



Australian Government  
Department of Jobs and Small Business

# Annual Report 2017 ▶ 18

More Jobs.  
Great Workplaces.



TOGETHER IN  
**2017** ▶ **18**

SOME KEY ACHIEVEMENTS  
FOR THE DEPARTMENT  
OF JOBS AND  
SMALL BUSINESS



**jobactive**<sup>®</sup>

★ ★ ★ CELEBRATED ★ ★ ★

**1,000,000**

JOB PLACEMENTS SINCE JULY 2015

**FEG**

Fair  
Entitlements  
Guarantee

★ ★ ★ RECOGNISED WITH ★ ★ ★

PRIME MINISTER'S AWARD

2017

IN PUBLIC SECTOR MANAGEMENT



Seasonal  
Worker  
Programme

DELIVERED APPROXIMATELY

**\$144**  
MILLION

IN NET INCOME GAINS  
TO PARTICIPATING  
COUNTRIES IN THE  
PACIFIC REGION

Entrepreneurship  
Facilitators >>>



HELPED OVER

**13,800**  
PEOPLE

START OR GROW THEIR  
OWN BUSINESS



ParentsNext

**24,160 PARENTS**

WERE REFERRED TO PROJECT PROVIDERS



**FAIR WORK AMENDMENT**

(PROTECTING VULNERABLE WORKERS) ACT

TOOK EFFECT ON SEPTEMBER 2017



Youth Jobs  
**PaTH**  
Prepare Trial Hire

▶ **29,462**

commencements in  
PaTH Employability  
Skills Training courses

▶ **6,048**

PaTH internships  
established

▶ **25,439**

Youth Bonus Wage  
Subsidy agreements

**46.1%** OF

transition  
TO WORK

JOB PLACEMENTS WERE  
CONVERTED TO A  
**SUSTAINABILITY OUTCOME**



**PEOPLE  
STRATEGY**

2018 ▶ 2022

was released to  
help guide decisions  
about what and  
how the department  
best supports and  
develops its people



**Diversity and Inclusion  
Strategy**

2018–2020




Ensures the department  
remains an inclusive  
and safe place for people  
to work, while embracing  
and celebrating  
all differences.



**Learning  
Framework**

Provides learning and development activities for all  
staff to help build capability and inclusion.



# Annual Report 2017 ▶ 18

More Jobs.  
Great Workplaces.

## Letter of transmittal



**Australian Government**  
**Department of Jobs and Small Business**

**Secretary**  
**Kerri Hartland**

The Hon Kelly O'Dwyer MP  
Minister for Jobs, Industrial Relations and  
Women  
Parliament House  
CANBERRA ACT 2600

Senator the Hon Michaelia Cash  
Minister for Small and Family Business, Skills  
and Vocational Education  
Parliament House  
CANBERRA ACT 2600

Dear Ministers

It is my pleasure to submit to you the Annual Report of the Department of Jobs and Small Business (the department) for the year ended 30 June 2018.

This report has been prepared in accordance with section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This requires me as the accountable authority to prepare an annual report on the entity's activities over the reporting period for you to present to Parliament.

In addition, as the accountable authority, I am confident the department's audited financial statements included in this report satisfy the requirements of section 42 of the PGPA Act. In addition, the annual performance statement in Part 2 of this report is prepared in accordance with section 39 of the PGPA Act and accurately presents the department's performance for the 2017–18 financial year.

As required by section 10 of the Public Governance, Performance and Accountability Rule 2014, I certify that the department has:

- prepared fraud risk assessments and a fraud control plan
- appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs, and
- taken all reasonable measures to appropriately deal with fraud relating to the department.

This report presents the results of the 2017–18 financial year and not does reflect the Administrative Arrangements announced on 28 August 2018. These changes will be discussed in the department's 2018–19 Annual Report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'K Hartland'.

