plan contributes to achieving greater compliance with the Australian Government's Protective Security Manual 2005. A focus on increasing staff awareness has been maintained including staff training and a range of other awareness raising initiatives.

In 2005–06, FaCSIA had no events that developed into major security incidents.

Financial management

Asset management

FaCSIA inherited assets of significant monetary and cultural value following the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) and the Aboriginal and Torres Strait Islander Services (ATSIS). These are currently housed in a secure location and have been fully catalogued pending a decision on future ongoing arrangements.

Purchasing

The department's purchasing activities are consistent with the FaCSIA Chief Executive Instructions and internal procurement guidelines, which are in accordance with the Commonwealth Procurement Guidelines.

Summary of consultancy services contracts

During 2005–06, 167 new consultancy contracts were agreed involving total actual expenditure of \$12.5 million. In addition, 70 ongoing consultancy contracts were active during the year involving total actual expenditure of \$27.2 million.

Summary information on consultancy services for FaCSIA and SSAT is set out below in tables 3.1 to 3.3.

Table 3.1 | New consultancies let in 2005–06, number and financial year expenditure (GST-inclusive)

	Number let	Expenditure in 2005–06 (GST-inclusive)
FaCSIA core	167	\$12,355,036
SSAT	5	\$123,709
Total	172	\$12,478,745

Note: includes consultancies less than \$10,000 in value

Table 3.2 | Ongoing^(a) consultancies active in 2005–06, number and financial year expenditure

	Number ongoing	Expenditure in 2005–06 (GST-inclusive)
FaCSIA core	68	\$27,039,137
SSAT	2	\$152,294
Total	70	\$27,191,431

(a) An ongoing consultancy is any consultancy let prior to 1 July 2005 that remained active in the 2005–06 financial year.

Note: includes consultancies less than \$10,000 in value.

Table 3.3 | Total expenditure on consultancy contracts (new and ongoing) during the financial years 2003–04, 2004–05 and 2005–06, (GST-inclusive)

	2003–04	2004–05	2005–06
	\$19,819,980 (a)	\$21,124,208 (b)	\$39,670,176(b)

(a) Expenditure in 2003–04 includes expenditure relating to consultancy contracts let prior to 2003–04 and consultancies less than \$10,000 in value. Includes FaCS core, Child Support Agency and Social Security Appeals Tribunal.

(b) Expenditure in 2004–05 and 2005–06 includes expenditure relating to consultancy contracts let prior to 2004–05 and consultancies less than \$10,000 in value. Includes FaCS core and Social Security Appeals Tribunal, but excludes expenditure related to the Child Support Agency, which has been included as part of the 2003–04 figures for historical purposes.

Glenys Beauchamp, Deputy Secretary, joined Brian Babington, Chief Executive Officer, Families Australia as they celebrated the start of National Families Week—May 2006.



Harm Prevention Charities Register

The Harm Prevention Charities Register was introduced on 1 July 2003 in response to the Inquiry into the Definition of Charities and Related Organisations.

Charitable institutions whose principal activity is to promote the prevention or control of behaviour that is harmful or abusive to humans can apply for entry to the register. Entry helps charities to attract public support by making donations and gifts to those charities tax deductible.

The department assessed 17 applications for the register during 2005–06 against eligibility criteria. Eligible applications were then submitted to the Minister for Families, Community Services and Indigenous Affairs and the Minister for Revenue and Assistant Treasurer for their consideration. There are currently 13 institutions listed on the register.

Fraud control

FaCSIA – fraud control

FaCSIA has a fraud control plan in place for the period 2005–07 that complies with the Commonwealth Fraud Control Guidelines.

During the year the department addressed its fraud control responsibilities mainly through the Audit and Fraud and Investigation Services Branches.

The Audit and Fraud Branch is responsible for providing fraud awareness training and advice on policy, guidelines and procedures to FaCSIA staff. The branch is also responsible for managing and coordinating all fraud and serious misconduct investigations.

The Investigation Services Branch is responsible for investigating matters relating to Indigenous programs and for coordinating those investigations requiring a whole-of-government response.

Certification of fraud control arrangements follows.

CERTIFICATION OF DEPARTMENTAL FRAUD CONTROL ARRANGEMENTS

I, Jeffrey Harmer, certify that I am satisfied that for the financial year 2005 / 2006, the Department of Families, Community Services and Indigenous Affairs has had:

- appropriate fraud risk assessments and a fraud control plan prepared that comply with the Commonwealth Fraud Control Guidelines;
- appropriate fraud prevention, detection, investigation and reporting procedures and processes in place; and
- annual fraud data that has been collected and reported in compliance with the Commonwealth Fraud Control Guidelines.



Dr. Jeffrey Harmer
Secretary

Date: 3 July 2006.

Management of ethical standards

FaCSIA – management of ethical standards

FaCSIA continues to promote the Australian Public Service (APS) Values and APS Code of Conduct to employees. They are complemented by FaCSIA-specific values and leadership behaviours that have immediate relevance and application to FaCSIA employees.

The APS Values and Code of Conduct together with FaCSIA's values and leadership behaviours are published on the department's intranet, used in orientation programs for new employees and in online courses for existing employees.

The FaCSIA Ethics Committee provides a strategic focus on the management of fraud and its prevention.

Results of investigations

Two investigations into possible breaches of the APS Code of Conduct were completed during the year. In one matter, no breach was found. In the other, a breach was found relating to conflict of interest and inappropriate use of position and a sanction was applied.

Service charter

FaCSIA – service charter and performance

The FaCSIA Service Charter sets out the standard of service that people who deal with the department can expect and the ways they can help it improve service to customers. The charter also helps FaCSIA staff develop a better understanding of their roles and responsibilities.

FaCSIA Complaints Management Scheme

The FaCSIA Complaints Management Scheme is a component of the FaCSIA Service Charter and provides an effective means of resolving client concerns quickly and effectively, and identifying issues that require remedial action.

For 2005–06, FaCSIA registered 31 complaints. At 30 June 2006, 26 complaints had been resolved and five complaints were still being dealt with.

Of those complaints received, 24 were about service providers, three were related to government policy, three were related to service by FaCSIA and one to program design.

Table 3.4 | FaCSIA complaints management scheme

Category		Total			
Service provider	Government policy	FaCSIA service	Program design	Received	Finalised
24	3	3	1	31	26

ENABLING AND VALUING OUR PEOPLE



Staff Insight

Rebecca Ong

Child Care Performance Management

'Returning to work after maternity leave is always a challenge. Add to that challenge, twin girls and you have a need for an understanding and supportive workplace. I am new to the public service, and have been most impressed with the support and facilities offered by FaCSIA. I made the choice to work full time, and having arranged care for my three children, I had the option to continue breastfeeding.'

'In many other workplaces I would have needed to cut into my leave or flex time. However, by having access to the family room at FaCSIA, it is possible for me to continue working, while meeting the needs of my children. Each day I go to the family room on the first floor of Juliana House, and am able to log onto the computer and continue working. I am easily contactable via email or phone and am able to access all my files on the system. This arrangement is beneficial to myself, my family and FaCSIA in balancing work and family commitments.'

Capability development

Integrated capability development framework

FaCSIA has developed an integrated capability framework that identifies and addresses both organisational and individual capability needs.

The framework is aligned to FaCSIA's strategic framework and consists of 16 core capabilities that FaCSIA has identified as a requirement to being a high performing organisation, now and into the future.

These core capabilities comprise:

- ▶ six core business processes
 - policy development and advice
 - program design and implementation
 - managing stakeholder engagement

- issues management
- governance and resource management
- whole-of-government participation and leadership
- five leadership capabilities
 - set the direction
 - provide clear and consistent guidance
 - achieve results
 - set the example
 - value and develop staff
- five organisational values (which are underpinned by the APS Values)
 - respect
 - collaboration
 - professionalism
 - results
 - innovation.

The 16 core capabilities are underpinned by a set of behavioural descriptors that define the desired behaviour of individuals by job classification level.

The integrated capability framework has been embedded into the organisation through the FaCSIA individual performance management system.

The framework supports the building of organisational capability by aligning to human resource strategies and their implementation, including workforce planning, recruitment and retention, and learning and development.

Leadership capability

FaCSIA continues to strengthen its leadership capability through internal development programs with an emphasis on leadership and change management. FaCSIA is also continuing to support participation in external leadership development opportunities such as:

- the Australian and New Zealand School of Government Executive Fellows Program and Executive Master in Public Administration
- the Australian Public Service Commission's Career Development Assessment Centres and Leading Australia's Future in the Asia-Pacific Program
- Australian Future Summit.

Individual performance management

The FaCSIA Individual Performance Management System establishes a direct line of sight between high-level strategic aims and objectives and the work of individual employees.

The incorporation of FaCSIA values, leadership behaviours and core business processes into individual performance agreements reflects the importance of building a high performance organisation with an emphasis on developing the capability of FaCSIA people to achieve. Performance indicators measure how we do our work, as well as achieve key deliverables.

The principles underpinning the system are:

- valuing constant communication and feedback between all parties in relation to discussing individual performance
- building relationships that encourage open and frank communication and trust
- maximising staff potential through the support of individual development, growth and work satisfaction.

People recognition

The department's secretary, Dr Jeff Harmer, presented FaCSIA employees with awards as part of the Recognise and Appreciate People Scheme during NAIDOC Week and Australia Day celebrations.

FaCSIA individuals and teams working across Australia were recognised for their sustained, high-level contributions to the department's work. Awards were also made by FaCSIA managers to employees at the local workplace level, recognising the efforts of dedicated and quiet achievers throughout the department.

A number of employees also received certificates celebrating more than 20 years of service in the APS.

Occupational health and safety (OHS)

FaCSIA remains committed to the health and safety of its employees and recognises the importance of positive interventions to improve employee health, safety and performance.

OHS responsibilities are shared between management, employees and the union.

FaCSIA has an OHS Committee that holds meetings involving both the national office and also the regional network.

The department's OHS agreement provides a framework to ensure its OHS policy operates effectively and in accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

FaCSIA has also signed the Employer Statement of Commitment for the Occupational Health and Safety and Rehabilitation Performance Improvement Targets for Commonwealth Premium Paying Employers (2002–2012).

On an annual basis FaCSIA runs a free flu vaccination program for all staff. Each employee is also able to receive reimbursement of \$100 for participation in appropriate health promotion activities under the Promoting Good Health scheme. This aims at encouraging staff to improve their fitness and general health.

Joumanah El Matra, Natarsha Belling and Carla Zampatti joined Minister Bishop at a luncheon to celebrate International Women's Day.



Incident reports

There was one reported OHS incident that resulted in incapacity for 30 or more days in 2005–06, compared to three such incidents in 2004–05 and nine in 2003–04. This equates to a 77 per cent decrease over the past three years.

Diversity

FaCSIA – work-life diversity

In December 2005, FaCSIA launched *Making it Real*, the department's new three-year diversity plan. The plan defines organisational, manager and employee responsibilities for a range of specific actions and timelines that promote and support diversity.

In consultation with the Australian Public Service Commission and other APS agencies, FaCSIA facilitated the establishment of the APS Diversity Network. The network met twice in 2005–06 and operates on the model established by the APS Workplace Relations Network.

FaCSIA's ongoing Mature Workers Strategy promotes and supports career and lifestyle choices for employees who are beginning to consider retirement, including strategies for transferring knowledge, mentoring and encouraging employment beyond an age at which people might otherwise choose to retire.

Commitment to Indigenous staff

With the changed arrangements for the administration of Indigenous affairs and the integration of OIPC and FaCS to form FaCSIA, the department gained 147 additional Indigenous employees in rural, remote and metropolitan locations.

FaCSIA remains dedicated to its statement of commitment to Aboriginal and Torres Strait Islander people and is redeveloping its Indigenous recruitment and retention strategy to reflect FaCSIA's current environment and to align it with the Australian Public Service Commission's APS Employment and Capability Strategy for Aboriginal and Torres Strait Islander Employees.

It is planned to launch the department's renewed strategy in August 2006. These initiatives have been supported by the creation of an Indigenous recruitment and retention coordinator position and the activities of a senior Indigenous mentor.

FaCSIA contributes to forums that share information about Indigenous employment issues across the APS.

The department also partners with the Australian Public Service Commission and the Department of Employment and Workplace Relations on entry-level programs. This includes the National Indigenous Cadetship Program and Indigenous graduate and trainee programs.

Support for staff with disability

The Australian Employers' Network on Disability (formerly known as Employers Making a Difference) conducted two workshops for FaCSIA managers on recruiting and managing staff with disability.

In October 2005, FaCSIA launched its people with disability recruitment and retention strategy. The strategy sets out FaCSIA's commitment to ensuring an inclusive work environment, enabling people with disability to fully participate in all aspects of employment. It includes a policy for recruitment and retention of people with disability, a reasonable adjustment policy and fact sheets that provide information for managers and employees about disability in the workplace and access to disability resources within and external to FaCSIA.

The FaCSIA Assistive Technology Program continues to provide technical support for employees with disability. In 2005–06, there were 32 employees accessing support from the program. Assistive technology users continued to be represented as key stakeholders on the FaCSIA Information and Communication Technology Change Advisory Board.

FaCSIA further demonstrated its commitment to staff with disability by providing a senior officer to work on the APS Management Advisory Committee's review of APS employment of people with disability. Employees also participated in the review's focus groups and the FaCSIA People Branch provided input.

Self-reporting of diversity information

FaCSIA's diversity policies and programs rely on data gathered from individual employees who choose to provide information. Anecdotal and other evidence indicates that diverse employee numbers are higher than those shown by the available data. FaCSIA will continue to raise employee awareness of the mutual benefits from disclosure.

Senior Executive Service remuneration

The Department's Senior Executive Service remuneration levels were reviewed in light of the results of the annual APS Remuneration Survey commissioned by the Department of Employment and Workplace Relations.

FaCSIA executive remuneration and performance pay are reported in Part 4 – Appendix 1 – Staffing Overview.

Productivity

Increasing Productivity

The Department of Employment and Workplace Relations has developed policy parameters, for agreement-making in the Australian Public Service (APS), which set out the framework for and govern the development of all collective agreements in the APS. The parameters require that improvements in pay and conditions be linked to improvements in organisational productivity and performance and that such improvements be funded from within agency budgets.

Part 6 of the new (FaCS) Certified Agreement, 'Increasing Productivity', sets out how managers and employees (and, where they choose, their representatives) will cooperate over the life of the agreement to improve performance and productivity, including through more effective people management, increasing capability, and renewal of the department's individual performance management framework. The productivity measures include increasing working hours by five minutes a day to seven hours and 30 minutes (partially compensated by an additional half-day of leave on Christmas eve).

ENVIRONMENTAL MANAGEMENT



Accordance with the principles of Ecologically Sustainable Development

In 2005–06, FaCSIA continued with its work towards ecologically sustainable development. A key focus of work during the year has been to integrate environmental considerations into daily business practices and decision-making processes.

Initiatives implemented to achieve this work include:

- revising and updated the departmental environment policy
- developing green procurement guidelines for all staff and all procurement activities
- implementing default product substitution for selected stationery products
- investigating Green Lease Schedules
- maintaining ISO 14001 certification for the FaCSIA Environmental Management System
- ensuring that all new FaCSIA accommodation meets high sustainability and green star ratings.

Sustainability reporting

FaCSIA's experience with sustainability reporting has continued to grow in 2005–06, with the fourth departmental sustainability report (formerly triple bottom line report) to be released in late 2006.

The department has also continued its engagement with other agencies and organisations working on sustainability reporting by becoming a member of the Centre for Public Agency Sustainability Reporting, which is a collaboration between the Global Reporting Initiative, The City of Melbourne, the State of Victoria, and the International Council for Local Environmental Initiatives: Local Governments for Sustainability.

FaCSIA uses a sustainability reporting approach to integrate ecologically sustainable development into the way it thinks, acts, and makes decisions. The approach is also a mechanism by which the department can consider and account for the wider economic, social and environmental implications of its decisions and actions. The setting of annual performance commitments and reporting on progress against these ensure continual improvement is monitored and areas needing more attention are identified.

Previous Triple Bottom Line reports for 2002–03, 2003–04, and 2004–05 are available online at www.facsia.gov.au, by emailing Environment@facsia.gov.au, or by writing to the Branch Manager, Corporate Strategy Branch, Box 7788 Canberra Mail Centre ACT 2610.

Measures to minimise FaCSIA’s environmental impacts

The daily operations of FaCSIA fall into five main categories of environmental impact:

- electricity consumption (emissions to air and use of resources)
- transport (emissions to air and use of resources)
- paper consumption (use of natural resources)
- waste generation (resource waste and emissions to air)
- water consumption (use of natural resources).

Initiatives to minimise FaCSIA’s environmental impact for 2005–06 included:

- continued roll out of energy-saving measures at Canberra sites
- continued roll out of waste reduction, management and recycling strategies at Canberra sites
- a department-wide collection drive for obsolete mobile phones and their batteries
- development of environmental guidelines for construction, refit and refurbishment of office spaces
- use of ethanol fuel mixes in vehicles.

Table 3.5 | Overview of FaCSIA environmental performance, 2002–06

	2002–03	2003–04	2004–05	2005–06
Total energy use	23,930,380	33,587,376	23,614,234	33,006,543
Total greenhouse gas emissions	2.65	2.37	2.35	4.04*
Total paper consumed	87.6	95.2	77.9	87.4*

* Includes Office of Indigenous Policy Coordination

EXTERNAL SCRUTINY



Privacy

FaCSIA—Privacy

FaCSIA has a strong framework of measures in place to protect the privacy of individuals. That framework includes secrecy legislation, privacy legislation, business partnership agreements with the service delivery agencies and a number of detailed measures such as confidentiality deeds with providers and staff.

In addition to the obligations imposed by the *Privacy Act 1988*, legislation administered by FaCSIA contains broad secrecy provisions which expressly forbid the release of customer information, except in limited circumstances. Those provisions include criminal offences which may result in a term of imprisonment.

FaCSIA's business partnership agreements with its partner agencies include mechanisms to allow FaCSIA to monitor and contribute to the protection of customer privacy and enable all parties to cooperate on handling matters related to privacy.

Liaison with the Privacy Commissioner

FaCSIA liaises with the Privacy Commissioner on issues concerning policy development relating to social security, family assistance, and on the handling of personal information.

Complaints by the Privacy Commissioner

The Privacy Commissioner did not receive any complaints about, and closed no investigations on, the department or Ministers during the year.

The Commissioner did not receive any complaints about the then Minister for the Department of Family and Community Services, nor the Minister for the Department of Families, Community Services and Indigenous Affairs.

Privacy Compliance and Investigations

Improper use or disclosure of personal information by staff, or soliciting personal information from staff, are matters treated seriously by the department. FaCSIA ensures investigations are carried out in relation to any complaints or allegations of breaches of privacy or confidentiality relevant to the department.

Complaints to the Ombudsman

The Commonwealth Ombudsman received 32 complaints about the department in 2005–06, which is an increase on the 26 complaints received in 2004–05.

During 2005–06, 34 complaints were finalised. Of these complaints, 10 were investigated by the Ombudsman. There was no formal finding of administrative deficiency in any of those cases. The Ombudsman exercised his discretion not to investigate the other 24 complaints.

Act of Grace payments

The total amount of Act of Grace payments for 2005–06 relating to FaCSIA is \$332,783.90.

Australian National Audit Office (ANAO) activity

The Auditor-General tabled 15 audit reports in parliament relevant to departmental operations. Four audits were agency audits where FaCSIA was a key stakeholder while 11 were across-agency audits. The substance of the audit reports is as follows:

No.4: Post Sale Management of Privatised Rail Business Contractual Rights and Obligations (tabled 4 August 2005)

The objectives of this across-agency audit were to assess the Commonwealth's management of contractual rights and obligations under the sale agreements. In particular the audit sought to:

- assess the Commonwealth's management of contractual warranties and indemnities
- examine the effectiveness of the development and management of contractual arrangements for concessional rail passenger travel provided by the Commonwealth.

Key findings included:

- to date, the Commonwealth's post sale exposures under the sale agreements' warranties and indemnities have not resulted in any financial cost to the Commonwealth
- concessional travel has continued to be provided under various contractual arrangements. However, ANAO found that FaCSIA did not sufficiently document funding decisions taken under the funding agreement. In response, FaCSIA has changed internal processes to ensure this recommendation is addressed in all subsequent funding decisions

- FaCSIA has consistently over-estimated funding required under this funding agreement and more rigorous budgeting procedures should be put in place for forward estimates. FaCSIA is in the process of collecting data to address this recommendation.

FaCSIA agreed to the recommendations.

No.11: The Senate Order for Departmental and Agency Contacts (Calendar Year 2004 Compliance) (tabled 29 September 2005)

The objectives of this across-agency audit were to assess agency performance in relation to compiling internet listings as required by the Senate Order and the appropriateness of the use of confidentiality provisions in Commonwealth contracts.

Key findings included:

- guidance to staff with responsibilities for contract negotiations that outlined the requirements of the Senate Order was an area that needed improvement in some agencies, as was the extent and timing of training and awareness sessions on the Senate Order requirements
- although agencies' internet listings generally complied with the Senate Order, the percentage of contracts listed as containing confidential information that were considered by the ANAO as being appropriately listed was low.

FaCSIA agreed with all recommendations and will address the findings through relevant procurement training and system upgrades.

No.14: Administration of the Commonwealth State Territory Disability Agreement (tabled 19 October 2005)

The audit assessed whether FaCSIA effectively undertakes its coordination, monitoring and other roles according to the Commonwealth State Territory Disability Agreement. The audit examined all disability services provided for under the agreement, except for disability employment services.

The report concluded FaCSIA has generally fulfilled the requirements of its roles over the first two years of the Commonwealth State Territory Disability Agreement (2002–03 and 2003–04):

- FaCSIA liaises with state and territory governments, and to a lesser extent, other Australian Government agencies, coordinating the Australian Government's contributions under the agreement. However, a number of opportunities were identified for FaCSIA to improve its whole-of-government coordination
- in the first two years of the agreement, FaCSIA has undertaken its financial monitoring responsibilities consistent with the terms of the agreement
- FaCSIA has funded Disability Advisory Bodies as required under the agreement
- FaCSIA has continued to plan, manage and develop policy for advocacy, information and print disability services according to the terms of the agreement. However, there is scope to improve the coordination with the other jurisdictions for managing advocacy services.

FaCSIA agreed with and is currently implementing all recommendations through work with state and territory governments and other Australian Government agencies.

Belinda Griffiths and Wendy Francis supporting the 'Mini Field of Women' event for Breast Cancer Awareness Day. FaCSIA staff purchased pink lady silhouettes and planted the mini field outside National Office—27 October 2005.



No.16: The Management and Processing of Leave (tabled 17 November 2005)

The objectives of this audit were to:

- determine whether entities had established appropriate arrangements in relation to managing annual leave and had effective internal controls over leave processing
- assess whether leave had been managed in accordance with the requirements of the respective entity's certified agreement
- identify sound and better practices in managing and processing leave.

The audit identified that generally entities' practices for the day-to-day management and processing of leave were adequate. Areas identified where improvements could be made in a number of entities were:

- adopting a proactive approach to managing leave for staff with high leave balances
- more actively managing the number of unactioned leave applications recorded in their employee self-service systems
- better articulating the roles and responsibilities of each of the work areas responsible for leave arrangements
- improved reporting and monitoring of leave information to senior management.

FaCSIA agreed with five of the recommendations and noted two. Progress has been made in addressing all seven of the recommendations.

No.21: Audit of the Financial Statements of Australian Government Entities for the Period ended 30 June 2005 (tabled 21 December 2005)

FaCSIA is required to produce financial statements in accordance with the provisions of section 49 of the *Financial Management and Accountability Act 1997* (the FMA Act) and the Finance Minister's Orders. This applies to all government agencies subject to the Act.

The ANAO undertakes procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the FMA Act, accounting standards and other mandatory financial reporting requirements in Australia. The ANAO conducts the audit in accordance with the ANAO Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement.

This report was the second report on these audits for the financial year ended 30 June 2005 and complemented Audit Report No.56 2004–05.

The ANAO reported 12 moderate control weaknesses in the interim phase of the audit. FaCSIA had fully addressed six by the completion of the audit. The ANAO was satisfied that reasonable progress was being made to resolve the six outstanding issues. There were eight new issues noted during the final phase of the audit.

FaCSIA has taken steps to address the new findings, as well as continuing to work on addressing the previous findings.

No. 22: Cross Portfolio Audit of Green Office Procurement (tabled 22 December 2005)

The objective of this across-agency audit was to assess and report on the progress being made by agencies subject to the *Financial Management and Accountability Act 1997* 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 audit has identified a small number of better practice examples of green office procurement across the Australian Government. However, overall there were significant shortcomings identified in terms of the application of whole-of-life cycle costing and in the management of the environmental impacts of procurement decisions. Compliance with Australian Government policy has improved in areas such as energy efficiency in buildings and greenhouse gas emissions, and cost savings have been achieved.

Overall, FaCSIA was found to be a leading agency in following good practice and enhancing the accountability and transparency of business operations through the Triple Bottom Line report and the conduct of a waste audit.

FaCSIA has agreed with the relevant recommendations and is in the process of implementing the findings.

No.23: IT Security Management (tabled 22 December 2005)

The objective of this across-agency audit was to determine whether agencies had developed and implemented sound IT security management principles and practices supported by an IT security control framework in accordance with Australian Government policies and guidelines.

Overall, the ANAO concluded that audited agencies:

- had identified relevant Australian Government policies, practices and procedures for the protection of information
- had adequately identified relevant external compliance obligations and IT personnel interviewed were aware of relevant legislation and the associated compliance requirements
- did not maintain key IT operational procedures and configuration documentation.

FaCSIA agreed with the recommendations in the report and has made significant progress towards implementing all relevant findings.

No.27: Reporting of Expenditure on Consultants (tabled 30 January 2006)

Parliamentary committees, particularly Senate Estimates committees, have for many years taken an interest in the use of consultants by Australian Government agencies. In this context, and having regard to the extent of expenditure by *Financial Management and Accountability Act 1997* agencies on consultants, the objective of this audit was to assess the accuracy and completeness of Australian Government agencies' reporting of expenditure on consultants.

Close analysis of this reporting, as well as reporting in the gazette publishing system and Senate Order listings, revealed greater care should be taken by agencies in reporting expenditure on consultants. Specifically:

- in response to the audit findings, most of the 73 agencies covered by this audit acknowledged inadequacies in their reporting of expenditure of consultancies. In total, 85 per cent advised the ANAO they would take some form of corrective action. This ranged from advising the ANAO of changes to processes for preparing their 2004–05 annual reports to issuing a corrigendum to their 2003–04 annual reports
- in terms of the accuracy and completeness of reporting across the three reporting regimes, the ANAO found none of the 73 *Financial Management and Accountability Act 1997* agencies had correctly reported in all three regimes.

FaCSIA has agreed to and addressed the relevant recommendation from the report.

No.28: Management of Net Appropriation Agreements (tabled 31 January 2006)

The objective of this across-agency audit was to assess agencies' financial management of, and accountability for, the use of net appropriation agreements to increase available appropriations.

This audit identified that 42 agreements were assessed as being ineffectively executed by either the agency or the Department of Finance. Overall, it revealed quite widespread shortcomings in the administration of net appropriation arrangements. In particular, there has been inadequate attention by a number of agencies to their responsibility to have in place demonstrably effective Section 31 arrangements that support additions made to annual appropriations and the subsequent expenditure of those amounts.

FaCSIA has agreed to and addressed the relevant recommendations from the report.

No.37: The Management of Infrastructure, Plant and Equipment Assets (tabled 3 May 2006)

This across-agency audit assessed whether selected Australian Government entities were effectively supporting their business requirements through planning for, and management of, the acquisition, disposal and use of their infrastructure, plant and equipment assets.

Key findings of the entities audited were:

- assets were generally being well managed
- practices reflected an increasing recognition of the role of, and commitment to, the management of infrastructure, plant and equipment assets

- there were no structured and coordinated processes for monitoring the performance of the assets on an entity-wide basis
- there was little evidence of structured or formal planning in relation to the disposal of assets.

Five recommendations were made to improve the management, acquisition, disposal and use of infrastructure, plant and equipment assets. All findings are relevant to FaCSIA and implementation strategies are under development.

No.43: Assuring Centrelink Payment – The Role of the Random Sample Survey Program (tabled 31 May 2006)

The overall objective of the audit was to assess whether the Random Sample Survey Program is effective and efficient in providing assurance on the levels of payment error and the resulting risks to the integrity of Australian Government outlays for Centrelink payments.

Specifically, the audit assessed whether:

- the program meets the objectives outlined in the Portfolio Budget Statements under which funding was provided
- there is an adequate methodology underpinning the reviews
- the reviews are conducted effectively and efficiently, and adequate quality assurance mechanisms exist to assure the results obtained from the reviews
- reporting of the results of the program is adequate and takes into consideration the issues identified in Audit Report No. 44 2002–03 Review of the Parenting Payment Single Program, and Audit Report No. 17 2002–03 Age Pension Entitlements.

The ANAO examined the extent to which the random sample survey program meets its major objective, which is to measure the level of incorrect payment. The ANAO also examined the related objective to detect undeclared changed circumstances.

Key findings included:

- the program is unable to uncover all incorrect payments due to the inherent limitation that not all customers will disclose all of their circumstances or all of the changes in their circumstances, even when asked in a face-to-face interview
- the ANAO considers it important that agencies use the accuracy of outlay figures calculated from survey data as an indicative measure of the level of accuracy of outlays on Centrelink payments, while recognising inherent limitations.

FaCSIA agrees with the recommendations contained in the report which will enhance its reporting of survey data and strengthen the governance and management of the program.

No.45: Internet Security in Australian Government Agencies (tabled 13 June 2006)

This across-agency audit was designed to assess the adequacy of a group of Australian Government agencies' management of internet security, including following up on their implementation of recommendations from the ANAO's 2001 audit.

For the six agencies audited, the ANAO found information and communications technology security documentation did not fully comply with the requirements of the Protective Security Manual, and the Australian Government Information and Communications Technology Security Manual 33.

Non-compliance identified by the ANAO included:

- there was no systematic and coordinated program for the ongoing management of information and communications technology security-related risk assessments
- security policies and system security plans were not linked to information and communications technology risk assessments and plans
- there were no system security plans.

Five recommendations were made to improve internet security. All findings are relevant to FaCSIA and implementation strategies are under development.

No.46: Commonwealth State Housing Agreement Follow-up Audit (tabled 14 June 2006)

This audit reviewed FaCSIA's progress in implementing the recommendations of Audit Report No.17 1999–2000. The focus was whether FaCSIA had maintained or improved its oversight, coordination and administration of the Commonwealth State Housing Agreement, for both the 1999 agreement and the 2003 agreement, in line with the recommendations and findings identified in the previous ANAO audit.

The ANAO concluded FaCSIA, in partnership with the states and other key stakeholders, had improved the systems and processes associated with the performance information used in the 1999 and 2003 agreements.

In respect of Commonwealth funding for housing assistance provided under the agreement, FaCSIA continues to improve its ability to monitor and manage financial risks by requiring the certification of the use of the agreement's funds and independently audited financial returns.

The substantial implementation of Recommendation No.4 of the previous ANAO audit has provided a risk-based approach to managing Commonwealth funding. The ANAO suggested FaCSIA build on this approach and involve all state governments in a risk assessment at the beginning of each new Commonwealth State Housing Agreement to ensure assessments are comprehensive and include coverage of any risks associated with the delivery of housing assistance by state governments.

There was only one recommendation made which FaCSIA agreed to.

No.47: Funding for Communities and Community Organisations (tabled 21 June 2006)

This audit assessed whether FaCSIA administers grants effectively, according to better practice guidelines, and consistently across geographic areas. Key findings were that:

- appropriate funding agreements were in place for almost all grants included in the ANAO sample, with only three of the seven Emergency Relief Program grants deficient
- FaCSIA often did not apply adequate financial control practices when acquitting payments.

FaCSIA has agreed with all the recommendations. The ANAO acknowledged that FaCSIA had already commenced a number of reforms to improve program management, including the development and implementation of a major information technology system and business process re-engineering. The ANAO considered that these reforms have the potential to support significant improvement in FaCSIA's management of these programs.

No.48: Interim Phase of the Audit of Financial Statements of General Government Sector Entities for the Year Ending 30 June 2006 (tabled 22 June 2006)

This report outlines the results of the audit of key financial systems and their controls in entities that represent 95 per cent of total general government sector revenues and expenses. It includes reference to issues that have the potential to have a material impact on entities' financial statements and other control-related matters requiring attention by entity management. The audit coverage undertaken forms an integral part of the audit of the 2005–06 financial statements of these entities.

The ANAO assessed the risk of material misstatement in the 2005–06 FaCSIA financial statements as high. The factors that contributed to this risk assessment, and that the financial statement audit particularly focused on, include the:

- integrity of personal benefit expenditure
- validity of grant payments
- complex estimation of the Family Tax Benefit and Pension Bonus Scheme provisions
- complex estimation of the personal benefit provision for doubtful debts
- management of appropriation funding
- management of special accounts
- implementation of a new grants management system
- transfer of the Indigenous affairs function as a result of the machinery-of-government changes
- financial statement close process, particularly in light of the tight reporting deadlines for the completion of the financial statements
- harmonisation with international financial reporting standards and the associated additional disclosures required for 2005–06.

FaCSIA has responded positively to the ANAO's findings and the associated recommendations, and is working to address the issues identified. This will reduce the risk of a material misstatement in FaCSIA's financial statements.

INFORMATION STRATEGIES AND TECHNOLOGY MANAGEMENT



FaCSIA – information strategies and technology management

A number of key information, communication and technology initiatives were undertaken during the year.

Electronic document management system

FaCSIA has implemented the first phase of its new electronic document management system, iManage. The system has been successfully deployed to all staff within the department. With the machinery-of-government changes, iManage will now be deployed to OIPC staff by the end of 2006 as part of the ICT refresh project.

Post-implementation surveys show that the great majority of respondents (93 per cent) use iManage daily with less than three per cent of respondents stating they ‘hardly ever’ use iManage. Seventy-eight per cent of survey respondents felt iManage had been effective in enabling them to share documents in their work areas. Further training and fact sheets on accessing documents stored in iManage will make the process even easier for users.

Implementation of the second phase of the electronic document management system is expected to be completed in 2007. The project will integrate the management of paper and electronic records into the one system and will also improve record keeping compliance for electronic records.

IT outsourcing

In 2004, FaCSIA entered into a three-year contract with Getronics to provide ICT services covering help desk, desktop and infrastructure support. The delivery of these services has matured over the years with a number of operational improvements introduced, including disaster recovery, better service monitoring and reporting, policy control and compliance, and VIP support services for ministers and their staff. Next year will see a focus on introducing new service levels to cater for systems such as the FaCSIA Online Funding Management System and IMPACT, and undertaking a refresh of the department’s ICT infrastructure.

Video conferencing

In September 2004, a video conferencing system was installed in 15 FaCSIA offices across Australia.

FaCSIA has a business model designed to deliver the government's programs in the most efficient and effective way, and video conferencing is an additional communication tool to help achieve integrated outcomes across programs, portfolios and jurisdictions. The facility interacts with our ICT systems, enabling the FaCSIA regional network to share knowledge, enhance communications and visually share information.

Two new sites were established this year, the first located in the Crisis Response Centre and a second unit in national office. OIPC has video conferencing located in 33 sites across Australia. The equipment and service is currently under review with the intention of combining arrangements to establish a single provider by December 2007.

FaCSIA Online Funding Management System

FaCSIA has successfully completed the implementation of an integrated solution for its funding management requirements. The FaCSIA Online Funding Management System (FOFMS) ensures consistent practices for managing the department's arrangements with service providers across all community programs and is in line with ANAO best practice grants management guidelines.

The solution is able to support the day-to-day management of all FaCSIA funding programs, provides cross-program visibility and replaces numerous custom-built stove-piped solutions. In addition to providing a management and transaction processing system for users, FOFMS provides functionality to service providers via the Internet. A web portal provides for client/case management as well as a facility for online grant applications.

A staged release was undertaken with the first release in December 2004 and the final release in April 2006. Departmental programs have been migrated to the system over a similar period with disabilities programs using it from April 2005, Stronger Families and Communities Group from September 2005, and the remaining programs migrated during the period December 2005 to June 2006. All departmental programs will use the system for the 2006–07 financial year.

Knowledge and information services

The Knowledge and Information Services Section continued to expand its provision of library knowledge and research services to four client agencies: FaCSIA, Centrelink, the Child Support Agency and the Social Security Appeals Tribunal. All online information products are now available 24 hours each day through authorised Internet access.

Information alerting services continued to expand to meet the information needs of our clients. The Indigenous alerting service is the best known of these services and is a comprehensive information service used by all levels of government in Australia.

MINISTERIAL AND PARLIAMENTARY SERVICES



Ministerial and Parliamentary Services

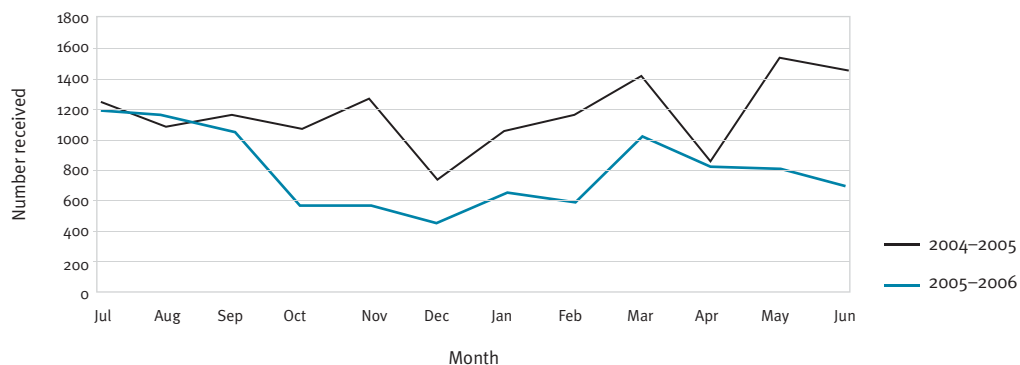
Before the machinery-of-government changes in January 2006, the department delivered services to the then Minister for Family and Community Services, Senator the Hon. Kay Patterson, and the then Parliamentary Secretary, the Hon. Sussan Ley, MP. In January 2006, the portfolio was expanded to include Indigenous Affairs, and the Hon. Mal Brough, MP, was appointed Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs. The Hon. Julie Bishop, MP, was appointed Minister Assisting the Prime Minister for Women's Issues and the Hon. John Cobb, MP, was appointed Minister for Community Services. Services are provided to all three ministers by the department.

Ministerial paperwork

Ministerial correspondence increased from 10,492 in 2004–05 to 11,694 in 2005–06 which was attributed to the inclusion of Indigenous affairs in the portfolio. Seventy-five per cent* of draft replies were provided to Ministers within their agreed standard of 14 days, up from 55 per cent the previous year — a significant improvement over the 2004–05 results. Eighty-two per cent* were provided to other signatories within their standard of 21 days, compared with 81 per cent for the previous year.

* These percentages do not include correspondence processed by OIPC prior to the machinery-of-government changes.

Figure 3.2 | Volume of Ministerial correspondence received by FaCSIA portfolio, 2004–05 and 2005–06



The amount of correspondence received by the portfolio followed a similar monthly pattern to previous years with the exception of a slight reduction in usual volumes in April, which was offset by a corresponding increase in May.

The portfolio prepared a total of 2,318 ministerial minutes during the year with 527 of those as a result of requests for briefing from ministers or their staff. Minister Patterson instituted a formal process for her office to provide feedback on the quality and timeliness of ministerial minutes. On a scale of one to five, the department averaged 3.3 for quality.

Table 3.6 | Ministerial and Parliamentary Services—number of briefings, submissions, Ministerial correspondence and parliamentary questions on notice, 2005–06

Output group	Ministerial correspondence processed	Question-time briefs ^a	Briefings ^b	Submissions minutes ^c	Questions on notice
1.1 Support for today	25	0	3	5	0
1.2 Preparing for the future	21	0	1	12	1
2.1 Practical support and sharing responsibility	401	134	13	120	4
3.1 Support for the aged	1,369	56	3	85	15
3.2 Support for people with disabilities	614	49	46	77	3
3.3 support for carers	322	42	7	22	0
3.4 Support for youth	143	32	28	77	1
3.5 Support for women	332	145	37	114	4
4.1 Support for families	762	195	74	237	20
4.2 Child support	1,218	17	10	28	1
4.3 Child care support	912	170	27	172	28
5.1 Supporting communities and delivering local solutions	484	83	71	185	15
6 Indigenous	2,722	282	164	385	48
Not directly attributable ^d	2,369	123	43	272	40
Total	11,694	1,328	527	1,791	180

- a These figures include both new question time briefings and those that have been substantially revised.
- b Ministerial minutes requested by the Ministers, the Parliamentary Secretary or their staff.
- c Ministerial minutes initiated by departmental officers, for the attention of Ministers or Parliamentary Secretary.
- d Material that cannot be attributed to any single output group. It includes policy that covers multiple programs and correspondence referred to other departments for a response.

Parliamentary committees

Senate Community Affairs Legislation Committee

FaCSIA contributed to two inquiries by the Senate Community Affairs Legislation Committee.

The Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005 (the FaCSIA Bill) was introduced into parliament on 9 November 2005 together with a Department of Employment and Workplace Relations' Employment and Workplace Relations Legislation Amendment (Welfare to Work) Bill 2005 (the DEWR Bill). The two Bills formed a package and were to be debated simultaneously. Both were referred to the Senate Community Affairs Legislation Committee.

FaCSIA provided a submission to the committee on 16 November 2005 and two witnesses appeared before the committee on 28 November 2005.

FaCSIA also made a submission into the committee's inquiry into the Family Assistance, Social Security and Veterans' Affairs Legislation Amendment (2005 Budget and Other Measures) Bill, which gave effect to several 2005 Budget initiatives and other measures. FaCSIA provided a submission on the implementation of the measures and departmental officers also appeared before the committee on 14 March 2006 to provide information on the rationale for the measures.

The committee received seven submissions from peak bodies. On 14 March 2006, representatives of three of these organisations appeared before the inquiry as witnesses.

Senate Environment, Communications, Information Technology and the Arts Committee

On 29 March 2006, the Senate agreed to support a motion for an inquiry into women in sport and recreation in Australia.

The Office for Women made a submission that highlighted the benefits to women's physical and mental health associated with participating in all aspects of sport and physical activity. The benefits to middle-aged and older women were particularly noted. The submission covered the Australian Government's commitment to encouraging women's participation in all aspects of sport and physical activity through research, programs and grants managed by the Office for Women.

Submissions closed on 16 June 2006 and the committee is required to report its findings by the first sitting day in September 2006.

Senate Legal and Constitutional Legislation Committee

FaCSIA was invited to make a submission to the inquiry into the Australian Citizenship Bill 2005 and the Australian Citizenship (Transitionals and Consequentials) Bill 2005. The proposed changes in the Bill included provision to increase the residential qualifying period for conferral of Australian citizenship from two years to three of the previous five years.

