

DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

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DEPARTMENT OF EMPLOYMENT AND WORKPLACE RELATIONS

Section 1: Agency overview

The department's aims are to maximise the ability of working age Australians to participate actively in the workforce and improve the productive performance of enterprises in Australia.

To do this, the department provides the Government with high quality advice and services to achieve three outcomes:

- efficient and effective labour market assistance;
- higher productivity, higher pay workplaces; and
- increased workforce participation.

These outcomes:

- are integrally linked to the achievement of broader government economic performance, employment and social goals;
- contribute substantially to other government policy measures directed towards sustaining a fundamentally sound economy that is better able to adjust to external shocks and designed to increase "Welfare to Work" incentives;
- are based on the knowledge that there is a direct link between the quality of workplace relations and employment;
- have an impact on communities, organisations, businesses and individuals in metropolitan, regional and remote areas;
- incorporate equity considerations in policy development and through the way the department's programmes and services are implemented;
- reflect the mutual benefits of providing businesses, employers, employees and job seekers with access to electronic services delivered through the Internet, telephone and touch screen kiosks; and
- recognise the requirements for further reform to create competitive workplaces.

In delivering its services to clients, the department works cooperatively with many stakeholders including:

- contracted service providers;
- industry bodies;
- interest groups; and
- other government agencies.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1		
Efficient and effective labour market assistance	The department <ul style="list-style-type: none"> • manages working age income support, and • manages and delivers labour market programmes 	Output Group 1.1 Working age payments
		Output Group 1.2 Labour market programme management and delivery
Outcome 2		
Higher productivity, higher pay workplaces	The department <ul style="list-style-type: none"> • provides policy advice and legislation development services to government, and • supports employers and employees in adopting fair and flexible workplace relations practices 	Output Group 2.1 Workplace relations policy and analysis
		Output Group 2.2 Workplace relations implementation
Outcome 3		
Increased workforce participation	The department <ul style="list-style-type: none"> • undertakes labour market research and analysis • advises and formulates policy and strategies on workforce participation issues • manages implementation of new policy initiatives to increase workforce participation 	Output Group 3.1 Working age policy
		Output Group 3.2 Labour market strategies

Section 2: Agency resources for 2006-07

2.1 Appropriations and other resources

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how resources will be applied by outcome, administered and departmental classification.

The total appropriation for the department in the 2006-07 Budget is \$26.8 billion.

Table 2.1: Appropriations and other resources 2006-07 ('000)

Agency/Outcome/ Non-operating	Departmental			Administered				Total		
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Receipts (a) \$'000	Appropriation Bill No. 1 \$'000	SPPs \$'000	Other (b) \$'000		Special Receipts (a) \$'000	
Outcome 1	1,310,290			8,979	2,304,424	-	-	22,227,360	4,100	25,855,153
Outcome 2	163,980			12,642	101,462	-	-	48,300	48,300	374,684
Outcome 3	82,552			1,712	574,425	-	-	-	-	658,689
Equity injections		17,605		-	-	-	-	-	-	17,605
Loans				-	-	-	-	-	-	-
Previous years' outputs				-	-	-	-	-	-	-
Administered assets and liabilities				-	-	-	-	-	-	-
Special capital				-	-	-	-	-	-	-
Appropriation				-	-	-	-	-	-	-
TOTAL	1,556,822	17,605	-	23,333	2,980,311	-	-	22,275,660	52,400	26,906,131

(a) Departmental and administered receipts from other sources (that is, other than appropriation amounts).

(b) Includes new administered expenses and administered assets and liabilities.

Notes:

- Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
- Refer to Budgeted Income Statement for application of agency revenue.

2.2 2006-07 Budget measures

Budget measures relating to the Department of Employment and Workplace Relations as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and output groups associated with each measure.

Table 2.2.1 DEWR Budget Measures ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Outcome 1														
ABSTUDY and Pensioner Education Supplement - revision of rules for Vocational Education and Training certificate courses	1	1.1	-	-	-	4,480	-	4,480	4,637	-	4,637	4,783	-	4,783
Australian Defence Force - reclassification of service in Rwanda	1	1.1	(803)	-	(803)	(874)	-	(874)	(955)	-	(955)	(1,109)	-	(1,109)
Child Support Reforms – a new formula	1	1.1	2,110	340	2,450	2,168	228	2,396	2,216	231	2,447	2,271	233	2,504
Domestic violence - Crisis Payments to victims who remain in the home	1	1.1	85	-	85	193	-	193	210	-	210	229	-	229
Fraud and Compliance - address risks in payments to income recipients who reside abroad	1	1.1	(1,112)	632	(480)	(2,153)	690	(1,463)	(2,303)	719	(1,584)	(2,388)	718	(1,670)
Fraud and Compliance - addressing undeclared unearned income	1	1.1	(122)	660	538	(1,072)	638	(434)	(216)	-	(216)	-	-	-

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Fraud and Compliance - enhanced focus on serious social security fraud	1	1.1	(9,067)	15,517	6,450	(37,621)	17,710	(19,911)	(41,526)	17,954	(23,572)	(43,459)	19,039	(24,420)
Fraud and Compliance - expand random sample surveys for working age payments	1	1.1	(6,656)	9,565	2,909	(10,141)	7,732	(2,409)	(9,939)	7,853	(2,086)	(10,199)	8,179	(2,020)
Fraud and Compliance - improving processes for updating benefit recipient information	1	1.1	-	(4,475)	(4,475)	-	(4,512)	(4,512)	-	(4,560)	(4,560)	-	(4,607)	(4,607)
Fraud and Compliance - legal action on serious fraud	1	1.1	(60)	-	(60)	(152)	-	(152)	(156)	-	(156)	(159)	-	(159)
Fraud and Compliance - maintain funding for joint compliance activity	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Fraud and Compliance - pilot programme addressing undeclared business income and assets	1	1.1	(80)	575	495	(728)	520	(208)	(145)	-	(145)	-	-	-
Principal carers - assistance	1	1.1	-	-	-	627	-	627	607	-	607	583	-	583
Social Security Appeals Tribunal (SSAT) recruitment	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Utilities Allowance - extension and one-off payment to allowees with long term barriers to employment	1	1.1	7,493	0	7,493	7,137	0	7,137	6,526	0	6,526	6,420	0	6,420
Welfare to Work - Employment Entry Payment	1	1.1	174	203	377	190	143	333	191	146	337	189	146	335
Welfare to Work - extend Pharmaceutical Allowance to Parenting Payment Partnered recipients with a temporary incapacity	1	1.1	857	-	857	897	-	897	843	-	843	808	-	808
Welfare to Work – financial case management for income support recipients	1	1.1	-	3,810	3,810	-	4,082	4,082	-	4,156	4,156	-	4,156	4,156
Welfare to Work - Newstart and Youth Allowance rates for bereaved single parents	1	1.1	4	-	4	4	-	4	4	-	4	4	-	4
COAG Mental Health - helping people with a mental illness enter and remain in employment	1	1.2	5,793	184	5,977	7,782	109	7,891	8,731	79	8,810	6,929	51	6,980
Cyclone Larry – wage assistance programme ²	1	1.2	37,092	312	37,404	-	-	-	-	-	-	-	-	-

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Employer roundtable for people with disabilities - response to recommendations	1	1.2	686	-	686	1,827	-	1,827	1,965	-	1,965	2,323	-	2,323
Employment services - access for Age Pensioners	1	1.2	-	413	413	3,439	67	3,506	3,439	68	3,507	3,439	68	3,507
Job Network - eligibility for adult prisoners	1	1.2	365	-	365	-	-	-	-	-	-	-	-	-
Strengthening Indigenous Communities - changes to employment services	1	1.2	32,773	-	32,773	32,203	-	32,203	30,496	-	30,496	31,021	-	31,021
Strengthening Indigenous Communities - enhanced opportunities for employment and participation in remote communities	1	1.2	1,816	700	2,516	2,973	400	3,373	3,487	400	3,887	3,793	400	4,193
Unpaid work experience - job opportunities for highly disadvantaged job seekers	1	1.2	191	57	248	300	6	306	300	7	307	300	7	307
Vocational Rehabilitation and Disability Open Employment Services - maintain funding	1	1.2	-	-	-	-	-	-	-	-	-	-	-	-

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)		2007-08 (\$'000)		2008-09 (\$'000)		2009-10 (\$'000)	
			Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
Voluntary work initiative - maintain funding	1	1.2	-	-	-	-	-	-	-	-
Centrelink - call centre supplementation	1	1.1 & 1.2	-	15,756	-	12,614	-	-	-	-
Migration Programme - 3,000 additional family stream places for 2005-06	1	1.1 & 1.2	109	-	9	-	9,105	451	7,900	392
Migration Programme - 4,000 place increase in the family stream for 2006-07	1	1.1 & 1.2	145	-	158	-	6,421	300	17,078	826
Strengthening Indigenous Communities - Remote Area Servicing - continue and expand funding	1	1.1 & 1.2	-	2,079	-	1,379	-	1,364	-	1,379
Total Outcome 1			71,793	46,328	11,646	41,806	23,938	29,168	30,756	30,987
				118,121		53,452		53,106		61,743

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Outcome 2														
COAG Skills - A new national approach to apprenticeships, training and skills recognition	2	2.2	-	891	891	-	996	996	-	877	877	-	894	894
Business incorporation fee - reduction	2	2.2	-	-	-	-	-	-	-	-	-	-	-	-
Independent contractors - communications and compliance ³	2	2.2	-	4,001	4,001	-	1,458	1,458	0	1,373	1,373	-	2,019	2,019
Total Outcome 2			-	4,892	4,892	-	2,454	2,454	-	2,250	2,250	-	2,913	2,913

Table 2.2.1 DEWR Budget Measures (cont) ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)			2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Outcome 3														
COAG Mental Health - helping people with a mental illness enter and remain in employment	3	3.1	-	767	767	-	502	502	-	540	540	-	354	354
COAG Skills - A new national approach to apprenticeships, training and skills recognition	3	3.2	-	1,275	1,275	-	1,303	1,303	-	1,332	1,332	-	1,361	1,361
Strengthening Indigenous Communities - changes to employment services	3	3.2	(32,773)	-	(32,773)	(32,203)	-	(32,203)	(30,496)	-	(30,496)	(31,021)	-	(31,021)
Strengthening Indigenous Communities - enhanced opportunities for employment and participation in remote communities	3	3.2	-	1,177	1,177	-	1,203	1,203	-	941	941	-	667	667
Total Outcome 3			(32,773)	3,219	(29,554)	(32,203)	3,008	(29,195)	(30,496)	2,813	(27,683)	(31,021)	2,382	(28,639)
Total Expense Measures			39,020	54,439	93,459	(20,557)	47,268	26,711	(6,558)	34,231	27,673	(265)	36,282	36,017