Kerri Hartland  
13 September 2018

GPO Box 9880, Canberra ACT 2601 | Phone 1300 488 064 | [www.jobs.gov.au](http://www.jobs.gov.au) | ABN 542 012 184 74

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# PORTFOLIO OVERVIEW

at 30 June 2018

## JOBS AND INNOVATION PORTFOLIO OUR MINISTERS



▶ **Senator the Hon Michaelia Cash**  
Minister for Jobs and Innovation



▶ **The Hon Craig Laundry MP**  
Minister for Small and Family Business, the Workplace and Deregulation



▶ **Senator the Hon Zed Seselja**  
Assistant Minister for Science, Jobs and Innovation

## JOBS PORTFOLIO AGENCIES



**Australian Government**  
**Asbestos Safety and Eradication Agency**

**Asbestos Safety and Eradication Agency**  
Chief Executive Officer: Peter Tighe



**Australian Government**  
**Australian Building and Construction Commission**

**Australian Building and Construction Commission**  
Commissioner: Stephen McBurney



**Australian Government**  
**Coal Mining Industry (Long Service Leave Funding) Corporation**

**Coal Mining Industry (Long Service Leave Funding) Corporation**  
Chief Executive Officer: Darlene Perks



**Australian Government**  
**Comcare**

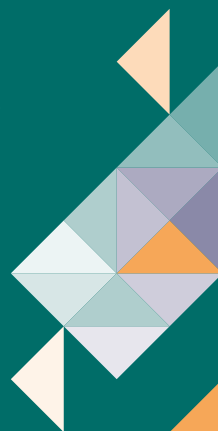
**Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarer's Safety, Rehabilitation and Compensation Authority**  
Chief Executive Officer: Jennifer Taylor

# DEPARTMENT OF JOBS AND SMALL BUSINESS



Australian Government  
Department of Jobs and Small Business

More Jobs.  
Great Workplaces.



**Fair Work Commission**  
General Manager: Bernadette O'Neill



**Fair Work Ombudsman and the Registered Organisations Commission**  
Fair Work Ombudsman: Natalie James  
Registered Organisations Commissioner: Mark Bielecki



**Safe Work Australia**  
Chief Executive Officer: Michelle Baxter



## ABOUT THE ANNUAL REPORT

This report covers the Department of Jobs and Small Business and its performance during the period 1 July 2017 to 30 June 2018.

Each year, the department acquits its performance in the annual report as part of the annual performance statement—a report of the department’s progress in achieving its purpose, as set out in the Corporate Plan and Portfolio Budget Statements.

This report has been developed according to the annual report requirements and guidance published by the Department of the Prime Minister and Cabinet and the Department of Finance.



# PART 1

## OUR DEPARTMENT

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## OUR PURPOSE

Our role is to foster a productive and competitive labour market through employment policies and programs that increase workforce participation, and facilitate jobs growth through policies that promote fair, productive, flexible and safe workplaces.

## ACHIEVING THE DEPARTMENT'S PURPOSE

The department achieves its purpose through two key strategic outcomes, each of which has associated strategies, performance measures and indicators. Collectively these elements tell our performance story.

**OUTCOME 1:** Foster a productive and competitive labour market through employment policies and programs that help job seekers into work, meet employer needs and increase Australia's workforce participation.

**OUTCOME 2:** Facilitate jobs growth through policies that promote fair, productive and safe workplaces.





Secretary for the Department  
of Jobs and Small Business  
Kerri Hartland

## SECRETARY'S REVIEW

I am pleased to present the Department of Jobs and Small Business Annual Report 2017–18. It highlights our achievements and outlines the work the department has been doing to help job seekers find a job, small businesses to grow, and to foster safe, fair and productive workplaces.

The department's name was changed during the reporting year from the Department of Employment to the Department of Jobs and Small Business. This was as a result of Administrative Arrangements introduced on 20 December 2017 when the department gained small business and regulatory policy functions.

While the department's name has changed, it will continue to focus on the challenges of globalisation, technological progress and demographic change that will continue to impact on the skills required in the workplace and the ability of workers to transition between jobs. Ensuring that the workforce can successfully navigate these changes will promote increased productivity and labour force participation, and provide businesses with a skilled workforce for the future.

## Making a difference

The department makes a difference in the lives of many Australians and businesses, particularly small businesses.

In August 2017, the Government announced the locations of five trial sites for the new Career Transition Assistance program ahead of a national rollout in 2019. The program helps prepare mature age Australians for emerging new job opportunities.