FaCSIA's submission of 13 January 2006, explained that such a change is unlikely to affect a person's eligibility for social security and family assistance benefits as these entitlements are not based solely on Australian citizenship. Benefits are also available to other nationals who reside in Australia and have permission to remain here permanently.

Senate Community Affairs References Committee

This committee inquired into the problem of petrol sniffing in remote Indigenous communities with particular reference to the effectiveness of existing laws and policing, diversionary initiatives and community level activities in reducing the impact and level of petrol sniffing. The inquiry also referred to lessons that can be learned from the success some communities have had in reducing petrol sniffing, including the impact of non-sniffable *Opal* fuel.

OIPC, as part of the former Department of Immigration, Multicultural and Indigenous Affairs, provided a joint submission to the inquiry with the Department of Health and Ageing on 2 December 2005. A number of witnesses appeared before the committee on 27 April 2006 and the committee tabled its report on 20 June 2006.

Senate Legal and Constitutional Committee

On 6 September 2005, the Senate referred the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 to the committee for inquiry. The committee has delayed reporting on the Bill to allow time to consider the transitional Bill, which is yet to be introduced into parliament, and has extended the reporting date to 14 September 2006.

The Office of the Registrar of Aboriginal Corporations provided submissions to the inquiry and witnesses appeared before the committee on 4 October 2005.

House of Representatives Inquiry into Balancing Work and Family

The House of Representatives Standing Committee on Family and Human Services is conducting an inquiry into how the Australian Government can better help families balance their work and family responsibilities.

The committee is particularly interested in the financial, career and social disincentives to starting families, making it easier for parents who wish to return to the paid workforce, and the impact of taxation and other matters on families in the choices they make in balancing work and family life.

FaCSIA lodged a submission on 19 April 2005 providing information on Australian Government programs and services that assist families in balancing their work and family responsibilities. On 1 March 2006, FaCSIA gave evidence to the inquiry at a public hearing in Canberra. The committee's report has not yet been released.

House of Representatives Standing Committee on Economics, Finance and Public Administration Inquiry into improving the superannuation savings of people under age 40

The committee inquired into improving the superannuation savings of people under 40 years of age with particular reference to barriers and disincentives to contribute to superannuation, current incentives to encourage voluntary superannuation contributions and improving awareness of the importance of saving early for retirement.

The Office for Women highlighted to the committee the link between paid employment and superannuation and women's ability to save for retirement.

In particular, women generally have significantly lower superannuation balances than men, primarily due to work patterns (family and caring responsibilities) and wage levels.

The Office for Women also recommended that financial literacy could be improved by producing and delivering information targeted at the specific needs of vulnerable groups, such as women, the disabled, low income families and Indigenous Australians.

On 22 August 2005, FaCSIA lodged a submission to the committee and on 10 February 2006 officers appeared before the committee. The committee's report was tabled on 19 June 2006.

House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs – Indigenous Employment

The committee is inquiring into positive factors and examples among Indigenous communities and individuals, which have improved employment outcomes. In May 2006, OIPC responded to a number of questions on notice from the committee. Officers appeared before the committee on 22 May 2006 to provide an update on progress since OIPC last met with the committee on 30 May 2005.

House of Representatives Standing Committee on Legal and Constitutional Affairs

The House of Representatives Standing Committee on Legal and Constitutional Affairs inquired into the exceptions to liability for the circumvention of technological protection mechanisms resulting from proposed changes to the *Copyright Act 1968*. The FaCSIA submission of 4 November 2005 suggested the committee consider providing in the Act, a further exception to liability for technological protection mechanisms. The department's submission expressed concern that the presence of these mechanisms may have an adverse impact on non-infringing use of copyright material by people who have impaired sight or hearing or other disabilities.

Joint Committee of Public Accounts and Audit

FaCSIA lodged a submission on 29 March 2006 on Family Tax Benefit and the treatment of fringe benefits with the Joint Committee of Public Accounts and Audit's inquiry reviewing a range of taxation issues within Australia.

The committee examined the ANAO report on The Edge Project (Audit Report number 40, 2004–05) and FaCSIA appeared before the committee on 19 August 2005.

Joint Committee of Public Accounts and Audit: Audit Report No. 21, 2005–06, Financial Statements of Australian Government Entities

Two officers appeared before the committee on 2 June 2006 and answered questions about initiatives the department has implemented to improve its environmental performance, including the financial benefit of the initiatives.

Parliamentary Joint Committee – Inquiry into Corporate Social Responsibility

This committee inquired into corporate responsibility and Triple Bottom Line reporting. FaCSIA's submission to the inquiry on 29 March 2006 focused on the work of the Prime Minister's Community Business Partnership. The submission also covered FaCSIA's participation on the judging panel for the Australian Certified Chartered Accountants Sustainability Reporting Awards for the past three years, staff participation in stakeholder and assurance panels of some organisations that are preparing sustainability reports, and FaCSIA as the first Australian Government department to produce a triple bottom line report (now referred to as the Sustainability Report).

Inquiry Into Women's Representation on Regional and Rural Bodies of Influence

In June 2005, the Hon. John Anderson, MP, then Deputy Prime Minister and Minister for Transport and Regional Services, announced that the Australian Government would hold an inquiry into women's representation on rural and regional bodies of influence in Australia.

The inquiry's terms of reference were to examine women's representation in rural and regional Australia and to report on factors assisting and impeding the broad participation of women in bodies of influence in rural and regional Australia, and strategies for industry and governments to increase their representation for the longer-term sustainability and competitiveness of rural and regional Australia.

The Office for Women's submission to the inquiry on 1 May 2006 supported the strategies proposed in the discussion paper to facilitate women's capacity to take up representational roles. The submission also noted the approach of the discussion paper is consistent with the National Strategy to Increase the Participation of Women on Boards, which was endorsed by Australian, state and territory government women's Ministers in September 2005.

PARTNERSHIPS FOR PEOPLE



The government is committed to encouraging the community to become involved in creating and delivering its policies, programs and services.

To help make this happen, FaCSIA:

- administers Commonwealth funding to service providers and peak community organisations
- works collaboratively with business, the community and other government organisations through a ‘social coalition’
- works with Centrelink, the Child Support Agency and other Australian Government agencies to ensure government policies are effectively delivered to the Australian community.

Service providers

Funding to communities and organisations to deliver services

FaCSIA has a service delivery relationship with almost 16,000 non-government service delivery outlets, funded either directly (for example, Emergency Relief, Family Relationships Services Program and Reconnect) or indirectly (for example, Supported Accommodation Assistance Program and child care providers receiving Child Care Benefit).

In 2005–06, FaCSIA administered \$1.029 billion in direct funding to a diverse range of non-government service delivery outlets to help build the capacity and well-being of individuals, families and communities, including:

- services for people with disability
- child care support through direct subsidies to child care providers
- family support, including child abuse prevention, family relationships support and services for families with children
- community support, including emergency relief and homelessness
- support for women and youth
- Indigenous communities.

FaCSIA administered \$1.957 billion in special purpose payments to states and territories in 2005–06, including:

- the Commonwealth State Housing Agreement, which provides affordable public housing
- the Commonwealth State Territory Disability Agreement, which provides services for people with disability
- the Supported Accommodation Assistance Program, which provides crisis intervention and stabilisation for people who are homeless
- compensation for the extension of fringe benefits (such as transport concessions) provided by state and territory governments to pensioners and other beneficiaries
- concessions for Commonwealth Seniors Health Care Card holders.

Service delivery framework

The department has continued to improve its processes and practices for managing funding relationships with non-government organisations.

The development and implementation of FOFMS continued during 2005–06. By the end of the year, the majority of programs had completed implementation activities to allow the management of funding agreements and payments from the following year.

In November 2005, the department began a business process re-engineering project to improve the efficiency and effectiveness of its processes. The improvements will provide more consistent processes across and within programs and across locations. The project has provided FaCSIA with detailed process maps, clear accountabilities, roles and responsibilities, recommendations for structural change within the department, a list of tools and templates to support staff in the new processes and a detailed implementation plan.

Based on these recommendations the department established the FaCSIA Program Operations Group to further develop and implement the recommendations from the project and to take accountability for the processes and procedures of funding agreement management.

The department also sought information directly from service providers on opportunities to reduce red tape while maintaining appropriate standards of accountability and transparency for government. Individual organisations, reference and advisory groups and peak bodies were consulted. The comments provided have helped inform the ongoing development of both the business process re-engineering project and FOFMS.

Working collaboratively

FaCSIA works collaboratively with the Australian Government, state and territory governments and non-government community agencies to develop, plan, fund and deliver services. FaCSIA stakeholder management and program design and implementation strategies support its commitment to a collaborative approach.

FaCSIA applies the whole-of-government mainstreaming approach to work collaboratively and flexibly with others to address the challenges and opportunities this new model presents in the way it delivers programs and services.

FaCSIA regional network – engaging the community

The FaCSIA regional network's 489 staff are located in 46 locations comprising state and territory offices, Indigenous Coordination Centres and regional offices. The regional network's role is to ensure the effective delivery of programs and initiatives, and to promote joint partnerships across governments and with the private sector.

The regional network has worked with program branches to progress changes in the way the network manages and delivers FaCSIA programs, while ensuring business continuity. These changes will lead to efficiencies in program delivery for funding recipients, as staff will be able to work across a number of programs to deliver more streamlined services.

The regional network has contributed to FaCSIA's policy priorities including the government's role in child care, support for families and carers, whole-of-government approaches to Indigenous support and services, youth and community policy solutions, and financial literacy. When undertaking its activities, the network has achieved its objectives within the five FaCSIA policy themes of maximising active engagement, focusing on early intervention, assisting those that are most disadvantaged, responding to an ageing population and developing the social coalition to build and leverage human and social capital.

Lead state roles

A number of offices within the department's regional network take on lead state roles in contributing to specific policy areas. Lead states add value to FaCSIA's work with their unique expertise and local networks by:

- assuring ministers that FaCSIA's advice is informed by community input
- enhancing the department's capacity to do business in a 'joined-up' way
- providing links across programs and with other levels of government
- using local knowledge to give FaCSIA a competitive advantage in a contestable policy environment
- highlighting hot spots and trends
- gathering and disseminating information within the department and between Centrelink and other service providers.

Funding for peak bodies

Under the National Secretariat Program, FaCSIA supports a number of peak organisations to contribute to government policy and service delivery and to channel information between their membership and government. It also provides a consultative mechanism for the minister and the portfolio.

In 2005–06, \$2,311,272 was provided through the program and \$2,404,345 through six program areas to support community peak bodies. These organisations represent community services, homelessness, welfare, disabilities, children's services and family relationships sectors.

Table 3.7 | FaCSIA support to peak bodies, 2005–06

PEAK BODY	Funding (\$)
National secretariat	
Australian Council of Social Service	540,693
National Industry Association for Disability Services (ACROD)	289,310
Families Australia	289,310
Early Childhood Australia	289,311
Australian Federation of Homelessness Organisations	289,311
Volunteering Australia	289,310
Australian Federation of Disability Organisations	282,805
Secretariat support	
Blind Citizens Australia	138,869
Deafness Forum of Australia	138,869
Brain Injury Australia	138,869
National Council on Intellectual Disability	138,869
National Ethnic Disability Alliance	138,869
Australian Association of the Deaf	138,869
Physical Disability Council of Australia	138,869
Women With Disabilities Australia	138,869
Program support grants	
Catholic Welfare Australia	133,221
Family Services Australia	190,632
Relationships Australia	130,785
Secretariat of National Aboriginal and Islander Child Care	270,454
Lone Fathers Association	61,261
National Council of Single Mothers and their Children	61,261
Community Housing Federation of Australia	229,111
Early Childhood Australia	59,137
Australian Federation of Homelessness Organisations	59,886
Australian Association of the Deaf	46,289
Blind Citizens Australia	46,289
Deafness Forum of Australia	46,289
Total	\$4,715,617

Note: The nature of this program means that some funding is also reported in the individual output groups' performance reports.

RIGHT PAYMENTS TO THE RIGHT PEOPLE



The new Business Partnership Agreement with Centrelink 2006–10 replaced the 2004 Business Alliance Agreement as the key document that governs the business relationship between FaCSIA and Centrelink covering 36 payments and programs. The business partnership agreement details performance and assurance measures for services delivered by Centrelink on behalf of FaCSIA.

Centrelink achieves savings through reviewing incorrect payments and improving payment compliance. The compliance benchmark for FaCSIA payments was set at \$121 million for 2005–06. This represents 9.75 per cent of compliance activity undertaken by Centrelink for client agencies. Centrelink achieved \$118.4 million against the FaCSIA benchmark and met the aggregate benchmark for all purchasing agencies.

In 2005–06, FaCSIA worked with the departments of Employment and Workplace Relations; Education, Science and Training; and Centrelink to develop common methodologies to specify future compliance benchmarks for each of the policy departments.

Performance indicators for debt raising and recovery used during 2005–06 were 65 per cent of debt raised as a proportion of the undetermined debt cases on hand at a given period, and 65 per cent of debts under recovery as a proportion of all debts raised at a given period. These two debt indicators were both achieved. The prosecution benchmark of 85 per cent of cases referred to the Director of Public Prosecutions being considered actionable was also achieved.

In 2005–06, a 'prevention' key performance indicator was developed to measure the effectiveness of the Centrelink interventions designed to prevent customers from incurring debts. This will be reported on in 2006–07.

Control of program fraud and incorrect payment

On behalf of FaCSIA, Centrelink ensures controls are in place to minimise the risk of fraud and incorrect payments and provides a framework for maximising correct payment.

This framework consists of three key strategies:

- prevention—through systems and procedures to minimise the risk of incorrect payment
- detection—through processes to detect incorrect payments as soon as possible
- deterrence—promoting voluntary compliance through creating a public recognition of the risks and penalties involved in attempting to fraudulently receive payments, including likelihood of detection, prompt recovery of debts and prosecution of the more serious cases of fraud.

Under these key strategies FaCSIA requires Centrelink to:

- develop, implement, and support systems and procedures to prevent, identify, investigate and deter incorrect payments and fraud
- undertake activities in debt prevention, reviews, debt identification, raising and recovery, and prosecution
- monitor, analyse and report on performance.

Control strategies aim to prevent incorrect payments rather than detect them later. The controls are risk-based and Centrelink gives due consideration, in consultation with FaCSIA, to cost efficiency and good customer service.

The relevant legislation and the key performance indicators for debts seek to identify, raise, and recover debts in an accurate and timely manner. Affected customers are notified of adverse determinations resulting from reviews that affect a rate of payment, result in a debt or action to recover a debt, or institute prosecution proceedings.

Reviews apply natural justice. In adverse determinations the customer can comment on the reasons for action taken. FaCSIA also requires Centrelink to provide an assurance of correct payment by:

- adhering to agreed procedures and processes to maximise correct payments
- providing ongoing assessment of control framework effectiveness, particularly proof-of-identity procedures to minimise identity fraud
- undertaking, in consultation with FaCSIA, comprehensive risk assessments of service and payment delivery for each program
- providing data on the accuracy of decision-making to assure FaCSIA that the incidence of incorrect payment arising through incorrect decisions is minimal.

FaCSIA continually monitors performance to measure the success of the control framework and service provider performance. At a departmental level, the impact of compliance activities on program outlays indicates performance.

Random samples

The random sample survey program provides a key measure of the effectiveness of compliance and other review activity. The primary purpose of the random sample surveys is to provide a measure for accuracy of outlays and a means to facilitate external assurance as required under the business assurance framework.

Random samples are a point-in-time analysis of customers' circumstances, designed to establish:

- whether customers are being paid in accordance with the Business Assurance Framework's 'four pillars' of payment correctness
- whether the payments are accurate - that is correctly administered - and reflect all of a customer's circumstances, and not only ones reported to Centrelink.

During 2005–06, Centrelink undertook on FaCSIA's behalf random sample surveys of 1,500 Age

Pension customers and 500 Special Benefit recipients. The program of random sample surveys will provide continuous information on the level of, and reasons for, incorrect payment as well as on the effectiveness of the overall control framework for managing payment accuracy. The results of random sample surveys undertaken in 2006 are provided in table 3.8.

Table 3.8 | Estimates from random sample surveys undertaken to 31 March 2006^(a, b)

Payment type	Inaccuracy (95% confidence) as Percentage
Age Pension	2.2
Special Benefit	4.4
Overall rate of inaccuracy	2.2

- a The rate of inaccuracy is the ratio of annualised inaccurate payment in the population, combining upward and downward variation, estimated using the random sample results to actual annual outlay (amounts being paid) to the same population, whether calculated by payment or across payments. Because this rate is an estimate using sample data, it is subject to sampling error. Confidence intervals express the degree of confidence that can be expected of the estimate.
- b The random sample survey results do not include a factor of deliberate fraud.

Maximising correctness of payments

Debt prevention

Through its business partnership with Centrelink, FaCSIA emphasises preventive measures for all dealings with customers by ensuring a framework of procedures, controls and systems, including:

- undertaking identification checks
- issuing appropriate claim forms to customers and alerting customers to their obligations and existing detection mechanisms
- verifying critical facts supplied by customers
- selectively applying risk-based admission procedures to ensure resources are allocated to cases where perceived risk of incorrect payment is greatest
- requiring customers to provide their tax file numbers and where appropriate their partners' tax file numbers as a condition for receipt of payment
- requiring pensions and allowances to be paid directly into customers accounts to reduce the occurrence of cheque fraud.

Detection and recovery

Review activity

FaCSIA funds Centrelink to undertake particular review activities to target identified risks. All review activity is conducted in accordance with the Privacy Act.

Profiling

Service profiling is a method of selectively identifying and reviewing customers who need a more focused level of service to help them meet program outcomes, including payment correctness, activity testing and economic and social participation.

Data matching

Data matching involves comparing customer identity details, including in some cases, tax file numbers with records from other federal and state bodies, to identify declared income or assets changes. Data-matching activities include:

- Australian Taxation Office individual and partners tax data
- Australian Taxation Office employment declaration forms
- Australian Taxation Office rental assets data
- Australian Taxation Office pay-as-you-go payment summary information
- Australian Taxation Office Australian Business Number information
- Department of Immigration and Multicultural Affairs immigration records
- state and territory registrars general deaths data
- state and territory departments of corrective services data
- Defence Housing Authority data
- Commonwealth Superannuation Administration (ComSuper) data
- Department of Employment and Workplace Relations data.

Other methods to identify possible incorrect payments include:

- joint case work between Centrelink and the Australian Tax Office
- information from members of the public
- risk-based review selections generated from statistical analysis of customer characteristics
- reviews to examine customer entitlements at a specific time in their duration on payment
- access to Austrac data of suspicious monetary transactions.

Identity fraud

FaCSIA and Centrelink continue to build relationships with other organisations with customers in common and where fraud prevention is of mutual interest. FaCSIA was involved in whole-of-government activities by participating in various committees to combat fraud.

Sophisticated computer detection methods continue to detect identity-related fraud. In 2005–06, these methods identified 641 cases of identity fraud from 9,038 identity fraud reviews involving 857 debts to the value of \$9.7 million. An identity fraud may involve more than one claim for payment.

Debt recovery

FaCSIA, through Centrelink, recovers debts by withholding ongoing payments and recovering cash repayments. In certain cases, garnishee action recovers debts from tax refunds and other lump-sum payments. Care is taken to not place customers in undue hardship from ongoing withholdings of payments or garnishee action.

A contracted mercantile agent collects debts when the debtors' whereabouts are unknown to Centrelink or it is not cost-effective to pursue the debts through standard debt recovery processes.

Deterrence

Dealing decisively with detected cases of incorrect payment encourages voluntary compliance. This helps the public recognise the risks and penalties involved in fraudulent claims.

Centrelink must:

- promptly identify and investigate (or refer to the Australian Federal Police) possible offences
- refer appropriate cases to the Director of Public Prosecutions for possible prosecution.

Procedural requirements make customers aware of their obligations, and prosecution outcomes are publicised.

Compensation

The compensation provisions in the *Social Security Act 1991* are structured to encourage people to use private financial resources, such as compensation payments, before accessing the tax payer-funded social security system. The provisions also ensure that people who receive compensation for an injury or illness have those payments considered in the calculation of any social security benefits.

Compensation provisions provide for:

- compelling people to claim for compensation where compensation may be payable
- recovery of past payments of social security from arrears payments of periodic compensation payments and lump-sum compensation payments
- preclusion periods within which social security payments cannot be paid due to the receipt of lump-sum compensation payments
- periodic payments, such as weekly workers' compensation payments, to reduce directly, dollar-for-dollar, and the rate of social security payments otherwise payable. Any excess is treated as income for partners of compensation recipients.

To ensure the community understands the effect of compensation on social security benefits, Centrelink provides a high-level outreach and information service to compensation authorities and to legal, insurance, union and community representatives.

In 2005–06, application of the compliance provisions achieved estimated savings to outlays of \$452.6 million.

Achievements

Savings to outlays

- in 2005–06, the Integrated Review System indicated that review activity achieved \$9.51 million in savings to future fortnightly outlays
- review activity raised debts of \$61.24 million.

Review activity

- in 2005–06, the Integrated Review System indicated that Centrelink reviewed 925,000 social security payments on behalf of FaCSIA. Of these, 151,000 were compliance reviews
- it is estimated that compliance review activity resulted in 20,656 social security payments (13.68 per cent) being reduced. Overall, 16.79 per cent of compliance reviews identified an incorrect payment.

Debt raising and recovery

- Centrelink raised 467,208 FaCSIA debts, valued at \$178.68 million. Of these, debts raised for recovery totalled \$167.61 million, with the balance being waived at determination
- recoveries of FaCSIA and Family Assistance Office debts by cash and withholdings amounted to \$129.07 million. These figures include compensation debts
- total debt determined as a percentage of the undetermined debt base for the financial year was 72.9 per cent (target 65 per cent)
- total value of debts under recovery as a percentage of the debt base for the financial year was 66.9 per cent (target 65 per cent).

These figures exclude Child Care Benefit and Family Tax Benefit reconciliations and tax return non-lodger debts.

Prosecutions

In 2005–06, 205 cases of alleged social security fraud were referred to the Commonwealth Director of Public Prosecutions (CDPP). The CDPP prosecuted 201 cases resulting in 192 convictions (96 per cent conviction rate).

Budget measures

Prevention

As part of the 2006–07 Budget, the government announced a preventative measure to improve the assessment of the value of real estate assets. This measure will minimise the risk of Age Pension customers accumulating large debts due to non-disclosure of assessable real estate holdings. The social security law will be amended to provide Centrelink access to land titles information held by state and territory governments. An education campaign will be undertaken to inform customers of the change and encourage them to notify Centrelink about any changes in their real estate circumstances.

In 2005–06, a measure to prevent customers with income from foreign sources incurring debts was introduced. Centrelink systems are being progressively enhanced to automatically update Australian pension rates for customers receiving overseas pensions from participating countries, when those overseas pensions are indexed for inflation or experience other increases. The measure included an education strategy to raise awareness among age pensioners of the requirement to advise Centrelink of any changes in their overseas income that may affect their Australian pension. Research has been conducted into the current level of knowledge and preferred channels of communication for affected customers. An information program will commence in January 2007.

A 2005–06 Budget measure enabled the negotiation of arrangements to facilitate automatic updating of Australian pension rates for Age Pensioners who also receive foreign pensions. This is well advanced with a number of countries, including Italy, Germany, Malta, the Netherlands, Ireland and Spain, and will be progressively introduced over the next four years.

In the 2005–06 Budget, funding was provided to automatically cross-match Department of Veterans' Affairs and Centrelink identity registers to prevent people from making inadvertent or fraudulent claims for payment. This project was implemented in 2005–06 in two stages. The first stage established daily data exchanges between the Department of Veterans' Affairs and Centrelink to prevent future error or fraud. The second stage identified approximately 1,500 cases for investigation where dual payments may have been made. These are currently under investigation.

Detection

In the 2006–07 Budget, the government announced a measure to detect incorrect Carer Payments. The Department of Health and Ageing will provide information to Centrelink about people permanently entering residential aged care. The measure will help prevent Carer Payment customers from incurring large debts when a person being cared for has permanently entered residential aged care and they have not informed Centrelink of this change in circumstances.

Research and development

In the 2005–06 Budget, a research and development package was announced to research areas of risk to payment correctness for some FaCSIA programs to improve the control of incorrect payment and fraudulent claims, identify further scope for tightening existing controls and testing methods. There were five sub-projects, run as pilots:

- a proof-of-concept pilot between the eight state and territory registries of births, deaths and marriages and Centrelink running in 2005–06 and 2006–07, and in conjunction with the Department of Veterans' Affairs. Agreements are in place with all state and territory registries of births, deaths and marriages to provide Centrelink with verified death data of FaCSIA customers each business day. Victoria and Tasmania are now online; the other states and territories will have this facility during 2006
- a random sample survey of 5,000 Age Pension customers, 250 Carers Allowance and 750 Carer Payment recipients commenced on 1 July 2006
- a Rent Assistance survey consisting of 20,000 customers being surveyed by mail over two years commenced in October 2005. The random sample survey was accompanied by a voluntary survey of 10,000 customers
- a pilot random sample survey of 1,200 Family Tax Benefit and 2,000 Child Care Benefit recipients has been completed and the results are now under analysis
- a pilot review of 10 Child Care Service Providers in each of 2005–06 and 2006–07 has commenced.

The results from this suite of research projects will be evaluated to determine their role as a permanent part of the control framework.

SOCIAL SECURITY APPEALS TRIBUNAL



The Social Security Appeals Tribunal is part of the FaCSIA portfolio. It is a statutory body under the *Social Security (Administration) Act 1999* that conducts merit reviews of administrative decisions made under a number of enactments, in particular social security law and family assistance law.

The government has announced that from 1 January 2007 the tribunal will also be given the jurisdiction to determine appeals from decisions of the Child Support Agency.

Structure and membership

The Social Security Appeals Tribunal consists of an executive director, directors, members and staff. The current executive director, Mr Les Blacklow, was reappointed for a second three-year term in April 2005.

The Secretary of FaCSIA delegates financial and employment powers to the executive director, who is responsible to the Minister for Families, Community Services and Indigenous Affairs for the overall operation and administration of the tribunal, including taking reasonable steps to ensure that its decisions are consistent and it performs its functions efficiently and effectively.

The tribunal's national office is in Melbourne. The national manager and staff assist the executive director.

There is a tribunal office in each state and territory, except in the Northern Territory. The Northern Territory office closed in December 2005 with the Northern Territory's appeals now managed by the Queensland office, although appeal hearings are still conducted in the territory. Each office is headed by a director (the director of the Victorian office is also responsible for the Tasmanian office, the director of the New South Wales office is responsible for the Australian Capital Territory office and the director of the Queensland office is responsible for managing appeals in the Northern Territory).

At 30 June 2006, the tribunal had 148 members, working either full-time or part-time. Members are selected for general skills, such as an understanding of, and commitment to, the principles of administrative review, a knowledge of the social security system, interpersonal skills and particular expertise in disciplines such as law, welfare/community work, medicine or public administration.

The Governor-General appoints the executive director, directors and members. This demonstrates a clear demarcation between FaCSIA and tribunal membership.

In line with its reporting obligations under section 25, part 3 of schedule 3 to the *Social Security (Administration) Act 1999*, the executive director submits an annual report to the Minister for Families, Community Services and Indigenous Affairs to be laid before both houses of parliament.

Governance

Under the Social Security Appeals Tribunal's corporate governance arrangements, the executive group advises and assists the executive director in the overall operation and administration of its business. Chaired by the executive director, with the national manager and directors as members, this group focuses principally on the strategic direction and overall performance of the tribunal.

The tribunal is a member of the Council of Australasian Tribunals and the Commonwealth Heads of Tribunals group with the Administrative Appeals Tribunal, the Veterans' Review Board, the Migration Review Tribunal and the Refugee Review Tribunal.

Appeal management and customer service

The *Social Security (Administration) Act 1999*, requires the Social Security Appeals Tribunal to provide a review mechanism that is 'fair, just, economical, informal and quick'.

The tribunal's strategic plan for 2005–2008 sets out its core values and service standards within the framework of its statutory objectives.

In 2005–06, 8,141 appeals were lodged with the tribunal relating to payment across all social security departments. At the start of the year 1,132 appeals were on hand. During the year 7,910 appeals were finalised involving review of 8,884 separate decisions. The average time between lodging and finalising an appeal was 8.06 weeks. At 30 June 2006 1,363 appeals were on hand.

The tribunal provides a quarterly performance report to the minister.

Relationship management

Although the Social Security Appeals Tribunal has the independent power to review appeals, a Memorandum of Understanding has been negotiated with FaCSIA for administrative services support. FaCSIA financial and personnel management information systems are purchased by the tribunal to assist in performing its purchasing, accounts payment, budgeting and staff management functions.

In May 2005, the tribunal signed a new administrative arrangements agreement with Centrelink aimed at continuing the long-term professional relationship between both organisations. The key focus of this agreement is to enhance service delivery outcomes and to improve liaison across a broad range of administrative matters. Both parties monitor compliance with this agreement and report to each other on the level of performance against the agreed standards and measures twice a year.

Financial management

Funding for the Social Security Appeals Tribunal's running costs (salary, administration, property and IT) is provided in the FaCSIA portfolio Budget. While the tribunal prepares and submits budget bids to FaCSIA to incorporate into total portfolio requirements, it does so in aggregate. FaCSIA provides funds in fortnightly instalments of one twenty-sixth of the Budget allocation.

The tribunal manages its own financial resources. In 2005–06, it operated within its budget of \$14.17 million.

People management

The Social Security Appeals Tribunal is responsible for managing its human resources and purchases human resource policy advice and administrative support from FaCSIA as required.

FaCSIA also performs some administrative functions on behalf of the tribunal, such as leave processing and paying salaries and fees for staff and members.

Information management

The Social Security Appeals Tribunal has its own electronic appeal management system to manage and administer the lodgement and determination of appeals. It is also in the process of selecting an electronic document and records management system to manage, control and provide access to physical and electronic documents created by the tribunal.

The tribunal purchases IT infrastructure services from FaCSIA.

Risk management

The Social Security Appeals Tribunal has a security and fraud control plan and has implemented the Government Online Strategy and the Commonwealth Disability Strategy. It uses a comprehensive internal audit program to provide a framework to measure (both quantitative and qualitative) performance and identify risk across all areas of its activity.

Service charter

A service charter expresses the Social Security Appeals Tribunal's commitment to providing high-quality, timely and courteous services to its applicants and stakeholders.

PART 4

APPENDICES



Part 4 Appendices

Appendix 1: Staffing overview	328
Appendix 2: Commonwealth Disability Strategy performance report	334
Appendix 3: Advertising and market research	338
Appendix 4: Competitive tendering and contracting	342
Appendix 5: Consultants	344
Appendix 6: Discretionary grants	360
Appendix 7: Freedom of information	362
Appendix 8: Legislation	368
Appendix 9: Statement of material error	370

APPENDIX 1

Staffing overview



The following tables provide details of Australian Public Service (APS) employees (ongoing and Non-ongoing) employed under the *Public Service Act 1999* in 2005–06. The tables include aggregated information on salary, performance pay and non-salary benefits to which staff were entitled under the certified agreements and Australian workplace agreements of the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and the Social Security Appeals Tribunal (SSAT).

The financial and staffing resources summary tables that appear against each outcome and output group provide details of staffing years in terms of full-time equivalent numbers. Due to the impact of part-time employees and employees on leave without pay during the reporting period, the ‘staffing years (numbers)’ are less than the staff numbers in the tables below.

Classification streams - FaCSIA and SSAT

Table 4.1 | Staffing overview - explanation of different classification streams

APS Class	FaCSIA (excluding SSAT)	SSAT
Senior Executive Service	Senior Executive Service	
Executive Officer Level 2	Executive Level 2	SSAT 5
Executive Officer Level 1	Executive Level 1	SSAT 4
Australian Public Service Level 6	APS Level 6	SSAT 3
Australian Public Service Level 5	APS Level 5	SSAT 3
Australian Public Service Level 4	APS Level 4	SSAT 2
Australian Public Service Level 3	APS Level 3	SSAT 2
Australian Public Service Level 2	APS Level 2	SSAT 1
Australian Public Service Level 1	APS Level 1	SSAT 1
Australian Public Service Level 4 to Executive Level 1	Public Affairs Officer	
Executive Level 2	Senior Public Affairs Officer	
Australian Public Service Level 3 to Executive Level 2	Legal Officer 1	
Executive Level 2	Legal Officer 2	

Staff by gender

Table 4.2 | Staffing overview - actual FaCSIA ongoing and Non-ongoing full and part-time staff by gender at 30 June 2006

Total Staff By Gender - FaCSIA						
	Ongoing Full-Time	Ongoing Part-Time	Non-ongoing Full-Time	Non-ongoing Part-Time	Casual	Total
Female	1,254	260	143	34	5	1,696
Male	727	28	74	13	2	844
Total	1,981	288	217	47	7	2,540

Table 4.3 | Staffing overview - actual SSAT ongoing and Non-ongoing full and part-time staff by gender at 30 June 2006

Total Staff By Gender - SSAT						
	Ongoing Full-Time	Ongoing Part-Time	Non-ongoing Full-Time	Non-ongoing Part-Time	Casual	Total
Female	36	1	3	0	0	40
Male	16	0	0	0	0	16
Total	52	1	3	0	0	56

Staff by classification

Table 4.4 | Staffing overview—actual staff by classification in the relative levels of the larger classification groups at 30 June 2006

Total FaCSIA staff (excluding SSAT)									
Classification	ACT	QLD	NSW	VIC	SA	WA	NT	TAS	Total
Cadets/Trainees	1								1
Australian Public Service Level 1	20	1	2	2					25
Australian Public Service Level 2	13	14	7	3	3	7	8	1	56
Australian Public Service Level 3	99	16	9	4	7	8	6	3	152
Australian Public Service Level 4	132	18	22	21	10	12	12	8	235
Australian Public Service Level 5	181	15	11	6	12	24	17	6	272
Australian Public Service Level 6	392	53	56	41	28	41	17	7	635
Legal 1	18								18
Legal 2	9								9
Public Affairs Officer Grade 1	8								8
Public Affairs Officer Grade 2	12		1						13
Public Affairs Officer Grade 3	7	1		1	1				10
Senior Public Affairs Officer Grade 1	1								1
Senior Public Affairs Officer Grade 2	3								3
Executive Level 1 and Equivalents	585	33	19	10	14	19	24	3	707
Executive Level 2 and Equivalents	225	13	12	7	6	8	9	2	282
Land Commissioner	1								1
Senior Executive Service Band 1	65	3	4	4	2	6	2		86
Senior Executive Service Band 2	18	1					1		20
Senior Executive Service Band 3	5								5
Secretary	1								1
Total staff	1796	168	143	99	83	125	96	30	2540

Table 4.5 | Staffing overview—actual SSAT staff by classification in the relative levels of the larger classification groups and by state and territory at 30 June 2006

Total SSAT staff										
Classification	National Office	ACT	QLD	NSW	VIC	SA	WA	NT	TAS	Total
SSAT 1				3		1	1			5
SSAT 2	1	1	4	7	6	3	4		2	28
SSAT 3	10		1	1	1	1	1			15
SSAT 4	2		1	1	1					5
SSAT 5	3									3
Total staff	16	1	6	12	8	5	6		2	56

Table 4.6 | Salary Ranges By Classification—FaCSIA (as at 30 June 2006)

	Pay point - lower (\$)	Pay point - higher (\$)
SES Band 3	190,402	244,000
SES Band 2	125,000	172,108
SES Band 1	107,000	144,305
FaCSIA Executive Level 2	80,500	116,000
FaCSIA Executive Level 1	69,099	97,684
FaCSIA APS Level 6	56,510	86,245
FaCSIA APS Level 5	52,490	68,471
FaCSIA APS Level 4	46,500	56,510
FaCSIA APS Level 3	41,189	45,695
FaCSIA APS Level 2	36,255	41,062
FaCSIA APS Level 1	31,144	36,175
Graduate APS	41,189	50,043

Table 4.7 | Salary Ranges By Classification—SSAT (as at 30 June 2006)

	Pay point - lower (\$)	Pay point - higher (\$)
SSAT 5	85,018	98,292
SSAT 4	68,321	78,545
SSAT 3	54,466	65,177
SSAT 2	43,650	52,151
SSAT 1	32,784	41,143

Performance Pay

Table 4.8 | Staffing Overview – Performance Payments during 2005–06

FaCSIA (excluding SSAT and OIPC)					
Level	Number	Aggregated amount (\$)	Average (\$)	Minimum (\$)	Maximum (\$)
SES 3 and SES 2 ^a	12	100,650	8,387	5,235	10,000
SES 1	44	278,044	6,319	438	10,000
FaCSIA Executive Level 2	48	232,657	4,847	441	6,165
FaCSIA Executive Level 1	27	113,245	4,195	370	5,290
FaCSIA APS Levels 1 – 6	4	12,990	3,247	2,999	4,000
Total	135	737,596			

a Figures have been aggregated to protect employee's privacy.

Table 4.9 | Staffing Overview – Total Staff on AWAs at 30 June 2006

	FaCSIA	OIPC	SSAT	Total
SES 3 and SES 2	12	10		22
SES 1	41	27		68
Executive Level 2	86	40	1	127
Executive Level 1	72	13		85
APS Levels 1 – 6	13	2		15
Total	224	92	1	317

Non-salary benefits–FaCSIA

Table 4.10 | Staffing overview–non-salary benefits at 30 June 2006

Non-Salary Benefits–FaCSIA
<p>Non-SES staff–certified agreement</p> <ul style="list-style-type: none"> ▸ Access to Employee Assistance Program ▸ Mobile phone for official and incidental personal use ▸ Airline lounge membership ▸ Child and elder care information and referral service ▸ School holiday child care subsidy where recreation leave is cancelled ▸ Family care rooms ▸ Extra family care cost reimbursement ▸ Study assistance ▸ Time off for long business travel ▸ Business class travel for long haul flights ▸ Flexible remuneration packaging ▸ Assistance with public transport and parking costs ▸ Influenza vaccination ▸ Contributions towards promoting good health ▸ 4WD driver training for staff required to service remote localities
<p>Non SES staff–Australian workplace agreements</p> <ul style="list-style-type: none"> ▸ All of the above benefits except flextime cash out ▸ Recreation leave cash out ▸ Home office equipment ▸ Support for professional and personal development ▸ Motor vehicle for official and private use, fuel and parking
<p>SES staff –Australian workplace agreements</p> <ul style="list-style-type: none"> ▸ All the above benefits except flextime cash out ▸ Motor vehicle for official and private use, fuel and parking ▸ Purchase of additional recreation leave
<p>Non-Salary Benefits–SSAT</p> <ul style="list-style-type: none"> ▸ Access to child care information and referral and school holiday subsidies ▸ Flextime ▸ Leave purchase provisions ▸ Carers, parental and adoption leave ▸ Studies assistance scheme ▸ Influenza vaccinations ▸ Healthy Lifestyle Program

APPENDIX 2

Commonwealth Disability Strategy performance report



In this appendix, FaCSIA reports on its performance under the Commonwealth Disability Strategy. Performance is reported in three categories reflecting the department's role as a policy adviser, purchaser and employer. The department does not have the role of regulator or provider under this strategy.

Disability action

The amalgamation of FaCS and OIPC in April 2006 requires the inclusion of OIPC in the Disability Action Plan (DAP). That process has already commenced and the plan is due for release in December 2006.

The department's core business of policy advising and program management includes improving outcomes for people with disability. FaCSIA continues to improve access to its policies, programs and facilities for people with disability.

Table 4.11 | FaCSIA – performance report against the Commonwealth Disability Strategy reporting framework for 2005–06

Performance Requirements for the Policy Adviser Role	
Performance Indicator	Current Level of Performance
New or revised program/policies assess impact on the lives of people with disability prior to decision.	Where possible, the impact of new policy and program proposals on people with disability is completed prior to implementation.
People with disability are included in consultations about new or revised policy/program proposals.	People with disability and peak disability groups are consulted as part of the department's holistic consultation process when policies are implemented for the first time or revised.
Public announcements of new, revised or proposed policy/program initiatives are available in accessible formats for people with disability in a timely manner.	The department has a standard for provision of documents in accessible formats.

Performance Requirements of the Purchaser Role	
Performance Indicator	Current Level of Performance
Publicly available information on agreed purchasing specifications is available in accessible formats for people with disability.	All documents are available in accessible formats.
Processes for purchasing goods or services with a direct impact on the lives of people with disability are developed in consultation with people with disability.	The department's procurement policy necessitates consultation with all stakeholders and the concerns and interests of people with disability are included as part of this process.
Purchasing specifications and contract requirements for the purchase of goods and services are consistent with the requirements of the <i>Disability Discrimination Act 1992</i> .	The department's standard contract forms requires all contractors to comply with provisions of the <i>Disability Discrimination Act 1992</i> .
Publicly available performance reporting against the purchase contract specifications requested in accessible formats for people with disability is provided.	All performance reporting is available in accessible formats for people with disability.
Complaints/grievance mechanisms, including access to external mechanisms, in place to address concerns raised about provider's performance.	Complaints and grievances are managed under the FaCSIA service charter. External complaints mechanisms are available. All providers operating under a funded service agreement are required to have a complaints and grievance mechanism and access to an external appeal mechanism.

Performance Requirements of the Employer Role	
Performance Indicator	Current Level of Performance
Employment policies, procedures and practices comply with the requirements of the <i>Disability Discrimination Act 1992</i> .	<p>All employment policies, procedures and practices comply with legislative requirements. The department is a member of Employees Making a Difference Inc – the Australian Employers' Network on Disability. FaCSIA works with other APS agencies and with the Disability Stakeholders Group to pilot different approaches in providing employment opportunities to people with disability.</p> <p>FaCSIA reviews these policies in line with any identified changes or requirements.</p>
Recruitment information for potential job applicants is available on request in accessible formats.	<p>All standard recruitment materials are provided in accessible formats and each recruitment panel is supported in handling requests for accessible information. Any request for accessible information is logged, with no requests made during 2005–06.</p>
Agency recruiters and managers apply the principle of reasonable adjustment.	<p>FaCSIA has launched its strategic recruitment and retention policy for staff with disability. FaCSIA has guidance on reasonable adjustment and a range of practical fact sheet guides for recruiters and managers to promote good practice, all of which are available online.</p> <p>The disability access coordinator works with managers, employees and service providers to ensure the principles of reasonable adjustment are upheld. Two workshops on recruiting and managing staff with disability in FaCSIA were conducted by the Australian Employers' Network on Disability during 2005–06, one in Canberra and one in Brisbane.</p>

Performance Requirements of the Employer Role	
Performance Indicator	Current Level of Performance
Training and development programs consider the needs of staff with disability.	<p>The specific needs of people with disability are provided for in the department's training and development programs.</p> <p>FaCSIA has various training and development locations with a hearing loop installed and the disability access coordinator arranges for specific IT equipment to be available when required.</p>
Training and development programs include information on disability issues as they relate to the content of the program.	<p>Where the content of the program relates to disability issues, this information is included in all FaCSIA training and development programs.</p> <p>FaCSIA's orientation training comprises a session on disability awareness including work-shopping scenarios.</p> <p>Managers received specific training on recruitment and management of staff with disability in FaCSIA.</p>
Complaints/grievance mechanisms, in place to address issues and concerns raised by staff.	<p>The FaCSIA certified agreement 2005–2008 has an established process for handling complaints and resolving disputes that includes access to external mechanisms such as the Employee Assistance Program to assist with issues of workplace stress, change management, mediation, conflict management and workplace harassment. FaCSIA provides managers and harassment contact officers with training to support them in their role in responding effectively to workplace harassment issues. FaCSIA has contracted Davidson Trahaire Corpsych to provide support for supervisors and managers on managing a range of workplace situations with staff. Nil grievances in 2005–06.</p>

APPENDIX 3

Advertising and market research



The information provided in this appendix is required by section 311A of the *Commonwealth Electoral Act 1918*. A detailed list is provided below.