Note 1: Further details of the Measures listed are published in Budget Paper No.2

Note 2: Funding provided for this measure in 2005-06 is detailed in the 2005-06 Employment and Workplace Relations Portfolio Supplementary Additional Estimates Statements

Note 3: The funding for this Measure reported in Budget Paper No. 2, incorporates resourcing for the Department of Employment and Workplace Relations (as provided in this table) and resourcing for the Office of Workplace Services (as provided in Table 2.2 page 271)

Table 2.2.2 Capital Measures ¹

Measure	Outcome	Output groups affected	2006-07 (\$'000)		2007-08 (\$'000)		2008-09 (\$'000)		2009-10 (\$'000)	
			Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
Capital Measures										
COAG Mental Health – helping people with a mental illness enter and remain in employment	1	1.2	-	212	-	-	-	-	-	-
COAG Skills - A new national approach to apprenticeships, training and skills recognition	3	3.2	-	400	-	-	-	-	-	-
Total Capital Measures			-	612	-	-	-	-	-	-

Note 1: Further details of the Measures listed are published in Budget Paper No.2

2.3 Other resources available to be used

Table 2.3 provides details of resources obtained by the Department of Employment and Workplace Relations for provision of goods or services. Departmental resources are approved for use by the Department of Employment and Workplace Relations and are included in Table 2.1.

Table 2.3: Other resources available to be used

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental resources		
Outcome 1		
Sales of goods and services receipted in accordance with section 31 of the <i>Financial Management and Accountability Act 1997</i>	8,646	8,979
Resources received free of charge	543	543
Outcome 2		
Sales of goods and services receipted in accordance with section 31 of the <i>Financial Management and Accountability Act 1997</i>	13,011	12,642
Resources received free of charge	251	251
Outcome 3		
Sales of goods and services receipted in accordance with section 31 of the <i>Financial Management and Accountability Act 1997</i>	1,798	1,712
Resources received free of charge	126	126
Total departmental other resources available to be used	24,375	24,253
Administered other resources		
Outcome 1		
Other	4,100	4,100
Outcome 2		
<i>Coal Mining Industry (Long Service Leave) Payroll Levy Collections Act 1992</i>	75,342	48,300
Recoveries from Ansett Administrators	45,000	-
Other Trust Monies - <i>Financial Management and Accountability Act 1997 s20</i>	30	-
Total administered other resources available to be used	124,472	52,400

2.4 Movement of administered funds from 2005-06 to 2006-07

There are no movement of administered funds from 2005-06 to 2006-07.

2.5 Special appropriations

Table 2.5 outlines the estimated expenses from the department's special appropriations. Special appropriations represent 83 per cent of the department's total expenses. Special appropriations are also included in the "Total resources for outcome" tables (see Table 3.1 for each outcome).

Table 2.5: Estimates of expenses from special appropriations

		Estimated expenses 2005-06 \$'000	Budget estimate 2006-07 \$'000
	Outcome	Note	
Estimated expenses			
<i>Social Security (Administration) Act 1999</i>			
Disability Support Pension	1	8,286,602	8,705,066
Mature Age Allowance	1	162,180	92,815
Mobility Allowance	1	97,165	145,688
Newstart Allowance	1	4,531,465	5,353,553
Parenting Payment (Partnered)	1	1,226,103	1,293,544
Parenting Payment (Single)	1	4,827,931	4,880,132
Partner Allowance (Benefit)	1	161,943	125,366
Partner Allowance (Pension)	1	434,626	373,877
Pensioner Education Supplement	1	80,212	75,908
Sickness Allowance	1	85,043	85,076
Utilities Allowance	1	7,997	7,493
Widow Allowance	1	494,808	506,809
Youth Allowance (other)	1	530,388	582,033
<i>Coal Mining Industry (Long Service Leave Funding) Act 1992</i>			
	2	75,342	48,300
<i>Air Passenger Ticket Levy (Collection) Act 2001</i>			
	2	5,919	-
Total estimate expenses		21,007,724	22,275,660

2.6 Special accounts

Special accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister’s Determination under the *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (credits) and reductions (debits) for each account used by the Department of Employment and Workplace Relations.

Table 2.6: Estimates of special account flows and balances

	Opening balance 2006-07 <i>2005-06</i> \$'000	Credits 2006-07 <i>2005-06</i> \$'000	Debits 2006-07 <i>2005-06</i> \$'000	Adjustments 2006-07 <i>2005-06</i> \$'000	Closing balance 2006-07 <i>2005-06</i> \$'000
Other Trust Monies - <i>Financial Management and Accountability Act 1997 s.20</i> A	201	-	-	-	201
	224	30	53	-	201
Services for other Governments and Non-Agency Bodies Account	-	-	-	-	-
Total special accounts					
2006-07 Budget estimate	201	-	-	-	201
Total special accounts 2005-06 estimate actual	224	30	53	-	201

A= Administered

2.7 Administered capital and departmental equity injections and loans

The department will receive a total of \$17.605 million in departmental equity injections in 2006-07. These capital injections will provide funding for the following budget measures:

- \$0.212 million for COAG Mental Health - helping people with mental illness enter and remain in employment;
- \$0.400 million for COAG Skills - a new national approach to apprenticeships, training and skills recognition; and
- \$16.993 million for previous year's measures relating to Welfare to Work and WorkChoices measures.

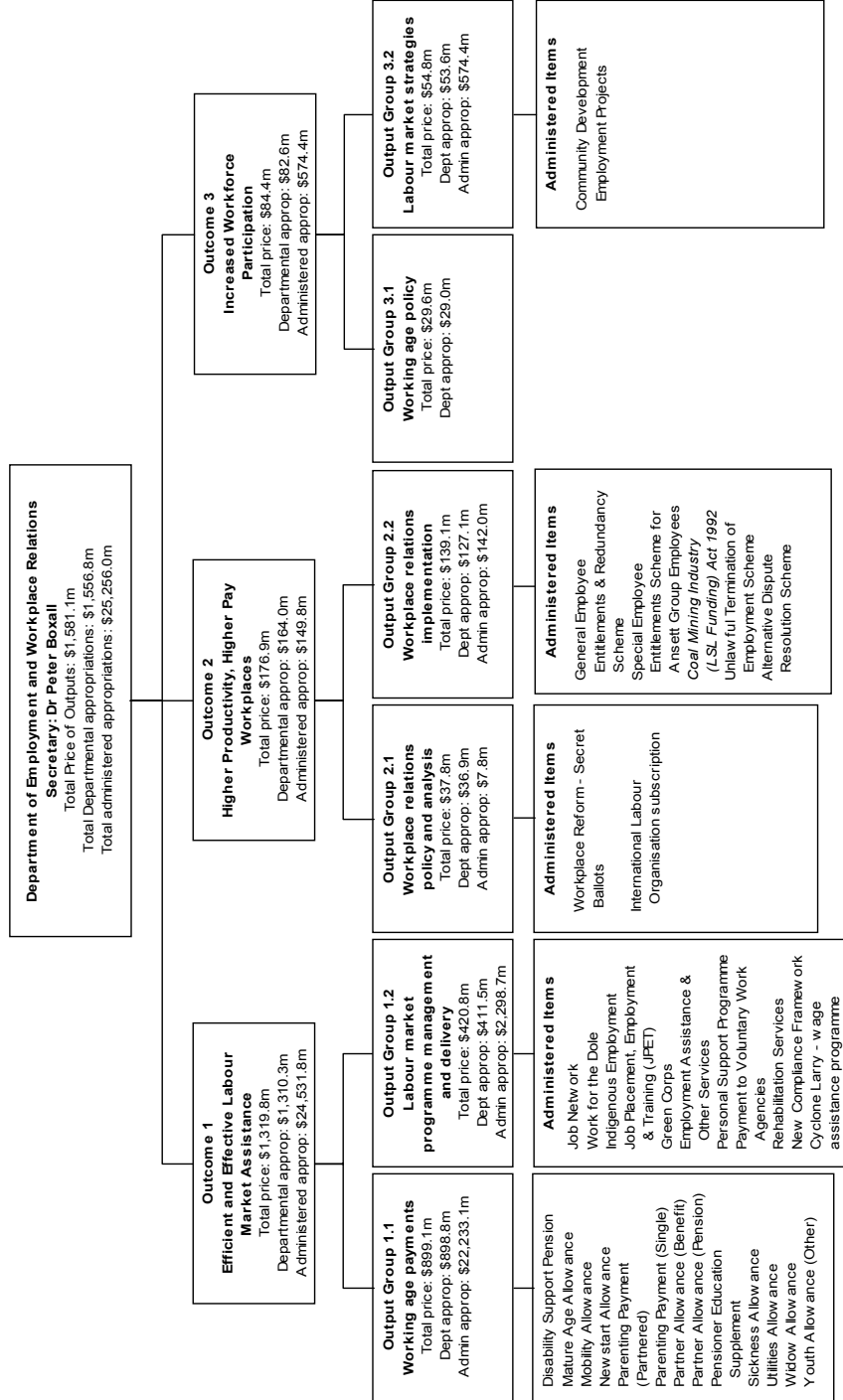
Section 3: Agency Outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. General government sector agencies produce outputs (departmental items) and also administer activities and programmes on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the three outcomes of the Department of Employment and Workplace Relations.

3.1 Summary of outcomes, and contribution to outcomes

The relationship between activities of the Department of Employment and Workplace Relations and the outcomes is summarised in Figure 4.