Representing the culmination of 12 months' work, on 15 September 2017 the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* took effect. It reinforces workplace laws to protect vulnerable workers and includes strengthened penalties to deter unscrupulous employers.

In November 2017, our representatives at the Fourth Global Conference in Argentina on the Sustained Eradication of Child Labour pledged Australia to progress ratification of the International Labour Organization's Protocol of 2014 to the Forced Labour Convention 1930. The protocol recognises that the context and forms of forced labour have changed since Australia ratified the original convention in 1932.

During the year there was much effort to ensure The Stronger Transitions Package was in place to commence on 1 July 2018. The package provides support to individuals, in five identified regions that have been especially impacted by structural change, to transition to new jobs and prepare for jobs of the future. The new targeted job seeker compliance framework was also made ready for 1 July 2018.

Similarly during the year work commenced on the design of the future employment services model to replace jobactive, which is due to end in mid-2020. In January 2018, the Employment Services Expert Advisory Panel, chaired by Mrs Sandra McPhee AM, was appointed to further this activity.

jobactive celebrated a significant milestone in April 2018: one million job placements since it started on 1 July 2015. jobactive links employers to local providers who work closely with them to understand their recruitment needs and provide a tailored solution. Significantly, more than one third of the jobactive placements were in regional Australia.

April 2018 also marked the first anniversary of Youth Jobs PaTH, a flexible and new approach to helping more young people into employment. PaTH includes three flexible elements: prepare, trial and hire. The 'prepare' element, for example, is 'Employability Skills Training' (EST) where young people attend courses to better understand what employers expect in a workplace.

## Preparing for the future

As a department, we pursue innovation, collaboration and evidence-based research to give the people who use our services the best possible outcomes. We are adjusting the way we work for the future and, at the same time, promoting the inclusiveness appropriate for a 21st century workplace.

To coincide with Innovation Month the Pride Network and People Branch organised for Ally Training to be introduced in July 2017 as part of the department's commitment to promote workplace inclusion. Ally Training facilitates a workplace culture that enables LGBTIQ staff to bring their full selves to work without fear or discrimination. In April 2018, our new Diversity and Inclusion Strategy was also released. Through this strategy we celebrate and embrace our differences so that we can focus on what matters—supporting all our people to achieve their best. In May 2018 the department announced the appointment of its first Senior Executive Service Pride Champion.

In November 2017, after receiving a 94 per cent response rate to the 2017 APS Employee Census, the department received a 72 per cent score on the APS wellbeing index—10 points above the APS average. Where there were areas for improvement a departmental Census Action Plan was put in place to address career development, the risk culture, communication and workforce management. In June 2018, the department achieved a 95 per cent completion in the 2018 APS Employee Census—the highest rate of return for any large agency—demonstrating the significant engagement of our staff.

On 20 June 2018, I launched our People Strategy—a roadmap that will allow us to adapt the way we work to meet current and future workforce demands over the next five years. The strategy was designed with the knowledge that the work environment is changing. With the introduction of new technology, increased flexibility, greater citizen engagement and changing workforce demographics, we need to change with it. The strategy develops our greatest asset—our people—giving them the tools, skills and environment needed to deliver the department's priorities now and into the future.

In June 2018, we launched a new mandatory eLearning module as a key element of the department's compliance with the Commonwealth Child Safe Framework and the National Statement of Principles for Child Safe Organisations. The principles develop a nationally consistent approach to creating organisational cultures that foster child safety and wellbeing across all sectors. The safety and welfare of children is at the heart of our response.

I would like to thank all staff for their hard work and dedication over the past 12 months. Their professionalism and expertise ensures we are well placed to continue to successfully implement employment, workplace and small business policies and programs.



**Kerri Hartland**

Secretary





## OUR EXECUTIVE

### **Kerri Hartland**

#### **Secretary**

*BA, BEc (UQ) MA (Legal Studies) (ANU)*

Kerri Hartland was appointed Secretary of the Department of Jobs and Small Business in September 2017. Before that she was Deputy Secretary, Business Enabling Services at Department of Finance. Kerri has worked in eight different Commonwealth departments and agencies, including as Chief Information Officer of the then Department of Industry, Science and Resources; Deputy Secretary of the Department of Human Services, and Deputy Director-General of the Australian Security Intelligence Organisation.