FaCSIA expenditure

Table 4.12 | FaCSIA—expenditure on advertising agencies, 2005–06

Name of organisation	Service provided	Total cost (\$)
Grey Worldwide Pty Ltd	Creative Agency for the ‘ <i>Violence Against Women. Australia says NO</i> ’ campaign	352,844
Lifelounge Pty Ltd	Promotion of National Youth Week 2006	220,000
Swish Digital Imaging	Development and production of TV infomercials on the changes to Carer Allowance communication campaign	27,500
Whybin TBWA & Partners	Development of advertising for the More Help for Families communication campaign	86,928

Table 4.13 | FaCSIA—expenditure on direct mail organisations, 2005–06

Name of organisation	Service provided	Total cost (\$)
Centrelink	Distribution of More Help for Families products	80,891
iContact Australia Pty Ltd	Mailing publications and products	317,283
Infomed	Distribution of the ‘Are you looking after someone’ brochure	16,500
National Mailing and Marketing	Distribution of Office for Women resources, publications and campaign related material	75,511
National Mailing and Marketing	Distribution of communication letter regarding the 2006 Disability Services Census	165

Table 4.14 | FaCSIA-expenditure on market research, 2005–06

Name of organisation	Service provided	Total cost (\$)
TNS Social Research*	Developmental research and concept testing of the relationships education and skills training resources	88,164
TNS Social Research*	Developmental research and concept testing of the relationships education and skills training resources for people from a non-English speaking background and people living in rural and remote locations	138,999
Open Mind Research Group	Provision of market research for More Help for Families	134,877
Orima Research Pty Ltd*	Developmental research to develop an information strategy on asset testing requirements for Age Pensioners	71,160
Orima Research Pty Ltd*	Developmental research for an information strategy to encourage reporting of overseas income by Australian Pensioners	80,333
TNS Social Research*	Product evaluation involving the facilitation of focus groups, formulation of findings and report preparation for the Women in Science DVD	51,150
TNS Social Research*	Developmental research into perceptions about business services	32,560
Orima Research Pty Ltd	Research to identify circumstances leading to family assistance overpayments	87,450
Orima Research Pty Ltd*	Audit of Women on Boards materials and initiatives	35,200
Elliott & Shanahan*	Market research on effectiveness of the ‘Violence Against Women. Australia Says NO’ campaign	250,000
Orima Research Pty Ltd	Research into FaCS internal communications	8,319

Table 4.15 | FaCSIA expenditure on media advertising organisations, 2005–06

Name of organisation	Service provided	Total cost (\$)
Unigrad	Listing of Compass Development Program in publication	7,040
Setform	Listing of Compass Development Program in publication	2,140
HMA Blaze Pty Ltd	Advertising for More Help for Families	55,979
SBS Radio	Advertising for More Help for Families	123,156
HMA Blaze Pty Ltd	Promoting Young Carers information, referral and advice services	11,512
HMA Blaze Pty Ltd	Advertising for applications to develop content for the Succession Planning Information Package	4,226

Name of organisation	Service provided	Total cost (\$)
HMA Blaze Pty Ltd	Advertising of National Disability Conference Funding 2006–07	25,698
HMA Blaze Pty Ltd	Recruitment advertising	398,036
HMA Blaze Pty Ltd	Advertising recruitment for Compass Development Program	32,343
Executive Media Pty Ltd	Advertising Stronger Families and Communities Strategy	3,095
HMA Blaze Pty Ltd	Advertising inviting applications for Outside School Hours Care places in June 2005	102,652
HMA Blaze Pty Ltd	Advertising inviting applications for Outside School Hours Care places in February–March 2006	160,211
HMA Blaze Pty Ltd	Advertising of tender for the Support for Victims of People Trafficking Program	18,000
HMA Blaze Pty Ltd	Advertising of tender for operation of The Australian Centre for the Study of Sexual Assault and The Domestic and Family Violence Clearinghouse	36,000
HMA Blaze Pty Ltd	Advertising for applications for Domestic and Family Violence and Sexual Assault Initiative	20,070
Universal McCann	Media buy for the ‘Violence Against Women. Australia Says NO’ campaign	9,674,634
HMA Blaze Pty Ltd	Advertising of tender for the provision of the ‘Violence Against Women. Australia Says NO’ national help line	22,235
HMA Blaze Pty Ltd	Advertising of Women’s Leadership and Development Program Grants Round 1	4,564
HMA Blaze Pty Ltd	Advertising of Women’s Leadership and Development Program Grants Round 2	20,033
HMA Blaze Pty Ltd	Advertising of Office for Women Time Use Fellowships	5,881
HMA Blaze Pty Ltd	Advertising the 2005–06 National Indigenous Youth Leadership Group selection process	2,083
HMA Blaze Pty Ltd	Advertising the 2005 Ship for World Youth selection process	1,938
HMA Blaze Pty Ltd	Advertising for tender for National Youth Roundtable 2005 facilitation services	3,985
HMA Blaze Pty Ltd	Advertising for applications for funding under Phase II of the Mentor Marketplace Program	19,406
HMA Blaze Pty Ltd	Advertising for Stronger Families and Communities Strategy	5,000
HMA Blaze Pty Ltd	Advertising for Volunteer Small Equipment Grants	118,427

Name of organisation	Service provided	Total cost (\$)
HMA Blaze Pty Ltd	Advertising for Prime Minister's Community Business Partnership Corporate Social Responsibility Essay Competition 2006	40,349
HMA Blaze Pty Ltd	Advertising for Prime Minister's Community Business Partnership Corporate Social Responsibility Essay Competition 2005	69,322
HMA Blaze Pty Ltd	Advertising of changes to Carer Allowance and Payment	174,058
Good Health Television	Advertising of changes to Carer Allowance and Payment	27,500
HMA Blaze Pty Ltd	Advertising of Inclusion Support Agency Tender	75,668
HMA Blaze Pty Ltd	Advertising for National Disability Program	5,728
HMA Blaze Pty Ltd	Advertising for Expressions of Interest for National Homelessness Strategy funding	8,289
HMA Blaze Pty Ltd	Advertising for the invitation to tender for the provision of Disability and Carers services	16,364
HMA Blaze Pty Ltd	Advertising of Workplace Giving workshops	39,059
HMA Blaze Pty Ltd	Advertising inviting applications for funding for the provision of family counselling and mediation services	16,364
HMA Blaze Pty Ltd	Advertising inviting Indigenous children to participate in Footprints in Time	786
HMA Blaze Pty Ltd	Advertising inviting applications for the provision of an Intensive Support Playgroup in Macquarie Fields	7,595
HMA Blaze Pty Ltd	Advertising of National Youth Week Request for Tender	3,099
HMA Blaze Pty Ltd	Advertising of call for applications for Newly Arrived Youth Support Service	20,933
HMA Blaze Pty Ltd	Advertising for developers of Child Care software packages	13,807
HMA Blaze Pty Ltd	Advertising for the Prime Minister's Community Business Partnership Awards	162,076
HMA Blaze Pty Ltd	Advertising for Emergency Relief Providers in metropolitan and regional areas of Victoria	2,977

* Also reported in Appendix 5 - consultants

APPENDIX 4

Competitive tendering and contracting



Competitive Tendering and Contracting (CTC) moves responsibility for delivery of services previously performed in-house to an external organisation.

FaCSIA has a range of CTC contracts in place that have had a significant impact on its administrative work. Several of these have been reviewed, renewed or replaced during the year in accordance with existing contractual provisions, changes in the department's business needs or amended service-level requirements.

Included in this appendix are consultancies relating to the former Office of Indigenous Policy Coordination, which is now part of FaCSIA.

FaCSIA did not have any contracts exempt from the gazettal requirement during 2005–06.

CTC contracts - additional information

The following list reports on CTC contracts of \$100,000 and above that were entered into, or remained current, during 2005–06. Details of all contracts above \$100,000 are available on the department's website in accordance with Senate Order No. 192. Payments under these contracts are GST inclusive.

Australian Healthcare Associates Pty Ltd

Australian Health Care Associates Pty Ltd was engaged in April 2006 to undertake the production of the Commonwealth State Territory Disability Agreement (CSTDA) Annual Public Report for each of the three financial years 2004–05, 2005–06 and 2006–07.

It is a requirement of the third five-year CSTDA (2002–2007) that the Commonwealth prepares an Annual Public Report in conjunction with the states and territories through the National Disability Administrators. The Report is part of the improved performance reporting arrangements to which all governments have committed under the CSTDA. It represents a series of annual reports which will be published about activities, progress and achievements made under the existing Agreement.

The full value of the contract over the three years is \$238,920 (\$79,640 each year). Expenditure for 2005–06 was \$47,784 and reflects work in progress payments for the 2004–05 Annual Report.

Ernst & Young

Ernst & Young continued to be engaged under the current contract signed in April 2003, which provides services for internal audit, risk management, fraud control/investigation and business

continuity services. The contract has provided an opportunity for FaCSIA to establish a partnering agreement with a focus on business improvement. Expenditure for financial year 2005–06 was as follows: delivery of audit services - \$565,180; risk management and business continuity planning - \$65,312; and fraud control services - \$424,552 (includes the services of a fraud control officer, development of a fraud control plan and conduct of fraud investigations).

Getronics Australia Pty Ltd

Getronics provides information and communications technology services covering helpdesk, desktop and infrastructure support. The full provision of these services commenced on 1 July 2004 and will run to 5 April 2007. Expenditure for 2005–06 was \$3,669,205.

HRM Consulting Pty Ltd

HRM Consulting Pty Ltd was engaged in July 2002 for a three-year period to 30 June 2006, as a sole supplier of services for InfoHRM, a human resource information management tool. The total contract amount was \$254,100 and expenditure for 2005–06 was \$82,500.

Media Monitors Australia Pty Ltd

Media Monitors Australia Pty Ltd provides broadcast and print monitoring services. Media Monitors were engaged under two contracts, which commenced in March 2004 and were extended until 30 June 2006. One contract covers broadcast monitoring and the other print monitoring services. Combined expenditure for both forms of media monitoring for the 2005–06 financial year totalled \$331,997. Procurement action has commenced for the establishment of a new contract.

Mercer Communications

A decision to separate telecommunication responsibilities from Centrelink, resulted in Mercer Communications being contracted to provide the department with voice management services. The contract is currently on a month-by-month arrangement. Expenditure for 2005–06 was \$286,550.

Phillips Fox

Phillips Fox was engaged to manage FaCSIA's Legal Services Branch. The contract commenced on 16 July 2004 and expired on 7 July 2006. Expenditure for 2005–06 was \$1,211,289.

The Swinburne University of Technology – Institute of Social Research has been contracted to perform an independent evaluation of the Household Organisational Management Expenses (HOME) Advice Program. The total value of the contract is \$428,458, over a period of 26 months, from 31 July 2005 to 30 September 2007.

United Group Services

United Group Services (formerly – United KFPW) continued to provide property management services to FaCSIA during 2005–06 under a three-year contract entered into in January 2004. Expenditure for 2005–06 was \$132,576.

APPENDIX 5

Consultants



FaCSIA's responsibility for both policy matters and the delivery of government services often requires the use of consultant expertise. Consultants are generally engaged when particular specialist expertise is necessary, sufficiently skilled expertise is not immediately available in-house, or independent advice on an issue is required.

The services provided by consultants include information gathering, research, data analysis, customer surveys, different types of financial activities and the provision of technical expertise.

The engagement of consultants is carried out in the same manner as the department's other procurement activities and is consistent with the Commonwealth Procurement Guidelines and the department's Chief Executive Instructions. The priority is to obtain value for money. Competitive processes are, as far as possible, used for the selection of consultants, and the Chief Executive Instructions contain guidelines for the approval of expenditure.

The department did not have any contracts exempt from the gazettal requirement during 2005–06.

Categories of purpose

The main purposes for which new consultancies were let in 2005–06 were:

- research/evaluation and program support (approximately 82 per cent of all new consultancy engagements)
- corporate support (approximately nine per cent)
- information technology (approximately one-and-a-half per cent)
- engagements to assist with communications, legal and other purposes (approximately six-and-a-half per cent).

New consultancies of \$10,000 or more

Table 4.16 sets out details of new consultancies let to the value of \$10,000 or more during 2005–06.

Table 4.16 | FaCSIA (including SSAT) consultancy services let during 2005–06 of \$10,000 or more

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Access Economics	Advice on Economic Modelling	20,416	Select tender	D
Acumen Alliance	Review of Cape York Land Council Aboriginal Corporation	25,584	Select tender	D
Acumen Alliance	Change initiative to redefine and standardise core business processes	75,000	Select tender	A, D
Acumen Alliance	Develop a management plan for FaCSIA Online Funding Management System (FOFMS)	79,000	Select tender	A
Alexander J Dodd & Associates	Review resignation of the Greater Mount Isa Regional Committee	12,100	Open tender	D
Alliance Consulting Group	Provision of risk management services to the ACT office	19,360	Select tender	D
Alliance Consulting Group	Mapping of FaCSIA ACT office to the organisational structure	23,232	Select tender	D
Alliance Consulting Group	Research into centralised administrative body for Native Title Representative Body (NTRB)	120,768	Select tender	B
Altis Consulting	Provision of technical advice for reporting methodology re FaCSIA Online Funding Management System (FOFMS)	28,050	Select tender	D
APIS Consulting Group	Project management support to assist in the implementation of the child support reforms	79,954	Select tender	D
APIS Consulting Group	Consultancy services to take forward project management work for the child support reforms	40,752	Direct sourcing	D
ARTD Management & Research Consultants	Preparing and facilitating a forum regarding disability advocacy services	20,000	Select tender	A

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
ARTD Pty Ltd	Review of National Community Housing Forum to assess organisational role and objectives	25,400	Select tender	C
ARTD Pty Ltd	Reconnect independent service evaluations (Round 2)	377,600	Select tender	A, D
AustralAsia Economics Trust	Develop a draft Australian Government social and community impacts recovery plan for use in the event of terrorist attack	20,000	Direct sourcing	C
Australian Healthcare Associates	Conduct an evaluation of the drought counselling and sugar counselling programs funded under the Family Relationship Services Program (FRSP) from both service delivery and program management perspectives	143,220	Select tender	C
Australian Healthcare Associates	Conduct an evaluation of the 2002–03 and 2003–04 drought counselling funding package and provide a report for the department	55,660	Select tender	B
Australian Institute of Family Studies (AIFS)	Baseline research for the evaluation of the new family law system	369,600	Select tender	C
Australian Institute of Family Studies (AIFS)	Research developmental and managerial services for the Family Relationships Clearinghouse under the Government's Family Relationship Services Program (FRSP)	800,000	Select tender	A

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Australian Institute of Family Studies (AIFS)	Research into the familial perceptions of the impact of caring for a person with a disability	168,402	Select tender	D
Australian Institute of Family Studies (AIFS)	Longitudinal Study of Australian children (LSAC) Thematic report – ‘Mothers, fathers, children and work’	79,376	Select tender	D
Australian Institute of Family Studies (AIFS)	Preparing repository, communications, advisory, research, reference group, evaluation and quarterly reports for the National Child Protection Clearing House Program	1,494,372	Select tender	C
Australian Institute of Health and Welfare	Undertake a feasibility study on the collection of national foster carer data	55,000	Direct sourcing	B
Australian National University	Investigate the impact of dependent grandchildren on the economic circumstances and health status of co-resident grandparents over time	198,000	Select tender	E
Bayley and Associates	Review of the 2004–05 FaCS Annual Report	21,450	Direct sourcing	C
Butlin & Lloyd Pty Ltd	Business review of Knowledge & Information Services	77,880	Panel	C
Butlin & Lloyd Pty Ltd	Business review of the Data Management Branch	69,300	Panel	C
Catalyst Interactive	Core Business Processes design project	79,500	Direct sourcing	A, D
Charles Sturt University	Produce a research report into child care in Australia and its links to outcomes children and families using LSAC data	67,663	Select tender	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Courage Partners	Develop performance evaluation framework and program logic for a new FaCSIA initiative	20,400	Select tender	D
Courage Partners	Reporting framework development for Professional Support Coordinator (PSC)	31,680	Select tender	D
Curtin University of Technology	Longitudinal Study of Australian Children (LSAC) thematic report – ‘Parenting and families in Australia’	38,951	Select tender	D
David Jess & Associates	Preparation of National Aboriginal Health Strategy (NAHS) (3) program management tender documentation	20,000	Select tender	A
Davidson Wilson Group	Advise on and develop new certified agreement	30,000	Select tender	A, D
Deacons	Probity and contractual advice on the warehousing, fulfillment, distribution and related services request for tender	33,300	Select tender	A, D
Deloitte Touche Tohmatsu	Governance review of Cape Barren Island Aboriginal Association Inc	15,000	Select tender	C
Deloitte Touche Tohmatsu	Consultancy services for online management of child care services	238,495	Select tender	B
Deloitte Touche Tohmatsu	Development of a business case to inform the Child Care Information System	350,000	Select tender	A, D
Deloitte Touche Tohmatsu	Services in relation to business re-engineering across FaCSIA	1,720,000	Open tender	A, B
Deloitte Touche Tohmatsu	FaCSIA Online Funding Management System (FOFMS) Gateway Review	37,400	Select tender	C
Dialogue Pty Ltd	Develop a detailed SAAP/ Homelessness Knowledge Management Plan	22,000	Select tender	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Disability Studies and Research Institute	Community consultations for the Business Service Wage Assessment Tool, post - implementation review	18,682	Select tender	E
Disability Studies and Research Institute	Development of content for an information package for parents of sons and daughters with severe disability	52,091	Open tender	D
Dr Robyn Seth-Purdie	Development of an evaluation framework for the Family Relationship Services Program and the new family law system implementation	25,000	Direct sourcing	D
East Gippsland Region Water Authority	Cost estimate of the design, certification, construction and construction management of the Lake Tyers sewerage works	30,215	Select tender	B, C, D, E
Edith Cowan University	The provision of consultancy services in relation to the development of an Indigenous Child Care Plan	442,205	Select tender	B, C, D
Effective People	To develop a strategy to engage the non-government sector in planning and preparedness for a possible influenza pandemic	15,000	Direct sourcing	E
Elliott & Shanahan	Market research on effectiveness of the 'Violence Against Women. Australia Says NO' campaign	250,000	Select tender	C
Gever Goddard Jones Pty Ltd	Scoping of the update of the SAAP Case Management Resource Kit	28,710	Select tender	B, D
Great Southern Communications	Creative design and production for a family relationships education and skills training resource	69,465	Select tender	D
Healthhabitat	National supplier for Fixing Houses for Better Health projects	9,185,943	Open tender	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
HK Training and Consultancy Pty Ltd	Development and delivery of training materials for the MoneyBusiness Program	21,659	Select tender	A & C
Indigo Pacific	Maintenance advice for FaCSIA Online Funding Management System (FOFMS)	66,000	Select tender	A
Jenny Pearson & Associates Pty Ltd	Evaluation of the Quality Strategy aimed at people with disability seeking assistance and support from a range of Australian Government funded employment services	89,000	Select tender	C
Jenny Pearson & Associates Pty Ltd	Develop recommendations on training delivery options for criminal justice training	110,663	Select tender	D
Jenny Pearson & Associates Pty Ltd	Develop recommendations on training delivery options for nurses and Indigenous health workers as family violence reference points	129,970	Select tender	D
John Robinson Consulting	Evaluation of the performance of Phillips Fox as FaCSIA's legal services manager	35,000	Select tender	C
KPMG	Conduct full capability reviews of selected business service organisations and provide associated reports	165,000	Open tender	D
KPMG	FaCSIA Online Funding Management System (FOFMS) finance threat risk assessment development	23,456	Select tender	C
Learning Futures Australia	Evaluation of the Tasmanian COAG Trial	32,600	Select tender	C
LogicaCMG Pty Ltd	FaCSIA Online Funding Management System (FOFMS) IT security threat risk assessment	30,250	Select tender	C

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Melbourne Institute of Applied & Economic Social Research	Research report on issues affecting women and men in retirement based on data from the Household, Income and Labour Dynamics in Australia (HILDA) survey	30,000	Select tender	D
Melbourne Institute of Applied & Economic Social Research	Update, using post-2000 data, a previously published econometric model of labor supply and childcare demand	115,900	Direct sourcing	E
Monash University	The provision of human services support and other products and services to native title representative bodies and service providers	1,569,700	Select tender	D
Morgan Disney and Associates	The preparation, facilitation and brief report (summarising the evaluation outcomes) for the Family Relationships Services Program, challenges and change forum on 28 and 29 July 2005	15,400	Select tender	D
Morgan Disney and Associates	Investigation of the current pathways of young people who have left formal education	183,095	Select tender	B
Morgan Disney and Associates	Conduct a 'Red Tape Evaluation', a study of the administrative burden in 22 selected Indigenous organisations	168,269	Open tender	C
Morgan Disney and Associates	Evaluation of Shepparton COAG Trial	42,350	Select tender	C
Morgan Disney and Associates	Evaluation of the ACT COAG Trial	20,020	Select tender	C
Murdoch Childrens Research Institute	Longitudinal Study of Australian Children (LSAC) thematic report – 'How well are Australian infants and children aged 4 to 5 doing?'	53,623	Select tender	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
NCR Australia Pty Ltd	Longitudinal data warehouse review	84,398	Select tender	C
Officelink Plus	Review of Women on Boards registration database across jurisdictions	36,300	Select tender	A
Orima Research Pty Ltd	Audit of Women on Boards materials and initiatives	38,500	Panel	A,D
Orima Research Pty Ltd	Research into asset reviews for age pension recipients	25,615	Select tender	B
Orima Research Pty Ltd	Developmental research to develop an information strategy to encourage reporting of overseas income by Australian pensioners	80,333	Panel	B, C
Orima Research Pty Ltd	Developmental research to develop an information strategy on asset testing requirements for age pensioners	71,160	Panel	B, C
PALM Consulting Group Pty Ltd	Review and report on the structure of Family Relationships Services program industry representative bodies	90,950	Select tender	B
PG Policy Consulting	Developing a paper documenting proposed 'Intensive Intervention' in the NT	30,360	Direct sourcing	E
Porter Orchard & Associates	Consultancy in relation to the analysis of Reconnect Action research reports	25,344	Select tender	E
Pricewaterhouse Coopers	Strategic review of Community Housing and Infrastructure Program (CHIP)	751,159	Open tender	C
Protiviti	SAP Assure – improvements to IMPACT computer system	52,395	Select tender	B
Quantum Consulting Australia	Evaluation of the East Kimberly COAG Trial	53,586	Select tender	C
Queensland University of Technology	Review the current approach of the setting of child care national standards	267,125	Open tender	C

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Remote Rural Resources	Develop Australian Governance Story	27,555	Select tender	E
RPR Consulting Pty Ltd	Development of a performance framework for the Family Relationship Services Program	309,900	Select tender	D
RPR Consulting Pty Ltd	Benchmark Mensline Australia against the 'Violence Against Women. Australia Says NO' campaign hotline and Kids Help Line	40,450	Select tender	C
RPR Consulting Pty Ltd	Research to examine the financial literacy of marginalised groups of women	87,065	Open tender	D
RPR Consulting Pty Ltd	Professional partnerships network evaluation	50,850	Open tender	C
RPR Consulting Pty Ltd	Development of a performance framework model for the Mentor Marketplace Program	45,000	Select tender	E
RPR Consulting Pty Ltd	Development of a reporting and monitoring framework for the Youth Protocol	48,0250	Select tender	D, E
SA Centre for Economic Studies	Consultancy on Rent Assistance and affordable housing, including holding a series of targeted stakeholder consultations	59,985	Select tender	C
Sensis	Produce a report examining carer and family friendly provisions in Australian small to medium enterprises	77,000	Direct sourcing	D
Sensis	Production of quarterly report (Women's Business Index) analysing the Sensis Business Index Survey data by gender	69,300	Direct sourcing	B
SGS Economics & Planning	Report on alternate models for housing provision on Indigenous communal title lands	130,900	Open tender	C

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Social Options Australia Pty Ltd	Evaluation of the National Disability Advocacy Program	71,980	Select tender	C
Social Policy and Research Centre (SPRC)	Undertake an evaluation of the Stronger Families and Communities Strategy and an evaluation framework for the Playgroup Program	5,437,554	Open tender	C
Social Policy and Research Centre (SPRC)	Produce a research report identifying issues and barriers that Culturally and Linguistically Diverse (CALD) women may face when participating in sport or recreational activities	48,400	Select tender	D
Swinburne University of Technology – Institute of Social Research	Evaluation of the Household Organisational Management Expenses (HOME) Advice Program	428,458	Open tender	C
Switzer Group	Stage 2 of an Anthology of Women and Small Business, profiling 18 small businesses in Australia owned and operated by women	42,900	Select tender	D
Team System Pty Ltd	Review of Change Management System	30,525	Select tender	D
Team System Pty Ltd	Consultancy services for Business, Financial Services and Information Technology Group Workshop	10,574	Panel	D
Techniworks Action Learning Pty Ltd	Development and delivery of e-learning modules for to support implementation of FaCSIA's Strategic Framework	77,550	Select tender	A, E
The Council to Homeless Persons	Preparation of a special edition of Parity magazine focusing on SAAP research	12,000	Select tender	E
The Human Dimension	Coaching services – 'Future Ready Program'	10,000	Select tender	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
The One Umbrella	Learning and development review (training and knowledge management)	30,000	Select tender	A, D
The Salvation Army (Tasmania) Property Trust	Research into early intervention strategies and responses to children aged 0–5 in SAAP services	15,000	Select tender	B
The Twenty-Ten Association Incorporated	Research into the ways sexual and gender identity impact on homelessness in NSW	15,000	Select tender	B
The Value Creation Group Pty Ltd	Design and facilitate a half-day workshop on the governance of core business processes	18,000	Select tender	E
The Value Creation Group Pty Ltd	Preparation, design and facilitation of stakeholder management workshop	33,352	Select tender	E
The Value Creation Group Pty Ltd	Alignment of FaCSIA's Strategic Framework following MOG changes of 24 January 2006	264,000	Direct sourcing	D
Therese Wheatley	Review and edit communication strategy and prepare proposal for whole-of-government Indigenous Affairs publication	14,282	Direct sourcing	D
TNS Social Research	Developmental research into perceptions about business services	32,560	Open tender	D
TNS Social Research	Developmental research and concept testing to inform the development of the relationship between education and the skills training resource	88,165	Panel	D
TNS Social Research	Research to inform the development of a relationship education resource. The research will target Indigenous people, people from a non-English speaking background (NESB), and people living in rural and remote locations	158,799	Panel	D

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
TNS Social Research	Product evaluation involving facilitation of focus groups, formulation of findings and report preparation re Women in Science DVD	86,625	Panel	C
University of Melbourne	Research into agreements, treaties and negotiated settlements online database and Gateway Project	110,000	Direct sourcing	E
University of Newcastle	Research on women's experience of paid work and planning for retirement using the Australian Longitudinal Study of Women's Health	34,409	Select tender	D
University of Queensland	Pilot survey of business service consumers	78,775	Select tender	B
University of Queensland	Research on the impact of physical activity on outcomes for older women	110,000	Select tender	D
University of Queensland Social Research Centre	Provision of statistical advice on longitudinal data	10,800	Open tender	D
Urbis Keys Young	Evaluation of the Support for the Victims of People Trafficking Program	79,970	Select tender	D
Urbis Keys Young	Evaluation of the Australian Domestic and Family Violence Clearinghouse	39,575	Select tender	D
Urbis Keys Young	Evaluation of the Family Relationships Services for Humanitarian Entrants (FRSHE)	139,575	Select tender	B
Urbis Keys Young	Evaluation of Murdi Pakki COAG Trial	36,960	Select tender	C
Urbis Keys Young	Evaluation of the Cape York COAG Trial	62,187	Select tender	C
Urbis Keys Young	Evaluation of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands COAG Trial	43,428	Select tender	C

Consultant name	Description	Contract price** \$	Selection process (1)	Justification (2)
Vantage Point Consulting Pty Ltd	Leadership and change management development to support FaCSIA's change agenda within the department, across government and community	269,000	Panel	A, B, C, D
WalterTurnbull	Conduct of a full capability review of selected business service organisations and provide associated reports	165,000	Open tender	D
WalterTurnbull	Review and report on the salary sacrifice arrangements of native title representative bodies and service providers	34,090	Select tender	D
WalterTurnbull	Meta-analysis of governance reviews of Indigenous Community Housing Organisations (IHOs)	578,249	Select tender	D
WalterTurnbull	Major review of five indigenous organisations	48,813	Select tender	A, C, D
WJG and Associates	Evaluation of the Wadeye COAG Trial	45,400	Select tender	C
Wodonga Institute of TAFE	Develop training and information products for FaCSIA funded employment services	1,529,078	Open tender	A
Workplace Research Associates	Consultancy services in relation to National Advisory Council on Disability and Carer Issues Recruitment Process 2005	10,780	Select tender	D
Yellow Edge Pty Ltd	Independent assessment of business processes for the FaCSIA Online Funding Management System (FOFMS) Child Care Project	33,000	Select tender	C
	Total	33,447,524		

(1) Explanation of selection process terms drawn from the Commonwealth Procurement Guidelines (January 2005):

- open tender: request for tender is published inviting all businesses that satisfy the conditions for participation to submit tenders
- select tender: procuring agency selects which potential suppliers are invited to submit tenders in accordance with the mandatory procurement procedures
- direct sourcing: available only under certain defined circumstances. An agency may contract a single potential supplier or suppliers of its choice and for which conditions for direct sourcing apply under the mandatory procurement procedures
- panel: a number of suppliers, usually selected through a single procurement process, may each supply property or services to an agency as specified in the panel arrangements.

(2) Justification for decision to use consultancy:

- A skills currently unavailable within FaCSIA
- B requirements for collection of quantitative/qualitative statistical information
- C requirement for independent or impartial research/assessment by an independent organisation
- D requirement for specialist/professional expertise
- E consultant is recognised as an expert in the field and uniquely able to provide the required services

APPENDIX 6

Discretionary grants



Table 4.17 | Discretionary grants 2005–06

Program name	Program description	Funding 2005–06 (\$)
National Housing Priorities	Funding housing projects including support for two community housing representative bodies, the National Community Housing Forum and the Community Housing Federation of Australia.	144,318
Child Abuse Prevention	Funding a number of organisations that work at the national level, supporting prevention of child abuse and neglect.	68,425
Family and Community Network Initiative	Funding to strengthen networks and community capacity in Indigenous Coordination Centre Partnership sites and related Indigenous communities.	1,521,097
National Secretariats Program	Funding a number of national community peak bodies to contribute to government policy and service delivery.	4,715,615
Stronger Families and Communities Strategy (Outcome 5)	Funding families and communities to build strength and resilience so they can identify and resolve local issues, manage the impact of social and economic change and explore opportunities for development.	16,318,787
National Housing Research	Grants for housing related research, development, demonstration and evaluation.	420,000
Stronger Families and Communities Strategy (Outcome 4)	Funding for a range of initiatives, which support and strengthen Australian families and communities by working with them to identify solutions to their local issues.	34,303,327
Community Business Partnerships Program	Funding to promote increased positive engagement between business, community and government.	139,650
Employment Assistance other Services	Funding to provide services to help people with more severe disabilities seek, gain and maintain employment.	275,000
Support for People with a Disability	Funding to support rehabilitation, specialist employment services and other services for people with disability, promoting independence and self-reliance.	257,800

Program	Description	Funding 2005–06 (\$)
Child Abuse Protection	Funding child abuse prevention through REACh, Early Intervention and Parenting initiatives, the National Child Protection Clearinghouse and the ongoing support of the Australian Council for Children and Parenting.	3,543,156
Services for Families with Children	Funding a range of activities in the areas of health, welfare, education and childcare.	4,133,793
Indigenous Parenting and Family Well-Being	Funding for the recognition and promotion of culturally appropriate support and assistance for Aboriginal and Torres Strait Islander families and communities.	2,231,258
Women's Leadership and Development Program	Project and capacity-building grants to women's non-government organisations to help them strengthen their existing capacity and pursue projects that contribute to public policy.	469,846
National Disability Conference Funding Program	Funding for organisers of disability-focused conferences to assist people with disability, their families and carers with costs such as conference fees, accommodation, travel, interpreters or note takers.	264,299
Community Housing and Infrastructure Program	Funding to supplement state and territory government efforts to provide additional, adequate, appropriate and sustainable rental housing and to achieve improvements to environmental health conditions in Indigenous communities.	219,212,564
Youth Sponsorship Program	Funding, promoting and supporting the achievement of Youth Bureau's outcomes for young people, activities encouraging the development of young people and activities, which build a community's capacity to strengthen, support and develop young people.	260,000
Family Violence Regional Activities Program	Funding practical and flexible support for grassroots projects that have been identified by Indigenous communities as a local priority to address family violence, child abuse and child protection.	4,276,992
Family Violence Partnership Program	Funding a range of projects that will reduce and prevent Indigenous family violence and child abuse.	124,300
Women's Safety Agenda	Supporting women's safety through prevention, health, justice and services with the aim of decreasing the impacts of domestic violence and sexual assault upon the community.	1,046,920
Indigenous Children Program	Funding prevention and early intervention initiatives to strengthen Aboriginal and Torres Strait Islander children, families and communities and help them build resilience and support networks.	423,305
Community Conferences	Funding for conferences that promote and support community development.	77,000
Total		\$294,227,452

APPENDIX 7

Freedom of information



FaCSIA handles all freedom of information (FOI) requests in accordance with the *Freedom of Information Act 1982*. Supplementary material, such as the FOI Memoranda, published by the Attorney-General's Department on its website, is used to support the handling of FOI requests where necessary.

Freedom of information requests

Table 4.18 | FaCSIA—freedom of information: number of requests, 2005–06

	Number of requests received	Number of requests finalised (including withdrawn)	Number of requests transferred to another agency	Number of requests outstanding
FaCSIA	32	14	4	25
OIPC	1	1	0	0

Note: The statistics for the Office of Indigenous Policy Coordination (OIPC) in Table 4.18 are itemised separately. OIPC statistics only apply from 27 January 2006 when OIPC became part of FaCSIA.

Procedures for gaining access to documents

The FOI coordinator in FaCSIA provides advice on FOI matters to any interested parties and liaises with applicants.

Formal applications for access to documents under FOI must be made by letter or written request and accompanied by a \$30 application fee, which may be waived in special circumstances. The application must be submitted to the FOI coordinator, at one of the offices listed in table 4.19.

Functional statement

This functional statement is published to meet the requirements of Section 8 of the *Freedom of Information Act 1982*. The statement lists bodies which assist the department in its policy-making functions or administration of its schemes and enactments.

Functions

The broad functions of the department are described in the departmental overview of this report. The legislation administered by the minister is listed in the Administrative Arrangements Order and set out in Appendix 8. The Administrative Arrangements Order is available at www.pmc.gov.au/docs/aao.cfm

Arrangements for outside participation in policy development

A number of bodies, through their association with the department, facilitate participation by persons or bodies outside Commonwealth administration in the policy-making functions of the department or the administration of various schemes and enactments. Examples of these bodies are:

- Aboriginal and Torres Strait Islander Services Working Group
- Aboriginal Hostels Ltd
- Aboriginals Benefit Account Advisory Committee
- Accreditation Decisions Review Committee
- AIFS Board of Management
- AIFS Uhrig Transition Committee
- Australian Council for Children and Parenting
- Australian Early Development Index Steering Group
- Australian Forum of Youth Organisations
- Australian Housing and Urban Research Institute Limited Board
- Australian Institute of Family Studies Board of Management
- Australian Partnership for Children and Parenting
- Australian Research Alliance for Children and Youth
- BP 3D Evaluation Steering Committee
- Centre for Community Child Health
- Child Care Inclusion and Professional Support Program Implementation Review Reference Group
- Child Care Reference Group
- Child Health and Wellbeing Reform Initiative Steering Committee
- Child Safe Organisations Working Group
- Child Support Reference Group
- Children's Services Sub Committee

- Commonwealth Advisory Committee on Homelessness
- Commonwealth, States, Territories & New Zealand Ministerial Conference on the Status of Women
- Community and Disability Services Ministers' Conference
- Community Services Ministers' Advisory Council
- Consultative Forum (for Aboriginal and Torres Strait Islander Fund)
- CSMAC Gambling Working Party
- Disability Standards Review Panel
- Disaster Recovery
- Working Group under Community Services Ministers' Advisory Council
- Emergency Relief State Advisory Committee
- Executive Committee of the Wreck Bay Aboriginal Community Council
- Family Relationships Centres Taskforce
- Finance Technical Working Group (under Housing Ministers' Conference)
- Gambling Research Australia Working Party
- HILDA Survey Steering Committee
- Home and Community Care Officials Forum
- Housing Ministers' Advisory Committee
- Housing Ministers' Conference
- Indigenous Land Corporation
- Information Sub Committee of the Supported Accommodation Assistance Program Coordination & Development Committee
- Longitudinal Study Advisory Group
- Longitudinal Study of Australian Children State and Territory Advisory Group
- Longitudinal Study of Australian Children Steering Committee
- Longitudinal Study of Australian Children/Film Australia Documentary Working Group
- Longitudinal Study of Indigenous Children Design Sub Committee
- Longitudinal Study of Indigenous Children Steering Committee
- MCG Officials (under Ministerial Council on Gambling)
- Ministerial Council for Aboriginal and Torres Strait Islander Affairs
- Ministerial Council on Education, Employment, Training and Youth Affairs
- Ministerial Council on Gambling
- MoneyBusiness Training Materials Advisory Group
- National Approach for Child Protection Working Group
- National Childcare Accreditation Council
- National Children's Services Forum
- National Community Services Information Management Group

- National Disability Administrators (under Community and Disability Services Ministers' Conference)
- National Disability and Carer Ministerial Advisory Council
- National Housing Data Agreement Management Group
- National Housing Data Development Committee (under Housing Ministers' Conference and the National Housing Data Agreement)
- National Indigenous Council
- National Indigenous Youth Leadership Group
- National Youth Roundtable
- Petrol Sniffing Advisory Group
- Planning Advisory Committees
- Policy Research Working Group (under Housing Ministers' Conference)
- Population Futures (Working Group under Community Services Ministers' Advisory Council)
- Positive Ageing (Working Group under Community Services Ministers' Advisory Council)
- Prevention and Early Intervention (Sub-committee under Community Services Ministers' Advisory Council)
- Private Provisions Advisory Group
- Protection and Care of Children Working Group
- Reconciliation Place Stage 3 Advisory Committee
- Repatriation Reference Committee
- SNAICC National Resource Centre Reference Group
- Social Security Appeals Tribunal
- Standing Committee of Officials in Aboriginal and Torres Strait Islander Affairs
- Standing Committee on Indigenous Housing (under Housing Ministers' Advisory Committee)
- Strategic Project Management Group
- Stronger Families and Communities Partnership
- Stronger Families and Communities Strategy Evaluation Steering Committee
- Structural Issues in the Workforce (Working Group under Community Services Ministers' Advisory Council)
- Subgroups of the Muslim Community Reference Group
- Supported Accommodation Assistance Program Coordination and Development Committee
- Telethon Institute for Child Health Research
- The Prime Minister's Community Business Partnership
- Torres Strait Island Regional Authority
- Youth Advisory and Consultative Forum
- Youth Affairs Expert Reference Group
- Youth Taskforce

Table 4.19 | FaCSIA freedom of information: facilities and procedures for accessing documents, 2005–06

FaCSIA national office	FOI Coordinator Box 7788 Canberra Mail Centre ACT 2610 Phone: (02) 6244 5808 Fax: (02) 6244 7955
NSW state office	FOI Coordinator GPO Box 9820 Sydney NSW 2001 Phone: 1300 653 227 Fax: (02) 8255 1060
Victorian state office	FOI Coordinator GPO Box 9820 Melbourne VIC 3001 Phone: 1300 653 227 Fax: (03) 8626 1161
Queensland state office	FOI Coordinator GPO Box 9820 Brisbane QLD 4001 Phone: 1300 653 227 Fax: (07) 3005 6097
South Australian state office	FOI Coordinator GPO Box 9820 Adelaide SA 5001 Phone: 1300 653 227 Fax: (08) 8400 2197
Western Australian state office	FOI Coordinator GPO Box 9820 Perth WA 6848 Phone: 1300 653 227 Fax: (08) 9229 1597
Tasmanian state office	FOI Coordinator GPO Box 9820 Hobart TAS 7001 Phone: 1300 653 227 Fax: (03) 6211 9304
Australian Capital Territory office	FOI Coordinator GPO Box 9820 Canberra ACT 2601 Phone: 1300 653 227 Fax: (02) 6244 7978
Northern Territory office	FOI Coordinator GPO Box 9820 Darwin NT 0801 Phone: 1300 653 227 Fax: (08) 8920 8999

Table 4.20 | FaCSIA—freedom of information: categories of documents held by the department

- Ministerial, interdepartmental and general correspondence and papers
 - briefing papers and submissions prepared for the minister
 - draft Cabinet documents, Cabinet submissions and associated briefs
 - documents of questions in parliament and related replies
 - documents prepared for the Executive Council
 - various documents of speeches, public addresses, discussion papers and other statements made by the minister
 - media releases
 - papers and records relating to internal administration, including working drafts, statistical records, facsimiles, as well as records relating to human and financial resource management
 - policy documents
 - copies of requests for legal advice, including advice given and other legal documents
 - documents relating to new and amending legislation, drafting instructions and draft legislation
 - copies of documents relating to program administration
 - papers relating to meetings (agenda, minutes and reports)
 - research and investigation papers
 - tender documents
 - funding agreements
-

Forms and leaflets relating to FaCSIA payments delivered by Centrelink are freely available from Centrelink or the Family Assistance Office.