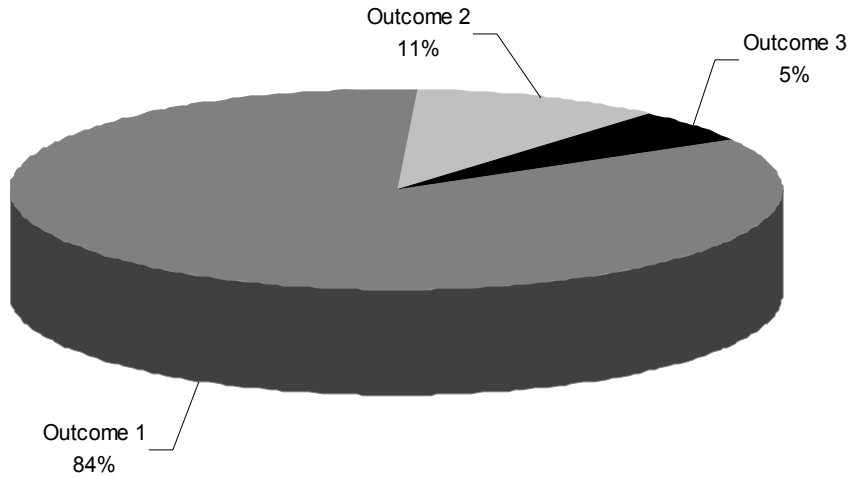
Figure 4: Contributions to outcomes



3.2 Outcomes — departmental and administered

Departmental appropriations by outcome

Figure 5: Departmental appropriations by outcome, 2006-07

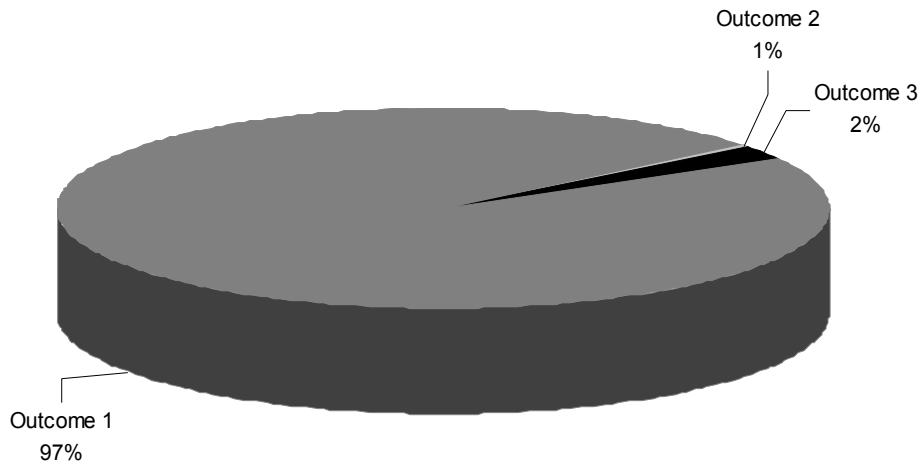


Of the estimated \$1,556.8 million in departmental appropriations for 2006-07, 84 per cent relates to outcome 1. Of this amount, it is estimated that \$1,000.9 million will be paid to Centrelink for service delivery provided under the department's purchaser-provider arrangements with Centrelink which are outlined in Section 4.

The remainder of the departmental appropriation, \$555.9 million, funds the running of the department's functions and activities.

Administered appropriations by outcome

Figure 6: Administered appropriations by outcome, 2006-07



Of the estimated \$25.3 billion in administered appropriations for 2006-07, 97 per cent relates to outcome 1. Of this amount, it is estimated that \$22.2 billion represents income support payments for working age beneficiaries.

3.3 Outcomes and performance

3.3.1: Outcomes resourcing – Outcome 1

Outcome 1 description

Efficient and effective labour market assistance

The department contributes to the achievement of this outcome through:

- administration of working age income support payments; and
- labour market programme management and delivery.

The department assists people to participate actively in the workforce in order to reduce the social and economic marginalisation that results from reliance on income support. Through its “Welfare to Work” policy and new arrangements, the Government continues to reform the support system to assist those who are able to move into employment.

The Active Participation Model (APM) continues to be the major overarching strategy to assist people into work. The department, through outcome 1, is responsible for managing the delivery of the APM and implementing enhancements.

The Active Participation Model comprises the following key elements:

- Job Placement Services - to secure vacancies and place unemployed people, particularly long term unemployed in those vacancies.
- Job Network Services - comprising:
 - Job Search Support, providing a personalised service for eligible job seekers; and
 - Intensive Support, providing additional, individually tailored assistance of graduated intensity to eligible job seekers based on their duration of unemployment or high risk of becoming long term unemployed.
- Complementary Employment and Training Programmes - improving linkages to programmes run by the department or by other Australian Government departments and State/Territory agencies.
- Disability Employment Assistance - targeted at job seekers with disabilities that are permanent, or likely to be permanent, and need ongoing support to gain and maintain employment.

Because of the inherent and necessary connection between policy development and programme delivery, outcome 1 is intrinsically related to outcome 3, Increased Workforce Participation.

Key priorities for outcome 1 for 2006-07 are:

- Implement "Welfare to Work" reform through various outcome 1 programmes, taking the initiative in relation to placement of people in jobs.
- Ensure that the suite of outcome 1 programmes provides an integrated service to relevant participants and improves employment outcomes, particularly for people with disabilities, parents and Indigenous Australians.
- To support the new "Welfare to Work" policy:
 - manage Employment Service contracts that comprise the elements of the Active Participation Model; and
 - develop related departmental systems.
- Effectively manage working age payments.
- Improve labour market effectiveness through demand-led strategies.

Outcome 1 resourcing

Table 3.1.1 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

Table 3.1.1 Total resources for outcome 1 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Job Network	1,250,000	1,405,921
Work for the Dole	171,439	217,618
Transition to Work	11,223	-
Indigenous Employment	77,716	76,785
Job Placement, Employment and Training	19,642	20,338
Green Corps	25,325	24,912
Employment Assistance and Other Services	229,210	254,692
Personal Support Programme	62,149	84,565
Payment to Voluntary Work Agencies	2,915	3,913
Rehabilitation Services	125,739	172,852
Disability Support Pension	8,286,602	8,705,066
Mature Age Allowance	162,180	92,815
Newstart Allowance	4,531,465	5,353,553
Parenting Payment (Single)	4,827,931	4,880,132
Parenting Payment (Partnered)	1,226,103	1,293,544
Sickness Allowance	85,043	85,076
Youth Allowance (Other)	530,388	582,033
Mobility Allowance	97,165	145,688
Partner Allowance (Pension)	434,626	373,877
Partner Allowance (Benefit)	161,943	125,366
Utilities Allowance	7,997	7,493
Widow Allowance	494,808	506,809
Pensioner Education Supplementation	80,212	75,908
New Compliance Framework	-	5,736
Cyclone Larry - wage assistance	86,549	37,092
Total administered appropriations	22,988,370	24,531,784

Table 3.1.1 Total resources for outcome 1 (\$'000) (cont)

Departmental appropriations		
Output Group 1.1 - Working age payments		
Output 1.1.1 - Working age payments and compliance	813,323	898,756
Subtotal Output Group 1.1	813,323	898,756
Departmental appropriations		
Output Group 1.2 - Labour market programme management and delivery		
Output 1.2.1 - Information, referral and support services	253,445	242,066
Output 1.2.2 - Employment services	105,824	107,247
Output 1.2.3 - Indigenous employment programmes	30,129	29,188
Output 1.2.4 - Mutual obligation initiatives	28,444	28,688
Output 1.2.5 - Employment preparation services	4,047	4,345
Subtotal Output Group 1.2	421,889	411,534
Total revenue from government (appropriations)		
Contributing to price of departmental outputs	1,235,212	1,310,290
Other resources available to be used		
Sales of goods and services	8,646	8,979
Resources received free of charge	543	543
Total revenue from other sources	9,189	9,522
Total resources		
(Total revenue from government and from other sources)	1,244,401	1,319,812
Total estimated resourcing for Outcome 1		
(Total price of outputs and administered appropriations)	24,232,771	25,851,596
	2005-06	2006-07
Average staffing level (number)	1,975	2,005

Performance information for outcome 1

Contribution of outputs

Working Age Payments and Labour market programme management and delivery are the departmental output groups contributing to outcome 1. The main contributors among the administered items are working age income support payments, employment services (general employment, disability open employment and rehabilitation services), Work for the Dole, and the Indigenous Employment Programme.

Working Age Payments – output group 1.1

Output 1.1 contributes to achieving efficient and effective labour market assistance by providing financial assistance for people who are unemployed, looking for work or undertaking employment preparation programmes, have parenting responsibilities, or have a disability.

The administered items under this output include Newstart Allowance, Parenting Payment, Disability Support Pension, Sickness Allowance, Mobility Allowance, Youth Allowance (Other), Mature Age Allowance, Partner Allowance, Widow Allowance and the Pensioner Education Supplement.

The Working Age Payments output contributes to the outcome by:

- providing information and advice to Ministers and other key stakeholders on programme issues;
- monitoring and analysing payment trends;
- monitoring and analysing payment correctness and payment compliance; and
- overseeing the effective delivery of the payments by Centrelink.

Labour market programme management and delivery - output group 1.2

Output 1.2 contributes to achieving efficient and effective labour market assistance by providing an integrated suite of programmes to assist people into work or to provide assistance to prepare them for employment.

Labour market programme management and delivery output group contributes to the outcome through the following outputs:

- information, referral and support services including the Centrelink Gateway services and online employment information services;
- management of employment services including Job Network, the New Enterprise Incentive Scheme and Harvest Labour Services;
- management of Indigenous Employment Programmes;
- management of disability employment services including Disability Open Employment Services, Vocational Rehabilitation and Employer Incentive Strategy;
- management of employment preparation services: the Personal Support Programme and the Job Placement, Employment and Training (JPET) programme; and
- management and support of Mutual Obligation initiatives including Work for the Dole.

Table 3.2.1 on page 48 lists the performance information the department will use to assess the level of its contribution to the achievement of outcome 1 during 2006-07. The table shows the efficiency of the outputs in contributing to outcome 1. Information shown is both quantitative and qualitative. Targets or benchmarks for effectiveness in the use of administered expenses have been included where they are applicable and appropriate for performance information for outcome 1.

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Achievement against planned performance will be reported in the department's 2006-07 annual report.