### **Martin Hehir**

#### **Deputy Secretary, Employment**

*BEc (ANU)*

Martin oversees the department's Employment Cluster, which contributes to Outcome 1 (see page 12). Martin brings a wealth of experience from across the ACT and has worked as a deputy secretary in Australian Government departments since 2012. Martin joined the Department of Employment in August 2014.



### **Jill Charker**

#### **Deputy Secretary, Corporate**

*BPsych (Hons I), PhD, EMPA, Grad Dip App Fin*

Jill joined the Department of Jobs and Small Business in August 2017 as Deputy Secretary Corporate. The Corporate Cluster contributes to the development of organisational capability and supports the effective functioning of the department (see page 87). Jill brings a wealth of experience from the senior positions she has held in corporate, program and service delivery areas across the APS.

### **Sandra Parker PSM**

#### **Deputy Secretary, Workplaces and Small Business**

*BEd (UTas)*

Sandra leads the Workplaces and Small Business Cluster contributing to Outcome 2 (see page 59). She began working for the Commonwealth in 1998. Before her current role, Sandra was deputy secretary at the former Department of Education, Employment and Workplace Relations with responsibility for employment services, disability employment and income support policy.

# OUR ORGANISATIONAL STRUCTURE

The department is structured to deliver its business through the Executive and three business groups—the Employment Cluster, the Workplace and Small Business Cluster, and the Corporate Cluster. The department’s organisational structure at 30 June 2018 is shown in Figure 1.

**Figure 1.** Organisational structure at 30 June 2018





# PART 2 ANNUAL PERFORMANCE STATEMENT

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## ANNUAL PERFORMANCE STATEMENT

I, as the accountable authority of the Department of Jobs and Small Business, present the 2017–18 annual performance statement for the department as required under section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013*. In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the department, and complies with section 39(2) of the Act.

**Kerri Hartland**

Secretary

## OUTCOME AND PROGRAM STRUCTURE

### Outcome 1

Foster a productive and competitive labour market through employment policies and programs that assist job seekers into work, meet employer needs and increase Australia's workforce participation.

- ▶ Program 1.1 Employment services

The department measures its progress towards achieving Outcome 1 against five employment services objectives and one program measure:

- ▶ Job seekers find and keep a job.
- ▶ Job seekers move from welfare to work.
- ▶ Job seekers meet their mutual obligations.
- ▶ jobactive organisations deliver quality services.
- ▶ Young people move into work or education.
- ▶ jobactive–overall program measure.

## Outcome 2

Facilitate jobs growth through policies that promote fair, productive and safe workplaces.

- ▶ Program 2.1 Workplace support.
- ▶ Program 2.2 Workers' compensation payments.

The department measures its progress towards achieving Outcome 2 against three objectives:

- ▶ The Fair Entitlement Guarantee functions effectively.
- ▶ Commonwealth-funded projects are undertaken by builders accredited by the Office of the Federal Safety Commissioner.
- ▶ The workplace relations system contributes to the productivity agenda by encouraging the adoption of flexible and modern workplace relations principles.

# ANALYSIS OF PERFORMANCE AGAINST OUR PURPOSE

In 2017–18, our purpose was to foster a productive and competitive labour market through employment policies and programs that increase workforce participation, and facilitate jobs growth through policies that promote fair, productive, flexible and safe workplaces. Over the last 12 months, the department has been successful in achieving its purpose and progressing its vision of 'More Jobs. Great Workplaces'.

As noted in the department's 2017–18 Corporate Plan, this accomplishment has occurred in an environment where there were a number of external environmental factors over which the department had little to no control. This included the ongoing impact to the Australian economy from new markets, technologies and forms of work, all driven by our connection to the global economy. Ongoing structural change is an established feature of the Australian economy.

In the month of June 2018, the trend unemployment rate was 5.4%. Over the year to June, the unemployment rate declined by 0.2 percentage points. This continues a gradual decrease in the trend unemployment rate from late 2014 and is the lowest rate since January 2013. Over the past year, trend employment increased by 318,000 persons or 2.6 per cent, with 15 to 19 year olds contributing around a third of trend employment growth since January 2018.