Facilities for obtaining access to publicly available documents held by the department

The department holds publicly available documents, which are either free of charge upon request or available for purchase. Enquiries and requests to obtain access to publicly available FaCSIA documents should be directed to: Free call 1800 050 009

APPENDIX 8

Legislation



At 30 June 2006, FaCSIA's programs were administered under the provisions of the following Acts and parts of Acts for which the Minister for Families, Community Services and Indigenous Affairs is responsible under the Administrative Arrangements Order:

- *A New Tax System (Family Assistance) Act 1999*
- *A New Tax System (Family Assistance) (Administration) Act 1999*
- *A New Tax System (Family Assistance and Related Measures) Act 2000*
- *A New Tax System (Bonuses for Older Australians) Act 1999*, Parts 1 and 5, in so far as they relate to the department's customers, and Part 2
- *Aboriginal Affairs (Arrangements with the States) Act 1973*
- *Aboriginal and Torres Strait Islander Act 2005*, except to the extent administered by the Minister for Employment and Workplace Relations and the Minister for Finance and Administration
- *Aboriginal and Torres Strait Islanders (Queensland Discriminatory Laws) Act 1975*
- *Aboriginal and Torres Strait Islanders (Queensland Reserves and Communities Self-management) Act 1978*
- *Aboriginal Councils and Associations Act 1976*
- *Aboriginal Land Grant (Jervis Bay Territory) Act 1986*
- *Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*
- *Aboriginal Land Rights (Northern Territory) Act 1976*
- *Child Care Act 1972*
- *Child Support (Assessment) Act 1989*, except to the extent administered by the Minister for Human Services
- *Child Support (Registration and Collection) Act 1988*, except to the extent administered by the Minister for Human Services
- *Commonwealth and State Housing Agreements Acts*
- *Data-matching Program (Assistance and Tax) Act 1990*
- *Disability Services Act 1986*, except to the extent administered by the Minister for Employment and Workplace Relations

- *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Act 2005*, insofar as it relates to legislation administered by the Minister for Families, Community Services and Indigenous Affairs
- *Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Act 2005*, insofar as it relates to legislation administered by the Minister for Families, Community Services and Indigenous Affairs
- *Family Assistance Legislation Amendment (More Help for Families – One-off Payments) Act 2004*
- *Family Law Act 1975, Part XIVA*
- *Home Deposit Assistance Act 1982*
- Home Savings Grants Acts
- *Homeless Persons Assistance Act 1974*
- Housing Agreements Acts
- Housing Assistance Acts
- *Marriage Act 1961, Part IA*
- *Native Title Act 1993, Division 6 of Part 2 and Part 11*
- *Social Security Act 1991*, except to the extent administered by the Minister for Employment and Workplace Relations and the Minister for Education, Science and Training
- *Social Security (Administration) Act 1999*, except to the extent administered by the Minister for Employment and Workplace Relations and the Minister for Education, Science and Training
- *Social Security Legislation Amendment (One-off Payments for Carers) Act 2005*
- *Social Security and Veterans' Entitlements Legislation Amendment (One-off Payments to Increase Assistance for Older Australians and Carers and Other Measures) Act 2006*
- *Social Security (International Agreements) Act 1999*
- *Social Security (Rewrite) Transition Act 1991*
- *Social Welfare Commission (Repeal) Act 1976*
- *States Grants (Housing Act 1971)*
- Supported Accommodation Assistance Acts.

APPENDIX 9

Statement of material error



The following corrections are made to the 2004–05 FaCS annual report.

Page 18, eighth paragraph:

- omit '2.2 million' and replace with '1.9 million'
- omit '(or veteran)'
- omit '\$72.2 million' and replace with '\$68.7 million'.

Page 120, first paragraph:

- Omit '96.5 per cent' and replace with '84.3 per cent'

Page 120, second paragraph:

- Omit '99.7 per cent' and replace with '97.5 per cent'

Page 184, first paragraph:

- omit '\$72 million' and replace with '\$68.7 million'.

Page 191:

- Omit third last sentence and replace with 'It is estimated that reductions resulted in fortnightly savings of \$587,586 and upward variations resulted in fortnightly increases of \$54,342.'

Page 203:

- Omit third sentence and replace with 'It is estimated that reductions resulted in fortnightly savings of \$58,198 and upward variations resulted in fortnightly increases of \$11,229.'

Page 214:

- Omit 'One – Long-term Impact of Caring Study' and replace with 'No projects completed'.
- Omit '\$0.14 million' and replace with '\$0.37 million'.

Page 215:

- Omit the second sentence and replace with 'It is estimated that reductions resulted in fortnightly savings of \$1,882,073 and upward variations resulted in fortnightly increases of \$355,187.'

Page 311:

- Omit the number '17,920' and replace with '117,920'.

Page 318:

- Immediately before the row for Vinten Brown Advertising, insert a new row with the entry in each column as follows:
- Column 1: 'Value Creating Policy Services Pty Ltd'
- Column 2: 'Policy Priorities Workshop'
- Column 3: '53,350'
- Column 4: 'Select tender'
- Column 5: 'B'.

Page 319:

- Omit '\$26,118,177' and replace with '\$26,271,527'.

PART 5

FINANCIAL STATEMENTS 2005–06



Department of Families, Community Services and Indigenous Affairs

Report by the Auditor General	376
Statement by the Secretary and Chief Financial Officer	378
Statement of Income	379
Balance Sheet	380
Statement of Cash Flows	381
Statement of Changes in Equity	382
Schedule of Commitments	383
Schedule of Contingencies	384
Schedule of Administered Items	385
Notes to and forming part of the financial statements	390
Summary of Significant Accounting Policies	391
The impact of the transition to AEIFRS from previous AGAAP	405
Events after the Balance Sheet Date	407
Income	408
Operating Expenses	409
Competitive Neutrality Expense	411
Financial Assets	412
Non-Financial Assets	413
Payables	418
Interest bearing liabilities	418
Provisions	419
Restructuring	420

Cash Flow Reconciliation	422
Contingent Liabilities and Assets	423
Executive Remuneration	424
Remuneration of Auditors	425
Average Staffing Levels	425
Financial Instruments	426
Income Administered on Behalf of Government	429
Expenses Administered on Behalf of Government	430
Assets Administered on Behalf of Government	432
Liabilities Administered on Behalf of Government	434
Administered Reconciliation Table	435
Administered Contingent Liabilities	436
Administered Contingent Assets	437
Administered Investments	438
Administered Financial Instruments	439
Appropriations	443
Special Accounts	450
Compensation and Debt Relief	456
Reporting of Outcomes	457

Aboriginal Benefit Account

Report by the Auditor General	464
Statement by the Chief Executive and Chief Financial Officer	466
Statement of Income	467
Balance Sheet	468
Statement of Cash Flows	469
Statement of Changes in Equity	470
Schedule of Commitments	471
Schedule of Contingencies	472
Notes to and forming part of the financial statements	473
Summary of Significant Accounting Policies	474
Impact of Transitions to AEIFRS from previous GAAP	482
Events Occurring after Balance Sheet Date	482
Income	483
Operating Expenses	485

Operating Expenses –	
Payments Pursuant to the <i>Aboriginal Land Rights (Northern Territory) Act 1976</i>	486
Operating Expenses – Grants	489
Financial Assets	490
Non-Financial Assets	492
Payables	492
Cash Flow Reconciliation	494
Commitments	495
Contingent Liabilities	495
Related Parties	497
Remuneration of Auditors	498
Staffing Levels	498
Financial Instruments	499
Appropriations	504

Aboriginal and Torres Strait Islander Land Fund Account

Report by the Auditor General	505
Statement by the Chief Executive and Chief Financial Officer	507
Statement of Income	508
Balance Sheet	509
Statement of Cash Flows	510
Statement of Changes in Equity	511
Notes to and forming part of the financial statements	512
Summary of Significant Accounting Policies	513
Impact of Transition from AGAAP to AEIFRS	515
Commitments and Contingencies	515
Events Occurring after Reporting Date	515
Financial Assets	516
Cash Flow Reconciliation	517
Remuneration of Auditors	518
Special Payments	518
Financial Instruments	519



INDEPENDENT AUDIT REPORT

To the Minister for Families, Community Services and Indigenous Affairs

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and the Chief Finance Officer;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Department of Families, Community Services and Indigenous Affairs for the year ended 30 June 2006.

The Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Department of Families, Community Services and Indigenous Affairs and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia. The Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the Department of Families, Community Services and Indigenous Affairs:

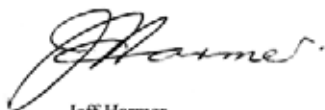
- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Department of Families, Community Services and Indigenous Affairs' financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.


Ian McPhee
Auditor-General

Canberra
8 September 2006

**DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997* as amended.



Jeff Harmer
Chief Executive

6 September 2006



Tim Youngberry
Chief Finance Officer

6 September 2006

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
INCOME STATEMENT
for the year ended 30 June 2006

		30 June	30 June
	Notes	2006	2005
		<u>\$'000</u>	<u>\$'000</u>
INCOME			
<i>Revenue</i>			
Revenues from Government	4A	1,470,561	2,327,579
Goods and Services	4B	9,511	2,698
Interest	4C	-	2
Other Revenues	4D	757	2,963
Total revenue		<u>1,480,829</u>	<u>2,333,242</u>
<i>Gains</i>			
Net Foreign Exchange Gain	4E	75	1
Other Gains	4F	1,242	49,268
Total gains		<u>1,317</u>	<u>49,269</u>
TOTAL INCOME		<u>1,482,146</u>	<u>2,382,511</u>
EXPENSES			
Employee Expenses	5A	166,297	230,941
Suppliers	5B	115,264	161,957
Depreciation and Amortisation	5C	15,293	12,106
Borrowing costs expense	5D	154	228
Write-down and impairment of assets	5E	791	536
Loss from Disposal of Assets	5F	245	58
Resources Provided Free of Charge	5G	-	451,705
Foreign exchange loss	5H	123	1
Payments for Service Delivery	5I	1,199,867	1,457,481
Other	5J	10	491
TOTAL EXPENSES		<u>1,498,044</u>	<u>2,315,504</u>
Net surplus or (deficit) attributable to the Australian Government		<u>(15,898)</u>	<u>67,007</u>

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
BALANCE SHEET
as at 30 June 2006

	Notes	30 June 2006 \$'000	30 June 2005 \$'000
ASSETS			
Financial Assets			
Cash	7A	102	5,449
Receivables	7B	<u>120,185</u>	<u>151,506</u>
Total Financial Assets		<u>120,287</u>	<u>156,955</u>
Non-Financial Assets			
Land and Buildings	8A,C	40,310	11,480
Infrastructure, Plant and Equipment	8B,C	9,175	4,565
Intangibles	8D	28,996	14,795
Other Non-Financial Assets	8E	<u>23,250</u>	<u>22,512</u>
Total Non-Financial Assets		<u>101,731</u>	<u>53,352</u>
TOTAL ASSETS		<u>222,018</u>	<u>210,307</u>
LIABILITIES			
Payables			
Suppliers	9A	25,613	28,462
Other Payables	9B	<u>1,020</u>	<u>48,316</u>
Total Payables		<u>26,633</u>	<u>76,778</u>
Interest Bearing Liabilities			
Leases	10A	<u>1,121</u>	<u>1,467</u>
Total Interest Bearing Liabilities		<u>1,121</u>	<u>1,467</u>
Provisions			
Employee Provisions	11A	59,587	42,004
Other Provisions	11B	<u>6,220</u>	<u>3,644</u>
Total Provisions		<u>65,807</u>	<u>45,648</u>
TOTAL LIABILITIES		<u>93,561</u>	<u>123,893</u>
NET ASSETS		<u>128,457</u>	<u>86,414</u>
EQUITY			
Contributed Equity		3,975	3,225
Reserves		8,730	8,872
Retained Surpluses / (Accumulated Deficits)		<u>115,752</u>	<u>74,317</u>
TOTAL EQUITY		<u>128,457</u>	<u>86,414</u>
Current Assets		143,537	179,467
Non-current Assets		78,481	30,840
Current Liabilities		86,210	118,632
Non-current Liabilities		10,279	7,196

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
STATEMENT OF CASH FLOWS

for the year ended 30 June 2006

	30 June 2006 S'000	30 June 2005 S'000
Notes	<u> </u>	<u> </u>
OPERATING ACTIVITIES		
Cash Received		
Goods and services	9,704	2,425
Appropriations	1,483,291	2,352,669
Interest	-	2
GST received from ATO	10,449	10,820
Other	(9)	224
Total Cash Received	<u>1,503,435</u>	<u>2,366,140</u>
Cash Used		
Employees	162,600	238,914
Suppliers	127,772	148,195
Borrowing costs	-	228
Payments for Service Delivery	1,199,336	1,958,060
Total Cash Used	<u>1,489,708</u>	<u>2,345,397</u>
Net Cash From / (Used By) Operating Activities	13 <u>13,727</u>	<u>20,743</u>
INVESTING ACTIVITIES		
Cash Received		
Proceeds from sales of property, plant and equipment	(245)	2
Total Cash Received	<u>(245)</u>	<u>2</u>
Cash Used		
Purchase of property, plant and equipment	19,579	15,420
Purchase of intangibles	-	3,080
Total Cash Used	<u>19,579</u>	<u>18,500</u>
Net Cash From / (Used By) Investing Activities	<u>(19,824)</u>	<u>(18,498)</u>
FINANCING ACTIVITIES		
Cash Received		
Appropriations - contributed equity	750	650
Total Cash Received	<u>750</u>	<u>650</u>
Cash Used		
Total Cash Used	<u>-</u>	<u>-</u>
Net Cash From / (Used By) Financing Activities	<u>750</u>	<u>650</u>
Net Increase or (Decrease) in Cash Held	(5,347)	2,895
Cash at the beginning of the reporting period	5,449	2,554
Cash at the End of the Reporting Period	7A <u>102</u>	<u>5,449</u>

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2006

Item	Accumulated Results		Asset Revaluation Reserves		Contributed Equity		TOTAL EQUITY	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Opening Balance	74,317	(525)	8,872	10,864	3,225	10,773	86,414	21,112
Other adjustments	167	-	-	-	-	-	167	-
Adjusted Opening Balance	74,484	(525)	8,872	10,864	3,225	10,773	86,581	21,112
Income and Expense								
Revaluation Adjustment	n/a	n/a	(142)	453	n/a	n/a	(142)	453
Subtotal income and expenses recognised directly in equity			(142)	453			(142)	453
Net Operating Result	(15,898)	67,007	n/a	n/a	n/a	n/a	(15,898)	67,007
Transactions with owner:								
<i>Distributions to owners</i>								
Returns of Capital								
Restructuring (Note 12)	57,166	7,835	-	(2,445)	-	(8,198)	57,166	(2,808)
<i>Contributions by owners</i>								
Appropriations (equity injections)	-	-	-	-	750	650	750	650
Sub-total Transactions with Owners	57,166	7,835	-	(2,445)	750	(7,548)	57,916	(2,158)
Closing balance as at 30 June	115,752	74,317	8,730	8,872	3,975	3,225	128,457	86,414
Less: outside equity interests	-	-	-	-	-	-	-	-
<i>Total equity attributable to the Commonwealth</i>	115,752	74,317	8,730	8,872	3,975	3,225	128,457	86,414

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF COMMITMENTS

as at 30 June 2006

	30 June 2006 \$'000	30 June 2005 \$'000
BY TYPE		
Capital Commitments		
Infrastructure, plant and equipment	16,274	20,368
Total Capital Commitments	<u>16,274</u>	<u>20,368</u>
Other Commitments		
Operating leases ¹	173,882	90,135
Project commitments	34,251	13,702
Research and Development	41,415	61,552
Other commitments ²	5,496	1,430
Total Other Commitments	<u>255,044</u>	<u>166,819</u>
Commitments Receivable	<u>(21,066)</u>	<u>(16,977)</u>
Net Commitments by Type	<u><u>250,252</u></u>	<u><u>170,210</u></u>
BY MATURITY		
Operating Lease Commitments		
One year or less	30,271	15,758
From one to five years	71,456	33,126
Over five years	56,347	33,075
Total Operating Lease Commitments	<u>158,074</u>	<u>81,959</u>
Other Commitments		
One year or less	48,972	33,965
From one to five years	43,206	51,571
Over five years	-	2,715
Total Other Commitments	<u>92,178</u>	<u>88,251</u>
Net Commitments by Maturity	<u><u>250,252</u></u>	<u><u>170,210</u></u>

NB: Commitments are GST inclusive where relevant.

¹ Operating leases included are effectively non-cancelable and comprise:

Nature of lease	General description of leasing arrangement
Leases for office accommodation	The Department has office accommodation at 48 locations comprising 46 leases and 2 Commonwealth-owned sites. In addition FaCSIA has 3 separate leases for offsite storage facilities in Canberra. The Department's lease payments are subject to review by a variety of mechanisms. This include predetermined fixed escalators, a link to CPI movements, or in accordance with a market review of comparable leases.
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist.
Leases for office equipment	There are a small number of office equipment leases (excluding IT) that range from 3 to 5 years.

² Other commitments comprise other operational agreements and undertakings with suppliers to provide goods and services.

The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF CONTINGENCIES

as at 30 June 2006

Contingent Liabilities	Indemnities		Claims for damages/costs		Total	
	2006	2005	2006	2005	2006	2005
Balance from previous period	-	100	148	298	148	398
Re-measurement	-	-	2	11	2	11
Liabilities crystallised	-	-	-	161	-	161
Obligations expired	-	100	-	-	-	100
Total Contingent Liabilities	-	-	150	148	150	148
Contingent Assets	Indemnities		Claims for damages/costs		Total	
	2006	2005	2006	2005	2006	2005
Balance from previous period	-	-	-	232	-	232
Re-measurement	-	-	241	(232)	241	(232)
Assets crystallised	-	-	-	-	-	-
Total Contingent Assets	-	-	241	-	241	-
Net Contingencies	-	-	(91)	148	(91)	148

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or considered remote, are disclosed in **Note 14: Contingent Liabilities and Assets**.

The above schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS**

		30 June 2006 \$'000	30 June 2005 \$'000
Income Administered on Behalf of Government			
<i>for the year ended 30 June 2006</i>			
Revenue			
Non-taxation Revenue			
Child Support Revenue	19	-	389,442
Interest	19	32,520	323
NZ Reciprocal Agreement	19	68,439	78,013
Special Account Revenue	19	4,182	3,534
Other sources of non-taxation revenue	19	91,583	28,026
Total Revenues Administered on Behalf of Government		196,724	499,338
Gains			
Net gain from sale of assets	19	2,923	-
Total Gains Administered on Behalf of Government		2,923	-
Total Income Administered on Behalf of Government		199,647	499,338
Expenses Administered on Behalf of Government			
<i>for the year ended 30 June 2006</i>			
Grants	20	2,986,205	2,751,820
Subsidies	20	11,739	13,323
Personal benefits - indirect	20	1,910	14,571
Personal benefits - direct	20	40,007,942	45,485,904
Suppliers	20	40,507	49,886
Write-down and impairment of assets	20	38,578	(99,929)
Interest	20	-	11,219
Other expenses	20	14,548	674,826
Total Expenses Administered on Behalf of Government		43,101,429	48,901,620

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)

		30 June 2006 \$'000	30 June 2005 \$'000
Assets Administered on Behalf of Government			
<i>as at 30 June 2006</i>			
Financial Assets			
Cash	21	120,669	2,611
Receivables	21	1,167,525	1,160,495
Investments in Commonwealth entities	21	381,776	41,385
Investments in deposits and government securities	21	<u>1,631,925</u>	-
Total Financial Assets		<u>3,301,895</u>	<u>1,204,491</u>
Non-financial Assets			
Prepayments	21	<u>93,276</u>	181,180
Total Non-financial Assets		<u>93,276</u>	<u>181,180</u>
Total Assets Administered on Behalf of Government		<u>3,395,171</u>	<u>1,385,671</u>
Liabilities Administered on Behalf of Government			
<i>as at 30 June 2006</i>			
Provisions			
Personal Benefit provisions	22	<u>3,061,106</u>	2,745,140
Total Provisions		<u>3,061,106</u>	<u>2,745,140</u>
Payables			
Personal Benefits Payable	22	530,247	413,179
Grants and subsidies	22	40,542	19,597
Other payables	22	<u>61,450</u>	3,731
Total Payables		<u>632,239</u>	436,507
Total Liabilities Administered on Behalf of Government		<u>3,693,345</u>	<u>3,181,647</u>
Net Assets Administered on Behalf of Government	23	<u>(298,174)</u>	<u>(1,795,976)</u>
Current Assets		1,632,911	206,281
Non-current Assets		1,762,260	1,179,390
Current Liabilities		3,140,345	2,616,248
Non-current Liabilities		553,000	565,399

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)

	30 June 2006 \$'000	30 June 2005 \$'000
Administered Cash Flows		
<i>for the year ended 30 June 2006</i>		
Operating Activities		
Cash Received		
Interest	51,801	24
Reciprocal agreement with New Zealand	68,439	80,731
GST received from ATO	92,361	102,392
Child Support Payments	-	385,123
Other Cash Received	146,597	549,231
Appropriations from related entities	-	142,788
Total Cash Received	359,198	1,260,289
Cash Used		
Payments to suppliers	53,155	-
Subsidies	12,431	13,331
Appropriations paid to related entities	-	179,926
Personal benefits	39,480,727	40,194
Grants	2,965,017	2,980,590
Child Support Payments	-	415,572
Other Cash Used	55,139	283,802
Total Cash Used	42,566,469	3,913,415
Net Cash From/ (Used In) Operating Activities	(42,207,271)	(2,653,126)
Investing Activities		
Cash Received		
Proceeds from investments	914,033	-
Total Cash Received	914,033	-
Cash Used		
Purchase of investments	947,281	-
Total Cash Used	947,281	-
Net Cash From / (Used In) Investing Activities	(33,248)	-
Financing Activities		
Cash Received		
Repayment of Student Financial Supplement Scheme	-	24
Total Cash Received	-	24
Cash Used		
Student Financial Supplement Scheme - Buyback	-	9,223
Total Cash Used	-	9,223
Student Financial Supplement Scheme - Buyback	-	(9,199)
Net Increase / (Decrease) in Cash Held	(42,240,519)	(2,662,325)
Cash at the beginning of the reporting period	2,611	2,016
Cash from Official Public Account for:		
- Appropriations	42,723,187	3,014,805
- Special accounts	2,512	490,185
Cash to Official Public Account for:		
- Special accounts	(3,742)	(457,662)
- Appropriations	(363,380)	(384,408)
Cash at the End of the Reporting Period	21	2,611

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)

This schedule should be read in conjunction with the accompanying notes.

	30 June 2006 \$'000	30 June 2005 \$'000
Notes	<u>\$'000</u>	<u>\$'000</u>
Administered Commitments <i>as at 30 June 2006</i>		
BY TYPE		
Other Commitments		
Project commitments	1,617,721	2,582,589
Research and development	924	8,312
Other commitments	<u>2,679,893</u>	<u>3,371,223</u>
Total Other Commitments	4,298,538	5,962,124
Commitments Receivable	<u>(486,227)</u>	<u>(479,895)</u>
Net Commitments by Type	<u>3,812,311</u>	<u>5,482,229</u>
BY MATURITY		
Other Commitments		
One year or less	1,720,748	2,291,105
From one to five years	2,081,588	3,317,721
Over five years	<u>9,975</u>	<u>(126,597)</u>
Total Other Commitments	<u>3,812,311</u>	<u>5,482,229</u>
Net Administered Commitments by Maturity	<u>3,812,311</u>	<u>5,482,229</u>

NB: All commitments are GST inclusive where relevant.

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
SCHEDULE OF ADMINISTERED ITEMS (continued)**

Administered Contingencies

as at 30 June 2006

Administered Contingent Liabilities	Claims for damages or costs		Total	
	2006	2005	2006	2005
Balance from previous period	-	97	-	97
New	-	-	-	-
Re-measurement	-	(97)	-	(97)
Liabilities crystallised	-	-	-	-
Obligations expired	-	-	-	-
Total Administered Contingent Liabilities	-	-	-	-

	2006	2005
Administered contingent assets	Nil	Nil

Unquantifiable and remote but material contingencies are disclosed in **Note 24: Administered Contingent Liabilities** and **Note 25: Administered Contingent Assets**.

Statement of Activities Administered on Behalf of Government

The major administered activities of Department of Family and Community Services are directed towards achieving the outcomes described in Note 1 to the Financial Statements. The major financial activities are the payment of benefit entitlements under the Social Security ACT and A New Tax System (ANTS) Act as well as the delivery of grant and subsidy programmes. Details of planned activities for the year can be found in the Agency Portfolio Budget and Portfolio Additional Estimates Statements for 2005-06, which have been tabled in Parliament.

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2006

Note 1:	Summary of Significant Accounting Policies	14
Note 2:	The impact of the transition to AEIFRS from previous AGAAP	28
Note 3:	Events after the Balance Sheet Date	30
Note 4:	Income	31
Note 5:	Operating Expenses	32
Note 6:	Competitive Neutrality Expense	34
Note 7:	Financial Assets	35
Note 8:	Non-Financial Assets	36
Note 9:	Payables	41
Note 10:	Interest Bearing Liabilities	41
Note 11:	Provisions	42
Note 12:	Restructuring	43
Note 13:	Cash Flow Reconciliation	45
Note 14:	Contingent Liabilities and Assets	46
Note 15:	Executive Remuneration	47
Note 16:	Remuneration of Auditors	48
Note 17:	Average Staffing Levels	48
Note 18:	Financial Instruments	49
Note 19:	Income Administered on Behalf of Government	52
Note 20:	Expenses Administered on Behalf of Government	52
Note 21:	Assets Administered on Behalf of Government	55
Note 22:	Liabilities Administered on Behalf of Government	57
Note 23:	Administered Reconciliation Table	58
Note 24:	Administered Contingent Liabilities	59
Note 25:	Administered Contingent Assets	60
Note 26:	Administered Investments	61
Note 27:	Administered Financial Instruments	62
Note 28:	Appropriations	66
Note 29:	Special Accounts	73
Note 30:	Compensation and Debt Relief	79
Note 31:	Reporting of Outcomes	80

Notes to and forming part of the Financial Statements

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Department of Families, Community Services and Indigenous Affairs

The Department of Families, Community Services and Indigenous Affairs (FaCSIA) provides advice to government on all policy issues within the portfolio. FaCSIA manages the delivery of services and assistance to families and their children, senior citizens, people with disabilities, women and community groups. FaCSIA also provides advice on Indigenous issues and coordinates whole-of-government policy development and service delivery in indigenous affairs.

The Department is structured to meet six outcomes:

Outcome 1 - An integrated social support system

Services and assistance that: promote a forward-looking social support system based on sound policy, effective social coalitions and partnerships; and help to build the capacity and well-being of individuals, families and communities.

Outcome 2 - Greater self-reliance and engagement for those in need through shared responsibility, practical support and help with housing

Services and assistance that: support Indigenous families and communities and help homeless people and low-income households to gain affordable and appropriate housing.

Outcome 3 - Seniors, people with disabilities, carers, youth and women are supported, recognised and encouraged to participate in the community

Services and assistance that help people to: participate actively in community and economic life; access a responsive and sustainable safety net; and develop their capabilities.

Outcome 4 - Families and children have choices and opportunities

Services and assistance that: help children have the best possible start to life; promote healthy family relationships; help families adapt to changing economic and social circumstances and take an active part in the community.

Outcome 5 - Strong and resilient communities

Services and assistance that: promote community partnerships; and encourage participation in the local community by individuals, families, business and government.

Outcome 6 - Innovative whole-of-government policy on Indigenous affairs

A new Outcome 6 has been created to reflect the transfer of Indigenous affairs functions from the former Department of Immigration and Multicultural and Indigenous Affairs under the AAO of January 2006.

This outcome also includes two special accounts:

- (a) Aboriginals Benefit Account, the objective of which is to contribute to the recognition and protection of land rights for the aboriginal people in the Northern Territory; and
- (b) The Aboriginal and Torres Strait Islander Land Fund account, the objective of which is to provide economic, environmental, social and cultural benefits for aboriginal people and Torres Strait islanders by assisting in the acquisition and management of an indigenous land base.

Notes to and forming part of the Financial Statements

The Department activities are identified under two headings for Outcome 1.

- Output Group 1.1 Support for Today
- Output Group 1.2 Preparing for the Future

The Department activities are identified under one heading for Outcome 2.

- Output Group 2.1 Practical Support and Sharing Responsibility

The Department activities are identified under five headings for Outcome 3.

- Output Group 3.1 Support for the Aged
- Output Group 3.2 Support for People with Disabilities
- Output Group 3.3 Support for Carers
- Output Group 3.4 Support for Youth
- Output Group 3.5 Support for Women

The Department activities are identified under three headings for Outcome 4.

- Output Group 4.1 Support for Families
- Output Group 4.2 Child Support
- Output Group 4.3 Child Care Support

The Department activities are identified under one heading for Outcome 5.

- Output Group 5.1 Supporting Communities and Delivering Local Solutions

The Department activities are identified under two headings for Outcome 6.

- Output Group 6.1 Whole-of-government coordination of policy development and service delivery for Indigenous Australians
- Output Group 6.2 Services for Indigenous Australians

The Department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Government.

The Department comprises the Social Security Appeals Tribunal, the Department of Families, Community Services and Indigenous Affairs, the Aboriginals Benefit Account and Aboriginal and Torres Strait Islander Land Fund.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

Notes to and forming part of the Financial Statements

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 14).

Revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Departmental items, except where otherwise stated at Note 1.24.

1.3 Significant Accounting Judgments and Estimates

In the process of applying the accounting policies listed in this note, FaCSIA has applied judgmental from information provided by the Australian Government Actuary against the following items:

- Family Tax Benefits
- Pension Bonus Scheme

These judgmental are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to and forming part of the Financial Statements

1.4 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require FACSIA to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates standards and amendments that will become effective for the Department in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Department's initial assessment at this date, but may change. FACSIA intends to adopt all of standards upon the application date.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132	No expected impact
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease. Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact

Notes to and forming part of the Financial Statements

2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact
	AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB 132 requirements.	No expected impact, changes disclosure requirements

* Application date is for annual reporting periods beginning on or after the date shown

1.5 Revenue

Revenues from Government

Amounts appropriated for Department's outputs appropriations for the year (less any current year savings and reductions) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Other Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor effective control over the goods;
- The revenue and costs incurred for the transaction can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits with the transaction have flowed to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139.

Notes to and forming part of the Financial Statements

1.6 Gains

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements.

Other Gains

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. There were departmental and administered assets transferred to FaCSIA during the current year as per Note 12.

1.8 Employee Entitlements

As required by the Finance Minister's Orders, FaCSIA has early adopted AASB 119 Employee Benefits as issued in December 2004.

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Notes to and forming part of the Financial Statements

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2004. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Department recognises an expense and liability for separation and redundancy benefit payments when an offer has been made and has been formally accepted by the employee.

Superannuation

Staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for the superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Department makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the Department's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Department maintains finance leases for certain information technology assets. Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis, which is representative of the pattern of benefits derived from the leased assets.

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

Notes to and forming part of the Financial Statements

1.12 Financial Risk Management

FACSIA's activities expose it to normal commercial financial risk. As a result of the nature of FACSIA's business and internal and Australian Government policies, dealing with the management of financial risk, FACSIA's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.13 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, FACSIA has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.14 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, FACSIA has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

Financial Assets Held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

Financial Assets Held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the profit and loss.

Comparative Year

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Notes to and forming part of the Financial Statements

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.15 Interest Bearing Loans and Borrowings

Government loans are carried at the balance yet to be repaid. Interest is expensed as it accrues.

1.16 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.17 Contingent Liabilities and Contingent Assets

Contingent liabilities or assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not certain or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes virtually certain, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.18 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor department's accounts immediately prior to the restructuring.

1.19 Property, Plant and Equipment (PP&E)

Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'makegood' taken up.

Revaluations

Basis

Buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in any year are as at 30 June.

Notes to and forming part of the Financial Statements

Fair values for each class of asset are determined as shown below.

<i>Asset class</i>	<i>Fair value measured at:</i>
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market Selling Price
Buildings	Market Selling Price

Land and Building assets are subject to a formal valuation every three years. Plant and equipment assets are subject to a formal revaluation every four years. Formal valuations are carried out by an independent qualified valuer.

Freehold land, buildings on freehold land and leasehold improvements subject to formal valuations are each revalued progressively on a geographical basis.

The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2006</u>	<u>2005</u>
Purchased software	2 to 5 years	2 to 5 years
Leasehold improvements	8 years or lease term	8 years or lease term
Plant and equipment	3 to 10 years	3 to 10 years
Buildings	40 to 50 years	-

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 8.

Impairment of Non-Current Assets

Under AASB136 Impairment of Assets, entities are required to assess assets at balance date for impairment. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Notes to and forming part of the Financial Statements

As at 30 June 2006 no assets were adjusted as a result of impairment testing.

1.20 Intangibles

The Department's intangibles comprise internally developed software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software is 5 to 10 years (2004-05: 5 to 10 years).

As at 30 June 2006 no intangible assets were adjusted as a result of impairment testing.

1.21 Taxation

The Department is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.22 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.23 Insurance

The Department has insured for risks through the Government's insurable risk managed fund, called 'Comecover'. Workers' compensation is insured through the Government's Comcare Australia.

1.24 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application to the greatest extent possible of Australian Accounting Standards, Accounting Interpretations and UIG Consensus Views.

Administered Cash Transfers to and from Official Public Account

Revenue collected by the Department for use by the Government rather than the Department is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Administration. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 23. Thus the Schedule of Administered Items largely reflects the Government's transactions, through the Department, with parties outside the Government.

Revenue

All administered revenues are revenues relating to the core operating activities performed by the Department on behalf of the Commonwealth.

Notes to and forming part of the Financial Statements

Taxation

Payments made from the Aboriginals Benefit Account from royalty revenue is subject to mining withholding tax. This is currently at a rate of 4%.

Loans

Where loans are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit and loss. Loans subject to concessional treatment are carried at cost.

Heritage and Cultural Assets

As part of the AAO changes in January 2006, the OIPC transferred approximately \$909,000 in artworks to the Department, which had been previously expensed by DIMA, being less than their capitalisation threshold. The artworks are not recognised as assets at 30 June 2006 as the items have not been verified or appropriate values determined. FaCSIA are planning a comprehensive stocktake and valuation of these items for 2006/07 financial year. There were no disposals of the artworks by FaCSIA at 30 June 2006.

Administered Investments

- investments in controlled entities

Administered investments in controlled entities are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are measured at their fair value as at 30 June 2006. Fair value has been taken to be the net assets of the entities as at balance date. For the comparative period, administered investments were measured on the cost basis, adjusted for any subsequent capital injections or withdrawals and for any impairment losses.

- investments in financial assets

- Investments held at call are valued at their nominal rates;

- Investments held for sale (Negotiable certificates of deposit) are measured at fair value;

- Investments held to maturity (Bonds) are measured at fair value.

Refer to financial instruments note for further information.

Administered Receivables

Administered receivables represent debts owed to the Department by past and present customers. Administered receivables exclude amounts expected to be recovered on behalf of other agencies under the *Social Security (Administration) Act 1999*.

All debts known to be irrecoverable are excluded from the value of administered receivables. Irrecoverable debts comprise amounts written off pursuant to Section 1236 of the Social Security Act 1991 and amounts waived pursuant to Section 1237 of the Social Security Act 1991. In accordance with Department's guidelines for the operation of waivers under section 1237 of the Social Security Act 1991, where a debt is not likely to exceed a threshold amount and it is not cost effective for the Commonwealth to recover the debt, the total value of such amounts are waived.

Notes to and forming part of the Financial Statements

The provision for doubtful debts for Personal Benefits is based on an actuarial assessment, conducted by the Australian Government Actuary (AGA) in June 2006. The provision is based on a program based percentage based on the historical trends in debt recovery for each program. Overall, the provision reflects 19% of the total debt balance at 30 June. Current recovery rates are used to estimate the current and non current administered receivables.

Grants and Subsidies

The Department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made.

A commitment is recorded when the Government enters into an agreement to make these grants but services have not been performed or criteria satisfied. When grant monies are paid in advance for performance or eligibility, a prepayment is recognised.

1.25 Voluntary Disclosure - Administered

The net value of administered personal benefit expenditure made during 2005-06 totaled \$40.1 billion (2004-05: \$45.5 billion). Payments to customers are determined in accordance with provisions under Social Security Law and other legislation. Payments made under Social Security Law are assessed, determined and paid by officers of Centrelink under delegation from the Department.

Payments made by Centrelink appear in the financial statements of the Department, which receives appropriations for the payments.

Readers of these financial statements should note that the Social Security Administration Act 1999 imposes an obligation on customers to disclose to Centrelink information about financial and personal circumstances that affect entitlement to payment. This is a necessary part of Centrelink's administration, which acknowledges that, at the time certain information is required, only the customer is in a position to provide that information.

Unreported changes in circumstances can lead to incorrect payment, even if no deliberate fraud is intended. However, risks associated with relying on voluntary disclosure by customers are mitigated by a comprehensive portfolio risk management plan, underpinned by compliance strategies, which have been built up over many years. The compliance framework has been designed to meet the requirements of social security legislation and is administratively effective.

The compliance framework does not rely solely on information provided by customers to determine customers' entitlement. A comprehensive risk management strategy minimises the potential for incorrect payment by subjecting customers to a variety of review processes. If debts are identified, Centrelink seeks to recover them in a lump sum or by instalments. While the risk management strategy is principally directed at minimising debts, the detection of underpayments will also result in an adjustment to the customer's level of entitlement.

The risk management strategy focuses on three objectives: prevention, detection and deterrence. It encompasses:

- Pre-grant procedures, which require proof of identity and verification of key facts relevant to eligibility;
- 'Front door' reviews which check new client details against information held by Centrelink before any payments are made. These processes assist in preventing dual payments to customers, detecting incorrect dependant details and identifying outstanding debts owed to Centrelink;
- Frequent opportunities for customers to advise changes of circumstances through personal lodgment of periodic review forms;
- Data matching reviews, such as the extensive data-matching program authorised under the Data-Matching Program (Assistance and Tax) Act 1990. This program identifies client information affecting entitlement which has not been disclosed and covers information relating to identity, payments received from other Government agencies and undisclosed income or assets; and

Notes to and forming part of the Financial Statements

- Selective reviews which target customers with characteristics known to have a high incidence of incorrect payment. Selective reviews are targeted through the use of risk algorithms generated from statistical analysis of customer characteristics for various customer populations and are continually refined in response to the outcomes of review activity and emerging risk areas.

In addition, the Department conducts regular random samples of payment types. These show that the cause of incorrect payment is often the customers' failure to report employment income. Much of this is subsequently captured through data matching and overall, the residual effect on outlays is estimated to be minimal.

While Centrelink acts promptly to address all areas of material risk as they emerge, the Department accepts that a small proportion of non-compliance may go undetected. However, given the above risk management strategy, and the results of the random samples, the Department is satisfied that the incidence of incorrect payment is not material in terms of total payments, and that the financial statements materially reflect the activities of the Department's administered program.

1.26 Basis of Consolidation

The consolidated statements are those of the core Department and Land Fund and Aboriginals Benefit Account that the Department controlled at the reporting date. The financial statements of the Land Fund and Aboriginals Benefit Account are prepared for the same reporting period, using consistent accounting policies.

Notes to and forming part of the Financial Statements

Note 2: The impact of the transition to AEIFRS from previous AGAAP

	2005*	2004
	\$'000	\$'000
Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS		
Total equity under previous AGAAP	84,766	19,204
Adjustments to Accumulated Results		
Assets - carrying value for makegood ¹	1,902	1,902
Depreciation ¹	(544)	-
Adjustment to Employee Benefits ²	289	2
Total Equity translated to AEIFRS	<u>86,413</u>	<u>21,108</u>
Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS		
Prior year Net surplus/(deficit) as previously reported	67,264	
Adjustments:		
Depreciation ¹	(544)	
Employee Benefits	287	
Prior year profit translated to AEIFRS	<u>67,007</u>	

* 2005 results represent the accumulated impacts of AEIFRS from the date of transition.

¹AEIFRS requires the recording of assets reflecting future estimated restoration costs. Amounts for 'makegood' provisions in existing accommodation leases (operating) have been taken up accordingly. The adjustment to surplus/deficit relates to the additional depreciation expense resulting from the recognition of 'makegood' provision in the asset.

²AEIFRS requires liabilities for long-term employee benefits to be measured at their present values. This adjustment relates to a correction to the present value calculation for long service leave employee benefits.

	2005*	2004
	\$'000	\$'000
The impact of the transition to AEIFRS from previous AGAAP (Administered)		
Reconciliation of Total Assets Administered on Behalf of Government under previous AGAAP to that under AEIFRS		
Total Administered Equity under previous AGAAP	(1,795,978)	(2,334,903)
Adjustments to Accumulated Results		
Provision for Doubtful Debts ¹	-	320,996
Total Assets Administered on Behalf of Government translated to AEIFRS	<u>(1,795,978)</u>	<u>(2,013,907)</u>
Reconciliation of Expenses or Revenue Administered on Behalf of Government as presented under previous AGAAP to AEIFRS	<u>48,901,620</u>	
Prior year Net surplus/(deficit) translated to AEIFRS	<u>48,901,620</u>	

¹An adjustment has been made to the provision for doubtful debts after reviewing the results of an actuarial report on classes of debt.

* 2005 results represent the accumulated impacts of AEIFRS from the date of transition.

Notes to and forming part of the Financial Statements

Note 2: The impact of the transition to AEIFRS from previous AGAAP (continued)

Comparative information presented has not been restated for financial instruments. The FMOs require the Department to use the exemption available under paragraph 36A of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement only from 1 July 2005. All financial instruments have been measured at fair value as at 1 July 2005.

The department changed its accounting policy for FTB in its 2004-05 financial statements. The Department adopted the policy of measuring FTB in accordance with the ETM rather than TLM applied previously because it provides a more accurate basis for measurement.

The change was effected as at 30 June 2005 because it was impracticable to measure the financial effect of the change as at 1 July 2004. This was because the data for reporting amounts relating to prior years is not readily available and could not be determined after making reasonable effort.

Accordingly, the comparative 2004-05 amount recognised for FTB included in personal benefits expense is not directly comparable to the amount for FTB in 2005-06 because the impact of the change in the accounting policy is not separately identified in the 2004-05 amount.

Notes to and forming part of the Financial Statements

Note 3: Events after the Balance Sheet Date

There were no post balance date events.