Table 3.2.1: Performance information for Outcome 1

Performance indicators for administered items including third party outputs	
Impacts	Performance indicators
Maximise ability of unemployed Australians to find work	The average duration of unemployment relative to labour market performance Comparative labour market experience <ul style="list-style-type: none"> • Long term unemployed • Indigenous Australians • Mature aged • People of culturally and linguistically diverse backgrounds • Sole parents • People with a disability • Young people
Performance indicators for individual outputs	
Output group 1.1: Working age payments	
Output 1.1.1	Quality
Working age payments and compliance	<ul style="list-style-type: none"> • Level of satisfaction of Ministers with provision of advice Target: Very good or above • Centrelink deliver services to the standards agreed with DEWR in the Business Partnership Agreement (BPA) Target: Agreed standards are met
	Quantity
	<ul style="list-style-type: none"> • Accuracy of working age payments Target: 95% • Average (mean) duration on income support by current income support payment (weeks) Target: <ul style="list-style-type: none"> - Newstart Allowance (NSA) 174 - Disability Support Pension (DSP) 519 - Youth Allowance (Other) (YA(O)) 80 - Parenting Payment Single (PPS) 295 • Percentage of time on income support in the last 12 months that customer declares earnings Target: <ul style="list-style-type: none"> - Disability Support Pension (DSP) 15% - Parenting Payment Single (PPS) 45% - Parenting Payment Partnered (PPP) 25% • Percentage of income support recipients who exit income support within 3 months of grant Target: <ul style="list-style-type: none"> - New Start Allowance (NSA) 30% - Youth Allowance (Other) (YA(O)) 40%

Table 3.2.1: Performance information for Outcome 1 (cont)

	<ul style="list-style-type: none"> Percentage of income support recipients who exit income support within 12 months of grant 	
	Target:	
	- Newstart Allowance (NSA)	75%
	- Youth Allowance (Other) (YA(O))	60%
	<ul style="list-style-type: none"> Proportion of working age income support population (ie 15-64 yrs) who are activity tested 	
	Target: No Target	
	Price: \$899.073m	
Output group 1.2 Labour market programme management and delivery		
Output 1.2.1		
Information, referral and support services	Quality	
	<ul style="list-style-type: none"> Level of satisfaction of Ministers with provision of advice 	
	Target: Very good or above	
	<ul style="list-style-type: none"> Level of satisfaction of service providers with contracted information and support services 	
	Target: 80% satisfied	
	<ul style="list-style-type: none"> Centrelink deliver services to the standards agreed with DEWR in the BPA 	
	Target: Agreed standards are met	
	Quantity	
	<ul style="list-style-type: none"> Employment IT applications services cost 	
	Benchmark: \$1150 per function point	
	Number of referrals	
	Target:	
	- Personal Support Programme (PSP)	45,000
	<ul style="list-style-type: none"> Ratio of commencements to referrals for funded programmes 	
	Target:	
	- Personal Support Programme (PSP)	75%
	Employment IT applications system availability	
	Target:	99.5%
	Price: \$245.862m	

Agency outcomes – DEWR

Table 3.2.1: Performance information for Outcome 1 (cont)

Output 1.2.2	Quality	
Employment Services	<ul style="list-style-type: none"> Level of satisfaction of Ministers with provision of advice 	
	Target: Very good or above	
	<ul style="list-style-type: none"> Number of DOES achieving Quality Assurance certification 	
	Target:	100%
	The proportion of DOES jobseekers who received assistance during 2006-07 that achieve a sustainable employment outcome (8 hours of work per week for 26 weeks) in:	
	- The capped stream	34%
	- The uncapped stream	No Target
	Quantity	
	<ul style="list-style-type: none"> Proportion of job seekers in employment 3 months following participation in Employment Services 	
	Target:	
	- Job Placement	70%
	- Intensive Support	54%
	- New Enterprise Incentive Scheme	80%
	Quantity	
	<ul style="list-style-type: none"> Proportion of job seekers in education/training 3 months following participation in Employment Services 	
	Target:	
	- Job Placement	10%
	- Intensive Support	10%
	- New Enterprise Incentive Scheme	10%
	<ul style="list-style-type: none"> Proportion of job seekers off benefit 3 and 12 months following participation in Employment Services 	
	Target:	
	3 months	
	- Intensive Support	48%
	- New Enterprise Incentive Scheme	80%
	12 months	
	- Intensive Support	55%
	- New Enterprise Incentive Scheme	80%

Table 3.2.1: Performance information for Outcome 1 (cont)

Output 1.2.2 Employment Services (cont)	<ul style="list-style-type: none"> • Proportion of job seekers referred to uncapped Vocational Rehabilitation Services who commence 85% • Proportion of job seekers referred to capped Vocational Rehabilitation Services who commence 70% • Proportion of job seekers in Vocational Rehabilitation Services in jobs that go on to achieve a 13 week employment outcome 70% • Proportion of job seekers exiting Vocational Rehabilitation Services who achieve a 13 week employment outcome 37% • Proportion of job seekers off benefit 3 months following participation in Employment Services by disadvantaged group Target: Maintain off benefit outcomes (as compared to 2005-06) across all disadvantaged groups • Total Job Placements achieved Target: 550,000 • Utilisation of programme capacity Target: (commencements) <ul style="list-style-type: none"> - New Enterprise Incentive Scheme 6,800 - Employment Preparation 5,000 - Wage Assist 3,000 - Other Disability Employment Assistance and services - Employer Incentives Strategy of Wage Subsidy Scheme (WSS), Supported Wage System (SWS), Workplace Modifications (WM) (instances) 8,500 - National Disability Recruitment Coordinator (NDRC) 950 • Cost per employment outcome 3 months following participation in Job Network Employment Services (Job Placement and Intensive Support) Target: \$3,800
	Price: \$110.727m

Table 3.2.1: Performance information for Outcome 1 (cont)

Output 1.2.3	
Indigenous Employment programmes	<p>Quantity</p> <ul style="list-style-type: none"> • Proportion of job seekers in employment and/or education/training (positive outcomes) 3 months following participation in Indigenous Employment programmes <p>Target: 68%</p> <ul style="list-style-type: none"> • Utilisation of programme capacity <p>Target: 8,500</p> <p>- Indigenous Employment programmes</p>
Price: \$30.202m	
Output 1.2.4	
Mutual Obligation initiatives	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of Ministers with provision of advice <p>Target: Very good or above</p> <ul style="list-style-type: none"> • Level of satisfaction of participants with Work for the Dole Programme <p>Target: 80%</p> <ul style="list-style-type: none"> • Level of satisfaction of participants with Green Corps Programme <p>Target: 80%</p> <p>Quantity</p> <ul style="list-style-type: none"> • Utilisation of programme capacity <p>Target:</p> <ul style="list-style-type: none"> - Work for the Dole 55,000 - Voluntary Work 9,000 - Green Corps 1,392 <ul style="list-style-type: none"> • Percentage of Work for the Dole activities that address one or more skill in demand <p>Target: 75%</p> <p>Price: \$29.453m</p>

Table 3.2.1: Performance information for Outcome 1 (cont)

<p>Output 1.2.5 Employment preparation services</p>	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of Ministers with provision of advice <p>Target: Very good or above</p> <p>Quantity</p> <ul style="list-style-type: none"> • Percentage of Personal Support Programme (PSP) participants exiting PSP who are in employment for 13 weeks duration, education/training, referred to DOES and/or referred to JNS (ISca) (positive outcomes) or social outcomes, within the last 12 months <p>Target:</p> <ul style="list-style-type: none"> - positive outcomes 25% - social outcomes 40% <ul style="list-style-type: none"> • Effective strategies to stabilise circumstances, identify and overcome barriers and achieve outcomes for JPET participants <p>Target:</p> <ul style="list-style-type: none"> - Proportion of JPET participants who achieve social outcomes - Proportion of JPET participants who achieve economic outcomes <ul style="list-style-type: none"> • Efficient engagement of the target group <p>Target:</p> <ul style="list-style-type: none"> -Number of actual commencements in JPET <ul style="list-style-type: none"> • Delivery of high quality JPET services <p>Target:</p> <ul style="list-style-type: none"> - Number and type of complaints and how they are dealt with by the JPET provider <ul style="list-style-type: none"> • Utilisation of programme places <p>Target:</p> <ul style="list-style-type: none"> - Personal Support Programme 50,000 <p>Price: \$4.494m</p>
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3.3.2 Outcomes resourcing – Outcome 2

Outcome 2 description

Higher productivity, higher pay workplaces

Outcome 2 activities are directed towards encouraging employers and employees to adopt flexible and modern workplace relations practices. This enables workplaces to be productive and competitive and to offer employees secure jobs that are well paid.

Agreement making is at the centre of the workplace relations system. The system is underpinned by a fair safety net and compliance with workplace relations obligations. The department actively contributes to outcome 2 by:

- providing policy advice and legislation development services to government; and
- supporting employers and employees in adopting fair and flexible workplace relations practices.

Key priorities for 2006-07

Key priorities for outcome 2 for 2006-07 are to:

- continue to implement WorkChoices;
- continue to pursue reform in the building and construction industry to achieve proper regard for workplace relations law and make improvements in occupational health and safety;
- promote agreement-making options available under WorkChoices to employers and employees;
- deliver effective communication, information and education services to employers and employees on the WorkChoices reforms;
- fully develop an effective process for the establishment of one-stop skills assessment centres in the Council of Australian Governments' (COAG) nominated countries and skills areas;
- improve access for employers and employees to WorkChoices information and advice through innovative information technology applications;
- intervene in test cases to ensure the safety net is fair and facilitates agreement making;

- commence proceedings and/or pursue strategic interventions in Australian Industrial Relations Commission (AIRC) and court cases to ensure the objects of the *Workplace Relations Act 1996* are protected;
- progress flexible workplace relations solutions to achieve balance between work and family demands;
- promote workplace relations initiatives that address the emerging pressures of an ageing workforce;
- improve national outcomes in occupational health and safety and workers' compensation; and
- engage strategically with the International Labour Organisation (ILO), the Organisation for Economic Cooperation and Development (OECD) and other inter-government agencies to advance Australia's interests.