The 15 to 19 year old input to trend employment growth is encouraging as it is an area specifically targeted by the department – the youth unemployment rate has historically been more than twice the total unemployment rate. Youth Jobs PaTH helps young people gain the skills and work experience they need to get and keep a job. In just over 12 months, over 20,000 young people have completed Employability Skills Training (EST), the 'prepare' element of PaTH. More than 30 per cent of young people who participated in EST have moved into jobs or internships.

Youth Jobs PaTH is an example of the suite of policies and programs directed at achieving the department's purpose, specifically initiatives to support vulnerable cohorts into jobs. Other key drivers of the department's overall performance success over the reporting period include:

- ▶ a policy framework to encourage fair, productive and safe workplaces;
- ▶ a capacity to undertake research and analysis to inform future program and policy development; and
- ▶ the department's capable staff, systems and information technology infrastructure.

These are discussed more fully in the Annual Performance Statement and more broadly throughout this Annual Report.

# ▶ OUTCOME 1

Outcome 1 aims to foster a productive and competitive labour market through employment policies and programs that help job seekers into work, meet employer needs and increase Australia's workforce participation.

To deliver this outcome, the department's intended results are:

- ▶ Job seekers find and keep a job.
- ▶ Job seekers move from welfare to work.
- ▶ Job seekers meet their mutual obligations.
- ▶ Employment services providers deliver quality services.
- ▶ Young people move into work or education.

In 2017–18 the department contributed to achieving this outcome through the work outlined in this chapter.

## Highlights

- ▶ In April, jobactive achieved one million job placements since its introduction in July 2015.
- ▶ During the year, jobactive providers successfully helped people prepare for work, placing them into 351,647 job placements.
- ▶ Using \$232.3 million through the Employment Fund, jobactive providers helped more than 355 thousand individuals.
- ▶ Employers received \$297 million in wage subsidies, assisting more than 56,300 people into work. Five hundred and eighty individuals were helped through Relocation Assistance to Take Up A Job.
- ▶ At 30 June, 45,117 individuals had participated in at least one element of Youth Jobs PaTH. This includes:
  - 29,462 commencements in PaTH Employability Skills Training courses
  - 6,048 PaTH internships, and
  - 25,439 Youth Bonus Wage Subsidy agreements.
- ▶ In 2017–18, initiatives to help people pursue self-employment were also successful. Support was provided for 800 people to build their business knowledge through the Exploring Being My Own Boss workshops. New Business Assistance with New Enterprise Incentive Scheme (NEIS) was provided to 6,869 individuals, and Entrepreneurship Facilitators helped over 13,800 people start or grow their business.
- ▶ During the year, the department secured an additional \$89 million over four years from 2018–19 for the Transition to Work service. This increased funding allows Transition to Work to move from a capped funding model to more flexible demand driven funding, allowing greater flexibility to continue helping young Australians aged 15 to 21 years to engage in further education and to find work. To achieve this, Transition to Work providers will help young people:
  - develop practical skills to get a job
  - connect with education or training
  - find and complete work experience placements
  - find job opportunities in the local area, and
  - connect with relevant local community services.