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 4: Income		
<u>Note 4A: Revenues from Government</u>		
Appropriations for outputs	<u>1,470,561</u>	<u>2,327,579</u>
Total revenues from government	<u>1,470,561</u>	<u>2,327,579</u>
 <u>Note 4B: Goods and Services</u>		
Services	<u>9,511</u>	<u>2,698</u>
Total sales of goods and services	<u>9,511</u>	<u>2,698</u>
Rendering of services to:		
Related entities	8,641	385
External entities	<u>870</u>	<u>2,313</u>
Total rendering of services	<u>9,511</u>	<u>2,698</u>
 <u>Note 4C: Interest</u>		
Interest on deposits	-	<u>2</u>
Total interest	<u>-</u>	<u>2</u>
 <u>Note 4D: Other Revenues</u>		
Assets stocktake adjustment	-	2,284
Other	<u>757</u>	<u>679</u>
Total other revenues	<u>757</u>	<u>2,963</u>
 <u>Note 4E: Net Foreign Exchange Gain</u>		
Non speculative	<u>75</u>	<u>1</u>
Total foreign exchange gains	<u>75</u>	<u>1</u>
 <u>Note 4F: Other Gains</u>		
Fundamental Error	-	48,410
Reversal of provision for makegood	83	-
Resources received free of charge	<u>1,159</u>	<u>858</u>
Total Other Gains	<u>1,242</u>	<u>49,268</u>

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 5: Operating Expenses		
Note 5A: Employee Expenses		
Wages and salary	120,162	169,242
Superannuation	22,709	35,797
Leave and other entitlements	15,123	18,743
Separation and redundancies	4,104	1,087
Other employee expenses	4,199	6,072
Total employee expenses	166,297	230,941
Note 5B: Suppliers		
Provision of goods - external entities	5,851	7,353
Rendering of services - related entities	2,294	10,489
Rendering of services - external entities	88,364	111,173
Operating lease rentals*	16,857	29,566
Workers' compensation premiums	1,898	3,376
Total suppliers	115,264	161,957
* These comprise minimum lease payments only.		
Note 5C: Depreciation and Amortisation		
Depreciation		
Other infrastructure, plant and equipment	2,220	2,304
Total Depreciation	2,220	2,304
Amortisation		
Software and other intangibles	4,430	5,027
Leasehold improvements	8,562	4,775
Land and Buildings	81	-
Total Amortisation	13,073	9,802
Total depreciation and amortisation	15,293	12,106
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:		
Other infrastructure, plant and equipment	2,220	2,304
Software and other intangibles	4,430	5,027
Leasehold improvements	8,562	4,775
Land and Buildings	81	-
Total depreciation and amortisation	15,293	12,106
Note 5D: Borrowing costs expense		
Finance lease	154	228
Total borrowing costs expense	154	228

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 5E: Write Down and Impairment of Assets		
Financial assets		
Bad and doubtful debts expense	718	(374)
Non-financial assets		
Infrastructure, plant & equipment - revaluation decrement	-	65
Write-down of assets under construction	73	845
Total write-down of assets	791	536
Note 5F: Net Losses from Sale of Assets		
Proceeds from disposal	(17)	(2)
Net book value of assets disposed	262	60
Total proceeds from disposals	(17)	(2)
Total value of assets disposed	262	60
Total net loss from disposal of assets	245	58
Note 5G: Resources Provided Free of Charge		
Resources Provided Free of Charge	-	451,705
Total resources provided free of charge	-	451,705
Note 5H: Net Foreign Exchange Loss		
Non speculative	123	1
Total foreign exchange losses	123	1
Note 5I: Payments for Service Delivery		
Payment to Centrelink for service delivery	1,181,002	1,437,948
Payment to HIC for service delivery	8,605	8,605
Payment to ATO for service delivery	9,016	10,497
Department of Veteran's Affairs	197	184
Other	1,047	247
Total payments for service delivery	1,199,867	1,457,481
Note 5J: Other		
Other	10	491
Total other expenses	10	491

Notes to and forming part of the Financial Statements

30 June 2006 S'000	30 June 2005 S'000
-----------------------------------	-----------------------------------

Note 6: Competitive Neutrality Expense

The Department is not subject to taxation equivalence payments.

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 7: Financial Assets		
<u>Note 7A: Cash</u>		
Cash on hand	2	3
Cash at bank - Departmental	<u>100</u>	<u>5,446</u>
Total cash	<u>102</u>	<u>5,449</u>
All cash recognised is a current asset.		
<u>Note 7B: Receivables</u>		
Goods and services	5,199	1,897
Less: Provision for doubtful debts	<u>(812)</u>	<u>(94)</u>
	4,387	1,803
GST receivable from the Australian Taxation Office	3,230	2,846
Appropriations receivable - additional outputs - OPA Receivable/Appropriations Receivable	<u>107,012</u>	<u>97,524</u>
Receivable from Centrelink for over estimation of service delivery	-	40,364
Other receivables (Net)	<u>5,556</u>	<u>8,969</u>
Total Receivables (net)	<u>120,185</u>	<u>151,506</u>
Receivables are represented by:		
Current	<u>120,185</u>	<u>151,506</u>
Total Receivables (net)	<u>120,185</u>	<u>151,506</u>
Receivables (gross) are aged as follows:		
Current	<u>119,122</u>	<u>150,564</u>
Overdue by:		
Less than 30 days	1,327	29
30 to 60 days	-	17
60 to 90 days	1	108
More than 90 days	<u>547</u>	<u>882</u>
	<u>1,875</u>	<u>1,036</u>
Total receivables (gross)	<u>120,997</u>	<u>151,600</u>
The provision for doubtful debts is aged as follows:		
Current	<u>(652)</u>	-
Overdue by:		
Less than 30 days	(113)	-
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	<u>(47)</u>	<u>(94)</u>
	<u>(160)</u>	<u>(94)</u>
Total provision for doubtful debts	<u>(812)</u>	<u>(94)</u>

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 8: Non-Financial Assets		
<u>Note 8A: Land and Buildings</u>		
<i>Freehold land</i>		
- at fair value	8,811	-
Total freehold land	8,811	-
<i>Buildings on freehold land</i>		
- at fair value	18,719	-
- Accumulated depreciation	(81)	-
Total buildings on freehold land	18,638	-
<i>Leasehold improvements</i>		
- at fair value	26,731	16,564
- Accumulated amortisation	(14,080)	(5,517)
	12,651	11,047
- Assets under construction	210	433
Total leasehold improvements	12,861	11,480
Total Land and Buildings (non-current)	40,310	11,480
<u>Note 8B: Infrastructure, Plant and Equipment</u>		
<i>Infrastructure, plant and equipment</i>		
- at fair value	14,640	7,290
- Accumulated depreciation	(5,465)	(3,116)
	9,175	4,174
- under construction	-	391
Total Infrastructure, Plant and Equipment (non-current)	9,175	4,565

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the figures above and is separately disclosed in Table B below.

All formal revaluations are independent and are conducted in accordance with the revaluation policy stated in Note 1. In 2004-05, the formal revaluations were conducted by an independent valuer the Australian Valuation Office.

Notes to and forming part of the Financial Statements

Note 8C: Analysis of Property, Plant and Equipment

TABLE A - Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

Item	Land and Buildings \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
As at 1 July 2005						
Gross book value	-	-	16,997	16,997	7,681	24,678
Accumulated depreciation/amortisation	n/a	-	(5,517)	(5,517)	(3,116)	(8,633)
Opening net book value	-	-	11,480	11,480	4,565	16,045
Additions:						
By purchase	-	-	3,041	3,041	2,433	5,474
From acquisition of operations (including restructuring)	8,811	18,719	6,838	34,368	4,931	39,299
Net revaluations increment/(decrement)	-	-	(142)	(142)	-	(142)
Depreciation/amortisation expense	n/a	(81)	(8,562)	(8,643)	(2,220)	(10,863)
Recoverable Amount write-downs	-	-	-	-	-	-
Disposals:						
Other disposals - gross	-	-	-	-	(782)	(782)
Other disposals - acc depn	-	-	-	-	520	520
Transfers in/(out):	-	-	-	-	-	-
Transfers in/(out) - gross	-	207	207	207	377	584
Transfers in/(out) - acc depn	-	(1)	(1)	(1)	(10)	(11)
Write Offs	-	-	-	-	(639)	(639)
As at 30 June 2006						
Gross book value	8,811	18,719	26,941	54,471	14,640	69,111
Accumulated depreciation/amortisation	n/a	(81)	(14,080)	(14,161)	(5,465)	(19,626)
Closing net book value	8,811	18,638	12,861	40,310	9,175	49,485

Notes to and forming part of the Financial Statements

TABLE B - Property, Plant and Equipment held under Finance Lease

Item	Land \$'000	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
As at 30 June 2006						
Gross value	-	-	-	-	2,202	2,202
Accumulated depreciation / amortisation	n/a	-	-	-	(1,044)	(1,044)
Net book value	-	-	-	-	1,158	1,158
As at 30 June 2005						
Gross value	-	-	-	-	2,378	2,378
Accumulated depreciation / amortisation	n/a	-	-	-	(721)	(721)
Net book value	-	-	-	-	1,657	1,657

TABLE C - Property, Plant, and Equipment under Construction

Item	Buildings on Freehold Land \$'000	Buildings - Leasehold Improvements \$'000	Land & Buildings - Total \$'000	Other IP&E \$'000	TOTAL \$'000
Carrying amount at 30 June 2006	-	210	210	-	210
Carrying amount at 30 June 2005	-	433	433	391	824

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 8D: Intangibles		
Computer software:		
Internally developed - in progress (non-current)	8,177	2,341
	<u>8,177</u>	<u>2,341</u>
Internally developed - in use (non-current)	37,426	24,571
- Accumulated amortisation	<u>(16,777)</u>	<u>(12,368)</u>
	<u>20,649</u>	<u>12,203</u>
Externally acquired - at cost (non-current)	2,272	2,248
- Accumulated amortisation	<u>(2,102)</u>	<u>(1,997)</u>
	<u>170</u>	<u>251</u>
Total intangibles (non-current)	<u>28,996</u>	<u>14,795</u>

TABLE A - Reconciliation of the Opening and Closing Balances of Intangibles

Item	Computer software - other	Computer software internally developed	Intangibles - Total
	\$'000	\$'000	\$'000
As at 1 July 2005			
Gross book value	2,248	26,912	29,160
Accumulated depreciation/amortisation	(1,997)	(12,368)	(14,365)
Net book value	251	14,544	14,795
Additions			
By purchase/Internally developed	-	16,821	16,821
From acquisition of entities or operations (including restructuring)	24	2,368	2,392
Depreciation/amortisation	(105)	(4,325)	(4,430)
Other movements			
Adjustment to gross value	-	150	150
Adjustment to accumulated depreciation	-	(84)	(84)
Disposals			
Write offs to gross asset value	-	(73)	(73)
Transfers in/(out) - gross	-	(575)	(575)
As at 30 June 2006			
Gross book value	2,272	45,603	47,875
Accumulated depreciation/amortisation	(2,102)	(16,777)	(18,879)
Net book value	<u>170</u>	<u>28,826</u>	<u>28,996</u>

Notes to and forming part of the Financial Statements

TABLE B - Intangibles under Construction

Item	Computer software	Other intangibles internally developed	TOTAL
	\$'000	\$'000	\$'000
Carrying amount at 30 June 2006	8,177	-	8,177
Carrying amount at 30 June 2005	2,341	-	2,341

Note 8E: Other Non-Financial Assets

Prepayment to Centrelink	22,976	21,990
Other Prepayments	<u>274</u>	<u>522</u>
Total other non-financial assets	<u>23,250</u>	<u>22,512</u>

All other non-financial assets are current assets.

Notes to and forming part of the Financial Statements

	30 June 2006 S'000	30 June 2005 S'000
--	-----------------------------------	--------------------------

Note 9: Payables

Note 9A: Suppliers

Trade creditors	25,613	26,042
Other creditors	-	2,420
Total suppliers	25,613	28,462

All supplier payables are current liabilities.

Note 9B: Other Payables

Appropriation payable	674	48,106
Unearned income	-	207
Other payables	346	3
Total other payables	1,020	48,316

All other payables are current liabilities.

Note 10: Interest Bearing Liabilities

Note 10A: Leases

Finance lease commitments

Within one year

Minimum lease payments	667	845
Deduct: future finance charges	(100)	(142)
	567	703

In one to five years

Minimum lease payments	609	842
Deduct: future finance charges	(55)	(78)
	554	764

Finance lease recognised in balance sheet

	1,121	1,467
--	--------------	--------------

Lease liability is represented by:

Current	567	716
Non-current	554	751
Net lease liability	1,121	1,467

Finances leases exist in relation to IT assets. The leases are non-cancelable and for terms averaging three years. The interest rate implicit in the leases averaged 10.81% (2005: 10.23%). The lease assets secure the lease liabilities. The Department guarantees the residual values of all assets leased. There are no contingent rentals.

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 11: Provisions		
<u>Note 11A: Employee Provisions</u>		
Salaries and wages	1,180	411
Leave	49,455	34,947
Superannuation	<u>8,952</u>	<u>6,646</u>
<i>Aggregate employee benefit liability and related on-costs</i>	<u>59,587</u>	<u>42,004</u>
Employee provisions are represented by:		
Current	55,853	40,783
Non-current	<u>6,662</u>	<u>3,156</u>
	<u>62,515</u>	<u>43,939</u>

Note: Employee liabilities are measured in accordance with AASB119, however, are classified in accordance with AASB101.

Note 11B: Other Provisions

Provisions - other	845	-
Make good provisions	<u>5,375</u>	<u>3,644</u>
<i>Total other provisions</i>	<u>6,220</u>	<u>3,644</u>
Other provisions are represented by:		
Current	3,158	355
Non-current	<u>3,062</u>	<u>3,289</u>
<i>Total other provisions</i>	<u>6,220</u>	<u>3,644</u>

Notes to and forming part of the Financial Statements

30 June 2006 \$'000	30 June 2005 \$'000
------------------------------------	---------------------------

Note 12: Restructuring

Note 12A: Departmental Restructuring

As a result of a restructuring of administrative arrangements, the department assumed administrative responsibility on 27 January 2006 for the Indigenous Affairs Function from the Department of Immigration and Multicultural Affairs (DIMA).

The department assumed responsibility for:

- Indigenous Affairs Litigation
- Indigenous Women
- Native Title and Land Rights
- Public Information
- Reconciliation Place
- Repatriation
- Shared Responsibility Agreements Implementation Assistance
- The Aboriginal and Torres Strait Islander Land Fund (Special Account)
- The Aboriginal Benefits Account (Special Account)

The net book values of departmental assets and liabilities transferred to FaCSIA for no consideration and recognised as at the date of transfer were:

Total assets recognised	73,793	1,377
Total liabilities recognised	(12,127)	(5,191)
Net assets assumed	61,666	(3,814)

In respect of programs/sub programs relinquished, the following assets and liabilities were transferred by the Agency:

Total assets relinquished	(4,500)	(71,387)
Total liabilities relinquished	-	72,365
Net assets relinquished	(4,500)	978

Net contribution by Government as owner during the year	57,166	(2,836)
--	---------------	---------

Notes to and forming part of the Financial Statements

	30 June 2006 S'000	30 June 2005 S'000
--	--------------------------	--------------------------

Note 12 Restructuring (continued)

Departmental revenues and expenses for the full year for the functions assumed by FaCSIA are as follows:

Revenues

Recognised by Department of Immigration and Multicultural Affairs	(82,299)	-
Recognised by Department of Families, Community Services and Indigenous Affairs	(16,071)	-
Total revenues	(98,370)	-

Expenses

Recognised by Prime Minister and Cabinet	-	2,767
Recognised by Department of Immigration and Multicultural Affairs	82,441	-
Recognised by Department of Families, Community Services and Indigenous Affairs	19,883	1,873
Total expenses	102,324	4,640

Note 12B: Administered Restructuring

In respect of functions assumed, the net book values of administered assets and liabilities transferred to the Department for no consideration and recognised as at the date of transfer were:

Total assets recognised	2,036,033	40,729
Total liabilities recognised	(12,898)	-
Net assets assumed	2,023,135	40,729

In respect of programs/sub programs relinquished, the following assets and liabilities were transferred by the Department:

Total assets relinquished	-	(1,843,601)
Total liabilities relinquished	-	1,408,179
Net assets relinquished	-	(435,422)

Net increase/(decrease) in administered net assets during the year

2,023,135	(394,693)
------------------	------------------

Administered revenues and expenses for the full year assumed by the Department are as follows:

Total revenues	-	-
Expenses		
Recognised by the Department of Prime Minister and Cabinet	-	3,766
Recognised by ATSI/ATSIC	-	50,945
Recognised by Department of Family and Community Services	36,462	210,041
Recognised by Department of Immigration and Multicultural Affairs	48,885	-
Total expenses	85,347	264,752

Notes to and forming part of the Financial Statements

	30 June 2006 S'000	30 June 2005 S'000
Note 13: Cash Flow Reconciliation		
Reconciliation of cash per Balance Sheet to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	102	5,449
Balance Sheet items comprising above cash:		
'Financial Asset - Cash'	102	5,449
Reconciliation of operating result to net cash from operating activities:		
Net surplus/ (deficit)	(15,898)	67,264
Depreciation and amortisation	15,294	11,560
Restructuring adjustment	15,474	4,564
Gain on reversal of make good	(83)	(2,284)
Net write down of non-financial assets	73	536
Loss on disposal of assets	245	59
(Increase) / decrease in net receivables	31,963	(102,311)
(Increase) / decrease in other non-financial assets	(737)	(16,755)
Increase / (decrease) in interest bearing liabilities	(346)	4,426
Increase / (decrease) in employee provisions	17,581	(4,310)
Increase / (decrease) in supplier payables & other provisions	(49,839)	10,551
Other	-	47,443
<i>Net cash from / (used by) operating activities</i>	13,727	20,743

Notes to and forming part of the Financial Statements

Note 14: Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies reports contingent liabilities in respect of claims for damages/costs of \$150,000 (2005: \$148,000). This amount represents an estimate of the Department's liability based on precedent cases. The Department is defending the claims.

The Schedule of Contingencies reports contingent assets in respect of claims for damages/costs of \$241,000 (2005: Nil). The estimate is based on precedent in such cases.

The Schedule of Contingencies reports contingent assets in respect of Recovery from liquidations related to Register of Aboriginal Corporations of \$91,000 (2005: Nil).

Unquantifiable Contingencies

At 30 June 2006, the Department may begin the process of isolating an asset taken over a lien. Although the value of the contingent asset is not quantifiable, it will not exceed our claim against Minbandi Aboriginal Corporation for \$545,375. The Department has a number of claims against entities where it is not possible to estimate the amount of the claims.

Remote Contingencies

The Department has remote contingencies, which are not expected to eventuate due to the nature of the cases. The remote classification is based on precedent.

Notes to and forming part of the Financial Statements

Note 15: Executive Remuneration

	<u>2006</u>	<u>2005</u>
The number of executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144999	16	5
\$145000 to \$159999	12	14
\$160 000 to \$174 999	7	15
\$175 000 to \$189 999	10	8
\$190 000 to \$204 999	7	2
\$205 000 to \$219 999	1	3
\$220 000 to \$234 999	3	1
\$235 000 to \$249 999	4	-
\$250 000 to \$264 999	3	1
\$265 000 to \$279 999	1	1
\$280 000 to \$294 999	1	1
\$295 000 to \$309 999	-	1
\$445 000 to \$460000	1	-
Total	<u>66</u>	<u>52</u>
The aggregate amount of total remuneration of executives shown above.	\$12,058,193	\$9,149,957
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	\$123,166	\$0

Notes to and forming part of the Financial Statements

Note 16: Remuneration of Auditors

	<u>2006</u>	<u>2005</u>
	<u>\$</u>	<u>\$</u>
Financial statement audit services are provided free of charge to the department.		
The fair value of audit services provided was:		
Audit services for the Aboriginals Benefit Account	1,104,000	858,000
Audit services for the Aboriginal and Torres Strait Islander Land Fund Account	20,000	-
	<u>1,159,000</u>	<u>858,000</u>
Other services provided by the Auditor-General related to the verification of the 2005/06 Triple Bottom Line Report.		
Triple Bottom Line Report	<u>80,000</u>	<u>93,000</u>
Other Resources Received Free of Charge relate to the provision of services to the Aboriginals Benefit Account. This amounted to \$231,656.		

Note 17: Average Staffing Levels

	<u>2006</u>	<u>2005</u>
The average staffing levels for the Agency during the year were:	<u>1,925</u>	<u>1,905</u>

Notes to and forming part of the Financial Statements

Note 18: Financial Instruments

Note 18A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS			
Cash	7A	<i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.</i> Deposits are recognised at their nominal amounts. Interest on cash at bank is credited to revenue as it accrues.	The majority of the of the Department's cash is held by the Department of Finance.
Receivables for goods and services	7B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	All receivables with entities external to the Commonwealth. Credit terms are net 30 days or less (2005: 30 days).
Appropriations receivable	7	These receivables are recognised at their nominal amounts.	Appropriation receivable will be drawn upon as required.

FINANCIAL LIABILITIES			
Finance lease liabilities	10A	<i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.</i> Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the lease.	At reporting date, the Department had finance leases with terms averaging 3 years. The interest rate implicit in the leases averaged 10.81% (2005: 10.23%).
Trade creditors	9A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days

UNRECOGNISED FINANCIAL LIABILITIES			
Indemnities		Details are disclosed in Note 14 - Contingent Liabilities and Assets.	Refer Note 14.

Notes to and forming part of the Financial Statements

Note 18B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing	Total	Weighted Average Effective Interest Rate			
		Rate		1 Year or Less		1 to 5 Years		> 5 Years				2005 \$'000	2006 \$'000	2005 %	2006 %
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000						
Financial Assets															
Cash	7A	102	5,449	-	-	-	-	-	-	102	5,449	n/a	n/a	n/a	
OPA receivables from DoFA	7B	-	-	-	-	-	-	-	-	107,012	97,524	n/a	n/a	n/a	
Receivables for goods and services	7B	-	-	-	-	-	-	-	-	9,943	51,230	n/a	n/a	n/a	
Total		102	5,449	-	-	-	-	-	-	116,955	148,754	117,057	154,203	-	
Financial Liabilities															
Finance lease liabilities	10	-	-	567	716	554	751	-	-	-	1,121	1,467	10.81%	10.23%	
Trade creditors	10	-	-	-	-	-	-	-	-	25,613	26,042	25,613	26,042	n/a	
Total		-	-	567	716	554	751	-	-	25,613	26,042	26,734	27,509	-	

Notes to and forming part of the Financial Statements

Note 18C: Net Fair Values of Financial Assets and Liabilities

	Notes	2006		2005	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental Financial Assets					
Cash	7A	102	102	5,449	5,449
OPA receivables from DoFA	7B	107,012	107,012	97,524	97,524
Receivables for goods and services	7B	9,943	9,943	51,230	51,230
Total Financial Assets		117,057	117,057	154,203	154,203
Financial Liabilities (Recognised)					
Finance lease liabilities	10A	1,121	1,121	1,467	1,467
Trade creditors	9A	25,704	25,704	26,042	26,042
Total Financial Liabilities (Recognised)		26,825	26,825	27,509	27,509

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values of the finance lease liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for the trade creditors are approximated by their carrying amounts.

The net fair value of the indemnity given is taken to be nil as the likelihood of any part of it being called upon is regarded as remote.

Note 18D: Credit Risk Exposures

The Department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Department has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 19: Income Administered on Behalf of Government		
Child Support Revenue		
Child Support Penalties	-	23,742
Child Support Trust Revenue	-	365,700
Total Child Support Revenue	-	389,442
Interest		
Interest on Advance	396	308
SFSS Interest Recovered	-	13
External entities	32,124	2
Total interest	32,520	323
NZ Reciprocal Agreement		
NZ Reciprocal Agreement	68,439	78,013
Total NZ Reciprocal Agreement	68,439	78,013
Special Account Revenue		
Aboriginal Benefit Account	267	-
Other	3,915	3,534
Total Special Account Revenue	4,182	3,534
Other revenue		
Indexation of Student Financial Supplement Scheme	-	3
Other	91,583	28,023
Total other revenue	91,583	28,026
Total Revenues Administered on Behalf of Government	196,724	499,338
Gains		
Gain on sale of investments	22,985	-
Revaluation adjustment	(20,062)	-
Total Gains Administered on Behalf of Government	2,923	-
Total Income Administered on Behalf of Government	199,647	499,338
Note 20: Expenses Administered on Behalf of Government		
Grants		
Non-Profit Institutions	767,511	674,600
State and Territory governments	1,932,804	1,887,585
Local governments	58,752	60,803
External entities - Private Sector	62,657	32,591
Overseas	490	210
Other	163,991	96,031
Total grants	2,986,205	2,751,820
The nature of grants are as follows:		
Grants for An Integrated Social Support System	3,180	2,111
Grants for Greater Self-Reliance and Engagement	1,409,526	1,323,584
Grants for Seniors, People with Disabilities, Carers, Youth and Women	1,055,617	1,086,959
Grants for Families and Children	413,041	311,344
Grants for Strong and Resilient Communities	27,183	27,822
Grants for Innovative Whole-of Government Policy on Indigenous Affairs	77,658	-
Total grants	2,986,205	2,751,820

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 20: Expenses Administered on Behalf of Government (continued)		
Subsidies		
External entities	11,739	13,323
Total subsidies	11,739	13,323
Personal benefits - indirect		
Personal benefits - indirect	1,910	14,571
Total personal benefits - indirect	1,910	14,571
Personal benefits - direct		
Age Pension	20,585,614	19,973,154
Family Tax Benefit	13,544,194	12,861,209
Disability Support Pension	-	2,499,214
Parenting Payment (Partnered and Single)	-	1,951,312
Newstart Allowance	-	1,475,358
Youth Allowance	-	733,534
Childcare Benefit	1,502,531	1,462,851
Carer Allowance - Adult and Child	1,258,339	1,108,857
Carer Payment	1,219,342	1,059,286
Partner Allowance (Pension)	-	230,666
Wife Pension (DSP)	258,493	290,107
Widow Allowance	-	219,647
Mature Age Allowance	-	95,198
Partner Allowance (Benefit)	-	111,455
Austudy Payment	-	83,189
Maternity Allowance	904,764	790,128
Wife Pension (Age)	173,107	179,134
Special Benefit	75,041	100,607
Other	60,079	133,840
Utilities Allowance	288,109	68,667
Seniors Concession Allowance	93,420	57,967
Ex Gratia Payments	44,909	524
Total personal benefits - direct	40,007,942	45,485,904
Suppliers		
Supply of goods and services	40,507	49,886
Total suppliers	40,507	49,886
Write-down and impairment of assets		
Financial assets		
Other	6	366
Student Financial Supplement Scheme	-	(19,023)
SFSS adjustment to opening balance	-	(59)
Personal benefits	15,572	144,059
Child support bad debt expense	-	(225,272)
Non-financial assets		
Value of assets sold	23,000	-
Total write-down and impairment of assets	38,578	(99,929)
Interest		
Student Financial Supplement Scheme	-	11,219
Total finance costs	-	11,219

Notes to and forming part of the Financial Statements

	30 June 2006 S'000	30 June 2005 S'000
Note 20: Expenses Administered on Behalf of Government (continued)		
Other expenses		
Child Support Trust Expenditure	-	612,333
Special Account Expense	2,682	5,321
Other	<u>11,866</u>	<u>57,172</u>
Total other expenses	<u>14,548</u>	<u>674,826</u>
Total Expenses Administered on Behalf of Government	<u>43,101,429</u>	<u>48,901,620</u>

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Note 21: Assets Administered on Behalf of Government		
Financial Assets		
Cash and Cash equivalents		
Administered bank account -Department of Families, Community Services and Indigenous Affairs	1,805	2,502
Aboriginals Benefit Account	49,990	-
Aboriginal and Torres Strait Islander Land Fund	1,734	-
Administered on behalf of other entities	734	109
Cash held on behalf of other entities	66,406	-
Total cash and cash equivalents	120,669	2,611
Receivables		
Personal Benefits - Direct	1,277,711	1,361,569
<i>Less:</i> Allowance for doubtful debts	<i>(257,162)</i>	<i>(242,320)</i>
	1,020,549	1,119,249
Other Loans	11,884	9,277
Other receivables	135,974	32,262
<i>Less:</i> Allowance for doubtful debts	<i>(882)</i>	<i>(293)</i>
	135,092	31,969
Total receivables (net)	1,167,525	1,160,495
Receivables (gross) are aged as follows:		
Not overdue	868,076	1,030,082
Overdue by:		
Less than 30 days	18,275	14,574
30 to 60 days	8,954	9,451
60 to 90 days	10,000	7,435
More than 90 days	520,264	341,565
Total receivables (gross)	1,425,569	1,403,107
The provision for doubtful debts is aged as follows:		
Not overdue	(242,398)	(234,911)
Overdue by:		
Less than 30 days	(215)	(301)
30 to 60 days	(105)	(195)
60 to 90 days	(117)	(153)
More than 90 days	(15,209)	(7,053)
Total provision for doubtful debts	(258,044)	(242,613)
Investments in Commonwealth entities		
Indigenous Land Corporation	275,612	-
Torres Strait Regional Authority	26,832	-
Australian Institute of Family Studies	986	788
Aboriginal Hostels Limited	57,780	40,104
Central Land Council	9,054	-
Northern Land Council	9,555	-
Other	1,957	493
Total investments in Commonwealth entities	381,776	41,385

Notes to and forming part of the Financial Statements

	30 June 2006 \$'000	30 June 2005 \$'000
Investments in deposits and government securities		
Deposits	466,741	-
Government securities	<u>1,165,184</u>	<u>-</u>
<i>Total investments in deposits and government securities</i>	<u>1,631,925</u>	<u>-</u>
<i>Total financial assets</i>	<u>3,301,895</u>	<u>1,204,491</u>
Non-financial Assets		
Prepayments		
Prepaid Benefits	<u>93,276</u>	<u>181,180</u>
<i>Total non-financial assets</i>	<u>93,276</u>	<u>181,180</u>
<i>Total Assets Administered on Behalf of Government</i>	<u>3,395,171</u>	<u>1,385,671</u>

Notes to and forming part of the Financial Statements

	30 June	30 June
	2006	2005
	<u>S'000</u>	<u>S'000</u>
Note 22: Liabilities Administered on Behalf of Government		
Provisions		
Personal benefits provision		
Family Tax Benefit	2,454,106	2,047,630
Pension Bonus Scheme	<u>607,000</u>	<u>697,510</u>
Total personal benefits provision	<u>3,061,106</u>	<u>2,745,140</u>
Payables		
Personal Benefits payable		
	530,247	413,179
Grants		
State & Territory governments	1,657	129
Local governments	392	636
Private sector - Non-profit entities	28,186	11,498
Other entities	<u>10,307</u>	<u>7,334</u>
Total grants and subsidies	<u>40,542</u>	<u>19,597</u>
Other payables		
Other	<u>61,450</u>	<u>3,731</u>
Total other payables	<u>61,450</u>	<u>3,731</u>
Total payables	<u>632,239</u>	<u>436,507</u>
Total Liabilities Administered on Behalf of Government	<u>3,693,345</u>	<u>3,181,647</u>

Notes to and forming part of the Financial Statements

	30 June	30 June
	2006	2005
	\$'000	\$'000
Note 23: Administered Reconciliation Table		
<i>Opening administered assets less administered liabilities as at 1 July</i>	(1,795,978)	(2,334,903)
Opening balance fair value adjustment - administered investments	-	-
Plus: Administered revenues	199,647	499,338
Less: Administered expenses	(43,101,429)	(48,901,619)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA	3,108,305	3,504,990
Annual appropriations administered expenses	-	-
Administered assets and liabilities appropriations	-	-
Special appropriations (limited)	-	-
Special appropriations (unlimited)	-	-
Transfers to OPA	(367,122)	(842,070)
Restructuring	2,023,136	(394,693)
Special Appropriations payments made on FaCS' behalf by Centrelink allocated drawing rights	39,603,083	46,667,369
Administered revaluations taken to/from reserves	17,874	376
Other	14,310	5,234
<i>Closing administered assets less administered liabilities as at 30 June</i>	(298,174)	(1,795,978)

Notes to and forming part of the Financial Statements

Note 24: Administered Contingent Liabilities

Quantifiable Administered Contingencies

The schedule of contingencies reports contingent liabilities in respect of damages/costs of \$0 (2005: \$0).

There is also a number of Act of Grace Payment requests currently being considered by the Finance Minister under s.33 of the FMA Act. The outcomes of these requests are estimated to be \$78,319.

Unquantifiable Administered Contingencies

There is currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT), for which the outcomes are not yet known or able to be quantified. These cases relate to appeals regarding income support payments and other payments under the Social Security Act.

Remote Administered Contingencies

There are no known remote administered contingencies at 30 June 2006.

Notes to and forming part of the Financial Statements

Note 25: Administered Contingent Assets

Quantifiable Administered Contingencies

The schedule of contingencies reports contingent assets in respect of damages/costs of \$0 (2005: \$0).

Unquantifiable Administered Contingencies

There is currently a number of cases before both the Administrative Appeals Tribunal (AAT) and the Social Security Appeals Tribunal (SSAT) for which the outcomes are not yet known or able to be quantified. These cases relate to appeals regarding income support payments and other payments under the Social Security Act.

Remote Administered Contingencies

There are no known remote administered contingencies at 30 June 2006.

Notes to and forming part of the Financial Statements

Note 26: Administered Investments

The principal activities of each of the Department's Administered Investments are as follows:

The Commonwealth has 100% of the equity interest of the Australian Institute of Family Studies (AIFS). AIFS converted from a CAC ACT body to a FMA Act body with effect from 1 July 2006. The principal activity of AIFS is to promote understanding of factors affecting family stability and well being in Australia, through the conduct, co-ordination and dissemination of research and other appropriate activities.

The Commonwealth has 100% of the equity interest in Aboriginal Hostels Limited (AHL). The principal activity of AHL is to provide temporary accommodation to Aboriginal and Torres Strait Islander people through a national network of hostels.

The Commonwealth has 100% of the equity interest in each of the following Aboriginal Land Councils:

- Anindilyakwa Land Council
- Central Land Council
- Northern Land Council
- Tiwi Land Council

The principal activity of these Land Councils is to represent the Aboriginal peoples living in the area of the Land Council in the management of Aboriginal land in the area, and in relation to legislation concerning that land; consult and protect the interests of traditional owners and take measures to assist in the protection of sacred sites in the area of the Land Council.

The Commonwealth has 100% of the equity interest in the Indigenous Land Corporation. The principal activity of the Indigenous Land Corporation is to provide economic, environmental, social and cultural benefits for Aboriginal persons and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous Land base.

The Commonwealth has 100% of the equity interest in the Torres Strait Regional Authority. The principal activity of the Torres Strait Regional Authority is to stimulate the economic advancement of Aboriginal and Torres Strait Islander peoples by investing in sound commercial ventures and encouraging and supporting Indigenous participation.

The Commonwealth has an interest in a property occupied by Yarra Community Housing located in Melbourne. The principal activity of the entity is for the provision of community housing facilities. The Commonwealth owns 31% of the unimproved market value of the land. The equity in this property is secured by a deed of agreement between the Commonwealth and Yarra Community Housing Ltd, with the Commonwealth having a controlling interest over the use of the property.

Notes to and forming part of the Financial Statements

Note 27: Administered Financial Instruments

a) Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS		<i>Financial assets are recognised when control over future economic benefits is established and the amount of the benefits can be measured reliably. All financial assets are held at fair value.</i>	
Cash and deposits at call	21	Cash includes cash on hand and in banks. Cash is recognised at its nominal amount.	The entity deposits appropriated funds, surplus funds and interest revenue with a commercial bank at call. Interest is earned on the daily balance at rates based on money market call rates.
Loans	21	Loans are recognised at the amounts lent. Collectability of amounts outstanding is reviewed at balance date. Provision is made for bad and doubtful loans where collection of the loan or part thereof is judged to be less rather than more likely. In rare circumstances, loan repayment may be waived. Interest is credited to revenue as it accrues.	Loans other than pension loans are made under contract for periods up to 20 years. No security is generally required. Principal is repaid in full at maturity. Interest is not charged to loans to childcare capital projects undertaken by a State/Territory.
Receivables	21	These receivables are recognised at the nominal amounts due less a provision for doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less likely rather than more likely.
Investments	21	Investments are recognised at revalued amounts based on an independent valuation. Interest is credited to revenue as it accrues.	The consolidated entity invests appropriated funds and interest revenue in a range of securities. Interest rates are a mixture of fixed and floating rates.
Accrued Interest	21	Interest is credited to revenue as it accrues. Accrued interest is included in the administered receivable balance in the financial statements.	All receivables are with entities external to the Commonwealth and relate to accrued interest on investments.

Notes to and forming part of the Financial Statements

FINANCIAL LIABILITIES		<i>Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be measured reliably. All financial liabilities are held at fair value.</i>	
Trade creditors	22	Creditors are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Grants and subsidies payable	22	Grant liabilities are recognised to the extent that: <ul style="list-style-type: none"> • the services required to be performed by the grantee have been performed; or • the grant eligibility criteria have been satisfied and settlement is outstanding. 	All grants and subsidies are to entities that are not part of the Australian Government. Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.

Notes to and forming part of the Financial Statements

b) Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate			
		2006		2005		1 to 5 years		> 5 years		2006		2005		2006		2005	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%		
Financial Assets																	
Cash	21	8,704	-	43,013	-	-	-	-	-	68,952	2,611	120,669	2,611	4.41%	n/a	n/a	n/a
Receivables (gross)	21	-	-	-	-	-	-	-	-	116,702	20,598	116,702	20,598	n/a	n/a	n/a	n/a
Loans to State & Territory governments (gross)	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans	21	9,187	6,388	-	-	-	-	-	-	2,697	-	11,884	6,388	5.25%	n/a	n/a	n/a
Government securities	21	-	-	917,803	-	545,616	-	168,444	-	62	-	1,631,925	-	4.45%	n/a	n/a	n/a
Total		17,891	6,388	960,816	-	545,616	-	168,444	-	188,413	26,098	1,881,180	32,486				
Financial Liabilities																	
Trade creditors	22	-	-	-	-	-	-	-	-	10,089	3,731	10,089	3,731	n/a	n/a	n/a	n/a
Grants and subsidies payable	22	-	-	-	-	-	-	-	-	40,542	19,597	40,542	19,597	n/a	n/a	n/a	n/a
Total		-	-	-	-	-	-	-	-	50,631	23,328	50,631	23,328				

Notes to and forming part of the Financial Statements

c) Net Fair Values of Administered Financial Assets and Liabilities

	Notes	2006		2005	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Administered Financial Assets					
Cash	21	120,669	120,669	2,611	2,611
Receivables (net)	21	116,702	116,702	1,382,167	1,382,167
Loans to State & Territory governments (net)	21	-	-	2,889	2,889
Other loans (gross)	21	11,884	11,884	6,388	6,388
Investments in Deposits and Government securities	21	<u>1,631,925</u>	<u>1,631,925</u>	-	-
Total Financial Assets		<u>1,881,180</u>	<u>1,881,180</u>	<u>1,394,055</u>	<u>1,394,055</u>
Financial Liabilities (Recognised)					
Trade creditors	22	10,089	10,089	3,162,050	3,162,050
Grants and subsidies payable	22	<u>40,542</u>	<u>40,542</u>	<u>19,597</u>	<u>19,597</u>
Total Financial Liabilities (Recognised)		<u>50,631</u>	<u>50,631</u>	<u>3,181,647</u>	<u>3,181,647</u>

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts. The net fair value of loans receivable are based on discounted cash flows using current interest rates for assets with similar risk profiles. Loans to state and territory governments are carried at cost which is above their net fair value. It is intended that all the loans will be held to maturity.

Financial Liabilities

The net fair values for trade creditors and grant liabilities are short-term in nature, are approximated by their carrying amounts.

Credit Risk Exposure

The consolidated entity has no significant exposure to any concentrations of credit risk.

Interest Rate Risk

The consolidated entity finances its investments without debt.

Currency Risk

The investment revenue is derived in Australian dollars, and the consolidated entity is not exposed to a decline in the value of foreign currencies relative to the Australian dollar.

Notes to and forming part of the Financial Statements

Note 28: Appropriations

Note 28A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations

Particulars	Administered Expenses							
	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2006								
Balance carried from previous year	20,865,642	38,311,095	5,995,732	4,226,457	3,043,389	92,504,218	-	-
Reductions of appropriations (prior years)	(12,841)	(20,838,053)	(1,376,974)	4,286,128	(1,213,099)	(86,113,717)	-	-
Adjustment to appropriations ¹	20,852,801	17,473,042	4,528,758	8,512,585	1,830,290	6,390,481	-	-
Adjusted balance carried for previous period	7,456,000	400,430,000	307,409,000	67,680,000	299,179,000	599,137,000	357,792,000	-
Appropriation Act (No. 1) 2005 - 2006	5,000	75,677,000	11,104,000	8,566,000	8,994,000	7,880,000	-	-
Appropriation Act (No.5) 2005 - 2006	1,200,000	-	-	2,600,000	-	-	-	-
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	674,000	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	(10,375,895)	2,962,157	199,796,025	41,818	(211,380,000)	-	-
Refunds credited (FMAA s30)	408	(27,862,884)	-	(9,138,469)	-	(16,831,160)	-	99,285
Appropriations lapsed or reduced	-	-	-	-	-	-	-	-
Appropriation reduced by section 9 determinations (current year)	-	-	-	-	-	-	-	-
Reduction due to workload agreement	-	-	-	-	-	-	-	-
Transfers over	-	-	-	-	-	-	-	-
Sub-total 2005 - 06	24,541,209	387,031,263	314,039,915	278,998,141	312,017,108	386,310,321	365,771,288	-
Appropriations to take account of recoverable GST (FMAA s30A)	337,614	40,095,205	33,012,144	25,888,937	29,772,269	32,876,722	36,484,896	-
Appropriations to net appropriations (FMAA s31)	277,795	603,001	1,354,350	6,307,663	-	-	39,550,821	-
Total Appropriations available for payments	25,156,618	427,729,469	348,386,409	310,794,741	341,789,377	419,187,043	441,807,002	-
Cash payments made during the year (GST inclusive)	24,147,966	406,863,827	326,090,439	304,889,009	316,309,411	416,143,654	424,707,935	-
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	811,632	20,865,642	20,215,970	5,995,732	25,479,966	3,043,389	17,699,067	-
<i>Represented by:</i>								
Cash at bank and on hand	-	-	-	-	-	-	-	-
Receivables - departmental appropriations	-	-	-	-	-	-	-	-
Receivables - GST receivable from taxpayers	-	-	-	-	-	-	-	-
Receivables - GST receivable from the ATO	-	-	-	-	-	-	-	-
Undrawn unapplied administered appropriations	811,632	20,865,642	20,215,970	5,995,732	25,479,966	3,043,389	17,699,067	-
Total	811,632	20,865,642	20,215,970	5,995,732	25,479,966	3,043,389	17,699,067	-

¹ Under Section 31 of the *Financial Management and Accountability Act 1997* (the FMA Act), the Minister for Finance may enter into a net appropriation agreement with an agency Minister. Appropriations Act Nos 1 and 3 (for the ordinary annual services of government) authorise the supplementation of an agency's annual net appropriation by amounts received in accordance with its Section 31 Agreement eg receipts from charging for goods and services.