Outcome 2 resourcing

Table 3.1.2 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 2, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

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Table 3.1.2 Total resources for outcome 2 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Workplace Reform - Secret Ballot	1,600	1,600
International Labour Organisation Subscription	6,285	6,186
General Employee Entitlements and Redundancy Scheme (s20 FMA Act)	49,813	85,446
Special employee Entitlements Scheme for Ansett Group Employees	5,919	-
Coal Mining Industry (LSL) Funding Act 1992	75,342	48,300
Asbestos Claims	900	-
Workplace Relations Reform - Unlawful Termination Assistance Scheme	2,699	6,356
Workplace Relations Reform - Alternative Dispute Resolution Scheme	459	1,874
Total administered appropriations	143,017	149,762
Departmental appropriations		
Output Group 2.1 - Workplace relations policy and analysis		
Output 2.1.1 - Workplace relations policy advice	73,026	20,272
Output 2.1.2 - Workplace relations legislation development	12,195	16,586
Subtotal Output Group 2.1	85,221	36,858
Departmental appropriations		
Output Group 2.2 - Workplace relations implementation		
Output 2.2.1 - Industry and Australian Government employment advice	10,607	12,317
Output 2.2.2 - Assistance to the Employment Advocate	31,040	36,221
Output 2.2.3 - Workplace relations services	49,013	45,853
Output 2.2.4 - Office of Workplace Services ¹	5,509	-
Output 2.2.5 - Defence Force Remuneration Tribunal	1,191	1,201
Output 2.2.6 - Remuneration Tribunal	1,714	1,711
Output 2.2.7 - Building Industry Taskforce ¹	2,822	-
Output 2.2.8 - Office of the Australian Safety and Compensation Council	20,268	20,545
Output 2.2.9 - Office of the Federal Safety Commissioner	6,561	9,274
Subtotal Output Group 2.2	128,725	127,121
Total revenue from government (appropriations)		
Contributing to price of departmental outputs	213,946	163,980
Other resources available to be used		
Sales of goods and services	13,011	12,642
Resources received free of charge	251	251
Total revenue from other sources	13,262	12,893
Total resources		
(Total revenue from government and from other sources)	227,208	176,873
Total estimated resourcing for Outcome 2		
(Total price of outputs and administered appropriations)	370,225	326,635
	2005-06	2006-07
Average staffing level (number)	875	1,171

Note 1: These outputs have been removed for 2006-07 following the establishment of Office of Workplace Services and Office of the Australian Building and Construction Commissioner respectively. Outputs for 2006-07 have been re-numbered accordingly in Table 3.2.2

Performance information for Outcome 2

Contribution of outputs

The key contributors to the outcome are the departmental output groups of workplace relations policy and analysis, and workplace relations implementation. The administered items contributing to the outcome are the General Employee Entitlements and Redundancy Scheme, the Special Employee Entitlements Scheme for Ansett Group Employees, the International Labour Organisation membership subscription and the *Coal Mining Industry (Long Service Leave Funding) Act 1992* financing arrangements. The Workplace Reform - Secret Ballots programme along with the Alternative Dispute Resolution (ADR) and Unlawful Dismissal (ULD) legislation will also contribute to the outcome. The department contributes to this outcome through the:

- development of policy options to make the workplace relations system simpler and more effective (policy advice, legislation development);
- timely policy advice and the development of a more flexible legislative framework within which employers and employees can develop workplace agreements which increase productivity through flexible working arrangements (policy advice, legislation development);
- development of initiatives which promote flexible work practices and ensure all employees and employers have access to appropriate agreement making options in the workplace (Industry and Australian Government Employment advice, workplace relations services, assistance to the Employment Advocate, Defence Force Remuneration Tribunal and the Remuneration Tribunal);
- provision of information and assistance to employers and employees in relation to cooperative agreement making and flexible workplace arrangements (Industry and Australian Government Employment advice, workplace relations services, assistance to the Employment Advocate, Defence Force Remuneration Tribunal and the Remuneration Tribunal);
- provision of information and assistance to employers and employees about balancing work and family responsibilities and developing mutually beneficial work practices;
- implementation of reforms to improve Occupational Health and Safety (OHS) in the building and construction industry;
- fostering of nationally consistent workers' compensation and OHS arrangements (Office of the Australian Safety and Compensation Council); and

Agency outcomes – DEWR

- administration of the safety net schemes for the protection of employee entitlements in cases of business insolvency.

Table 3.2.2 on page 59 lists the performance information the department will use to assess the level of its contribution to the achievement of outcome 2 during 2006-07. The table shows the uses to which administered resources will be put. Information shown is both quantitative and qualitative. However, it should be noted that the effectiveness indicators for outcome 2 are primarily indicators of changes in the workplace relations environment. The department is not in a position to directly control the extent and timing of the use of the flexibilities in the workplace relations framework by employers and employees.

Table 3.2.2 Performance information for Outcome 2

Performance indicators for administered items including third party outputs	
Impacts	Performance indicators
Higher pay and/or conditions through higher productivity	<p>The federal workplace relations system supports choice of agreement with higher pay, higher productivity outcomes</p> <p>Low incidence of industrial action</p> <p>The federal workplace relations framework is used by employers and employees</p>
Output group 2.1: Workplace relations policy and analysis	
Output 2.1.1 Workplace relations policy advice	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the Minister with policy advice <p>Target: Very good or above</p> <p>Price: \$20.959m</p>
Output 2.1.2 Workplace relations legislation development	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the Minister with legislation development services <p>Target: Very good or above</p> <p>Price: \$16.804m</p>
Output group 2.2: Workplace relations implementation	
Output 2.2.1 Industry and Australian Government employment advice	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the Minister and agencies with the provision of policy advice <p>Target: Very good or above</p> <p>Price: \$12.632m</p>

Table 3.2.2 Performance information for Outcome 2 (cont)

Output 2.2.2
Assistance to the
Employment Advocate

Quality

• Client satisfaction with advice and assistance provided by the Office of the Employment Advocate (OEA)

Target:

- 80% of clients find advice and assistance timely
- 80% of clients find advice and assistance helpful

Accessibility of services provided by the (OEA)

Target:

- Contact centre operational 99% of advertised hours
- Website available 99% of time

Effectiveness of the OEA's system for receiving workplace agreement lodgements

Target:

- Lodgement system available 99% of time
- 80% of lodgers surveyed find system easy to use

Price: \$36.221m

Table 3.2.2 Performance information for Outcome 2 (cont)

Output 2.2.3 Workplace relations services	<p>Quality</p> <ul style="list-style-type: none">• Level of satisfaction of the Minister and agencies with the provision of policy advice Target: Very good or above• Timeliness of departmental responses to client requests Target:<ul style="list-style-type: none">- WorkChoices Infoline - 95% of all telephone calls answered within 3 minutes- WorkChoices Infoline - 95% of all enquiries resolved within 2 working days- Written enquiries - 90% completed within 5 working days <p>Client satisfaction with advice and education services Target: 80% of surveyed clients satisfied</p> <ul style="list-style-type: none">• Level of satisfaction of stakeholders with the management of the Employee Entitlements Safety Net Schemes Target: Very good or above• Timeliness of the processing of claims Target:<ul style="list-style-type: none">- 90% of claims processed within 16 weeks of receipt- 98% of claims processed within 4 weeks of receipt of verified entitlement data• Accuracy of the processing of claims Target: Greater than 98% of payments not varied after appeal• Trades skills assessment applications Target:<ul style="list-style-type: none">- 95% of applications in the international stream from the Migration Occupations in Demand List finalised within 10 working days- 95% of all other applications in the international and domestic streams finalised within 20 working days <p>Timeliness of processing applications for Alternative Dispute Resolution and Unlawful Termination assistance schemes Target: 95% processed within 5 working days</p> <p>Client satisfaction with Alternative Dispute Resolution and Unlawful Termination assistance schemes Target: 80% of clients surveyed satisfied</p> <p>Price: \$56.705m</p>
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Agency outcomes – DEWR

Table 3.2.2 Performance information for Outcome 2 (cont)

<p>Output 2.2.4 Defence Force Remuneration Tribunal</p>	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the President of the Defence Force Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat <p>Target: Very good or above</p> <p>Price: \$1.254m</p>
<p>Output 2.2.5 Remuneration Tribunal</p>	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the President of the Remuneration Tribunal with the quality and timeliness of the services provided by the Tribunal Secretariat <p>Target: Very good or above</p> <p>Price: \$1.771m</p>
<p>Output 2.2.6 Office of the Australian Safety and Compensation Council</p>	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the Minister with the provision of advice provided by the Office of Australian Safety and Compensation Council • Level of satisfaction of the Chairman of the Australian Safety and Compensation Council with the quality and timeliness of support to the Council <p>Target: Very good or above</p> <p>Price: \$21.014m</p>
<p>Output 2.2.7 Office of the Federal Safety Commissioner</p>	<p>Quality</p> <ul style="list-style-type: none"> • Level of satisfaction of the Minister with the provision of advice provided by the Office of the Federal Safety Commissioner • Level of satisfaction of clients with the provision of advice, information, education and promotion of safer workplaces on Australian Government construction sites by the Office of the Federal Safety Commissioner <p>Target: Effective or above</p> <p>Price: \$9.513m</p>

Evaluations for Outcome 2

Planned evaluation activities in 2006-07 will focus on the effectiveness of the Employer Advisory Programme as part of the WorkChoices communication strategy.

Information on planned evaluation activity for the coming year that relates to this outcome is included in Table 3.2.2 – Performance information for outcome 2 and the results reported in the annual report.

Review of the operations of the Office of the Federal Safety Commissioner.

3.3.3: Outcomes resourcing – Outcome 3

Outcome 3 description

Increased workforce participation

The department contributes to the achievement of this outcome through high quality:

- labour market research and evaluation;
- policy formulation and advice;
- development and implementation of strategies to increase labour supply and employer demand for priority groups; and
- development and implementation of strategies to reduce welfare dependency.

Key priorities for 2006-07

Key priorities for 2006-07 include:

- supporting the ongoing implementation of Welfare to Work reforms to increase labour market participation and employment rates and reduce welfare dependency for:
 - people with disabilities;
 - principal carer parents;
 - mature age Australians; and
 - very long term unemployed.
- developing strategies to improve employment outcomes for "at risk" young people and those from a culturally and linguistically diverse background;
- assisting the implementation of the Council of Australian Governments' (COAG) decision taken at its February 2006 meeting to improve the collection and sharing of skills data with States and Territories;
- monitoring and analysing the labour market to:
 - identify emerging trends in workforce participation and employment rates; and
 - identify and predict labour supply and skill shortages by industry, occupation and labour market region;

- improving labour supply to industries, occupations and regions facing labour supply and skill shortages;
- identifying and addressing emerging policy issues in the income support system, employment services, Mutual Obligation arrangements and the implementation of “Welfare to Work” reforms, including drawing on international experience;
- monitoring and evaluating the performance of the “Welfare to Work” reforms and other labour market assistance;
- increasing business development opportunities and take-up by Indigenous Australians; and
- continuing the implementation of Community Development Employment Projects reforms with a stronger emphasis on:
 - increasing results in employment, business and community activities;
 - increasing workforce participation, employment rates and reducing welfare dependency; and
 - strengthening the capacity of providers to deliver outcomes.