- ▶ The department successfully completed the national expansion of ParentsNext, extending the service from the original 10 Local Government Area locations to parents across Australia from 1 July 2018. The pre-employment program has helped parents and carers gain confidence and to plan and prepare for work that is right for them and their family's needs. By fostering innovative and collaborative approaches to servicing, providers and local communities are working together to offer tailored servicing for participants.
- ▶ Ten organisations were selected to take part in the Career Transition Assistance Trial, which is being implemented in five regions from 2 July 2018. The trial forms an integral component of the Government's Mature Age Employment Package. It will provide greater opportunities for mature age people to reskill ahead of a national rollout in 2019.
- ▶ The department worked collaboratively with other agencies to improve servicing arrangements for vulnerable groups—including Indigenous Australians, ex-offenders and refugees—and to achieve better employment outcomes.
- ▶ In 2017–18, the department implemented the Closing the Gap Employment Services Package announced in the 2017–18 Budget.
  - As part of the Time to Work Employment Service implementation, the department selected 13 organisations that will increase access to quality employment services for Indigenous prisoners transitioning into society. This is supporting the Government's commitment to creating better opportunities for Indigenous Australians.
  - From 1 January 2018, jobactive providers were encouraged to look for opportunities to establish Indigenous specific, community-based Work for the Dole Activities.
- ▶ The department developed jobs and skills measures—worth \$189.7 million—announced under the More Choices for a Longer Life Package in the 2018–19 Budget. These include:
  - bringing forward the national rollout of the Career Transition Assistance program and lowering the eligibility – from 50 years and over to 45 years – to help more older Australians increase their job readiness and develop digital literacy
  - ensuring the Restart wage subsidy is available to employers to help them hire older job seekers
  - expanding the entrepreneurship facilitators program to include 20 additional locations and encourage self-employment among older Australians
  - implementing a range of Job Change initiatives to help workers facing retrenchment to find new jobs
  - implementing a Skills and Training Incentive to encourage life-long learning and help older workers gain new skills, and
  - establishing a Collaborative Partnership on Mature Age Employment to help address age discrimination.
- ▶ The Social Services Legislation Amendment (Welfare Reform) Bill 2017 passed through Parliament on 27 March and received Royal Assent on 11 April 2018. The legislation includes several measures developed by the department, including the new Targeted Job Seeker Compliance Framework and measures to strengthen participation requirements for some job seekers, which will be implemented in 2018–19.
- ▶ With employer mobilisation and employer engagement well integrated, the department has made strong progress in engaging with employers nationally to raise awareness of Youth Jobs PaTH and other employment programs and services for job seekers.

## Challenges

- ▶ Take-up of Seasonal Work Incentives Trial positions was lower than anticipated in 2017–18. The department is continuing to promote the trial with all relevant stakeholders including growers, employment service providers and job seekers.
- ▶ To help streamline Work for the Dole administration, Work for the Dole coordinator contracts ceased on 31 December 2017 and from 1 January 2018 jobactive providers became responsible for sourcing all Work for the Dole Places. To help clients and stakeholders with these changes, the department developed a range of promotional materials and communication products.
- ▶ The department is promoting the benefits of the Youth Jobs PaTH program to employers and job seekers, and is working with providers and employers to increase the number of young people undertaking Employability Skills Training and Internships.
- ▶ Commencement of the Time to Work Employment Service is subject to negotiations with state and territory governments. The roles and responsibilities of the Commonwealth, Corrective Services and Health are set out in Memoranda of Understandings negotiated with each state and territory. These have been commencing progressively since January 2018. The Australian Capital Territory, New South Wales, South Australia, Tasmania and Victoria have signed onto the service. The remaining states and the Northern Territory are due to sign in the second half of 2018.
- ▶ Striving to close the gap in employment outcomes between Indigenous and non-Indigenous Australians requires a coordinated effort across multiple fronts. This includes building Indigenous job seekers' skills, linking people with available jobs, encouraging employers to play their part, and removing barriers to employment. The department is committed to working with individuals and communities to increase the number of Indigenous Australians in work.

## Program 1.1 Employment Services

### jobactive

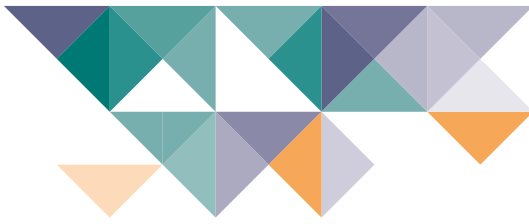
2017–18 was the third year of jobactive, the Australian Government's mainstream employment services system which was introduced on 1 July 2015.

jobactive has a strong performance track record in helping job seekers find and keep a job, move from welfare to work, and meet their mutual obligations. These objectives provide the framework for measuring and tracking jobactive's success against Outcome 1.

Throughout 2017–18, jobactive providers gave job seekers flexible and practical support to secure and stay in work, taking into account their individual circumstances. As part of this, providers also supported job seekers in a range of work like activities that prepare them for employment and to meet their mutual obligation requirements.

jobactive providers also worked closely with industry and employers, not only to identify job opportunities for job seekers, but to understand recruitment needs and ensure employers are receiving candidates who meet their business requirements.