Notes to and forming part of the Financial Statements

Particulars	Administered Expenses				Departmental Outputs				Total					
	Outcome 5		Outcome 6		Outcome 5		Outcome 6		Outcome 5		Outcome 6		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2006														
Balance carried from previous year	-	-	-	-	-	-	104,550,942	52,836,250	134,365,705	187,878,020	-	-	-	-
Reductions of appropriations (prior years)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment to appropriations ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjusted balance carried for previous period	-	-	-	-	-	-	104,550,942	52,836,250	134,365,705	187,878,020	-	-	-	-
Appropriation Act (No. 1) 2005 - 2006	66,973,000	-	-	-	-	-	1,466,979,000	2,630,519,000	2,400,828,000	3,697,736,000	-	-	-	-
Appropriation Act (No. 3) 2005 - 2006	1,614,000	-	1,188,000	-	-	-	29,000,000	101,592,000	48,053,000	129,057,000	-	-	-	-
Appropriation Act (No.5) 2005 - 2006	91,456,000	-	-	-	-	-	-	-	95,286,000	-	-	-	-	-
Appropriation Act (Natural Financial Assistance) Act 2004-05	-	-	-	-	-	-	-	-	1,772,000	-	-	-	-	-
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function (FMAA s32)	-	-	50,868,136	-	-	-	28,050,707	(358,200,284)	78,918,843	(380,160,154)	-	-	-	-
Appropriations lapsed or reduced	-	-	-	-	-	-	1,131,705	-	4,235,373	-	-	-	-	-
Refunds credited (FMAA s30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation reduced by section 9 determinations (current year)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reduction due to workload agreement	-	-	-	-	-	-	(32,269,929)	(48,105,925)	(32,269,929)	(48,105,925)	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total 2005 - 06	160,043,000	-	52,056,136	-	-	-	1,497,442,425	2,402,678,605	2,826,814,078	3,454,618,330	-	-	-	-
Appropriations to take account of recoverable GST (FMAA s30A)	6,164,715	-	208,009	-	-	-	12,408,608	15,497,139	117,388,255	114,358,003	-	-	-	-
Announcements to 'net appropriations' (FMAA s31)	93,000	-	-	-	-	-	8,572,973	4,340,600	49,848,939	11,251,264	-	-	-	-
Total Appropriations available for payments	166,300,715	-	52,264,145	-	-	-	1,618,424,006	2,422,516,344	2,994,051,272	3,580,227,597	-	-	-	-
Cash payments made during the year (GST inclusive)	110,990,292	-	35,408,217	-	-	-	1,508,924,342	2,317,965,402	2,748,678,712	3,445,861,892	-	-	-	-
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	55,320,433	-	16,855,828	-	-	-	109,589,664	104,550,942	245,372,560	134,365,705	-	-	-	-
Represented by:														
Cash at bank and on hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables - departmental appropriations	-	-	-	-	-	-	101,586	5,448,752	101,586	5,448,752	-	-	-	-
Receivables - GST receivable from customers	-	-	-	-	-	-	107,013,074	97,741,148	107,013,074	97,741,148	-	-	-	-
Receivables - GST receivable from the ATO	-	-	-	-	-	-	2,475,004	1,361,042	2,475,004	1,361,042	-	-	-	-
Contracts, unapplied administered appropriations	55,320,433	-	16,855,828	-	-	-	-	-	135,782,896	29,814,763	-	-	-	-
Total	55,320,433	-	16,855,828	-	-	-	109,589,664	104,550,942	245,372,560	134,365,705	-	-	-	-

Notes to and forming part of the Financial Statements

Note 28B: Acquital of Authority to Draw Cash from the Consolidated Revenue Fund for Other than Ordinary Annual Services Appropriations

Particulars	Administered														
	Outcome 1			Outcome 2			Outcome 3			Outcome 4			Outcome 5		
	SPPs	NALF	NAL	SPPs	NALF	NAL	SPPs	NALF	NAL	SPPs	NALF	NAL	SPPs	NALF	NAL
Year ended 30 June 2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Balance carried from previous year															
Adjusted balance carried from previous period	44,718	30,000		24,325			4,853,029								
Appropriation Act (No.2) 2005 - 2005	30,000			24,325											
Appropriation Act (No.4) 2005 - 2005		11,011,000		1,003,007,000	1,297,976,000		307,679,000	570,185,000		11,248,000					
Appropriation Act (No.6) 2005 - 2005			20,442,000				932,000	853,000					80,000		
Appropriations to take account of advance to the Finance Minister (FMAA s22)															
Adjustment of appropriations on charge of entity function (FMAA s22)															
Re Grants received (see) (FMAA s29)															
Appropriation lapsed		2,824													
Sub-total 2003 - 06 Annual Appropriation	30,000	11,038,475		1,124,644,000	1,308,161,007		303,571,000	570,982,500		11,248,000			80,000		
Appropriations to take account of advance to the Finance Minister (FMAA s22)															
Total appropriations available for cash (see)	30,000	11,041,325		1,124,644,000	1,309,572,411		303,571,000	570,982,500		11,248,000			80,000		
Cash payments made during the year (GST included)	30,000	10,982,697		1,123,974,000	1,309,572,411		796,179,530	565,279,551		10,479,000					
Appropriations credited to Special Accounts (GST exclusive)															
Balance of Authority to Draw Cash from the CRF for Other than Ordinary Annual Services Appropriation		64,718		68,522			7,690,470	4,853,029		819,910			80,000		
Approved by:															
Undrawn, unapplied administered appropriations		64,718		68,522			7,690,470	4,853,029		819,910			80,000		
Total		64,718		68,522			7,690,470	4,853,029		819,910			80,000		80,000

Notes to and forming part of the Financial Statements

Note 28C: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Unlimited Amount)

<i>Legislation: Social Security Act 1999</i>	2006	2005
	Outcome 3	
	\$	\$
<i>Purpose: to enable the payment of income support payments</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	24,033,130,534	29,045,337,000
Budget estimate	24,034,732,754	30,145,046,020

FaCSIA is responsible for the administration of payments made under the Social Security Act, however, Centrelink has made payments under drawing rights of \$24,033,130,534 on behalf of FaCSIA.

<i>Legislation: A New Tax System (Bonuses for Older Australians) 1999</i>	2006	2005
	Outcome 3	
	\$	\$
<i>Purpose: to enable special one-off payments to pensioners and self funded retirees to protect the value of their savings and retirement income after the implementation of the GST Tax Reform package</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	3,000	14,905,954,000
Budget estimate	-	15,868,415,613

FaCSIA is responsible for the administration of payments made under the Social Security Act, however, Centrelink has made payments under drawing rights of \$3,000 on behalf of FaCSIA.

<i>Legislation: Social Security Act 1999</i>	2006	2005
	Outcome 4	
	\$	\$
<i>Purpose: to enable the payment of income support payments</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	2,390,246	904,146,000
Budget estimate	2,706,000	1,039,290,068

FaCSIA is responsible for the administration of payments made under the Social Security Act, however, Centrelink has made payments under drawing rights of \$2,390,246 on behalf of FaCSIA.

<i>Legislation: A New Tax System (Family Assistance) (Administration) Act 1999</i>	2006	2005
	Outcome 4	
	\$	\$
<i>Purpose: to enable the payment of family assistance to support families</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	15,580,099,954	14,905,954,000
Budget estimate	16,190,807,000	15,868,415,613

FaCSIA is responsible for the administration of payments made under the Social Security Act, however, Centrelink has made payments under drawing rights of \$15,580,099,954 on behalf of FaCSIA.

Notes to and forming part of the Financial Statements

<i>Legislation: Aboriginal Land Rights (Northern Territory) admin costs (non-discretionary) Act 1976 Land Council</i>	2006	2005
	Outcome 6	
	\$	\$
<i>Purpose: to enable payments to Aboriginal Land councils</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	30,992,684	-
Budget estimate	58,714,000	-

<i>Legislation: Aboriginal Land Rights (Northern Territory) Act 1976 Ranger Agreements</i>	2006	2005
	Outcome 6	
	\$	\$
<i>Purpose: An Act providing for the granting of Traditional Aboriginal Land in the Northern Territory for the benefits of Aboriginals, and for The Ranger Agreement, completed under section 44 of the Aboriginal Land Rights (Northern Territory) Act 1976 was made between the Commonwealth and the Northern Land Council in November 1978 to provide for various payments in respect of mining on the Ranger Project Area, which is on Aboriginal Land.</i>		
All transactions under this Act are recognised as administered items.		
Cash payment made during the year	200,000	-
Budget estimate	200,000	-

Totals for unlimited special appropriations		
Payments made	39,646,816,418	59,761,391,000
Budget estimate	40,287,159,754	62,921,167,314

Note 28D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Limited Amount)

Legislation: Appropriations (Supplementary Measures) Act (No.1) 1999	2006	2005
	Outcome 3	
	\$	\$
<i>Purpose: To provide Supported Accommodation Assistance (Administered)</i>		
Amount available carried from previous period	60,000,000	60,000,000
Appropriation for reporting period	-	-
Available for payments	60,000,000	60,000,000
Appropriations lapsed	-	-
Amount available carried to the next period	60,000,000	60,000,000
<i>Represented by:</i>		
Cash held by Finance	60,000,000	-
Total	60,000,000	-

Notes to and forming part of the Financial Statements

Note 28E: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriations (Section 39 of the FMA ACT)

Investment of Public Money: Special Appropriations under section 39 of the FMA Act	2006	2005
	\$	\$
Aboriginal and Torres Strait Islander Land Fund Account (Administered)		
Amount invested carried from previous period	-	-
Restructuring	1,541,473,440	-
Prior year investments redeemed in current year	60,632,962	-
Investments made during the year	(865,879,949)	-
Transfers out	(23,758,511)	-
Redemptions of current year investments	833,504,660	-
Amount invested carried to the next period (sum of the above)	1,545,972,602	-
Budget estimate	-	-

Notes to and forming part of the Financial Statements

Note 29: Special Accounts

Child Support Trust Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 73 Child Support Act 1988</i>		
<i>Appropriation: Financial Management and Accountability 1997: s21</i>		
<i>Purpose: for the receipt of maintenance payments and the making of regular and timely payments to custodial parents</i>		
This account was transferred to DHHS 16 December 2004		
Balance carried from previous year	-	28,742,967
Appropriation Act (No. 2) 2004-2005	-	454,753,293
Available for payments	-	483,496,260
Payments made to suppliers	-	483,496,260
Balance carried to next year	-	-
<i>Represented by:</i>		
Total balance carried to the next period	-	-

The Department transferred responsibility for the Child Support Agency to the Department of Human Services in December 2004 and no longer administers this account.

Other Trust Monies (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: for the receipt of reconciled monies from clients</i>		
Balance carried from previous year	92	-
Restructuring	306,027	-
Available for payments	306,119	92
Payments made to suppliers	-	-
Balance carried to next year	306,119	92
<i>Represented by:</i>		
Cash held by the agency	306,119	-
Total balance carried to the next period	306,119	-

Social Security - Services for Other Government and Non-Government Bodies (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: for services relating to specific Government and Non-Government bodies</i>		
Balance carried from previous year	398,039	381,608
Appropriation Act (No. 2) 2004-2005	-	-
Previous year adjustments	-	18,182
Other revenue for reporting period	-	-
Available for payments	398,039	399,790
Payments made to suppliers	50,000	1,751
Balance carried to next year	348,039	398,039
<i>Represented by:</i>		
Cash held in the OPA	348,039	398,039
Total balance carried to the next period	348,039	398,039

Notes to and forming part of the Financial Statements

Note 29 Special Accounts (continued)

Other Services - Services for Other Government and Non-Government Bodies (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Financial Management and Accountability Act 1997</i>		
<i>Purpose: for expenditure in connection with services performed on behalf of other Governments and bodies that are not FMA agencies</i>		
Balance carried from previous year	92,634	-
Restructuring	-	152,721
Other revenue for reporting period	43,983	-
Available for payments	136,617	152,721
Payments made to suppliers	54,000	60,087
Balance carried to next year	82,617	92,634
<i>Represented by:</i>		
Cash held in the OPA	82,617	92,634
Total balance carried to the next period	82,617	92,634

Commonwealth State Disability Agreement Reserve (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: for expenditure on projects which relate to the Commonwealth/State Disability research and development agenda</i>		
Balance carried from previous year	1,024,622	1,023,008
Previous year adjustments	-	1,783
Other revenue for reporting period	400,000	221,404
Available for payments	1,424,622	1,246,195
Payments made to suppliers	494,809	221,573
Balance carried to next year	929,813	1,024,622
<i>Represented by:</i>		
Cash held in the OPA	929,813	1,024,622
Total balance carried to the next period	929,813	1,024,622

The Commonwealth State Disability Agreement Special Account has been abolished under Determination 2006/29. The balance of the special account will be credited to a new account in 2006-07.

Notes to and forming part of the Financial Statements

Note 29 Special Accounts (continued)

Supported Accommodation Assistance Program R&D Special Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: the receipt of monies for the National Date Collection, national evaluations, national committees and research projects under FaCS' Supported Accommodation Assistance Program</i>		
Balance carried from previous year	1,148,216	1,208,630
Other revenue for reporting period	2,520,629	2,340,000
Available for payments	3,668,845	3,548,630
Payments returned to OPA	-	-
Payments made to suppliers	2,061,053	2,400,414
Balance carried to next year	1,607,792	1,148,216
<i>Represented by:</i>		
Cash held in the OPA	1,607,792	1,148,216
Total balance carried to the next period	1,607,792	1,148,216

National Youth Affairs Research Scheme (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: for the receipt of monies from State Governments to meet expenditure in respect of the National Youth Affairs Research Scheme</i>		
Balance carried from previous year	464,337	719,947
Previous year adjustment	-	(260,132)
Other revenue for reporting period	240,000	255,768
Available for payments	703,337	715,583
Payments made to suppliers	131,388	251,246
Balance carried to next year	572,949	464,337
<i>Represented by:</i>		
Cash held in the OPA	572,949	464,337
Total balance carried to the next period	572,949	464,337

Notes to and forming part of the Financial Statements

Note 29 Special Accounts (continued)

Aboriginals Benefit Account - Special Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 63 of the Aboriginal Land Rights (Northern Territory) Act 1976</i>		
<i>Purpose: for the receipt of royalties and other monies from mining operations to distribute to organisations and aboriginals in the Northern Territory</i>		
Restructuring	119,892,985	-
Revenues from Government	30,922,684	-
Interest receipts	2,664,309	-
GST credits (FMAA s30A)	4,314	-
Available for payments	153,484,292	-
Payments made - land councils	14,931,989	-
Payments made - suppliers	116,303	-
Grants	2,555,098	-
Balance carried to next year	135,880,902	-
<i>Represented by:</i>		
Cash	6,964	-
Balance of investments	135,873,938	-
Total balance carried to the next period	135,880,902	-

Aboriginals Benefit Account (continued)	2006	2005
	\$	\$
Reconciliation of investments		
Restructuring	119,881,114	-
Realised investments receipts	(58,938,132)	-
Gain/Loss on sale of investments	-	-
Investments debited from the Special Account	73,911,622	-
Net investments purchased by rollover	1,019,334	-
Balance of investments	135,873,938	-
<i>Represented by:</i>		
Deposits at call	6,970,000	-
Negotiable certificates of deposit	46,513,108	-
Interest bearing deposits	82,390,830	-
Balance of investments	135,873,938	-

Notes to and forming part of the Financial Statements

Note 29 Special Accounts (continued)

Aboriginal and Torres Strait Islander Land Fund Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 193 of the Aboriginal and Torres Strait Islander Act 2005</i>		
<i>Purpose: to provide a secure stream of income to the Indigenous Land Corporation in perpetuity to provide economic, environmental, social and cultural benefits for Aboriginal people and Torres Strait Islanders by assisting in the acquisition and management of an Indigenous land base.</i>		
Restructuring	1,514,312,070	-
Interest receipts	55,913,040	-
Other receipts	72,875	-
Available for payments	1,570,297,985	-
Payments made to the Indigenous Land Council	23,758,511	-
Balance carried to next year	1,546,539,474	-
<i>Represented by:</i>		
Cash	1,734,289	-
Balance of investments	1,544,805,185	-
Total balance carried to the next period	1,546,539,474	-

Aboriginal and Torres Strait Islander Land Fund Account (continued)	2006	2005
	\$	\$
Reconciliation of investments:		
Restructuring	1,512,357,022	-
Realised investment receipts	(888,838,288)	-
Interest received	55,406,502	-
Net investments purchased by rollover	865,879,949	-
Balance of investments	1,544,805,185	-
<i>Represented by:</i>		
Negotiable certificates of deposit	827,957,230	-
Bonds	716,847,955	-
Balance of investments	1,544,805,185	-

Aboriginal Advancement Trust Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987</i>		
<i>Purpose: furthering the social and economic advancement of Aboriginal people living in Victoria</i>		
Revenue	619,136	-
Balance carried to next year	619,136	-
<i>Represented by:</i>		
Cash held by the agency	619,136	-
Total balance carried to the next period	619,136	-

Notes to and forming part of the Financial Statements

Note 29 Special Accounts (continued)

Comcare Trust Account	2006	2005
	\$	\$
<i>Legal Authority: Safety Rehabilitation and Compensation Act 1988</i>		
<i>Purpose: distributing compensation payments</i>		
Balance carried from previous year	108,964	1,547,000
Receipts during the year	765,944	505,195
Available for payments	874,908	2,052,195
Payments made	141,312	1,943,231
Balance carried to next year	733,596	108,964
<i>Represented by:</i>		
Cash held	733,596	-
Total balance carried to the next period	733,596	-

Child Care Capital Replacement and Upgrade Program Trust Account (Administered)	2006	2005
	\$	\$
<i>Legal Authority: Section 20 of the Financial Management and Accountability Act 1997</i>		
<i>Purpose: to receive and hold money arising from the sale of Commonwealth funded childcare centres until such time as that money may be reinvested into the building of a new child care centre or another project funded under the capital replacement and upgrade</i>		
Balance carried from previous year	-	-
Available for payments	-	-
Payments made	-	-
Balance carried to next year	-	-
<i>Represented by:</i>		
Cash held by the OPA	-	-
Total balance carried to the next period	-	-

Notes to and forming part of the Financial Statements

Note 30: Compensation and Debt Relief

	2006	2005
	<u>\$</u>	<u>\$</u>
Administered		
52 'Act of Grace' expenses were incurred during the reporting period (2005: 273 payments made).	<u>332,784</u>	<u>372,292</u>
15 of the above expenses amounting to \$51,811 were paid on a periodic basis (2005: 228 payments amounting to \$105,968). Both are expected to continue in future years. The estimated amount outstanding in relation to payments being made on a periodic basis as at 30 June 2006 was \$259,930 (\$213,325 at 30 June 2005).		
Nil waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the Financial Management and Accountability Act 1997 (2005: 11 waivers).	<u>Nil</u>	<u>482,150</u>
359,237 waivers of amounts owing to the Commonwealth were made pursuant to s1237 of the Social Security Act (2005: 511,861 waivers).	<u>23,629,006</u>	<u>42,626,283</u>
13,122 ex-gratia payments were provided for during the reporting period (2005: 1,089 payments). Ex-gratia programs provide financial assistance to victims of national and international disasters.	<u>44,540,131</u>	<u>1,007,924</u>
Nil payments made under the 'Defective Administration Scheme' (2005: 3 payments).	<u>Nil</u>	<u>6,213</u>
Departmental		
Nil payments were made under the 'Defective Administration Scheme' during the reporting period (2005: Nil payments made).	<u>Nil</u>	<u>Nil</u>
Nil payments were made under s73 of the <i>Public Service Act 1999</i> during the reporting period. (2005: Nil payments made)	<u>Nil</u>	<u>Nil</u>

Notes to and forming part of the Financial Statements

Note 31: Reporting of Outcomes

The FaCSIA outcome structure has been amended in 2005-06 from 3 outcomes to 6 outcomes. The new outcomes reflect the department's role in Indigenous Affairs. Comparative information has been restated under the equivalent 2005-06 outcome.

Note 31A: Net Cost of Outcome Delivery

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Administered expenses	3,458	2,479	1,419,596	1,330,391	25,082,919	31,559,798	16,376,800	15,947,221
Departmental expenses	44,591	119,311	128,993	205,486	525,760	748,621	748,883	1,156,926
Total expenses	48,049	121,790	1,548,589	1,535,877	25,608,679	32,308,419	17,125,683	17,104,147
<i>Costs recovered from provision of goods and services to the non-government sector</i>								
Administered	-	-	-	-	-	-	-	-
Departmental	136	448	101	334	230	762	253	837
Total costs recovered	136	448	101	334	230	762	253	837
Administered	-	-	-	-	-	-	-	-
Interest on loans	-	-	-	1	-	322	-	-
Other	-	-	4,011	5,089	86,881	85,803	70,940	400,251
Total Administered	-	-	4,011	5,090	86,881	86,125	70,940	400,251
Departmental	-	-	-	-	-	-	-	-
Interest on cash deposits	-	-	-	-	-	-	-	1
Revenue from disposal of assets	(1)	-	(1)	-	1	1	2	1
Other external revenues	1,651	636	1,230	474	2,791	1,076	3,067	1,189
Total Departmental	1,650	636	1,229	474	2,792	1,077	3,069	1,191
Total other external income	1,650	636	5,240	5,564	89,673	87,202	74,009	401,442
Net cost/(contribution) of outcome	46,263	120,706	1,543,248	1,529,979	25,518,776	32,220,455	17,051,421	16,701,868

Notes to and forming part of the Financial Statements

	Outcome 5		Outcome 6		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Administered expenses	105,731	61,732	112,925	-	43,101,429	48,901,621
Departmental expenses	32,117	84,902	17,700	-	1,498,044	2,315,246
Total expenses	137,848	146,634	130,625	-	44,599,473	51,216,867
<i>Costs recovered from provision of goods and services to the non-government sector</i>						
Administered	-	-	-	-	-	-
Departmental	96	316	54	-	870	2,697
Total costs recovered	96	316	54	-	870	2,697
Administered	-	-	-	-	-	-
Interest on loans	-	-	37,815	7,872	199,647	499,015
Other	-	-	37,815	7,872	199,647	499,338
Total Administered	-	-	-	-	-	1
Interest on cash deposits	(1)	-	(1)	-	(1)	2
Revenue from disposal of assets	1,163	448	655	-	10,557	3,823
Other external revenues	1,162	448	654	-	10,556	3,826
Total Departmental	1,162	448	38,469	7,872	210,203	503,164
Total other external revenues	136,590	145,870	92,102	(7,872)	44,388,400	50,711,006
<i>Net cost/(contribution) of outcome</i>						

Notes to and forming part of the Financial Statements

Outcome 3	Output Group 3.1		Output Group 3.2		Output Group 3.3		Output Group 3.4	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses								
Employees	11,357	10,968	14,352	13,956	2,793	2,702	14,192	13,800
Suppliers	8,286	8,648	9,508	10,310	1,993	2,098	9,402	10,195
Depreciation and amortisation	963	618	1,331	671	242	147	1,316	663
Other expenses	366,129	473,132	214	43,038	64,991	86,235	211	42,557
Total departmental expenses	386,735	493,366	25,405	67,975	70,019	91,182	25,121	67,215
Funded by:								
Revenues from government	385,342	610,899	27,992	25,336	69,645	109,795	22,735	25,033
Sale of goods and services	265	166	408	256	68	43	403	253
Other non-taxation revenues	334	232	519	363	87	61	514	358
Total departmental revenues	385,941	611,297	23,919	25,955	69,800	109,899	23,652	25,664
	Outcome 3 (continued)							
					Output Group 3.5		Outcome 3 Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses								
Employees	2,556	2,483	2,556	2,483	1,717	1,851	45,250	43,909
Suppliers	1,717	1,851	30,906	33,102	234	122	4,086	2,221
Depreciation and amortisation	13,973	24,427	13,973	24,427	13,973	24,427	445,518	669,389
Other expenses	18,480	28,883	18,480	28,883	18,480	28,883	525,760	748,621
Total departmental expenses	18,480	28,883	18,480	28,883	18,480	28,883	525,760	748,621
Funded by:								
Revenues from government	18,067	27,007	18,067	27,007	18,067	27,007	518,781	798,090
Sale of goods and services	71	44	71	44	71	44	1,215	762
Other non-taxation revenues	90	63	90	63	90	63	1,544	1,077
Total departmental revenues	18,228	27,114	18,228	27,114	18,228	27,114	521,540	799,929

Notes to and forming part of the Financial Statements

Outcome 4	Output Group 4.1		Output Group 4.2		Output Group 4.3		Outcome 4 Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses								
Employees	31,796	30,790	223	81,501	18,948	18,411	50,967	130,702
Suppliers	22,375	23,684	148	43,941	12,696	13,704	35,219	81,329
Depreciation and amortisation	2,794	1,636	21	3,917	1,741	902	4,556	6,455
Other expenses	580,085	788,652	3	668	78,056	149,121	658,144	938,441
Total departmental expenses	637,050	844,762	395	130,027	111,441	182,138	748,886	1,156,927
Funded by:								
Revenues from government	632,574	986,471	357	124,793	108,354	153,620	741,285	1,264,884
Sale of goods and services	803	503	6	4	527	330	1,336	837
Other non-taxation revenues	1,019	709	8	14	671	468	1,698	1,191
Total departmental revenues	634,396	987,683	371	124,811	109,552	154,418	744,319	1,266,912
Outcome 5								
					Output Group 5.1		Outcome 5 Total	
					2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental expenses								
Employees					17,743	17,254	17,743	17,254
Suppliers					11,755	12,747	11,755	12,747
Depreciation and amortisation					1,646	829	1,646	829
Other expenses					973	54,072	973	54,072
Total departmental expenses					32,117	84,902	32,117	84,902
Funded by:								
Revenues from government					29,135	32,467	29,135	32,467
Sale of goods and services					504	316	504	316
Other non-taxation revenues					642	448	642	448
Total departmental income					30,281	33,231	30,281	33,231

Notes to and forming part of the Financial Statements

Outcome 6	Output Group 6.1		Output Group 6.2		Output 6 Total	
	2006 S'000	2005 S'000	2006 S'000	2005 S'000	2006 S'000	2005 S'000
Departmental expenses						
Employees	8,028	-	1,971	-	9,999	-
Suppliers	5,319	-	1,306	-	6,625	-
Depreciation and amortisation	745	-	183	-	928	-
Other expenses	119	-	29	-	148	-
Total departmental expenses	14,211	-	3,489	-	17,700	-
Funded by:						
Revenues from government	12,862	-	3,158	-	16,020	-
Sale of goods and services	228	-	56	-	284	-
Other non-taxation revenues	290	-	71	-	361	-
Total departmental revenues	13,380	-	3,285	-	16,665	-

Notes to and forming part of the Financial Statements

Note 31C: Major Classes of Administered Income and Expenses by Outcomes

	Outcome 1		Outcome 2		Outcome 3		Outcome 4	
	2006 S'000	2005 S'000	2006 S'000	2005 S'000	2006 S'000	2005 S'000	2006 S'000	2005 S'000
Administered Income								
Revenues from Government	3,024	3,797	1,409,171	1,631,438	24,766,862	29,266,299	16,462,958	19,190,277
Other	-	-	4,011	5,090	86,881	86,125	70,940	400,251
Total Administered Income	3,024	3,797	1,413,182	1,636,528	24,853,743	29,352,424	16,533,898	19,590,528
Administered Expenses								
Grants	3,180	2,112	1,409,526	1,321,114	1,055,616	1,086,959	410,172	311,243
Subsidies	-	-	-	-	11,782	13,323	-	-
Personal benefits	277	363	-	7	23,979,666	30,357,007	15,954,058	15,116,569
Suppliers	1	4	7,912	4,170	19,730	36,813	1,311	4,095
Other	-	-	2,158	5,100	16,125	65,696	11,259	515,314
Total Administered Expenses	3,458	2,479	1,419,596	1,330,391	25,082,919	31,559,798	16,376,800	15,947,221
							Total	
							2006	2005
							S'000	S'000
Administered Income								
Revenues from Government			68,192	80,548	1,181	-	42,711,388	50,172,559
Other			-	-	37,815	7,872	199,647	499,338
Total Administered Income			68,192	80,548	38,996	7,872	42,911,035	50,671,697
Administered Expenses								
Grants			27,083	30,392	80,627	-	2,986,204	2,751,820
Subsidies			-	-	(43)	-	11,739	13,323
Personal benefits			75,851	26,528	-	-	40,009,852	45,500,474
Suppliers			2,806	4,802	8,748	-	40,508	49,884
Other			(9)	9	23,593	-	53,126	586,119
Total Administered Expenses			105,731	61,731	112,925	-	43,101,429	48,901,620



INDEPENDENT AUDIT REPORT

To the Minister for Families, Community Services and Indigenous Affairs

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Income Statement, Balance Sheet and Cash Flow Statement;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Aboriginals Benefit Account (ABA) for the year ended 30 June 2006.

The Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of ABA, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia. The Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

reporting requirements in Australia, a view which is consistent with my understanding of ABA's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the Aboriginals Benefit Account:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Aboriginals Benefit Account's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



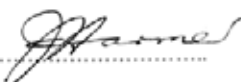
Mark Moloney
Senior Director
Delegate of the Auditor-General
Canberra
12 September 2006

STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

ABORIGINALS BENEFIT ACCOUNT

2005/2006 FINANCIAL STATEMENTS

In our opinion, the attached financial statements of the Aboriginals Benefit Account for the year ended 30 June 2006 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

Signed.....

Jeff Harmer
Secretary

Department of Families, Community
Services and Indigenous Affairs

6 September 2006

Signed.....

Tim Youngberry
Chief Finance Officer

Department of Families, Community
Services and Indigenous Affairs

6 September 2006

ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006

INCOME STATEMENT

for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
INCOME			
Revenue			
Revenues from Government	(1.5,4A)	62,648,221	49,831,346
Interest	(4B)	<u>7,465,005</u>	<u>6,183,446</u>
Total revenue		<u>70,113,226</u>	<u>56,014,792</u>
Gains			
Net gains from disposal of assets	(4C)	-	564,486
Other gains	(1.6,4D)	<u>613,742</u>	<u>679,969</u>
Total gains		<u>613,742</u>	<u>1,244,455</u>
TOTAL INCOME		<u>70,726,968</u>	<u>57,259,247</u>
EXPENSES			
Employees	(5A)	502,016	549,467
Suppliers	(5B)	445,786	486,648
Write-down of assets	(5C)	-	122,755
Payments to land councils for administrative expenses	(6A,B,C)	26,049,560	21,871,355
Distribution to land councils	(6D)	18,794,466	14,949,404
Grants	(7)	<u>8,966,071</u>	<u>10,714,228</u>
TOTAL EXPENSES		<u>54,757,899</u>	<u>48,693,857</u>
OPERATING RESULT		<u>15,969,069</u>	<u>8,565,390</u>

The above statement should be read in conjunction with the accompanying notes.

ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006

BALANCE SHEET
as at 30 June 2006

	Notes	2006 \$	2005 \$
ASSETS			
Financial Assets			
Cash and cash equivalents	(8A)	49,990,072	20,576,827
Receivables	(8B)	4,362,796	1,982,538
Investments	(8C)	85,890,830	95,526,044
Total Financial Assets		<u>140,243,698</u>	<u>118,085,409</u>
Non-Financial Assets			
Other non-financial assets	(9)	61,612	333
Total Non-Financial Assets		<u>61,612</u>	<u>333</u>
TOTAL ASSETS		<u>140,305,310</u>	<u>118,085,742</u>
LIABILITIES			
Payables			
Suppliers	(10A)	3,210	70,697
Payments to land councils for administrative expenses	(10B)	10,590,316	6,616,721
Grants	(10C)	10,640,810	8,487,874
Other	(10D)	191,455	-
Total Payables		<u>21,425,791</u>	<u>15,175,292</u>
TOTAL LIABILITIES		<u>21,425,791</u>	<u>15,175,292</u>
NET ASSETS		<u>118,879,519</u>	<u>102,910,450</u>
EQUITY			
Retained surpluses		118,879,519	102,910,450
TOTAL EQUITY		<u>118,879,519</u>	<u>102,910,450</u>
Current Assets	(8A,B,C,9)	112,514,137	102,115,742
Non-Current Assets	(8C)	27,791,173	15,970,000
Current Liabilities	(10A,B,C)	21,425,791	14,873,136
Non-Current Liabilities	(10C)	-	302,156

The above statement should be read in conjunction with the accompanying notes.

ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006

CASH FLOW STATEMENT
for the year ended 30 June 2006

	Notes	2006 \$	2005 \$
OPERATING ACTIVITIES			
Cash Received			
Appropriations	(4A)	62,839,676	49,831,346
Interest	(4B)	5,076,263	5,356,004
Net GST received from ATO - suppliers		2,118	-
Net GST received from ATO - grants		229	-
Total Cash Received		<u>67,918,286</u>	<u>55,187,350</u>
Cash Used			
Grants	(7)	6,813,135	5,641,003
Suppliers		395,424	292,429
Net GST paid to ATO – suppliers		-	1,648
Net GST paid to ATO – grants		-	229
Payments to land councils for administrative purposes		22,079,794	21,524,300
Payments to land councils for distribution		18,851,902	14,949,404
Total cash used		<u>48,140,255</u>	<u>42,409,013</u>
Net cash from or (used by) operating activities	(11)	<u>19,778,031</u>	<u>12,778,337</u>
INVESTING ACTIVITIES			
Cash Received			
Proceeds from sale of financial instruments		131,077,396	187,897,378
Total cash received		<u>131,077,396</u>	<u>187,897,378</u>
Cash used			
Purchase of financial instruments		121,442,182	190,939,744
Total cash used		<u>121,442,182</u>	<u>190,939,744</u>
Net cash from or (used by) investing activities		<u>9,635,214</u>	<u>(3,042,366)</u>
Net increase or (decrease) in cash held		29,413,245	9,735,971
Cash at the beginning of the reporting period		20,576,827	10,840,856
Cash at the end of the reporting period	(11)	<u>49,990,072</u>	<u>20,576,827</u>

The above statement should be read in conjunction with the accompanying notes.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

STATEMENT OF CHANGES IN EQUITY

	Accumulated Results		Asset Revaluation Reserve		Total Equity	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Opening Balance	102,910,450	94,222,305	-	122,755	102,910,450	94,345,060
Income and Expense						
Revaluation adjustment	-	-	-	(122,755)	-	(122,755)
Subtotal income and expenses recognised directly in equity	-	-	-	(122,755)	-	(122,755)
Net Operating Result	15,969,069	8,688,145	-	-	15,969,069	8,688,145
Total income and expenses	15,969,069	8,688,145	-	(122,755)	15,969,069	8,565,390
Closing balance at 30 June	118,879,519	102,910,450	-	-	118,879,519	102,910,450

The above schedule should be read in conjunction with the accompanying notes.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

SCHEDULE OF COMMITMENTS

as at 30 June 2006

	Notes	2006 \$	2005 \$
BY TYPE			
Other Commitments			
Payments to land councils for administrative expenses	(12)	<u>21,838,000</u>	<u>1,743,000</u>
Total Other Commitments		<u>21,838,000</u>	<u>1,743,000</u>
Net commitments by type		<u><u>21,838,000</u></u>	<u><u>1,743,000</u></u>
 BY MATURITY			
Other Commitments			
One year or less		21,838,000	1,743,000
From one to five years		-	-
Over five years		<u>-</u>	<u>-</u>
Total Other Commitments		<u>21,838,000</u>	<u>1,743,000</u>
Net commitments by maturity		<u><u>21,838,000</u></u>	<u><u>1,743,000</u></u>

NB: Commitments are GST inclusive where relevant.

The above schedule should be read in conjunction with the accompanying notes.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

SCHEDULE OF CONTINGENCIES

as at 30 June 2006

Contingent Liabilities	Grant Funding Programs		Land Councils		Total	
	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$
Balance from previous period	50,000,000	3,100,000	1,439,930	1,289,930	51,439,930	4,389,930
New	51,671,850	50,000,000	-	150,000	51,671,850	50,150,000
Re-measurement	-	-	-	-	-	-
Liabilities crystallised	(2,237,500)	(3,100,000)	-	-	(2,237,500)	(3,100,000)
Obligations expired	-	-	(150,000)	-	(150,000)	-
Total Contingent Liabilities	99,434,350	50,000,000	1,289,930	1,439,930	100,724,280	51,439,930

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or are considered remote, are disclosed in Note 13A,B and C: Contingent Liabilities.

There are no contingent assets.

The above schedule should be read in conjunction with the accompanying notes.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

- Note 1: Summary of Significant Accounting Policies
- Note 2: Impact of Transition to AEIFRS from previous GAAP
- Note 3: Events Occurring after Balance Sheet Date
- Note 4: Income
- Note 5: Operating Expenses
- Note 6: Operating Expenses – Payments Pursuant to the *Aboriginal Land Rights (Northern Territory) Act 1976*
- Note 7: Operating Expenses – Grants
- Note 8: Financial Assets
- Note 9: Non-Financial Assets
- Note 10: Payables
- Note 11: Cash Flow Reconciliation
- Note 12: Commitments
- Note 13: Contingent Liabilities
- Note 14: Related Parties
- Note 15: Remuneration of Auditors
- Note 16: Staffing Levels
- Note 17: Financial Instruments
- Note 18: Appropriations

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Aboriginals Benefit Account (ABA)

The objective of the ABA is to contribute to the recognition and protection of land rights in the Northern Territory by the effective and efficient administration of those provisions in the *Aboriginal Land Rights (Northern Territory) Act 1976* (the Act) which provide for the operations of the ABA. The ABA aims to meet one outcome:

- The ongoing capacity to contribute to the economic, social and cultural empowerment of Aboriginal people in the Northern Territory so that they may freely exercise their rights equitably with other Australians.

The ABA's activities contributing towards the outcome are classified as departmental. The ABA, a Special Account under the FMA Act, was administered by the Office of Indigenous Policy Coordination (OIPC), DIMIA from 1 July 2005 to 27 January 2006, when, following Machinery of Government Changes, OIPC was transferred to the Department of Families, Community Services and Indigenous Affairs (FaCSIA). The ABA continues to be managed by OIPC, FaCSIA.

ABA activities are identified under one heading for its Outcome, which is "the Administration of the ABA".

In addition to being reported in DIMIA's (up to 27 January 2006) and FaCSIA's financial statements, the ABA prepares separate audited financial statements as required by the Act.

The continued existence of the Aboriginals Benefit Account (ABA) in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the ABA's administration and programs.

1.2 Basis of Accounting

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period; and
- Interpretations issued by the AASB and Urgent Issues Group (UIG) that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are at fair value or amortised cost. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

The financial report is presented in Australian dollars and values are rounded to the nearest dollar.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the ABA has made a judgement that no assumptions or estimates have been made that have a significant impact on the amounts recorded in the financial statements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the ABA to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The table below illustrates standards and amendments that will become effective for the ABA in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the ABA's initial assessment at this date, but may change. The ABA intends to adopt all of the standards upon their application date, in so far as they apply to the ABA.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
2005-5	AASB 1 and AASB 139	1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease. Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact.
2005-6	AASB 3	1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact.
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 121	31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
	AASB7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB132 requirements.	No expected impact.

* Application date is for annual reporting periods beginning on or after the date shown.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

1.5 Revenue

Revenues from Government

The full amount of appropriation for departmental outputs for the year is recognised as revenue. Royalty Special Appropriation revenue is recognised when the ABA has the right to receive the revenue and it can be reliably measured. This is deemed to occur when monies are received by ABA as described below.

Royalties in respect of uranium and non-uranium mining on Aboriginal land are paid to the Australian Government Department of Industry, Tourism and Resources and the Northern Territory Treasury, Royalty Branch, respectively. Following advice from these authorities, draw-downs are made from the Official Public Account (OPA) to enable royalty equivalents to be credited to the ABA, in accordance with section 63 of the Act.

These receipts are credited to the ABA shortly after receipt of advice from the respective authority, which may occur in the week following the week of payment of the royalties by mining companies to the authority.

Appropriations receivable are recognised at their nominal amounts.

Interest Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139.

1.6 Gains

Other Gains

Disposal of Non-Current Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

Resources Received Free of Charge

Services received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

1.7 Superannuation

Staff of the OIPC, DIMIA and OIPC FaCSIA who worked in the ABA Secretariat during the 2005-06 financial year are members of the Commonwealth Superannuation Scheme (CSS) or the Public Sector Superannuation Scheme (PSS).

The CSS and PSS are defined benefit schemes for the Commonwealth.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

DIMIA and FaCSIA made employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of DIMIA/FaCSIA employees. (Refer Note 1.6: Other Gains - Resources Received Free of Charge).

From 1 July 2005, new employees are eligible to join the Public Sector Superannuation accumulation plan (PSSap) which is a defined contribution scheme.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

1.8 Cash

For the purpose of the Balance Sheet and Cash Flow Statement, cash includes:

- (i) notes and coins held and any deposits held at call with a bank or financial institution;
and
- (ii) investments in bank accepted bills with a maturity of twelve months or less.

Cash is recognised at its nominal amount.

1.9 Financial Risk Management

ABA's activities expose it to normal commercial financial risk. As a result of the nature of ABA's business and internal and Australian Government policies dealing with the management of financial risk, ABA's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.10 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, ABA has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.11 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, ABA has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Available for Sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the profit and loss.

Comparative Year

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount, having considered that the collection of the full amount was probable. No bad debts were incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Such indicators were found not to exist.

1.12 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Interest bearing deposits and negotiable certificates of deposit purchased by the ABA are recognised at cost.

1.15 Plant and Equipment

Asset Recognition Threshold

Purchases of plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$5,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Basis

Where applicable, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June, where applicable.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Fair values for each class of asset are determined as shown below:

Asset Class:	Fair Value measured at:
Plant & Equipment	Market Selling Price

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Where applicable, depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ABA using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2006</u>	<u>2005</u>
Plant and equipment	5 to 9 years	5 to 9 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is nil.

Impairment

Where indications of impairment exist, the asset's recoverable amount would be estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its *value in use*. *Value in use* is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if ABA were deprived of the asset, its *value in use* is taken to be its depreciated replacement cost.

ABA held no assets that exceeded its asset allocation threshold of \$5,000 during this reporting period.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

1.16 Intangibles

The ABA did not hold software or other intangible assets at 30 June 2006.

1.17 Taxation

The ABA is exempt from all forms of taxation except mining withholding tax (MWT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); and
- except for receivables and payables.

MWT is payable in respect of payments made from royalty equivalents credited to the ABA pursuant to Section 63 of the Act (refer Note 6B). MWT liabilities on payments made are paid twice weekly on or before due dates in accordance with the “*Large withholders guide to PAYG Withholding*” issued by the ATO.

GST is payable on purchases made by the ABA under subsections 64(4) and 64(6) of the Act. These amounts are recoverable from the ATO (refer Note 8B).

1.18 Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

1.19 Economic Dependency

The ABA is dependent on appropriations from the Parliament of the Commonwealth to carry out its normal activities.

1.20 Grants

The ABA makes payments to or for the benefit of Aboriginals living in the Northern Territory under subsection 64(4) of the Act. These payments are considered to meet the definition of grants which is defined under the Finance Minister’s Orders as assistance by Government in the form of transfers to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. (Refer Note 7 and 10C).

MWT is payable on grant payments made from royalty equivalents credited to the ABA pursuant to Section 63 of the Act. MWT is not payable on grant payments made from other income.

Grant liabilities, inclusive of MWT liabilities, are recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied, but payments due have not been made.

A commitment is recorded when the OIPC, FaCSIA (formerly OIPC of Department of Immigration and Multicultural and Indigenous Affairs) enters into an agreement to make these grants but services have not been performed or eligibility criteria satisfied.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 2: The impact of the transition to AEIFRS from previous AGAAP

Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS

	2005	2004
	\$	\$
Total equity under previous AGAAP	102,910,450	94,345,060
Total equity translated to AEIFRS	<u>102,910,450</u>	<u>94,345,060</u>

Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS

Prior year profit as previously reported	8,565,390
Prior year profit translated to AEIFRS	<u>8,565,390</u>

The cash flow statement presented under previous AGAAP is equivalent to that prepared under AEIFRS

The ABA has not restated comparatives for financial instruments. There was no adjustment necessary between AEIFRS and the previous GAAP.