Outcome 3 resourcing

Table 3.1.3 shows how the 2006-07 Budget appropriations translate to total resourcing for outcome 3, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

Table 3.1.3 Total resources for outcome 3 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Administered appropriations		
Community Development Employment Projects	530,881	574,451
Total administered appropriations	530,881	574,451
Departmental appropriations		
Output Group 3.1 - Working age policy		
Output 3.1.1 - Working age policy	18,305	18,902
Output 3.1.2 - Research and evaluation	9,849	10,070
Subtotal Output Group 3.1	28,154	28,972
Departmental appropriations		
Output Group 3.2 - Labour market strategies		
Output 3.2.1 - Labour market analysis	4,427	5,915
Output 3.2.2 - Industry and labour supply strategies	11,402	14,503
Output 3.2.3 - CDEP management (Community Development Employment Projects)	30,922	33,162
Subtotal Output Group 3.2	46,750	53,580
Total revenue from government (appropriations) Contributing to price of departmental outputs	74,904	82,552
Other resources available to be used		
Sales of goods and services	1,798	1,712
Resources received free of charge	126	126
Total revenue from other sources	1,924	1,838
Total resources		
(Total revenue from government and from other sources)	76,828	84,390
Total estimated resourcing for Outcome 3 (Total price of outputs and administered appropriations)	607,709	658,841
	2005-06	2006-07
Average staffing level (number)	430	448

Performance information for outcome 3

Contribution of outputs

Working age policy and labour market strategies are the departmental output groups contributing to outcome 3.

Working age policy – output group 3.1

The outputs of this output group are information based and contribute to sustaining an efficient and equitable labour market through the provision of policy advice, research and evaluation.

The working age policy output group contributes to the outcome by:

- providing policy advice and briefings to Ministers, national committees and other key stakeholders;
- researching, analysing and developing policy to increase labour force participation of working age people and reduce their reliance on income support;
- contributing pro-actively to policy development across the whole of government;
- ensuring the legislation and associated documentation reflects the policy intention;
- conducting research and evaluation of the effectiveness and efficiency of welfare reform policies and labour market programmes and services delivered by the department;
- providing information, education and communication services through the development of publications (particularly through on-line information); and
- working with key stakeholders to implement a seamless transition from policy formulation to programme implementation.

Labour market strategies - output group 3.2

The labour market strategies output group contributes to the outcome by:

- providing policy advice and briefings to Ministers, national committees and other key stakeholders;
- identifying labour supply and skill shortages and developing measures to address these in conjunction with other stakeholders;
- developing industry strategies to improve labour market effectiveness;
- co-ordinating information on labour supply and skill shortages;
- conducting labour market research, analysis and evaluation activities, resulting in reports, detailed briefing or measurable responses;
- implementing of demand-led strategies and Better Connections workshops;
- contributing pro-actively to policy development across the whole of government;
- providing information services through the development of publications (particularly through on-line information) and Better Connections workshops;
- managing the reforms of Community Development Employment Projects; and
- increasing economic development opportunities for Indigenous Australians.

Table 3.2.3 Performance information for Outcome 3

Performance indicators for administered items including third party outputs	
Impacts	Performance Indicators
Maximise ability of working age Australians to participate in the workforce	<ul style="list-style-type: none"> Labour force participation rate for civilians aged 15-64 years Employment to population ratio for civilians aged 15-64 years Proportion of population of workforce age on working age income support payment: <ul style="list-style-type: none"> (a) full-rate (b) part-rate
Performance indicators for individual outputs	
Output group 3.1: Working age policy	
Output 3.1.1 Working age policy and legislation	Quality <ul style="list-style-type: none"> Level of satisfaction of Ministers with the provision of policy advice Target: Very good or above Price: \$19.326m
Output 3.1.2 Research and evaluation	Quality <ul style="list-style-type: none"> Level of satisfaction of Ministers with the provision of research and evaluation Target: Very good or above Price: \$10.256m
Output group 3.2: Labour market strategies	
Output 3.2.1 Labour market analysis	Quality <ul style="list-style-type: none"> Level of satisfaction of Ministers with the provision of analysis and advice Target: Very good or above Price: \$6.017m
Output 3.2.2 Industry and labour supply strategies	Quality <ul style="list-style-type: none"> Level of satisfaction of Ministers with the provision of policy advice Target: Very good or above Price: \$14.750m
Output 3.2.3 CDEP management (Community Development Employment Projects)	Quality <ul style="list-style-type: none"> Level of satisfaction of Ministers with the provision of policy advice Target: Very good or above Quantity <ul style="list-style-type: none"> Utilisation of programme places Target: 100% Quantity <ul style="list-style-type: none"> Proportion of Non-Indigenous participants Target: 3% Price: \$34.041m

Evaluations for outcome 3

Welfare to Work – Monitoring and Evaluation

The introduction of the “Welfare to Work” reform was announced as part of the 2005-06 Budget. The reforms aim to increase workforce participation for those with the capacity to work and to reduce welfare dependency. The changes recognise the importance of paid employment, whether full-time or part-time, to Australia’s prosperity and each individual’s well-being.

As part of the “Welfare to Work” package, \$11.3 million was allocated to the department over four years to ensure that there is effective and timely monitoring and evaluation of the “Welfare to Work” reforms. This includes establishing the capacity to track

and analyse the impact of the reforms through enhancements to information systems. The Longitudinal Pathways survey will also be a primary data source for the evaluation. The Pathways survey will collect detailed information about participation in employment and about what happens to people after they stop receiving income support. Participants will be interviewed every six months, over several waves.

Monitoring and evaluation of “Welfare to Work” will contribute to a comprehensive picture of how reforms assist people in their efforts to seek and maintain work.

Summary information from the monitoring and evaluation of “Welfare to Work” will be released through the department’s Annual Report from 2007.

Employment assistance - Monitoring and Evaluation

Evaluation activities in 2006-07 will continue to focus on providing timely analyses of the impacts of a range of labour market assistance programmes on employment outcomes and income support reliance. Employment outcomes will continue to be monitored through the Post Programme Monitoring survey.

Extension of the Star Ratings system to Disability Open Employment Services providers will complement the existing Star Ratings systems for Job Network, New Enterprise Intensive Scheme and Work for the Dole.

Section 4: Other reporting requirements

4.1 Purchaser-provider arrangements

Cross agency overview

The Department of Employment and Workplace Relations purchases services from two agencies: Centrelink and Commonwealth Rehabilitation Services Australia.

Centrelink

Under the Business Partnership Agreement (BPA) the department purchases a range of employment related services from Centrelink. The agreement sets out the terms and conditions of the purchaser-provider relationship between the two agencies.

Responsibility

Centrelink is required to report monthly on performance against Key Performance Indicators and other monitoring information and to acquit payments made under the arrangement.

Control arrangements

Centrelink is a Statutory Authority accountable under the *Commonwealth Services Delivery Agency Act 1997* and the *Financial Management and Accountability Act 1997* (FMA Act).

Resourcing

The purchase of services from Centrelink for the delivery of Commonwealth services relating to employment is resourced through output 1.1.1, Working age payments and compliance and output 1.2.1, Information, referral and support services. These outputs contribute to the achievement of outcome 1, Efficient and effective labour market assistance.

Performance against outcomes and outputs

The services purchased relate to output 1.1.1, Working age payments and compliance and output 1.2.1, Information, referral and support services which includes registration, assessment classification and referral of job seekers.

Commonwealth Rehabilitation Services Australia

The department has a Memorandum of Understanding (MOU) with Commonwealth Rehabilitation Services Australia (the agency) for the provision of programme delivery services and rehabilitation programmes for people with disabilities under Part III of the *Disabilities Services Act 1986*.

Other reporting requirements – DEWR

Responsibility

The department is responsible to the Minister for Employment and Workplace Relations for the policy, funding and delivery of rehabilitation programmes for people with disabilities.

Control arrangements

The agency continues to operate within the requirements of the *Disability Services Act 1986* and the mainstream legislation for the operation of the Australian Government agencies, including the *Financial Management and Accountability Act 1997*, the *Auditor-General Act 1997*, the *Privacy Act 1988* and the *Public Service Act 1999*.

Resourcing

The department purchases programme delivery services and rehabilitation programmes from the agency using administered resources. The total resources provided by the department to the agency for 2006-07 are estimated to be \$188.7 million.

Performance against outcomes and outputs

The performance information that will be available for the output group is detailed in the relevant section of these budget statements. The agency contributes to only some aspects of the output group's performance. The department's annual report will provide performance details for rehabilitation services delivered by the agency for output group 1.2 – Labour market programme management and delivery.

4.2 Cost recovery arrangements

The Department of Employment and Workplace Relations does not have a cost recovery impact statement. The department's fees and charges are scheduled for a review in 2006-07 and a cost recovery impact statement will be prepared as part of that process.

4.3 Australian Government Indigenous Expenditure (AGIE)

Table 4.1: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000 (E)	Total \$'000 (F)=(D)+(E)
	Bill	Bill	Special	Total		
	No. 1	No. 2	Approp	Approp		
	\$'000 (A)	\$'000 (B)	\$'000 (C)	\$'000 (D)		
Department of Employment and Workplace Relations						
Outcome 1						
Administered 2006-07	109,558	-	-	109,558	-	109,558
<i>Administered 2005-06</i>	77,716	-	-	77,716	-	77,716
Departmental 2006-07	30,202	-	-	30,202	-	30,202
<i>Departmental 2005-06</i>	29,814	-	-	29,814	-	29,814
Total Outcome 2006-07	139,760	-	-	139,760	-	139,760
<i>Total Outcome 2005-06</i>	107,530	-	-	107,530	-	107,530
Outcome 3						
Administered 2006-07	574,425	-	-	574,425	-	574,425
<i>Administered 2005-06</i>	530,881	-	-	530,881	-	530,881
Departmental 2006-07	34,044	-	-	34,044	-	34,044
<i>Departmental 2005-06</i>	31,552	-	-	31,552	-	31,552
Total Outcome 2006-07	608,469	-	-	608,469	-	608,469
<i>Total Outcome 2005-06</i>	562,433	-	-	562,433	-	562,433
Total Administered 2006-07	683,983	-	-	683,983	-	683,983
<i>Total Administered 2005-06</i>	608,597	-	-	608,597	-	608,597
Total Departmental 2006-07	64,246	-	-	64,246	-	64,246
<i>Total Departmental 2005-06</i>	61,366	-	-	61,366	-	61,366
Total AGIE 2006-07	748,229	-	-	748,229	-	748,229
<i>Total AGIE 2005-06</i>	<i>669,963</i>	<i>-</i>	<i>-</i>	<i>669,963</i>	<i>-</i>	<i>669,963</i>

Section 5: Budgeted financial statements

5.1 Analysis of budgeted financial statements

An analysis of the primary causes of movements in the budgeted departmental financial statements and administered schedules is provided below. The 2005-06 estimated actual results are used as the comparative year in the analysis.

Departmental financial statements

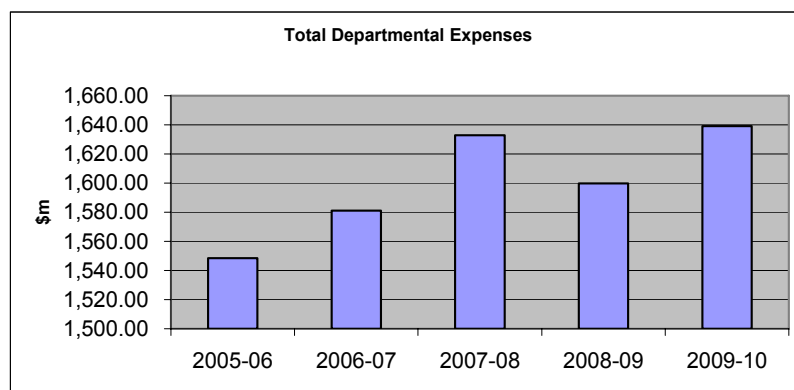
Income Statement

The department is budgeting for a surplus of \$2.0 million in 2005-06 and then for a break even result in 2006-07. Total revenue and expenses in 2006-07 are estimated to be \$1,581.1 million, an increase of \$32.6 million from the 2005-06 estimated actual.

The increase is primarily due to:

- an increase in revenue and expenses of \$53.7 million as a result of 2006-07 measures;
- a decrease in revenue and expenses of \$17.6 million for previous Budget measures; and
- a decrease in revenue and expenses of \$6.0 million for the *Keeping the System Fair* campaign.

The following chart shows the trend in departmental expenses over the forward estimates period. The trend of the forward estimates from 2006-07 is primarily caused by the application of economic parameters to the expense estimates and the funding patterns associated with government measures.



Balance Sheet

The budgeted net asset position for 2006-07 of \$171.9 million represents an increase of \$30.0 million from the 2005-06 estimated actual. The change primarily reflects an increase in non-financial assets (internally developed software and property fitout) associated with the implementation of Welfare to Work and WorkChoices initiatives.

The structure of the department's balance sheet is typical of an organisation where the key attributes are its employees, computer software (included in intangibles), computer hardware (included in infrastructure, plant and equipment) and leasehold fit-outs. The Information Technology platform is an intrinsic component of the successful operations of the department.

Administered schedules

Income and expenses

It is estimated the department will receive other revenue on behalf of the Government of \$52.4 million, a decrease of \$72.1 million from the 2005-06 estimated actual. The decrease largely reflects:

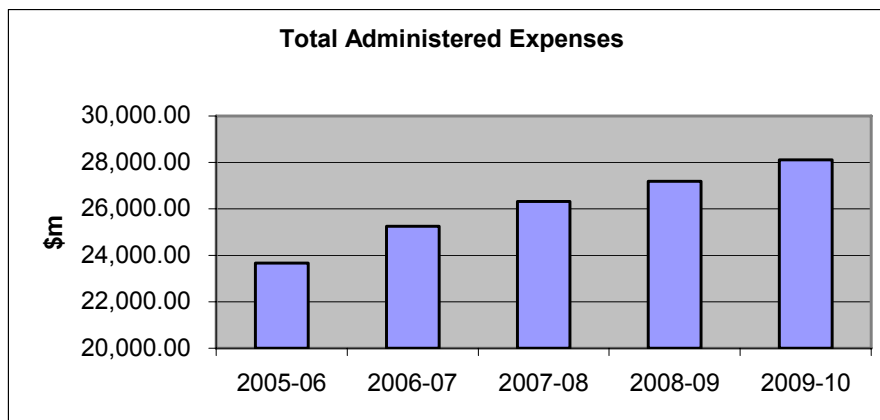
- a reduction in the estimated level of recoveries under the Special Employee Entitlement Scheme for Ansett Group Employees (SEESA) programme; and
- a lower level of receipts for the *Coal Mining Industry (LSL Funding) Act 1992* (CMIC) due to a reduction in the levy rate from 5 per cent to 2.8 per cent, commencing on 1 January 2006.

Administered expenses in 2006-07 are estimated to increase by \$1,593.7 million to \$25,256.0 million. The increase reflects:

- an increase of \$424.3 million for previous Budget measures; and
- a reduction in funding of \$47.7 million for 2006-07 Budget measures.

The remainder reflects the impact of indexation of personal benefit payments and changes in beneficiary composition, beneficiary numbers or average rates.

The following chart shows the trend in administered expenses over the forward estimates period. The increase in the forward estimates from 2006-07 is primarily caused by the application of economic parameters to the expense estimates and the funding patterns associated with government measures.



Assets and Liabilities

Total assets administered on behalf Government are forecast to increase by \$75.4 million to \$795.2 million. The change is primarily due to an increase in receivables associated with the income support payments.

Administered liabilities as at 30 June 2007 are estimated to be \$489.4 million, an increase of \$75.6 million from the 30 June 2006 estimated actual. The changes are primarily due to the estimated accrued benefits payable as at 30 June.

5.2 Budgeted financial statements tables

**Table 5.1: Budgeted departmental income statement
(for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenue					
Revenues from Government	1,526,062	1,556,822	1,608,565	1,575,527	1,614,852
Goods and services	23,455	23,333	23,333	23,333	23,333
Interest	-	-	-	-	-
Other	920	920	920	920	920
Total revenue	1,550,437	1,581,075	1,632,818	1,599,780	1,639,105
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	1,550,437	1,581,075	1,632,818	1,599,780	1,639,105
EXPENSE					
Employees	252,276	273,804	267,515	247,224	246,959
Suppliers	1,251,417	1,245,637	1,298,223	1,282,382	1,326,420
Grants					
Subsidies					
Depreciation and amortisation	44,744	61,634	67,080	70,174	65,726
Finance costs					
Write-down of assets and impairment of assets					
Net losses from sale of assets					
Net foreign exchange losses					
Other					
Total expenses	1,548,437	1,581,075	1,632,818	1,599,780	1,639,105

Budgeted financial statements – DEWR

**Table 5.1: Budgeted departmental income statement (cont)
(for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
Operating result from continuing operations	2,000	-	-	-	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result	2,000	-	-	-	-
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	2,000	-	-	-	-

**Table 5.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	7,771	7,089	7,067	7,203	7,203
Receivables	96,952	91,103	94,939	105,658	103,020
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	19	19	19	19	19
Other	-	-	-	-	-
Total financial assets	104,742	98,211	102,025	112,880	110,242
Non-financial assets					
Land and buildings	36,807	30,703	26,532	21,943	21,943
Infrastructure, plant and equipment	43,049	57,858	59,073	53,177	54,349
Intangibles	70,310	85,601	91,839	91,331	91,331
Other	10,562	10,532	10,532	10,532	10,532
Total non-financial assets	160,728	184,694	187,976	176,983	178,155
Total assets	265,470	282,905	290,001	289,863	288,397
LIABILITIES					
Interest bearing liabilities					
Leases	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	72,206	71,749	71,839	70,369	69,777
Other	20,373	9,002	9,002	9,002	8,128
Total provisions	92,579	80,751	80,841	79,371	77,905
Payables					
Suppliers	31,003	30,236	30,076	30,076	30,076
Other	-	-	-	-	-
Total payables	31,003	30,236	30,076	30,076	30,076
Total liabilities	123,582	110,987	110,917	109,447	107,981

**Table 5.2: Budgeted departmental balance sheet (cont)
(as at 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	83,502	113,532	120,698	122,030	122,030
Reserves	14,141	14,141	14,141	14,141	14,141
Retained surpluses or accumulated deficits	44,245	44,245	44,245	44,245	44,245
Total parent entity interest	141,888	171,918	179,084	180,416	180,416
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	141,888	171,918	179,084	180,416	180,416
Current assets	115,304	108,743	112,557	123,412	120,774
Non-current assets	150,166	174,162	177,444	166,451	167,623
Current liabilities	71,273	67,553	67,438	66,717	66,217
Non-current liabilities	52,309	43,434	43,479	42,730	41,764

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	23,455	23,333	23,333	23,333	23,333
Appropriations	1,518,532	1,551,307	1,604,739	1,564,808	1,617,490
Interest	-	-	-	-	-
Other	44,751	31,926	27,651	24,585	27,251
Total cash received	1,586,738	1,606,566	1,655,723	1,612,726	1,668,074
Cash used					
Employees	251,601	274,261	267,425	248,694	247,551
Suppliers	1,251,794	1,245,461	1,297,473	1,281,462	1,326,374
Grants	-	-	-	-	-
Financing costs	-	-	-	-	-
Other	44,751	31,926	27,651	24,585	27,251
Total cash used	1,548,146	1,551,648	1,592,549	1,554,741	1,601,176
Net cash from or (used by) operating activities	38,592	54,918	63,174	57,985	66,898
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	105,981	85,630	70,362	59,181	66,898
Other	-	-	-	-	-
Total cash used	105,981	85,630	70,362	59,181	66,898
Net cash from or (used by) investing activities	(105,981)	(85,630)	(70,362)	(59,181)	(66,898)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	69,401	30,030	7,166	1,332	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	69,401	30,030	7,166	1,332	-
Cash used					
Repayments of debt	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	69,401	30,030	7,166	1,332	-
Net increase or (decrease) in cash held	2,012	(682)	(22)	136	-
Cash at the beginning of the reporting period	5,759	7,771	7,089	7,067	7,203
Cash at the end of the reporting period	7,771	7,089	7,067	7,203	7,203

Table 5.4: Departmental statement of changes in equity — summary of movement (Budget 2006-07)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2006					
Balance carried forward from previous period	44,245	14,141	-	83,502	141,888
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	44,245	14,141	-	83,502	141,888
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	30,030	30,030
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	30,030	30,030
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2007	44,245	14,141	-	113,532	171,918

Table 5.5: Departmental capital budget statement

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	69,401	17,605	7,166	1,332	-
Total loans	-	-	-	-	-
Total capital appropriations	69,401	17,605	7,166	1,332	-
Represented by:					
Purchase of non-financial assets	69,401	17,605	7,166	1,332	-
Other	-	-	-	-	-
Total represented by	69,401	17,605	7,166	1,332	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	80,240	17,605	7,166	1,332	-
Funded internally by					
Departmental resources	25,741	68,025	63,196	57,849	66,898
Total	105,981	85,630	70,362	59,181	66,898

Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2006-07)

	Land and Building (leasehold improvements) \$'000	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2006				
Gross book value	60,975	86,256	115,279	262,510
Accumulated depreciation	24,168	43,207	44,969	112,344
Opening net book value	36,807	43,049	70,310	150,166
Additions:				
by purchase	7,464	39,028	39,138	85,630
by finance lease	-	-	-	-
internally developed	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-
Revaluations and impairment through equity	-	-	-	-
Reclassifications	-	-	-	-
Depreciation/amortisation expense	13,568	24,219	23,847	61,634
Impairments recognised in operating result	-	-	-	-
Other movements	-	-	-	-
Disposals:				
from disposal of entities or operations (including restructuring)	-	-	-	-
other disposals	-	-	-	-
As at 30 June 2007				
Gross book value	68,439	125,284	154,417	348,140
Accumulated depreciation	37,736	67,426	68,816	173,978
Estimated closing net book value	30,703	57,858	85,601	174,162

Table 5.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	75,342	48,300	50,200	52,200	52,200
Total taxation	75,342	48,300	50,200	52,200	52,200
Non-taxation					
Goods and services	-	-	-	-	-
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	49,130	4,100	4,100	4,100	4,100
Total non-taxation	49,130	4,100	4,100	4,100	4,100
Total revenues administered on behalf of Government	124,472	52,400	54,300	56,300	56,300
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	531,081	574,425	613,185	637,320	655,239
Subsidies	139,573	114,544	117,672	120,923	122,198
Personal benefits	21,009,625	22,349,752	23,255,108	24,143,726	25,058,800
Employees	-	-	-	-	-
Suppliers	1,952,846	2,191,618	2,306,850	2,276,318	2,271,809
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	29,181	25,632	21,977	19,619	8,334
Other	-	-	-	-	-
Total expenses administered on behalf of Government	23,662,306	25,255,971	26,314,792	27,197,906	28,116,380

Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash	6,446	9,681	12,916	16,153	16,153
Receivables	643,581	715,795	826,759	829,756	841,115
Investments	1,009	1,009	1,009	1,009	1,009
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	651,036	726,485	840,684	846,918	858,277
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Intangibles	-	-	-	-	-
Other	68,791	68,747	68,747	68,747	68,747
Total non-financial assets	68,791	68,747	68,747	68,747	68,747
Total assets administered on behalf of Government	719,827	795,232	909,431	915,665	927,024
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	15,682	15,682	15,682	15,682	15,682
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	15,682	15,682	15,682	15,682	15,682
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	-	-	-	-	-
Payables					
Suppliers	61,894	61,890	61,863	61,910	61,997
Grants and subsidies	18,837	20,197	20,185	20,193	20,202
Personal benefits payable	317,363	391,647	505,723	512,267	526,597
Taxation refunds due	-	-	-	-	-
Other payables	-	-	-	-	-
Total payables	398,094	473,734	587,771	594,370	608,796
Total liabilities administered on behalf of Government	413,776	489,416	603,453	610,052	624,478

**Table 5.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	75,342	48,300	50,200	52,200	52,200
Interest	-	-	-	-	-
Other	203,817	170,653	171,598	165,274	165,105
Total cash received	279,159	218,953	221,798	217,474	217,305
Cash used					
Grant payments	530,486	574,451	613,197	637,312	655,230
Interest paid	-	-	-	-	-
Subsidies paid	138,187	113,158	117,672	120,923	122,198
Personal benefits	21,088,296	22,328,158	23,174,724	24,170,606	25,065,744
Suppliers	1,970,164	2,191,621	2,306,876	2,276,270	2,271,722
Other	152,631	166,509	167,498	161,174	161,005
Total cash used	23,879,764	25,373,897	26,379,967	27,366,285	28,275,899
Net cash from or (used by) operating activities	(23,600,605)	(25,154,944)	(26,158,169)	(27,148,811)	(28,058,594)
Cash used					
Other	684	-	-	-	-
Total cash used	684	-	-	-	-
Net cash from or (used by) investing activities	(684)	-	-	-	-
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	17,617	-	-	-	-
Other	-	-	-	-	-
Total cash received	17,617	-	-	-	-
Net cash from or (used by) financing activities	17,617	-	-	-	-
Net increase or (decrease) in cash held	(23,583,672)	(25,154,944)	(26,158,169)	(27,148,811)	(28,058,594)
Cash at beginning of reporting period	3,010	6,446	9,681	12,916	16,153
Cash from Official Public Account for:					
- appropriations	23,707,751	25,210,579	26,215,704	27,208,348	28,114,894
- special accounts	-	-	-	-	-
Cash to Official Public Account for:					
- appropriations	120,643	52,400	54,300	56,300	56,300
- special accounts	-	-	-	-	-
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Cash at end of reporting period	6,446	9,681	12,916	16,153	16,153

Table 5.10: Schedule of administered capital budget

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	17,617	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	17,617	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	17,617	-	-	-	-
Total represented by	17,617	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	-	-	-	-	-
Total	-	-	-	-	-

Table 5.11: Schedule of administered property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

The Department of Employment and Workplace Relations does not have any administered property, plant, equipment and intangibles.

5.3 Notes to the financial statements

Accounting Policy

The budgeted financial statements have been prepared in accordance with the requirements of the Finance Minister's Orders issued by the Minister for Finance and Administration.

The statements have been prepared:

- on an accrual accounting basis;
- in compliance with Australian Accounting Standards and Australian Equivalents to International Financial Reporting Standards (AEIFRS) and other authoritative pronouncements of the Australian Accounting Standards Boards and the Consensus Views of the Urgent Issues Group; and
- having regard to Statements of Accounting Concepts.

Departmental revenue from government

Revenue from government represents the purchase of outputs from the department by the government. The changes reflected in the ordinary annual appropriations are as a result of those new measures and variations that are explained in Section 2: Agency resources for 2006-07.

Departmental revenue from other sources

Revenue from the sale of goods and services is recognised upon the delivery of the goods or services to the customers.

Departmental expenses – employees

This item represents payments made and net increases or decreases in entitlements owed to employees for their services provided in the financial year.

Departmental expenses – suppliers

This item represents payments to suppliers for goods and services. It includes contracted payments made to Centrelink for services received.

Departmental expenses – depreciation and amortisation

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.

Computing equipment assets are depreciated over their useful lives between three and seven years. Office machines are depreciated over five years (20 per cent). Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Buildings are depreciated over forty years (2.5 per cent). Land is not depreciated.

Forward estimates of depreciation expense are made using forecasts of net capital acquisition requirements over the forward years.

Departmental assets – financial assets – receivables

Receivables represent amounts owing to the department for goods and services that it has provided to external parties and cash reserves held in the Official Public Account which are recorded as receivable.

Departmental assets – non-financial assets

These items represent future economic benefits that the department will consume in producing outputs. Apart from re-valued assets, the reported value represents the purchase price paid less depreciation incurred to date in using that asset.

Land and Buildings, and Infrastructure, Plant and Equipment are initially brought to account at cost, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of the group of similar items which are significant in total).

Computer software, disclosed in the Departmental Balance Sheet as Intangibles, are expensed in the year of acquisition except for purchases or internally developed software costing more than \$200,000 which are capitalised at cost.

The department annually reassesses and adjusts the values of Land and Buildings (leasehold improvements), Infrastructure, Plant and Equipment.

Departmental liabilities – provisions – employees

Provision has been made for the department's liability for employee entitlements arising from services rendered by employees to balance date. This liability encompasses unpaid wages and salaries, annual and long service leave. No provision is made for sick leave.

The liability for leave expected to be settled within 12 months has been measured at the nominal amount.

Other employee entitlements payable later than one year have been estimated at the present value of the expected future cash outflows in relation to those entitlements. Attrition rates and pay rises through promotion and wage/salary agreements have been taken into account.

Departmental liabilities – payables – suppliers

This item partly comprises surplus leased office space relating to the former Commonwealth Employment Service (CES). These leases no longer provide an economic benefit to the Commonwealth and accordingly their total liability has been recognised in full. The liability is being progressively reduced through payments to lessors over the remaining periods of the leases.

Administered revenue – taxation revenue

Black Coal Mining Industry Levy: Since 1993, employers have been required to pay a levy of payroll into a central fund managed by the Coal Mining Industry (Long Service Leave) Corporation. From 1 January 2006, the rate of the levy is 2.8 per cent.

Administered expenses – grants

These are primarily payments under the Community Development Employment Projects programme.

Administered expenses – subsidies

These are primarily payments under the Indigenous Employment Programme, Payment to Voluntary Work Agencies and *Coal Mining Industry (Long Service Leave) Act 1992*.

Administered expenses – personal benefits

These comprise Job Network expenses (New Enterprise Incentive Scheme), General Employee Entitlements and Redundancy Scheme payments, Parenting Payment (Single), Parenting Payment (Partnered), Newstart Allowance, Disability Support Pension, Pensioner Education Supplement, Partner Allowance (Pension), Partner Allowance (Benefit), Widow Allowance, Youth Allowance (Other), Sickness Allowance, Mobility Allowance, Mature Age Allowance and Special Employee Entitlements Scheme for Ansett Group Employees.

Administered expenses – suppliers

These comprise payments to suppliers for Job Network and other labour market programmes, Special Employee Entitlements Scheme for Ansett Group Employees, Work for the Dole, Rehabilitation Services, Green Corps, Employment Assistance and Other Services, Payment to Voluntary Work Agencies, Personal Support Programme (PSP), Job Placement, Employment and Training Programme (JPET) and to the International Labour Organisation.

Administered assets – financial assets – receivables

These primarily comprise receivables relating to personal benefit overpayments, the *Coal Mining (Long Service Leave Funding) Act 1992*, and GST receivable.

Administered liabilities – payables – suppliers

These primarily comprise payables relating to Job Network and other labour market programmes.

Administered liabilities – payables – grants and subsidies

These primarily comprise payables relating to *Coal Mining (Long Service Leave) Act 1992* and the Community Development Employment Projects Programme.

Administered liabilities – payables – personal benefits

These primarily comprise payables relating to Disability Support Pension, Mature Age Allowance, Mobility Allowance, Newstart Allowance, Parenting Payment (Partnered), Parenting Payment (Single), Partner Allowance (Benefit), Partner Allowance (Pension), Pensioner Education Supplement, Sickness Allowance, Widow Allowance, and Youth Allowance (Other).