Note 3: Events Occurring after Balance Sheet Date

There are no known events occurring after the reporting date.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$

Note 4: Income

Revenues

Note 4A: Revenues from Government

Appropriated monies transferred into the ABA, are equivalent to mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory. This income is volatile and outside the control of the Minister, OIPC, DIMIA, FaCSIA and the ABA. Aggregate amounts transferred into the ABA are as follows:

Uranium royalties	10,673,443	8,164,484
Non-uranium	51,974,778	41,666,862
Total royalty equivalents transferred from Official Public Account	62,648,221	49,831,346

Non-uranium royalty equivalents of \$52,166,233 were actually transferred into the ABA in 2005-06, constituting an overpayment of \$191,455 (Refer Note 10D).

Note 4B: Interest Revenue

Monies which are surplus to immediate cash requirements are placed in interest bearing investments. Interest earned and received on investment purchases was as follows:

Actual interest received:		
Negotiable certificates of deposit	1,445,472	272,316
Interest bearing deposits	3,457,539	1,915,109
Floating rate notes	-	1,784,908
Fixed bonds	-	574,802
Capital indexed bonds	-	209,955
11 am call	173,252	579,960
	5,076,263	5,337,050
Plus accrued interest received/(less actual accrued interest payments):		
Floating rate notes	-	18,054
Fixed bonds	-	900
	-	18,954
Plus accrued interest – current year:		
Negotiable certificates of deposit	1,601,912	484,969
Interest bearing deposits	2,732,465	1,479,539
11 am call	23,995	5,122
	4,358,372	1,969,630
Less accrued interest – previous year:		
Negotiable certificates of deposit	(484,969)	(424,597)
Interest bearing deposits	(1,479,539)	(395,603)
Floating rate notes	-	(257,606)
Fixed bonds	-	(29,850)
11 am call	(5,122)	(34,532)
	(1,969,630)	(1,142,188)
Total interest	7,465,005	6,183,446

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
<u>Gains</u>		
<u>Note 4C: Net Gain/(Loss) from Sale of Assets</u>		
Investments:		
Proceeds from sale	165,898,473	187,897,378
Net book value of assets sold	165,898,473	187,332,892
<i>Net gain/(loss) from sale of investments</i>	-	564,486
<i>Total net gain/(loss) from sale of assets</i>	-	564,486

In 2005-06, ABA investment disposals included interest bearing deposits and negotiable certificates of deposit (In 2004-05, ABA investment disposals also included floating rate notes and bonds).

Note 4D: Other gains

Resources received free of charge by the ABA Secretariat were as follows:

	DIMIA to 27 January 2006 \$	FaCSIA 28 Jan to 30 June 2006 \$	2006 \$	2005 \$
OIPC:				
Office rent	24,797	18,098	42,895	42,895
Office services	9,244	6,747	15,991	14,908
Information technology	11,946	8,719	20,665	22,801
Staff salaries and related costs	239,858	153,784	393,642	450,370
Superannuation	49,634	36,417	86,051	92,439
Official travel	3,339	4,429	7,768	3,732
Workers compensation premium	5,268	3,462	8,730	19,324
Australian National Audit Office: Audit fees	3,000	35,000	38,000	33,500
<i>Total resources free of charge</i>	347,086	266,656	613,742	679,969

From 1 July 2005 to 27 January 2006, the ABA, a Special Account under the FMA Act, was administered by the OIPC, DIMIA. During this time, DIMIA provided resources free of charge for the ABA's administration.

Following Machinery of Government changes, the OIPC was transferred to the new Department of Families, Community Services and Indigenous Affairs (FaCSIA) on 27 January 2006. Following the transfer, FaCSIA provided resources free of charge for the administration of the ABA and is responsible for the ABA's accounts and financial statements.

The \$38,000 disclosed as estimated audit fees includes an amount of \$35,000 for the audit of ABA's 2005-06 financial statements plus \$3,000 for the audit on ABA's opening balance sheet as at 1 July 2005 for purposes of the transition to AEIFRS.

Except for staff related costs, resources received free of charge are estimated (refer Note 1.6).

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
Note 5: Operating Expenses		
<u>Note 5A: Employee Expenses</u>		
Staff:		
- Salaries and related expenses	393,642	450,370
- Superannuation	86,051	92,439
ABA Advisory Committee members:		
- Sitting fees	20,480	6,134
- Superannuation	1,843	524
Total employee expenses	502,016	549,467

(Refer Note 4D)

Note 5B: Suppliers

Provision of goods - from related entities	24	24
Provision of goods - from external entities	4,339	3,028
Rendering of services - from related entities	160,938	132,752
Rendering of services - from external entities	271,755	331,520
Worker compensation premiums	8,730	19,324
Total supplier expenses	445,786	486,648

Note 5C: Write-down and impairment of assets

Financial instruments – revaluation decrement	-	122,755
Total write-down of assets	-	122,755

Note 5D: Other Expenses

Taxable and Non-Taxable Funds Usage

The majority of payments made by the ABA for operating costs are paid out of non-taxable funds, ie. interest earnings and minor receipts. Whereas in 2004-05, all operating expenses were paid from non-taxable funds, in 2005-06 some operating expenses were paid from taxable funds. In meeting actual payments, funds were applied as below:

Year	Net Taxable Funds \$	Net Non- taxable Funds \$	Net Administrative Expenses \$	MWT \$
2006	22,755	369,603	392,358	948
2005	-	294,077	294,077	-

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 6: Operating Expenses – Payments Pursuant to the *Aboriginal Land Rights (Northern Territory) Act 1976*

Note 6A: Payments to Land Councils

Under subsection 64(1) of the Act, 40% of the royalty equivalents received by the ABA are paid to land councils for their administrative purposes.

Details of the apportionment of payments to land councils, as determined by a former Minister on 7 April 2003, are detailed below:

	From 07/04/03	From 01/07/91 to 06/04/03	Prior Years
Northern Land Council	23%	22%	23%
Central Land Council	14%	15%	15%
Tiwi Land Council	2%	2%	2%
Anindilyakwa Land Council	1%	1%	-

If these monies are insufficient, additional payments for administrative purposes may be made, pursuant to subsection 64(8) of the Act, on the direction of the Minister or the Minister's Delegate. Payments made from taxable funds to land councils for administrative purposes attract MWT.

The ABA Secretariat and the land councils liaise to determine the amount of subsection 64(8) payments, relative to the amount of subsection 64(1) payments and the administrative estimates of the land councils, as approved by the Minister. With effect from 1 July 1996, guidelines approved by the Minister were followed in the payment of monies under subsections 64(1) and 64(8) to the land councils.

Note 6B: Mining Withholding Tax (MWT)

In accordance with the *Taxation Laws Amendment Act (No. 3) 1994*, the rate of MWT payable in respect of payments made from royalty equivalents credited to the ABA pursuant to section 63 of the Act, is 4%.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
<u>Note 6C: Payments to Land Councils for Administrative Expenses</u>		
Subsection 64(1) payments:		
Northern Land Council	13,832,727	11,002,761
MWT	<u>576,364</u>	<u>458,448</u>
<i>Sub-total Northern Land Council</i>	<u>14,409,091</u>	<u>11,461,209</u>
Central Land Council	8,419,921	6,697,333
MWT	<u>350,830</u>	<u>279,056</u>
<i>Sub-total Central Land Council</i>	<u>8,770,751</u>	<u>6,976,389</u>
Tiwi Land Council	1,202,846	956,762
MWT	<u>50,119</u>	<u>39,865</u>
<i>Sub-total Tiwi Land Council</i>	<u>1,252,965</u>	<u>996,627</u>
Anindilyakwa Land Council	601,423	478,381
MWT	<u>25,059</u>	<u>19,933</u>
<i>Sub-total Anindilyakwa Land Council</i>	<u>626,482</u>	<u>498,314</u>
Total subsection 64(1)	<u><u>25,059,289</u></u>	<u><u>19,932,539</u></u>
Subsection 64(8) payments:		
Central Land Council	736,282	1,673,901
MWT	<u>15,097</u>	<u>5,534</u>
<i>Sub-total Central Land Council</i>	<u>751,379</u>	<u>1,679,435</u>
Anindilyakwa Land Council	235,125	259,381
MWT	<u>3,767</u>	<u>-</u>
<i>Sub-total Anindilyakwa Land Council</i>	<u>238,892</u>	<u>259,381</u>
Total subsection 64(8)	<u><u>990,271</u></u>	<u><u>1,938,816</u></u>
 Total s64(1) & s64(8)	 <u><u>26,049,560</u></u>	 <u><u>21,871,355</u></u>

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Subsection 64(8) payments were made from taxable and non-taxable funds, details follow:

	Net Taxable Funds	Non- Taxable Funds	Net Payments to Land Councils	MWT
	\$	\$	\$	\$
Central Land Council	362,336	373,946	736,282	15,097
Anindilyakwa Land Council	90,420	144,705	235,125	3,767
Total 2006	452,756	518,651	971,407	18,864
Total 2005	132,828	1,800,454	1,933,282	5,534

Note 6D: Distribution to Land Councils

In accordance with subsections 64(3) and 35(2) of the Act, 30% of the royalty equivalents received by the ABA are paid to the land councils for distribution to Aboriginal associations, communities or groups, for the benefit of those Aboriginal people who are affected by mining operations. MWT is payable on these payments and the details of expenditures during the year are as follows:

	2006	2005
	\$	\$
Subsection 64(3) payments:		
Northern Land Council	5,237,381	4,739,603
MWT	218,224	197,483
<i>Sub-total Northern Land Council</i>	5,455,605	4,937,086
Central Land Council	2,267,830	2,692,532
MWT	94,493	112,189
<i>Sub-total Central Land Council</i>	2,362,323	2,804,721
Anindilyakwa Land Council	10,537,476	6,919,293
MWT	439,062	288,304
<i>Sub-total Anindilyakwa Land Council</i>	10,976,538	7,207,597
Total subsection 64(3)	18,794,466	14,949,404

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
Note 7: Operating Expenses - Grants		
The ABA, under subsection 64(4), makes payments to, or for the benefit of Aboriginals living in the Northern Territory.		
Grants:		
Actual grant payments	6,813,135	5,641,003
GST paid	-	852
GST recovered from ATO	(229)	(623)
	6,812,906	5,641,232
Less: Accrual previous year	(8,487,645)	(3,414,649)
	(1,674,739)	2,226,583
Plus: Accrual current year:		
Grants	10,640,810	8,487,874
GST recoverable from ATO	-	(229)
	8,966,071	10,714,228
	8,966,071	10,714,228

In 2005-06, grant expenses were paid from taxable (i.e. royalty equivalent income) and non-taxable funds (i.e. interest earnings and minor receipts). MWT is not levied on payments made from non-taxable funds. A MWT liability of \$91,987 was incurred as follows:

Actual MWT payments	91,987	52,417
Less: Accrual previous year	(310,713)	(136,586)
Plus: Accrual current year	409,839	310,713
Total MWT - grants	191,113	226,544

Taxable and non-taxable funds usage for actual grant payments is detailed hereunder:

Non-Taxable funds	4,513,230	4,330,812
Taxable funds	2,207,689	1,258,003
MWT paid	91,987	52,417
Total grants paid	6,812,906	5,641,232

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
During the 2005-06 year, grants totalling \$8,921,500, including additional funds totalling \$88,350 for two existing grants, were approved by the Minister under the following categories:		
Social and Economic Development	910,500	10,030,287
Regional Economic Development Strategy	2,237,500	-
Ceremonial/Cultural Activities	1,390,000	460,134
Youth/Education Program	2,128,150	-
Land/Sea Management	2,255,350	45,000
<i>Total grant approvals</i>	<u>8,921,500</u>	<u>10,535,421</u>

The total of grant funds (including MWT and net of GST) disbursed in 2005-06 was \$6,813,135 (\$5,641,003 in 2004-05).

In June 2001, the Australian Taxation Office provided the ABA with a Private Ruling concerning its grants of financial assistance, property and other goods. As a consequence of this private ruling, ABA grants do not represent taxable supplies and are therefore not subject to GST.

Where the ABA purchases chattels direct from a supplier (as distinct from direct releases to a grantee) and then transfers the chattel to a grantee, the ABA pays the GST to the supplier and then claims input tax credits.

Note 8: Financial Assets

Note 8A: Cash and cash equivalents

Deposits at call	6,970,000	1,275,000
Negotiable certificates of deposit	43,013,108	19,300,000
Cash on hand	300	300
Cash at bank	6,664	1,527
<i>Total cash</i> (Also refer Note 17B)	<u>49,990,072</u>	<u>20,576,827</u>

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
<u>Note 8B: Receivables</u>		
Current		
Interest receivable	4,358,372	1,969,630
GST receivable from the Australian Taxation Office (ATO):		
- Administrative expenses	4,424	12,679
- Grant payments	-	229
	4,362,796	1,982,538
Total receivables (net)	4,362,796	1,982,538
Receivables (gross) are aged as follows:		
Not overdue	4,362,796	1,982,538
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
60 to 90 days	-	-
More than 90 days	-	-
Total receivables (gross)	4,363,796	1,982,538

All receivables, with the exception of GST from ATO, are with entities external to the Australian Government.

The interest rates range from 5.62% to 6.32% (refer Note 17B) and the frequency of payments is dependent on the investment and may be monthly, or at realisation of the investment.

Note 8C: Investments

Current		
Interest bearing deposits	58,099,657	79,556,044
		79,556,044
Non-Current		
Interest bearing deposits	24,291,173	5,600,000
Negotiable certificates of deposit	3,500,000	10,370,000
	27,791,173	15,970,000
Total investments (Also refer Note 8A and 17B)	85,890,830	95,526,044

ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
Note 9: Non-Financial Assets		
Prepayments – ss64(1)	3,829	-
Prepayments – ss64(3)	57,437	-
Prepayments - suppliers	346	333
Total prepayments	61,612	333

All other non-financial assets are current assets.

Note 10: Payables

Note 10A: Suppliers

Total supplier payables	3,210	70,697
--------------------------------	--------------	--------

All supplier payables are current liabilities. Settlement is usually made net 30 days.

Note 10B: Payments to Land Councils for Administrative Expenses

Subsection 64(1)		
Northern Land Council	7,851,945	4,398,445
MWT	327,164	183,268
	8,179,109	4,581,713
Central Land Council	2,130,187	1,886,985
MWT	88,758	78,624
	2,218,945	1,965,609
Anindilyakwa Land Council	184,571	66,623
MWT	7,691	2,776
	192,62	69,399
Total subsection 64(1)	10,590,316	6,616,721

Subsection 64(1) payables are current liabilities.

The implementation on 1 July 1996 of the guidelines approved by the then Minister, for the funding of land councils under subsections 64(1) and 64(8) of the Act, resulted in an amount, aggregating \$10,590,316 (gross) available for disbursement to the land councils pursuant to subsection 64(1), not being disbursed at 30 June 2006. The amount has been brought to account as a current liability in the Balance Sheet. An amount of \$10,166,703 is due for disbursement to land councils, net of MWT during the 2006-07 year with the MWT payable to ATO in accordance with the payment cycle for large withholders (refer Note 1.17).

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
<u>Note 10C: Grant Payables</u>		
ABA recognises a grant liability where agreements have been entered into and a present obligation exists.		
In the prior year, ABA recognised a liability on approved grants, where payments were more likely rather than less likely to be made.		
ABA Grants Program:		
Social and Economic Development	3,936,314	7,436,692
Regional Economic Development Strategy	910,646	-
Ceremonial/Cultural Activities	1,244,207	470,983
Youth Program	2,142,521	-
Land/Sea Management	2,407,122	580,199
Total grant payables	10,640,810	8,487,874

Grant payables include MWT as follows:

Grant payables - net	10,230,970	8,177,160
MWT on grant payables	409,840	310,714
Grant payables - gross	10,640,810	8,487,874

Grants approved aggregating \$10,640,810 (including MWT) include current and non-current liabilities as follows:

Current	10,640,810	8,185,718
Non-Current	-	302,156
Total grant payables	10,640,810	8,487,874

Note 10D: Royalty Equivalent Overpayment

In March 2006, Northern Territory Treasury advised the ABA that overpayments of non-uranium royalties amounting to \$290,264 were received in prior years. As a consequence, an overpayment of royalty equivalents transferred into the ABA occurred. \$98,809 has been offset against drawdowns in the 2005-06 year and the balance of \$191,455 will be offset in 2006-07.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
Note 11: Cash Flow Reconciliation		
Reconciliation of cash per Balance Sheet to Cash Flow Statement:		
Cash at year end and per Cash Flow Statement	49,990,072	20,576,827
Balance Sheet items comprising above cash: 'Financial Asset – Cash'	49,990,072	20,576,827
Reconciliation of operating result to net cash from operating activities:		
Operating result	15,969,069	8,688,145
(Gain)/loss on sale of financial assets	-	(564,486)
(Increase)/decrease in net receivables	(2,380,258)	(835,698)
(Increase)/decrease in prepayments	(61,279)	116
Increase/(decrease) in supplier payables	(67,487)	69,981
Increase/(decrease) in grant payables	2,152,936	5,073,224
Increase/(decrease) in subsection 64(1) liabilities	3,973,595	347,055
Increase/(decrease) in overpayment of royalty equivalent income	191,455	-
<i>Net cash from/(used by) operating activities</i>	<u>19,778,031</u>	<u>12,778,337</u>

For the purposes of the Cash Flow Statement, cash includes: cash on hand, in banks and investments in negotiable certificates of deposit with maturities of less than twelve months. Cash at the end of the reporting period, as shown in the Cash Flow Statement, is reconciled to the related items in the Balance Sheet as follows:

Cash on hand	300	300
Cash at bank	6,664	1,527
Deposits at call	6,970,000	1,275,000
Investment in short term negotiable certificates of deposit	43,013,108	19,300,000
<i>Total cash</i>	<u>49,990,072</u>	<u>20,576,827</u>
(refer Note 8A)		

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006	2005
	\$	\$
Note 12: Commitments		
<u>Note 12A: Land Council Estimates</u>		
In relation to the 2006-07 land council estimates, estimates were approved by the Minister in June 2006. In the prior year, interim estimates for the first month only were approved by the Minister in June 2005.		
The following amounts have been approved as a draw on the ABA:		
Northern Land Council	10,805,000	857,000
Central Land Council	9,163,000	727,000
Tiwi Land Council	1,071,000	93,000
Anindilyakwa Land Council	799,000	66,000
	21,838,000	1,743,000
Total commitments – Land Council estimates	21,838,000	1,743,000

Note 13: Contingent Liabilities

Quantifiable Contingencies

Note 13A Land Councils – Accrued Employee Liabilities

The Schedule of Contingencies reports a contingent liability as at 30 June 2005 in respect of payments to land councils to meet accrued employee liabilities as at 30 June 1995.

If payments to the Northern Territory land councils under subsection 64(1) of the Act are insufficient to meet their approved administrative expenditure, the Minister, or the Minister's Delegate, may approve further funding under subsection 64(8) (formerly 64(7)) for that purpose (also refer Note 6C).

OIPC, FaCSIA believes that the issue of providing supplementary funding under subsection 64(8) to the Northern and Central Land Councils in relation to their expenditure from 1 July 1992 to 30 June 1997 has not been resolved. Under the guidelines on the funding of the land councils under subsections 64(1) and 64(8) of the Act, the Minister approved expenditure by the Northern and Central Land Councils on accrued employee liabilities as at 30 June 1995, on the basis that the employee liabilities were unfunded. There have been two draw-downs on the accrued employee liabilities since 30 June 1995 and the following balances approved by the Minister, remain a contingency.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

The estimates of expenditure approved are set out below:

	Northern Land Council \$	Central Land Council \$	Total \$
Accrued employee liabilities	650,302	756,992	1,407,294
MWT liability	27,095	31,541	58,636
Sub total	677,397	788,533	1,465,930
Less approved draw in respect of payments for 1998-99	176,000	-	176,000
<i>Total contingent liabilities – land councils</i>	501,397	788,533	1,289,930

Note 13B Land Councils – Possible Subsection 64(8) Payment

The Schedule of Contingencies in the 2004-05 year reported a contingent liability for a possible payment of \$150,000 to the Tiwi Land Council due to a shortfall in the Council's self generated income in the 2004-05 year. A payment was not made and the obligation expired.

Note 13C Grant Funding Programs

The Schedule of Contingencies reports a contingent liability for a grants program up to \$99,434,350 million.

- In its 2004 election policy, the Coalition made a commitment to improve the economic situation of indigenous people in the Northern Territory by making up to \$50 million available from the ABA for a regionally based economic development strategy.

After its re-election, the Government sought that the commitment be fulfilled. As a consequence, the program has been disclosed as a contingent liability. Payments totalling \$2,237,500 have been approved under the program at the time of reporting.

- A grant of \$3 million was approved in August 2004 for the Central Land Council to acquire a purpose built office accommodation building. The Central Land Council has now identified that a further \$3,860,000 is required and has sought this sum from the ABA. The matter is being evaluated at the time of reporting.
- In 2005-06, the Government and/or Minister announced the following:
 - a) a proposal for leasing agreements on Aboriginal Land, including a proposal for the ABA to contribute costs of \$15 million to the scheme, over a five year period;
 - b) a proposal that \$10 million funding from the ABA be made available for land and sea management projects over the next two years;
 - c) a strategy to combat petrol-sniffing including a commitment of \$3 million funding from the ABA. (At the time of reporting, grant approvals totaling \$188,150 had been approved); and
 - d) a proposal for the ABA to contribute \$20 million towards improving indigenous housing in the Northern Territory.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

	2006 \$	2005 \$
- Regional Economic Development Program	47,762,500	50,000,000
- Central Land Council office building proposal	3,860,000	-
- Leasing agreement on Aboriginal Land (over 5 years)	15,000,000	-
- Land and Sea Management (over 2 years)	10,000,000	-
- Petrol sniffing strategy	2,811,850	-
- Indigenous Housing	20,000,000	-
	99,434,350	50,000,000
<i>Total contingent liabilities - grants</i>	99,434,350	50,000,000

Note 14: Related Parties

Relationship with DIMIA and FaCSIA

The ABA was administered by the Office of Indigenous Policy Coordination (OIPC), Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) from 1 July 2005 to 27 January 2006, when, following Machinery of Government Changes, OIPC was transferred to the Department of Families, Community Services and Indigenous Affairs (FaCSIA). The ABA continues to be administered by OIPC, FaCSIA. OIPC, DIMIA and OIPC FaCSIA provided resources to the ABA free of charge, including salary and staff related costs (also refer Note 4D).

Remuneration of Directors

The Aboriginals Benefit Account did not provide remuneration to directors of DIMIA or FaCSIA.

Remuneration of Officers

Officers salaries and related costs with respect to the Aboriginals Benefit Account were paid by OIPC, DIMIA and OIPC FaCSIA (refer Notes 1.6 and 4D: Resources Received Free of Charge).

Relationship with Land Councils

The members of the Advisory Committee, established to recommend to the Minister payments under subsection 64(4) of the Act, are elected from the executives of the land councils. Some members of the Advisory Committee may be members of grant recipient bodies. Advisory Committee members, holding office at the date of this report are the Chairperson: Mrs Miriam-Rose Baumann AM and committee members; Mr John Daly, Mr George Campbell, Mr Jeffrey Dixon, Mr Gordan Nawundulpi, Mr Samuel Blanas, Mr Bunug Galaminda, Ms Dhuwarrwarr Mamarika, Mr Maurie Ryan, Mr Lindsay Bookie, Mr Gus Williams OAM, Mr Ross Williams, Mrs Alison Hunt, Mr Matthew Wonaeamirri and Mr Tony Wurramarrba.

**ABORIGINALS BENEFIT ACCOUNT
ANNUAL REPORT 2005-2006**

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 15: Remuneration of Auditors

Financial statement audit services conducted on the ABA are provided free of charge. The fair value of the service provided on the 2005-06 financial statements is \$35,000.

In addition to the amount disclosed above, there was an additional amount of auditor remuneration totalling \$3,000 relating to the 2005-06 financial statements audit, arising from work done in 2005-06 on the opening balance sheet to be prepared under Australian Equivalents to International Financial Reporting Standards.

No other audit services were received from the ANAO.

Note 16: Staffing Levels

Staff of the Secretariat were included in the establishment of the Northern Territory State Office of OIPC, DIMIA up until 27 January 2006, when, as a consequence of Machinery of Government changes, the OIPC was transferred to the new Department of Families, Community Services and Indigenous Affairs (FaCSIA). Staff salaries and related costs with respect to the operations of the ABA were paid by OIPC, DIMIA and OIPC FaCSIA in the 2005-06 year (refer Note 4D to financial statements).

The staff establishment of the Secretariat was as follows:

<u>Australian Public Service Classification</u>	<u>Number</u>	<u>Location</u>	<u>Period</u>		
Executive Level 2	1	Darwin	entire period		
Executive Level 1	1	Darwin	entire period		
Level 6	1	Darwin	entire period		
Level 5	1	Darwin	entire period		
Level 3	1	Darwin	entire period		
		DIMIA to 27 January 2006	FaCSIA 28 Jan to 30 June 2006	2006	2005
		\$	\$	\$	\$
Resources allocated by OIPC, DIMIA as resources received free of charge for ABA Secretariat salary and related costs were:	289,492		190,201	<u>479,693</u>	<u>542,809</u>

ABORIGINALS BENEFIT ACCOUNT
Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 17: Financial Instruments

Note 17A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL ASSETS		Financial Assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Deposit at call	8A	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Temporarily surplus funds, from draw downs of special appropriation and yields from investments, are placed on deposit at call with various financial institutions. Interest is earned on the daily balance at the prevailing daily rate for money on call and is paid at month end.
Cash at bank	8A	Deposits are recognised at their nominal amounts.	Cash at bank is non-interest bearing.
Receivables	8B	Accrued interest due on ABA investments held at 30 June 2006 is disclosed as a receivable. Interest is credited to revenue as it accrues.	Details of the various investments are detailed in Note 8C.
Prepayments	9	An overpayment of royalty equivalents transferred into the ABA resulted in distributions to the land councils under ss64(1) and (3) of the Act.	The distributions will be offset against future distributions in the 2006-07 financial year.
Negotiable certificates of deposit	8A,8C	Negotiable certificates of deposit are recognised at cost. Interest is credited to revenue as it accrues.	The negotiable certificates of deposit are with various banks, with maturities out to 17 August 2007, and earning effective rates of interest ranging from 5.71% to 6.18% payable at maturity.
Interest Bearing Deposits	8C	Deposits are recognised at cost. Interest is credited to revenue as it accrues.	The deposits are with various banks, with maturities out to 10 September 2007, and earning effective rates of interest ranging from 5.62% to 6.32% payable at maturity.

ABORIGINALS BENEFIT ACCOUNT
Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 17: Financial Instruments

Note 17A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
FINANCIAL LIABILITIES		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Suppliers	10A	Accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement will be made in July 2006.
Subsection 64(1) (Statutory) Payables	10B	Subsection 64(1) payables to the land councils at 30 June 2006 are recognised at the amounts due for disbursement and include the mining withholding tax liability on the disbursements.	Settlement of the liability will be made in the 2006-07 financial year.
Grant liabilities	10C	The ABA recognises a liability on approved grants where agreements have been entered into and a present obligation exists. Grant approvals which fall this recognition criteria are disclosed as commitments.	ABA approved grants are for the benefit of Aboriginal people living in the Northern Territory. Grant payments are made in accordance with fund requirements and as specified in the letter of offer.
Royalty equivalent overpayment	10D	An overpayment of royalty equivalents transferred into the ABA occurred in 2005-06.	The overpayment will be offset against future transfers into the ABA in the 2006-07 financial year.

ABORIGINALS BENEFIT ACCOUNT
Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 17: Financial Instruments

Note 17A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
UNRECOGNISED FINANCIAL LIABILITIES			
Commitments	12	The ABA is obliged to make future payments to the land councils to meet their administration costs for those amounts which are approved by the Minister as a draw on the Account. These payments are disclosed in the Schedule of Commitments.	Refer Note 12
Grant Commitments	12	The ABA records commitments for approved grants where agreements have been entered into, however, services required to be performed by the grantee have not been performed and a present obligation does not exist.	Refer Note 12
Land councils - accrued employee liabilities	13	Under guidelines on the funding of land councils under ss64(1) and ss64(8) of the Act, accrued employee liabilities as at 30 June 1995 were unfunded. The unfunded balance is reported as a remote contingent liability in Note 13.	Refer Note 13
Other grant proposals	13	The ABA does not recognise a grant proposal as a liability or a commitment where there has been no approvals and agreements entered into. Where there is a possibility that grants may be approved in the future, they have been disclosed as contingent liabilities.	Refer Note 13

ABORIGINALS BENEFIT ACCOUNT
Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 17: Financial Instruments

Note 17B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing in 1 to 5 Years				Non-Interest Bearing		Total		Average Weighted Effective Interest Rate	
		2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 \$	2005 \$	2006 %	2005 %
FINANCIAL ASSETS													
Deposits at Call	8A	6,970,000	1,275,000	-	-	-	-	-	-	6,970,000	1,275,000	5.75	5.5
Negotiable certificates of deposit	8A,C	-	-	43,013,108	19,300,000	3,500,000	10,370,000	-	-	46,513,108	29,670,000	5.71-6.18	5.52-6.18
Cash on Hand	8A	-	-	-	-	-	-	300	300	300	300	N/a	N/a
Cash at Bank	8A	-	-	-	-	-	-	6,664	1,527	6,664	1,527	N/a	N/a
Accrued Interest Receivables	8B	-	-	-	-	-	-	4,358,372	1,969,630	4,358,372	1,969,630	N/a	N/a
Interest Bearing Deposits	8C	-	-	58,099,657	79,556,044	24,291,173	5,600,000	-	-	82,390,830	85,156,044	5.62-6.32	5.6-6.14
Prepayments	9	-	-	-	-	-	-	61,612	-	61,612	-		
Total		6,970,000	1,275,000	101,112,765	98,856,044	27,791,173	15,970,000	4,426,948	1,971,457	140,300,886	118,072,501		
Total Assets										140,305,310	118,085,742		

ABORIGINALS BENEFIT ACCOUNT
Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 17: Financial Instruments

Note 17B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate				Non-Interest Bearing		Total		Average Weighted Effective Interest Rate	
		Rate		1 to 5 Years		1 Year or Less		Bearing		Total		Rate	
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
		\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Financial Liabilities													
Suppliers	10A	-	-	-	-	-	-	3,210	70,697	3,210	70,697	N/a	N/a
Statutory payables	10B	-	-	-	-	-	-	10,590,316	6,616,721	10,590,316	6,616,721	N/a	N/a
Grant liabilities	10C	-	-	-	-	-	-	10,640,810	8,487,874	10,640,810	8,487,874	N/a	N/a
Royalty equivalent overpayment	10D	-	-	-	-	-	-	191,455		191,455			
Total		-	-	-	-	-	-	21,425,791	15,175,292	21,425,791	15,175,292		
Total Liabilities								21,425,791	15,175,292	21,425,791	15,175,292		

Note 17C: Net Fair Values of Financial Assets and Liabilities

The net fair values of financial assets and liabilities are equal to carrying amounts as disclosed in the financial statements. Negotiable certificates of deposit and term deposits are carried at cost as it is intended that they be held to maturity.

Note 17D: Credit Risk Exposures

The ABA's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The ABA has no significant exposures to any concentrations of credit risk.

ABORIGINALS BENEFIT ACCOUNT

Notes to and forming part of the Financial Statements for the year ended 30 June 2006

Note 18: Appropriations

	2006 \$	2005 \$
Aboriginals Benefit Account – Special Account (Departmental)		
<i>Legal Authority: Aboriginal Land Rights (Northern Territory) Act 1976; s62,s63,s64 and s65</i>		
<i>Appropriation: Financial Management and Accountability Act 1997; s21</i>		
<i>Purpose: for the receipt and disbursement of the equivalent of mining royalty monies derived from mining operations on Aboriginal land in the Northern Territory</i>		
Balance carried from previous year	116,102,871	102,760,048
Appropriation for reporting period	62,839,676	49,831,346
GST credits (FMA s30A)	34,771	25,202
Interest receipts	5,076,263	5,356,003
(Gain)/Loss on sale of investments	-	564,486
Available for payment	184,053,581	158,537,085
Payments made – land councils	(40,931,697)	(36,473,704)
Payments made - suppliers	(427,847)	(318,655)
Grants	(6,813,135)	(5,641,855)
Balance carried to next period	135,880,902	116,102,871
<i>Represented by:</i>		
Cash	6,964	1,827
Balance of Investments	135,873,938	116,101,044
Total per balance carried to the next period	135,880,902	116,102,871
Aggregate of Special Account balance and related investments	135,880,902	116,102,871

Reconciliation of investments:

Opening balance as at 1 July	116,101,044	102,758,004
Realised investment receipts	(130,752,178)	(133,942,952)
Gain/(Loss) on sale of investments	-	564,486
Investments debited from the Special Account	148,669,477	143,280,821
Net investments purchased by rollover	1,855,595	3,440,685
Balance of investments	135,873,938	116,101,044
<i>Represented by:</i>		
Deposits at call	6,970,000	1,275,000
Negotiable certificates of deposit	46,513,108	29,670,000
Interest bearing deposits	82,390,830	85,156,044
Balance of investments	135,873,938	116,101,044

This Note is prepared on a cash basis. Deposits at call, negotiable certificates of deposit and interest bearing deposits are recognised at cost. Refer Note 8.



INDEPENDENT AUDIT REPORT

To the Minister for Families, Community Services and Indigenous Affairs and the Minister Assisting the Prime Minister for Indigenous Affairs

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Aboriginal and Torres Strait Islander Land Fund Account for the year ended 30 June 2006.

The Department's Chief Executive is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Aboriginal and Torres Strait Islander Land Fund Account, and that comply with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia. The Department's Chief Executive is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

GPO Box 707 CANBERRA ACT 2601
Centenary House 19 National Circuit
BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Aboriginal and Torres Strait Islander Land Fund Account's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Chief Executive.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the Aboriginal and Torres Strait Islander Land Fund Account:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Aboriginal and Torres Strait Islander Land Fund Account's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Allan M Thompson
Executive Director

Delegate of the Auditor-General

Canberra
6 September 2006

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the Aboriginal and Torres Strait Islander Land Fund are based on properly maintained financial records, and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management Accountability Act 1997*.

Signed 

Jeff Harmer
Secretary
Department of Families, Community and
Indigenous Affairs

[Date] 6/9/06

Signed 

Tim Youngberry
Chief Financial Officer
Department of Families, Community and
Indigenous Affairs

[Date] 6/9/06

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT

INCOME STATEMENT

For the year ended 30 June 2006

	2006	2005
Notes	\$	\$
INCOME		
Revenue		
Interest	80,046,158	100,415,286
Other	1,212,000	304,856
Total Revenue	81,258,158	100,720,142
Gains		
Gain on sale of investments	274,175,217	506,500,442
Gain on revaluations	-	-
Total Gains	274,175,217	506,500,442
TOTAL INCOME	355,433,375	607,220,584
EXPENSES		
Payment to the Indigenous Land Corporation	23,758,511	4,038,109
Value of investments sold	272,470,564	504,347,853
Interest to the Commonwealth	-	364,405
Other	2,464,811	431,626
TOTAL EXPENSES	298,693,886	509,181,993
Operating Result from continuing operations	56,739,489	98,038,591

This statement should be read in conjunction with the accompanying notes.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT

BALANCE SHEET

As at 30 June 2006

	Notes	2006 \$	2005 \$
ASSETS			
Financial assets			
Cash	6	1,734,288	27,167,987
Receivables	5A	27,175,561	18,660,205
Investments	5B	1,545,972,602	1,472,314,770
Total financial assets		1,574,882,451	1,518,142,962
TOTAL ASSETS		1,574,882,451	1,518,142,962
LIABILITY			
Transfers to the Commonwealth		-	-
TOTAL LIABILITY		-	-
<i>Net Assets</i>		1,574,882,451	1,518,142,962
EQUITY			
Contributed equity		433,931,954	433,931,954
Reserves		-	86,370,683
Accumulated surpluses		1,140,950,497	997,840,325
TOTAL EQUITY		1,574,882,451	1,518,142,962
Current assets		888,613,650	315,455,045
Non-current assets		686,268,800	1,202,687,917

This statement should be read in conjunction with the accompanying notes.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT

STATEMENT OF CASH FLOWS

For the year ended 30 June 2006

	2006	2005
Note	\$	\$
OPERATING ACTIVITIES		
Cash received		
Appropriations to the Indigenous Land Corporation		-
Interest on Cash	1,026,830	4,592,641
Total cash received	1,026,830	4,592,641
Cash used		
Transfer to the Indigenous Land Corporation	23,758,511	4,038,109
Supplier Expense	-	-
Total cash used	23,758,511	4,038,109
Net cash from / (used by) operating activities	6 (22,731,681)	554,532
INVESTING ACTIVITIES		
Cash received		
Proceeds from investments (maturities and sales)	2,013,310,242	2,592,936,007
Interest on investments	71,303,386	90,914,565
Total cash received	2,098,613,628	2,683,850,572
Cash used		
Purchase of investments	2,101,315,646	2,731,874,862
Total cash used	2,101,315,646	2,731,874,862
Net cash from / (used by) investing activities	(2,702,018)	(48,024,290)
FINANCING ACTIVITIES		
Cash received		
Appropriations – contributed equity	-	-
Total cash received	-	-
Cash used		
Appropriations – contributed equity	-	14,711,572
Total cash used	-	14,711,572
Net cash from financing activities	-	(14,711,572)
Net increase / (decrease) in cash held	(25,433,699)	(62,181,331)
Cash at the beginning of the reporting period	27,167,987	89,349,318
Cash at the end of the reporting period	1,734,288	27,167,987

This statement should be read in conjunction with the accompanying notes.

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2006

	Accumulated Results		Asset Revaluation Reserve		Contributed Equity/ Capital		Total Equity	
	2006	2005	2006	2005	2006	2005	2006	2005
Opening balance as at 1 July 2005								
Balance carried forward from previous period	997,840,325	899,801,733	86,370,683	83,202,765	433,931,954	432,794,618	1,518,142,962	1,415,799,116
Adjustment for changes in accounting policies	86,370,683	-	(86,370,683)	-	-	-	-	-
Adjusted opening balance	1,084,211,008	899,801,733	-	83,202,765	433,931,954	432,794,618	1,518,142,962	1,415,799,116
Income and expense								
Income and expenses recognised directly in equity:	-	-	-	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	3,167,918	-	-	-	3,167,918
Sub-total income and expense	-	-	-	3,167,918	-	-	-	3,167,918
Net operating result	56,739,489	98,038,592	-	-	-	-	56,739,489	98,038,592
Total income and expenses recognised directly in equity	56,739,489	98,038,592	-	-	-	-	56,739,489	98,038,592
Transactions with owners								
<i>Distribution to owners</i>								
Other	-	-	-	-	-	-	-	-
<i>Contribution by owners</i>								
Appropriation (equity injection)	-	-	-	-	-	1,137,336	-	1,137,336
Other:								
Restructuring	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-	1,137,336	-	1,137,336
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2006	1,140,950,497	997,840,325	-	86,370,683	433,931,954	433,931,954	1,574,882,451	1,518,142,962

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

For the financial year ended 30 June 2006

Note	Description
1	Summary of Significant Accounting Policies
2	Impact of Transition from AGAAP to AEIFRS
3	Commitments and Contingencies
4	Events Occurring after Reporting Date
5	Financial Assets
6	Cash Flow Reconciliation
7	Remuneration of Auditors
8	Special Payments
9	Financial Instruments

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

1.1 Establishment of the Aboriginal and Torres Strait Islander Land Fund Account

The Aboriginal and Torres Strait Islander Land Fund Account (ATSILF) was established by the *Land Fund and Indigenous Land Corporation (ATSIC Amendment) Act 1995*, inserted into the *Aboriginal and Torres Strait Islander Commission Act 1989* to recognise the fact that most Indigenous people will not benefit from the High Court's Mabo (No. 2) decision (*Mabo and Others v Queensland* (No. 2) [1992] HCA 23) and the *Native Title Act 1993* because they were dispossessed of their land and cannot therefore demonstrate the continuous association necessary to prove native title.

An amendment to the FMA Act, constituting the replacement of the Reserved Money Fund by Special Accounts, took effect on 1 July 1999. *The Financial Management Legislation Amendment Act 1999* converted the Land Fund Reserve to a Special Account under section 20(1) of the FMA Act on 1 July 1999. As a consequence, the Land Fund Reserve became known as the Land Fund Account.

On 24 March 2005, at the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) under the *Aboriginal and Torres Strait Islander Commission Amendment Act 2005*, responsibility of ATSILF was transferred to the then Immigration and Multicultural and Indigenous Affairs Portfolio. Amendments to the Administrative Arrangements Order made on 27 January 2006 transferred ATSILF to the renamed Families, Community Services and Indigenous Affairs Portfolio.

1.2 Basis of Accounting

The financial statements are required by section 193H of the *Aboriginal and Torres Strait Islander Act* (ATSI Act) and are a general purpose financial report.

The statements have been prepared in accordance with:

- ⟨ Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 1 July 2005)*);
- ⟨ Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period, including Australian Equivalents to International Financial Reporting Standards (AEIFRS); and
- ⟨ Interpretations issued by the Urgent Issues Group that apply for the reporting period.

The Income Statement and Balance Sheet have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised would be reported in the Schedule of Commitments and the Schedule of Contingencies.

Income and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

1.4 Income

Revenue from Government

No revenue is appropriated from the Government to ATSILF under the ATSI Act.

Gain on Revaluation

Under AASB 139, changes to the value of financial instruments classified as "available-for-sale financial assets" are recorded in the Income Statement. Gains are quantified by determining the fair value at balance date against the prior valuation.

Gain on Sale of Investments

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Other Income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset. Interest income is credited directly to the Aboriginal and Torres Strait Islander Land Fund bank account and is subsequently reinvested.

1.5 Transactions with the Government as Owner

Equity Injections

No further injections will be appropriated from the Government to ATSILF under the ATSI Act. Equity injections were provided from the Government to ATSILF during the ATSI Act Category "A" years only.

1.6 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount. Interest is credited to revenue as it is accrued.

1.7 Expenses

Value of Assets Sold Expense

Expense relating to the value of asset sold is recognised when control of the asset has passed to the buyer. The value of the expense is the fair value of the asset at the previous balance date (ie either acquisition value if purchased in the current reporting period, or at fair value valuation at beginning of the period).

1.8 Investments

The carrying amount of investments is reviewed annually to determine whether they are in excess of their recoverable amount at balance date (*AASB139 Financial Instruments: Recognition and Measurement*). If the carrying amount of an investment exceeds the recoverable amount, the asset is written down to the lower amount. Increases or decreases in the carrying amount of investments are credited or debited as appropriate to the Income Statement.

In assessing recoverable amounts of investments the relevant cash flows have not been discounted to their present value.

Non-current investments have been revalued based on an independent valuation at market value.

1.9 Financial Instruments

Accounting policies for financial instruments are stated at note 9. The entity is complying with the requirements of *AASB 132 Financial Instruments: Presentation and AASB 139 Financial Instruments: Recognition and Measurement*.

1.10 Taxation

FaCSIA and ATSILF are exempt from all forms of taxation, except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses, assets and liabilities are recognised net of GST:

- < except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- < except for applicable receivables and payables.

Note 2: Impact of the Transition from AGAAP to AEIFRS

Asset Revaluation Reserve from prior AGAAP is now recognised in Accumulated Results under AEIFRS in accordance with AASB101. Refer to the Statement of Equity for quantification of the impact.

Note 3: Commitments and Contingencies

There are no quantifiable, unquantifiable or remote commitments or contingency in this period (nil in 2005).

Note 4: Events Occurring after Balance Sheet Date

No events occurred since reporting date that would affect the information as they are presented in this financial report.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2006	2005
	\$	\$
Note 5: Financial Assets		
<u>Note 5A: Receivables</u>		
Accrued interest	27,175,561	18,660,205
Total receivables	27,175,561	18,660,205
All receivables are current and are not overdue.		
<u>Note 5B: Investments</u>		
Bank issued transferrable certificates of deposit	839,720,612	815,291,476
Floating rate notes	-	86,688,839
Capital indexed bonds	380,789,400	277,664,595
Nominal bonds	325,462,589	292,669,860
Total investments	1,545,972,601	1,472,314,770

The revaluation of all investments as at monthly balance date was completed by Westpac Banking Corporation.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2006	2005
	\$	\$
Note 6: Cash Flow Reconciliation		
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows:		
Cash at balance date per Statement of Cash Flows	<u>1,734,288</u>	<u>27,167,987</u>
Statement of Financial Position items – Cash	<u>1,734,288</u>	<u>27,167,987</u>
Reconciliation of net surplus to net cash from operating activities:		
Net surplus / (deficit)	56,739,489	98,038,592
Non-Cash, Financing, or Investing Items		
(Gain) / loss on disposal of investments	(1,704,653)	(2,152,589)
Interest on investments	(43,823,134)	(90,914,565)
Write Down of Assets / Other (Revenues)/ Expenses	(25,428,026)	491,175
Interest to the Commonwealth		
Changes in Assets and Liabilities		
(Increase) / decrease in net receivables	(8,515,356)	(4,908,081)
<i>Net cash from / (used by) operating activities</i>	<u><u>(22,731,680)</u></u>	<u><u>554,532</u></u>

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 7: Remuneration of Auditors

The remuneration to the Auditor-General for auditing the financial statements for the reporting period is \$20,000 and has been absorbed by the Aboriginal and Torres Strait Islander Commission and FaCSIA.

No other services were provided by the Auditor-General.

Note 8: Special Payments

No 'Act of Grace' payments were made during the reporting period (2005: Nil payments made).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2005: Nil payments made).

No ex-gratia payments were made during the reporting period (2005: Nil payments made).

No payments were made under the Defective Administration Scheme (2005: Nil payments made).

No payments were made under s73 of the Public Service Act 1999 during the reporting period (2005: Nil payments made).

**ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 9: Financial Instruments

Note 9A: Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
<i>Financial Assets</i>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at Bank - deposits at call		Deposits are recognised at their nominal amounts.	The entity deposits appropriated funds, surplus funds and interest revenue with a commercial bank at call. Interest is earned on the daily balance at rates based on money market call rates.
Receivables - interest	5A	Interest is credited to revenue as it accrues.	All receivables are with entities external to the Commonwealth and relate to accrued interest on investments or cash at bank.
Investments	5B	Investments are classified as financial instruments that are "available-for-sale financial assets" under AASBI 39. The investments are recognised at revalued amounts based on an independent valuation by the Westpac Banking Corporation. Interest is credited to revenue as it accrues.	The entity invests appropriated funds and interest revenue in a range of securities. Interest rates are a mixture of fixed and floating rates.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 9: Financial Instruments

Note 9B: Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		1 Year or Less		1 to 5 Years		> 5 Years										
		2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%	
Financial Assets																
Cash at bank		1,734,288	27,167,987	-	-	-	-	-	-	-	-	1,734,288	27,167,987	0.01	0.10	
Receivables	5A	-	-	-	-	-	-	-	-	18,660,205	-	27,175,561	18,660,205	-	-	
Investments:	5B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- NCDs*		839,720,612	770,008,926	-	45,282,550	-	-	-	-	-	-	839,720,612	815,291,476	2.84	3.17	
- Bonds		19,983,189	193,428,180	517,825,210	235,599,680	168,443,590	141,306,595	-	-	-	-	706,251,989	570,334,455	3.00	2.00	
- Other Deposits		-	86,688,839	-	-	-	-	-	-	-	-	-	86,688,839	-	0.34	
Total		1,734,288	113,856,826	859,703,801	963,437,106	517,825,210	280,882,230	168,443,590	141,306,595	-	18,660,205	1,545,972,601	1,518,142,962	5.85	5.61	
Total Assets												1,574,882,450	1,518,142,962			

*NCDs are Negotiable Certificates of Deposit, issued by a bank that is an Authorised Deposit-Taking Institute as authorised by the Australian Prudential Regulation Authority.

ABORIGINAL AND TORRES STRAIT ISLANDER LAND FUND ACCOUNT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 9C: Net Fair Values of Financial Assets

	2006		2005	
	Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash at bank	1,734,288	1,734,288	27,167,987	27,167,987
Receivables	27,175,561	27,175,561	18,660,205	18,660,205
Investments	1,545,972,602	1,545,972,602	1,472,314,770	1,472,314,770
	<u>1,574,882,451</u>	<u>1,574,882,451</u>	<u>1,518,142,962</u>	<u>1,518,142,962</u>

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

Note 9D: Credit Risk Exposure

The entity's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The entity has no significant exposures to any concentrations of credit risk.

Glossary

AACAP	Army Aboriginal Community Assistance Programme
ABS	Australian Bureau of Statistics
AICCA	Aboriginal and Islander Child Care Agency programme
AIFS	Australian Institute for Family Studies
AoS	Assurance of Support programme
APS	Australian Public Service
BAA	Business Alliance Agreement
BPA	Business Partnership Agreement
BPR	business process re-engineering
CCB	Child Care Benefit
CDEP	Community Development Employment Projects
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CFCP	Commonwealth Financial Counselling Program
CHIP	Community Housing and Infrastructure Program
CMS	Complaints Management Scheme
COAG	Council of Australian Governments
CSHA	Commonwealth State Housing Agreement
CSTDA	Commonwealth State Territory Disability Agreement
CPI	Consumer price index
CTC	Competitive tendering and contracting
DSP	Disability Support Pension
FHBH	Fixing Houses for Better Health
FOFMS	FaCSIA Online Funding Management System
FTB	Family Tax Benefit
HILDA	Household, Income and Labour Dynamics in Australia survey
HOME	Household Organisational Management Expenses
HPCR	Harm Prevention Charities Register

ICC	Indigenous Coordination Centre
ICHOs	Indigenous Community Housing Organisations
ICP	Indigenous Children Program
ICP	Indigenous Children Program
ICT	Information and communications technology
IPFW	Indigenous Parenting and Family Wellbeing programme
ISSA	International Social Security Association
JET	Jobs, Education and Training
JETCCFA	Jobs Education and Training Child Care Fee Assistance
JPET	Job Placement Employment and Training
LSAC	Growing Up in Australia: the Longitudinal Study of Australian Children
LSIC	Footprints in Time: The Longitudinal Study of Indigenous Children
NAIDOC	National Aborigines' and Islanders' Day Observance Committee
NAHS	National Aboriginal Health Strategy
NAYSS	Newly Arrived Youth Support Services
NHS	National Homelessness Strategy
OECD	Organisation for Economic Cooperation and Development
OHS	Occupational health and safety
OIPC	Office of Indigenous Policy Coordination
ORAC	Office of the Registrar of Aboriginal Corporations
PBS	Portfolio Budget Statements
REACH	Responding Early Assisting Children programme
RSCYP	Respite Support for Carers of Young People
SAAP	Supported Accommodation Assistance Program
SDAS	Skilled Designated Area Sponsored Visas
SHSP	Social Housing Subsidy Programme
SPRS	Social Policy Research Services
SSAT	Social Security Appeals Tribunal
TILA	Transition to Independent Living Allowance
WLDP	Women's Leadership and Development Program

Compliance index

The annual report is prepared in accordance with the Requirements for Annual Reports approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*. This index refers to mandatory and suggested reporting items.

Description	Requirement	Page
Letter of transmittal	Mandatory	iii
Table of contents	Mandatory	v
Index	Mandatory	527
Glossary	Mandatory	522
Contact officer(s)	Mandatory	ii
Internet home page address and Internet address for report	Mandatory	ii
Review by Secretary	Mandatory	
Review by departmental secretary	Mandatory	2
Summary of significant issues and developments	Suggested	4-13
Overview of department's performance and financial results	Suggested	39-270
Outlook for following year	Suggested	11, 12, 13, 55, 103, 249, 259
Significant issues and developments - portfolio	Suggested	14-21
Departmental overview	Mandatory	
Overview description of Department	Mandatory	30
Role and functions	Mandatory	30
Organisational structure	Mandatory	24
Outcome and output structure	Mandatory	36
Where outcome and output structure differs from PBS format, details of variation and reasons for change	Mandatory report	Nil to
Portfolio structure	Mandatory	26-29
Report on Performance	Mandatory	
Review of performance during the year in relation to outputs and contribution to outcomes	Mandatory	39-270
Actual performance in relation to performance targets set out in PBS/PAES	Mandatory	39-270
Performance of purchaser/provider arrangements	Mandatory	312-315
Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	36-37
Narrative discussion and analysis of performance	Mandatory	22-25
Trend information	Suggested	14-19
Factors, events or trends influencing departmental performance	Suggested	14-19, 39-270

Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	283
Significant changes in nature of principal functions/ services	Suggested	22, 30
Social justice and equity impacts	Suggested	20
Discussion and analysis of the department's financial performance	Mandatory	279-282
Discussion of any significant changes from the prior year budget	Suggested	22-25
Summary resource tables by outcomes	Mandatory	41, 53, 86, 154, 198, 220
Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	Suggested	Nil to report
Management and Accountability	Mandatory	
Corporate governance	Mandatory	
Statement of the main corporate governance practices in place		272-283
Names of the senior executive and their responsibilities	Suggested	30-35, 276
Senior management committees and their roles	Suggested	272-275
Corporate and operational planning and associated performance reporting and review	Suggested	39-270
Approach adopted to identifying areas of significant financial or operational risk and arrangements in place to manage risks	Suggested	278
Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines	Suggested	282
Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	283
How nature and amount of remuneration for SES officers is determined	Suggested	288
External scrutiny	Mandatory	
Significant developments in external scrutiny	Mandatory	292-300
Judicial decisions and decisions of administrative tribunals	Mandatory (in each Output Group report)	39-270
Reports by:	Mandatory	
Auditor-General		293-300
Commonwealth Ombudsman		293
Parliamentary Committees		307-310

Management of human resources

Workforce planning, staff turnover and retention	Suggested	258, 285, 287, 288, 336
Impact and features of certified agreements and AWAs	Suggested	289, 333
Training and development undertaken and its impact	Suggested	284-286
Occupational health and safety performance	Suggested	286-287
Productivity gains	Suggested	289
Statistics on staffing	Mandatory	328-333
Certified agreements and AWAs	Mandatory	332-333
Performance pay	Mandatory	332
Assets management	Mandatory	
Assessment of effectiveness of assets management	Mandatory	279
Purchasing	Mandatory	
Assessment of purchasing against core policies and principles	Mandatory	279
Consultants	Mandatory	
Number of consultancy services contracts let and total expenditure on consultancy services	Mandatory	344-358
Competitive tendering and contracting	Mandatory	
Competitive tendering and contracting contracts let and outcomes	Mandatory	342-343
Absence of contractual provisions allowing access by the Auditor-General	Mandatory	Nil to report
Exempt contracts	Mandatory	
Contracts exempt from Purchasing and Disposal Gazette	Mandatory	Nil to report
Commonwealth Disability Strategy	Mandatory	
Report on performance in implementing the Commonwealth Disability Strategy	Mandatory	334-337
Financial statements	Mandatory	374-501
Other information	Mandatory	
Occupational health and safety	Mandatory	286-287
Freedom of information	Mandatory	362-367
Advertising and market research	Mandatory	338-341
Ecologically sustainable development and environmental performance	Mandatory	290-291
Discretionary grants	Mandatory	360-361
Correction of material errors in previous annual report	Mandatory	370-371

Index

- Aboriginal and Islander Child Care Agencies Program, 9, 166, 168, 177
- Aboriginal and Torres Strait Islander Act 2005*, 27, 227
- Aboriginal and Torres Strait Islander Commission, 246, 279
- Aboriginal and Torres Strait Islander Services, 246, 279
- Aboriginal Councils and Associations Act 1976*, 12, 28, 223, 231, 254, 255, 258, 262, 267
- Aboriginal Hostels Limited, 26, 29
- Aboriginal Land Commissioner, 27, 29, 256
- Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987*, 261, 256
- Aboriginal Land Grant (Jervis Bay Territory) Act 1986*, 28, 256
- Aboriginal Land Rights (Northern Territory) Act 1976*, 12, 27, 56, 224, 225, 232, 254, 261
- Aboriginal people, *see* Indigenous people,
- Aboriginal Rental Housing Program, 60, 71
- Aboriginals Benefit Account, 256, 260
- accommodation, *see* housing and accommodation,
- accountability and management, 272-324
- act of grace payments *see also* ex-gratia payments, 293
- administered items, 41, 46, 50, 53, 64, 86, 104, 122, 130, 139, 148, 155, 168-169, 186, 191, 199, 210, 221-222, 250, 260
- Administrative Arrangement Orders, 22, 24, 25, 30
- advertising and market research, 338-341
- expenditure, advertising
 - expenditure, direct mail
 - expenditure, market research
- Age Pension, 7, 15, 91, 100, 105-111, 114, 317-318, 322, 323
- international agreements, 111
 - Rent Assistance recipients, 77
- aged people, 7, 15, 84-117
- one-off payment, 101, 113
- agency (certified) agreements, 3, 337
- amenity aspects of public housing, 70
- Anindilyakwa Land Council, 27, 29
- Annual Report 2004-05
- statement of material error, 370-371
- appropriations, 41, 46, 50, 53, 64, 86, 104, 122, 130, 139, 148, 155, 168-169, 186, 191, 199, 210, 221-222, 250, 260
- APS Code of Conduct and Values, 283
- Army Aboriginal Community Assistance Program, 56, 59
- Asia Pacific Economic Cooperation, 91
- Asian tsunami *see* tsunami,
- Assurance of Support Program, 57
- asset, 25
 - management, 279
- Assistance for carers, 131
- assistive technology, 288
- associate secretary, 31, 35, 276
- Attorney-General's Department, 10, 121, 156, 158, 164, 243, 255, 257
- audits, 293-300
- Auslan interpreting services, 119, 120, 121
- Australian Bureau of Statistics, 5, 15, 44
- Australian Council for Children and Parenting, 163
- Australian Domestic and Family Violence Clearinghouse, 94, 146
- Australian Employers' Network on Disability, 288
- Australian Government Disability Strategy, 95, 122, 334-337
- Australian Government Disaster Recovery Committee, 200, 209

Australian Healthcare Associates, 342
 Australian Housing and Urban Research Institute, 54, 61
 Australian Institute of Family Studies, 27, 29, 157
 Australian Institute of Health and Welfare, 44, 66
 Australian Institute of Aboriginal and Torres Strait Islander Studies, 228, 234
 Australian Public Service Commission, 239, 287
 Australian National Audit Office, 161, 293-300, 303
 Australian National University, 245
 Australian Sports Commission, 8, 90, 146, 147
 Australian Taxation Office, 214-215, 319
 - data matching, 319, 322
 Australian workplace agreements (AWAs), 328, 332
 Austudy Payment, 61
 awards and recognition
 - Prime Minister's Awards for Excellence in Community Business Partnerships, 208
 Bali terrorist attack victims and families, 10, 207, 215-216
 Beauchamp, Glenys, 32-33, 34, 276
 Bereavement Allowance, 96, 97
 Bishop, Julie MP, 2, 29, 89, 144, 304
 Blacklow, Les, 29
 block grant funding, 125
 Brough, Mal MP, 2, 29, 223, 243, 281, 292, 304, 324
Building a Better Future – Indigenous Housing to 2010, 55, 62
 Budget measures, 55, 91, 158, 201, 226
 business and community partnerships, 198
 Business Assurance Framework, 317
 Business Information Technology Committee, 273
 Business Partnership Agreement, 316
 capability development, 284-286
 caption and information services, 119, 121
 Carer Allowance, 2, 16, 89, 91, 93, 129, 131, 323
 Carer Payment, 2, 8, 16, 20, 89, 90, 93, 129, 132, 322, 323
 carers 7, 16, 87, 128-135
 - assistance for, 131
 - young people, 128-129
 - grandparents, 164, 347
 Carers Week, 93
 cars, FaCSIA, 290, 291
 case based funding, 125
 Census, 14
 Central Australian Petrol Sniffing Strategy, 11, 224, 226, 231, 238, 243, 247, 248, 251
 Central Land Council, 27, 29
 Centrelink, 25, 44, 57, 113, 117, 160, 303, 312, 320
 - Business Partnership Agreement, 316
 - debt recovery, 320
 - family liaison officers, 216-217
 - financial information service, 113, 117
 certified agreements, 3, 337
 child abuse prevention, 170
 child abuse and protection, 163
 - Transition to Independent Living Allowance, 89, 92, 136, 138, 141
 child care, 9-10
 - playgroups, 157, 166, 167, 168, 177
 Child Care Access Hotline, 157
 Child Care Benefit, 160, 188, 189, 192-193, 312, 323
 child care for eligible parents undergoing training, 9, 160, 161, 189, 194

- Child Care Support, 188-197
- Child Care Support Program, 188, 189
- Child Care Tax Rebate, 192
- child support, 184-187
- Child Support Agency, 9, 185, 187, 303, 312, 324
- Child Support Legislation Amendment (Reform of the Child Support Scheme – Initial Measures) Act 2006*, 185
- Child Support Scheme, 2, 9, 157, 184
- Child Support Taskforce, 156, 184, 185
- Choice and Flexibility in Child Care, 179, 189, 194
- City of Melbourne, 290
- Clarke, Keith, 29
- classification streams for staff, 328, 330-331
- client (service) charters, 283
- COAG, 2, 11, 55, 121, 190, 217, 223, 227, 238, 239, 241-242, 243, 245, 247, 248, 249, 251, 252, 254
- Cobb, John MP, 2, 29, 304
- Code of conduct, 283
- collaborative relationships, 312-315
- committees, 272-276
 - Parliamentary, 307-310
- Commonwealth Advisory Committee on Homelessness, 62
- Commonwealth Carer Respite Centres, 129
- Commonwealth concession cards
 - see* Commonwealth Seniors Health Card
- Commonwealth Disability Strategy, 95, 122, 334-337
- Commonwealth Electoral Act 1918*, 338
- Commonwealth Financial Counselling Program, 205, 211
- Commonwealth Housing and Infrastructure Program, 69
- Commonwealth Ombudsman, 293
- Commonwealth Seniors Health Card, 101, 102, 112, 114
 - card holders, 313
 - Great Southern Rail concession, 102, 114
 - Telephone Allowance, 102
- Commonwealth–State Housing Agreement, 54, 60, 69, 72, 313
 - Aboriginal Rental Housing Program, 60, 71
- Commonwealth State Territory Disability Agreement, 118, 119, 123-124, 313
- Communities for Children, 166, 167, 168, 178, 179
- Community Business Partnership, 213-214
- community development, 198-219
 - Family and Community Networks Initiative, 217
 - see also* Stronger Families and Communities Strategy
- Community Housing and Infrastructure Needs Survey, 66
- Community Housing and Infrastructure Program, 5, 54, 55, 59, 65, 225
- Community Initiatives One-Off Grants Program, 202
- compensation payments
 - see also* ex-gratia payments, 320
- competitive tendering and contracting, 342-343
- complaints, 283
- compliance reviews, 316-321
- concession cards, 101, 112
 - travel concessions, 102, 114
 - see also* Commonwealth Seniors Health Card
- Connecting Neighbours Program, 59, 62
- consultants, 279-280, 344-358
- Convention on the Elimination of all forms of Discrimination Against Women, 89, 146
- corporate governance and performance, 272-283
- Corporate Social Responsibility Essay Competition, 208, 214

Council of Australian Governments, 2, 11, 55, 121, 190, 217, 223, 227, 238, 239, 241-242, 243, 245, 247, 248, 249, 251, 252, 254

Cross-sector Initiative Program, 89

CRS Australia, 121

Cyclone Larry, 21, 200, 207

Cyclone Monica, 207

data matching, 319, 322

debts

- prevention, 318
- raising, 320, 321
- recovery, 321

Defense Housing Authority, 319

departmental outputs, 47, 51, 80, 98, 115, 126, 133, 142, 152, 180, 186, 196, 218, 250, 260

Department of Family and Community Services, ii, 29, 313, 314

deputy secretaries, 32-33, 34, 276

detection and recovery, 319-321

deterrence, 320

direct mail organisations, 338

Director of Public Prosecutions, 316, 320, 321

disability business services, 7

disabilities, people with, 6, 87, 90, 118-127, 288, 334-337

- carers, 129
- lists of recognised disabilities, 90, 93

Disability Action Plan, 334

Disability Discrimination Act 1992, 335, 336

Disability Employment Assistance Program, 119

disability employment services, 94

Disability Services Act 1986, 7

disability support, 161

Disability Support Pension, 16, 93, 145, 149

disaster recovery, 10, 209

Disaster Relief Payment, 206, 215

discretionary grants, 360-361

diversity, workplace *see also* social justice and equity, 287-288

Diversity Plan, 287-288

diversity, self-reporting of information, 288

domestic violence, 8

Double Orphan Pension, 163, 170

Drought Assistance Package, 160

Early Childhood – Invest to Grow, 166, 178-179

Edge project, 310

Education, Science and Training, Department of, 44, 316

electricity consumption, 291

electronic document management system, 302

Emergency Relief Program, 21, 200, 206, 208, 209, 211, 312

emissions, 291

Employee Assistance Program, 337

employees, *see* staff

Employment and Workplace relations, Department of, 44, 56, 96, 288, 316, 319

employment assistance and other services, 125

environmental

- impacts, 291
- management, 290-291
- management system, 290
- performance, 291
- policy, 290

Ernst & Young, 342-343

essay competition, 208, 214

Ethics Committee, 273

- Ex-gratia payments, 96
 - assistance for those affected by inappropriate immigration detention, 203
 - assistance to East Timorese, 206
 - assistance to Solomon Islanders, 206
 - Bali bombings trials, 207
 - Bali victims and families, 10, 207, 215-216
 - bushfire victims, 207
 - Cyclone Larry, 21, 200, 207
 - Cyclone Monica, 207
 - floods, 202
 - London bombings, 202, 207
 - tsunami aftermath assistance, 207, 216-217
- Executive Management Group, 272, 278
- external scrutiny, 292-300
- FaCSIA certified agreement, 3, 337
- FaCSIA Executive Management Group, 272, 278
- FaCSIA mature workers strategy, 287
- FaCSIA Online Funding Management System, 302, 303, 313
- FaCSIA regional network, 314
- FaCSIA seniors publications, 101, 113
- Families, Community Services and Indigenous Affairs, iii, 26, 328
 - collaborative partnerships, 313
 - Department, 26, 328
 - expenditure, advertising, 338-341
 - expenditure, direct mail, 338
 - expenditure, market research, 339
 - regional network, 314
 - Minister for, iii, 29, 292, 304, 324
 - portfolio structure, 29
- families, 8-9, 18-19, 154-197
 - of Bali victims, 10, 207, 215-216
- Family Assistance, 20, 159-160
- Family and Community Networks Initiative, 208, 217
- Family and Youth Support (National Illicit Drugs Strategy), 163-164, 167, 170-171
- family and work, 287-288
- family day care, 3, 9, 160, 179, 188, 189, 190, 193, 195-196
- Family Day Care Quality Assurance, 179, 188, 195
- Family Income Management Program, 202
- Family Law Act 1975*, 10
- Family Liaison Worker Program, 136
- Family Relationship Centres, 63, 158
- Family Relationship Services Program, 93, 156, 158, 160, 162, 164, 171, 172, 312
- Family Tax Benefit , 2, 57, 61, 112, 156, 159-160, 164, 172-174, 323
- Family Violence Partnership Program, 156, 157, 164, 174
- Family Violence Regional Activities Program, 156, 157, 165, 174
- Fares Allowance, 102, 114
- Federal Privacy Commissioner, 292-293
- fertility rates, 18
- Finance Committee, 273
- Financial Counselling , 101, 103, 113, 205, 211
- Financial Information Service (FIS), 113, 117
- financial management, 279
- Financial Management and Accountability Act 1997*, 295, 296
- Fixing Houses for Better Health projects, 56, 60, 68
- floods, SA and NSW, 202
- Footprints in Time: Longitudinal Study of Indigenous Children (LSIC), 5, 42, 43, 49, 147
- fraud and incorrect payment, 316-323
- fraud control, 281-282, 316-318
- freedom of information, 362-367
- Freedom of Information Act 1982*, 362
- full-time employment, 328

full-time staff, 328, 329
 gambling, 200, 212-213
 Gambling Research Australia, 11, 200, 209, 212, 213
 Getronics Australia, 302, 343
 Gibbons, Wayne, 31, 35, 276
 Global Reporting Initiative, 290
 governance, 275
 government appropriations, *see* appropriations, 41, 46, 50, 53, 64, 86, 104, 122, 130, 139, 148, 155, 168-169, 186, 191, 199, 210, 221-222, 250, 260
 Government Disability Strategy, 95, 122, 334-337
 grants, discretionary, 360-361
 Grantseeker Workshops, 90, 147
 Great Southern Rail, 102, 114
 Harm Prevention Charities Register, 281
 Harmer, Dr Jeff, 29, 31, 34, 276, 286
 Hayes, Professor Alan, 29
 Health and Ageing, Department of, 129, 227, 322
 Health Care Card, 101, 102, 112, 114, 313
 Healthy Indigenous Housing measure, 6, 54, 55-56, 60
 Home Ownership Incentive, 6, 55, 56
 homeless people, 5, 14
 - Supported Accommodation Assistance Program (SAAP), 2, 5, 54, 56, 62, 78-80, 312, 313
 Household, Income and Labour Dynamics in Australia survey (HILDA), 42, 49, 147
 Household Organisational Management Expenses (HOME) Advice, 54, 60, 72
 housing and accommodation
 - Indigenous, 15, 59-60, 71, 225
 - Rent Assistance, 57, 61, 75-78
 housing support, 52-82
 HRM Consulting, 343
 Hunter, Stephen, 32, 34, 276
 Human Rights and Equal Opportunity Commission, 243
 Human Services, Department of, 44,
 IContact Australia Pty Limited, 338
 identity fraud, 320
 Immigration, Multicultural and Indigenous Affairs, Department of, 22, 96, 158, 220, 272, 319
 IMPACT, 302
 Inclusion and Professional Support Program, 189
 Inclusion Support Subsidy, 157, 190
 incorrect payment and fraud, 322, 323
 iManage, 302
 Indigenous affairs, 220-269
 - community interventions, 241
 - litigation, 227, 232
 Indigenous Budget, 245, 247
 Indigenous Business Australia, 56
 Indigenous Children Program, 9, 168
 Indigenous Community Housing organisations, 55, 65, 66, 71
 Indigenous Community Housing and Infrastructure, 3
 Indigenous Coordination Centres, 12, 222, 228, 230, 231, 236, 238, 239, 240, 241, 244, 245, 246, 248, 250-251
 Indigenous housing and infrastructure, 6, 60
 - agreements, 54, 65
 Indigenous Housing Indicators Report, 66
 Indigenous Land Corporation, 22, 27, 29, 255, 262-269
 Indigenous land reform, 6
 Indigenous Land Use Agreement, 231-232

- Indigenous Parenting and Family, 165, 168, 175
Well-being
- Indigenous Policy Forum, 273-274
- Indigenous Program Integrity Committee, 246
- Indigenous people, 19, 52-83
 - ancestral remains, 13, 229, 232, 235-236, 254, 256, 258, 259
 - children, longitudinal study of, 5
 - community organisations, 65-68
 - financial management, 165, 176
 - home ownership, 15, 56, 225
 - housing, 15, 59-60, 225
 - land rights, 232, 257-258
 - public information program, 228-229
 - women, 232-233
 - staff, 247, 287-288
- Indigenous Senior Reference Group, 273-274
- Indigenous Women's Development Program, 12, 242, 247, 248
- Indigenous Women's Program, 228
- individual performance management system, 285-286
- Information and Communication Technology Change Advisory Board, 288
- Information Strategies and Technology Management, 302-303
- information technology, 302
 - data matching, 319, 322
 - identity fraud detection, 317, 320
- integrated capability development framework, 284-285
- Integrated Review System, 321
- Inter-governmental Summit on Violence and Child Abuse In Indigenous Communities, 11, 243, 246, 247
- internal audit, 273, 276-277
- international agreements, 111
- International Council for Local Environmental Initiatives, 290
- International Day for the Elimination of Violence against Women, 89, 147
- International Day of People with a Disability, 118, 120
- International Social Security Association, 40
- International Women's Day, 89
- interpreting services (Auslan), 120, 121
- Invest to Grow, 10, 167, 168
- investment advice for older people, 101, 103
- Jobs, Education and Training Child Care (JET), 9, 160, 161, 189, 194
- Jobs Placement, Employment and Training (JPET), 137
- Justice and Customs, Minister for, 243
- Kris, John, 29
- labour force, *see* employment,
- Large Family Supplement, 156
- lead state roles, 314
- leadership, 8, 88, 92, 144, 145, 147, 150, 165, 179, 204, 214, 215, 224, 225, 228, 230, 231, 242, 247, 283, 285
- legislation, 368-369
- Let's Start: Exploring Together for Indigenous Preschools, 10
- liabilities, 25
- life/work balance, *see* family and work
- Local Answers, 167, 179, 200, 205, 209, 214-215
- London bombings, 10, 202, 207
- long day care, 188, 189, 192, 195
- Long Day Care Incentive Scheme, 179, 194
- longitudinal studies, 5, 42, 43, 49, 147
- machinery of government changes, 304
- Maintaining Houses for Better Health, 67-68
- maintenance, housing, 60, 67, 68, 72

Management Advisory Committee, 288
 management and accountability, 271-291
 management of ethical standards, 273, 283
 market research, 339
 market testing, 339
Marriage Act 1961, 369
 Maternity Immunisation Allowance, 165, 175
 Maternity Payment, 2, 165, 175-176
 Mature Age Allowance, 101
 mature workers strategy, 287
 McPherson, Shirley, 29
 Media Monitors Australia, 343
 media advertising organizations, expenditure, 338-341
 Medicare, 101, 112, 182
 Melbourne Institute of Applied Economic and Social Research, 351
 Mensline, 353
 Mentor Marketplace, 89, 91, 136, 137, 140
 Mercer Communications, 343
 Migration Program, 158
 Minister, iii, 2
 Minister Assisting the Prime Minister for Indigenous Affairs, iii, 2, 29
 Minister Assisting the Prime Minister for Women's Issues, 2, 29, 89, 144, 304
 Minister for Family and Community Services and Indigenous Affairs, 2, 29, 223, 243, 281, 292, 304, 324
 Minister for Community Services, 2, 29, 304
 Ministerial and Parliamentary Services, 304-310
 ministerial correspondence, 304-307
 Ministerial Council on Gambling, 200, 204, 213
 Ministerial Taskforce on Child Support, 156, 184, 185
 Ministerial Taskforce on Indigenous Affairs, 222, 223, 224, 238, 239, 240, 251
 MoneyBusiness program, 165, 176
 More Help for Families, 369
 motor vehicles, FaCSIA, 290, 291
 National Aboriginal Health Strategy, 59
 National Aboriginies and Islanders Day Observance Committee (NAIDOC), 228-229, 234
 National Agenda for Early Childhood, 157, 163, 179
 National Auslan Booking Service, 120, 121
 National Capital Authority, 235
 National Childcare Accreditation Council, 195
 National Child Protection Clearinghouse, 163, 361
 National Community Business Partnerships Week, 208
 National Disability Advocacy Program, 122
 National Framework on Problem Gambling, 11, 200, 204, 206, 208
 National Framework of Principles for Delivery of Services to Indigenous Australians, 223
 National Health Survey 2001, 17
 National Homelessness Strategy, 54, 56, 61, 73
 National Housing Priorities, 61, 74
 National Housing Research, 61, 74-75
 National Illicit Drugs Strategy, 163-164, 167, 170-171
 National Indigenous Council, 222, 224
 National Indigenous Youth Leadership Group, 136
 National Indigenous Cadetship Program, 288
 National Information Centre on Retirement Investments, 101, 113

National Museum of Australia, 229, 235

National Reciprocal Transport Concessions for State Seniors Card Holders, 102, 114

National Research on Gambling, 206, 212

National Research Strategy to Help Prevent Problem Gambling, 201

National Secretariat Program, 314

National Women's Secretariats, 89, 144, 147

National Youth Roundtable, 136

National Youth Week, 136

Native Title Act 1993, 226, 227, 228, 254, 257-258

Native Title and Land Rights Program, 254

Native Title, legislation, 12, 223, 226, 228, 231-232, 233-234, 254, 255

Native Title Representative Bodies, 226, 228, 233-234, 254, 255, 258, 259

Newly Arrived Youth Support Service, 89, 136

New Family Law System, 10, 156, 158, 162

Newstart Allowance, 77

non-ongoing staff, 329

non-salary benefits, 333

Northern Land Council, 27, 29

occupancy of public housing stock, 69-70

occupational health and safety, 286-287
- incidents, 287

Office of the Aboriginal Land Commissioner, 256

Office for Women, 20

Office of Indigenous Policy Coordination, 4, 12, 22, 35, 220-269, 302, 334

Office of the Registrar of Aboriginal Corporations, 223, 257, 259

Ombudsman, 293

ongoing staff, 329

Online Funding Management System, 302, 303, 313

operating expenses, department, 22-25

Organisation for Economic Cooperation and Development, 40

organisation and structure, 34-35
- FaCSIA, 34-35
- Social Security Appeals Tribunal, 324-326

outcomes and outputs, 4-13, 36-38, 40-269

outside school hours care, 3, 9, 157, 160, 179, 188, 189, 190, 193, 194, 195-196

Outside School Hours Care Quality Improvement and Accreditation system, 179, 188, 195

overcrowding in public housing, 69

parliamentary committees, 307-310

Parliamentary Questions on Notice, 306-307

part-time staff, 328, 329

partnerships, 312-315

payments, correctness, 318

peak bodies, 314-315

Pension Bonus Scheme, 102, 114

Pensioner Concession Card, 101, 112

People Committee, 274

people recognition, 286

people trafficking, 94

performance management, 285-286

performance pay, 328, 332

personal information, privacy of, 292-293

petrol sniffing, 11, 224, 226, 231, 243, 247, 248, 251, 252

Pharmaceutical Benefits Scheme, 112

Phillips Fox, 343

playgroups, 157, 166, 167, 168, 177

portfolio, 29

Postal Concessions for the Blind, 20, 119

price of departmental outputs, 41, 46, 50, 53, 64, 86, 104, 122, 130, 139, 148, 155, 168-169, 186, 191, 199, 210, 221-222, 250, 260

Prime Minister and Cabinet, Department of, 238

Prime Minister's Awards for Excellence in Community Business Partnerships, 208

Prime Minister's Community Business Partnership, 200, 205, 208, 213-214

Print Disability Services, 119

privacy, 292-293

Privacy Act 1998, 292

Privacy Commissioner, 292-293

problem gambling, 11, 200, 212-213

profiling, 319

Program Design Committee, 274

project management, 278

prosecutions, 321

protective security, 279

public housing
- Commonwealth State Housing Agreement, 54, 60, 69, 72, 313

Public Service Act 1999, 328

publications, 101, 113

purchasing, 279

Quality Assurance System, 190

Questions on Notice, 304-307

Racial Discrimination Act 1975, 257

random sample surveys, 317-318

REACH program, 163, 167, 170

Reconciliation Place, Canberra, 229, 232, 235, 254, 258, 259

Reconnect program, 89, 136, 137, 140, 312

recycling, 291

Regional Partnership Agreements, 223, 229, 238, 240-241, 247, 252

regional networks, 314

Registrar of Aboriginal Corporations, 12, 28, 29, 231, 257, 272

reimbursement to Great Southern Rail, 102, 114

Remuneration Committee, 275

remuneration and pay, 275, 288, 331-333

Rent Assistance, 57, 61, 75-78, 323

Research and Evaluation Committee, 274

Responding Early Assisting Children (REACH) program, 163, 167, 170

retirement planning and investments, 101, 113, 205, 211

revenue, department, 22-25

reviews and evaluation, 319

Risk Assessment and Audit Committee, 272-273, 275, 278

risk management, 278

Rural and Remote Supplement, 88

school essay competition, 208, 214

scrutiny, 292-300

Secretary, 2-3, 4-38, 29, 31, 34, 275, 286

Security Action Plan, 279

Security, Quality Services and Choice for People with Disabilities, 334-337

Secretaries' Group on Indigenous Affairs, 222, 238-239, 245, 247, 252

Senate committee reports, 161

Senate Community Affairs References Committee, 42, 45

Senate inquiries, 147

Senior Executive Service, 288

Senior Management, 276

- Senior Management Group, 275
- seniors, 7, 15, 84-117
 - one off payment, 101, 114
- Seniors Card, 101, 102, 112, 114, 313
 - see Commonwealth Seniors Health Card
- Seniors Concession Allowance, 102, 114
- service charter, 283
- service delivery, 313
- Services for Families with Children program, 166, 177
 - playgroups, 157, 166, 167, 168, 177
 - Aboriginal and Islander Child Care, 9, 166, 168, 177
- Agencies Program
 - service providers, 312-313
- Shared Responsibility Agreements, 12, 223, 226, 229-230, 236-237, 238, 240, 245, 246, 248, 251
 - Implementation Assistance Program 226, 229-230
- Social Housing Subsidy Program, 61, 78
- social justice and equity, 287-288
 - Commonwealth Disability Strategy, 334-337
- Social Policy Research Centre, 147
- Social Policy Research Service Agreements, 48
- social security arrangements, 4
- Social Security Act 1991*, 320, 369
- Social Security (Administration) Act 1999*, 26, 324, 325
- Social Security Appeals Tribunal (SSAT), 26, 29, 303, 324-326, 328
 - appeal management and customer service, 325
 - financial management, 326
 - governance, 325
 - information management, 326
 - people management, 325
 - relationship management, 326
 - risk management, 326
 - service charter, 326
 - staff, 326, 328-333
 - state and territory offices, 324
 - structure and membership 324
- social support, 40-83
- sole-parent families, 162, 169, 173
- Sole-Parent Pension, 145
- special appropriations, 41, 46, 50, 53, 64, 86, 104, 122, 130, 139, 148, 155, 168-169, 186, 191, 199, 210, 221-222, 250, 260
- Special Benefit , 96, 97, 318
- special circumstances payments , 210
- Sports Leadership Grants program, 8, 90, 147
- Staff
 - Australian workplace agreements, 328, 332
 - classification, 328, 330-331
 - gender, 329
 - fulltime, 329
 - Indigenous, 247-248, 287-288
 - salary ranges, 288
 - performance pay, 328, 332
 - recognition, 286
 - non-salary benefits, 328, 333
 - certified agreement, 328
 - breaches of Code of Conduct, 283
 - child support, 333
 - workforce planning, turnover and retention 258, 285, 287, 288, 336
- Stronger Families and Communities Strategy, 10, 43, 156, 157, 163, 166-167, 178-179, 189, 194, 200, 205-206, 209, 214-215
- structure, see organisation and structure,
- Substance Abuse Intelligence Desk, 238
- Sugar Industry Reform Program, 205
- superannuation, 15, 90, 94, 103, 309
- support for carers, 7-8, 87, 89, 128-135
- support for child care, 195
- support for Indigenous people
 - Longitudinal Study of Indigenous Children, 5, 42, 43, 49, 147

support for people with a disability, 87, 88, 118-127
 support for the aged, 87, 88, 100-117
 Support for Victims of People Trafficking Program, 94, 146, 147, 151
 support for women, 144-153
 support for youth, 136-143
 Supported Accommodation Assistance Program (SAAP), 2, 54, 55, 56, 62, 78-80, 312, 313
 Telephone Allowance, 102, 115
 Tiwi Land Council, 27, 29
 Torres Strait Islanders, *see* Indigenous people,
 Torres Strait Regional Authority, 22, 27, 29
 trafficking in, people, 94, 146, 147, 151
 Transition to Independent Living Allowance, 89, 92, 136, 138, 141
 transport concessions, 102, 114
 triple bottom line reporting, 290-291
 tsunami, aftermath assistance, 207, 216-217
 United Group Services, 343
 Utilities Allowance, 102, 115
 Values, 283
 vehicles, FaCSIA, 290, 291
 Veterans' Affairs, 91, 93, 111, 322
 Victims of Trafficking Support program, 94, 146, 147, 151
 video conferencing, 303
 violence, 8, 90, 94, 144, 146, 147, 157, 164, 165, 174
 Violence Against Women. Australia Says NO, 8, 90, 94, 144, 146
 visually impaired people, 20, 119
 Volunteer Management Program, 205, 206, 208, 215
 Volunteer Resource Centres, 206, 208
 Volunteer Small Equipment Grants, 200, 205, 208, 209
 volunteers, 206, 208, 215
 wages, *see* remuneration and pay
 waste, 291
 Welfare to Work, 92, 93, 96, 160
 Widow Allowance , 101
 Widow B Pension, 145, 150
 Wife Pension , 145, 149
 women, 8, 17, 84, 88, 144-153
 - Indigenous, 232-233
 Women's Leadership and Development Program, 8, 92, 145, 147, 150-151
 Women's Safety Agenda, 8, 92, 144, 146, 147, 151-152
 work, *see* employment
 work and family, *see also* family and work, 287-288
 workforce planning, 258, 285, 287, 288, 366
 workplace agreements, 328, 332
 workplace diversity, 287, 288
 workplace safety, *see* occupational health and safety,
 Wreck Bay Aboriginal Community Council, 28, 29, 256, 261
 Yates, Bernie, 33, 35, 276
 young people, 17-18, 84, 87, 136-143
 - carers, 128-129
 - Indigenous, 19
 - unemployment, 18
 Young Carers 'at risk' Respite Program, 128
 Youth Activities Services, 138, 141-142
 Youth Allowance, 77, 164
 Youth Homelessness Early Intervention, *see* Reconnect program,
 YouthLinx, 89, 136, 138, 141-142
 Youth Mentoring Network, 89, 138