To promote better performance, the department reallocates business between providers to encourage the delivery of high-quality services for job seekers and employers. In Western Australia, business reallocations deferred from 2016–17 occurred on 26 March 2018 in five employment regions.



### ▶ Job fairs deliver job ready candidates for Sodexo FIFO roles

**“The quality of candidates from jobactive is good, with around 80% proceeding from interview through to the full recruitment process”.**

Sodexo has fly-in fly-out positions in remote mine sites across Western Australia and was happy to access jobactive as a recruitment solution. Employer liaison officers from the department met with Sodexo to discuss the vacancies and plan for job seekers to take advantage of these opportunities.

The department’s employer liaison officers engaged with local jobactive providers and coordinated a job fair in February 2018. As a result, a total of 24 young unemployed job seekers interviewed for trainee service attendant roles. According to Sodexo, this approach was efficient and effective, and so well received that the company’s site village managers have embraced the process and are now involved both before and after recruitment. This includes conducting face-to-face interviews at the job fairs, conducting welcome to Sodexo sessions and undertaking orientations when recruits commence.

Three job fairs have been held to date and 251 job seekers have been interviewed. Thirty-two have completed training inductions, and are now working on-site. A further 141 successful job seekers from the most recent job fair are proceeding through the full recruitment process before they start work in June 2018. This collaborative approach has provided unemployed people with access to opportunities they may not have had without jobactive, and an employer that was willing to explore employment programs.

The department’s employer liaison officers in Western Australia hold regular meetings with both jobactive providers and Sodexo to offer advice, feedback and to discuss new opportunities.

## Seasonal Work Incentives trial

The Seasonal Work Incentives Trial was implemented on 1 July 2017 in response to concerns about the Australian horticulture industry's ability to attract sufficient numbers of seasonal workers. The two-year trial is capped at 3,800 places a year over 2017–18 and 2018–19 (7,600 places in total). It offers incentives to help eligible job seekers from jobactive, Transition to Work, and Disability Employment Services take up short-term seasonal work in the horticultural industry. It complements Harvest Labour Services and the Seasonal Worker Programme.

Under the trial, employment services providers work closely with growers to identify their labour needs and place the right workers to meet them. Employment services providers also work with eligible job seekers to promote the trial and the benefits of taking up seasonal work.

There are two trial incentives managed by the department:

- ▶ Seasonal Work Living Away and Travel Allowance – job seekers can earn up to \$300 each year where the work is more than 120km from their home.
- ▶ A Provider Seasonal Work Incentive Payment of \$100 a week for up to six weeks.

A third trial incentive is managed by the Department of Social Services:

- ▶ Seasonal Horticultural Work Income Exemption – eligible job seekers who receive Newstart and Youth Allowance (Other) can earn up to \$5,000 each year from seasonal horticultural work without losing any of their income support payment.

At 30 June 2018, 260 jobactive, 13 Disability Employment Services and four Transition to Work job seekers had been placed into the trial, while 21 jobactive job seekers had been referred and were expected to start. There were also 45 jobactive, Transition to Work and Disability Employment Services job seekers who had reached the \$5,000 income exemption.

## Job seeker snapshot (Online JSCI)

The department is helping make public services simpler and easier to use as part of the Australian Government's Digital Transformation Agenda. An example is moving the Job Seeker Classification Instrument (JSCI) online. This enables job seekers to create and manage their JSCI as part of their online claim, and improves efficiency and overall outcomes.

The department tested JSCI questions with job seekers and conducted research to better understand job seeker motivations. User centred design methodology was also a key strategy in designing the new online platform named 'Job Seeker Snapshot' that will host the JSCI questions.

The department is using the Scaled Agile Framework (or SAFE) methodology to build the Job Seeker Snapshot. IT functionality has been built and tested over four incremental phases by a team of business analysts, developers and testers.

By developing the online platform in four iterations between November 2017 and March 2018, the department ensured a well-tested system before launching the trial on 1 July 2018.



## Targeted Compliance Framework

From 1 July 2018, a new Targeted Compliance Framework was introduced as part of a range of measures to help job seekers meet their mutual obligation requirements.

The Targeted Compliance Framework was announced as part of the 2017–18 Budget and in the Social Services Legislation Amendment (Welfare Reform) Bill 2017. The Bill was passed by the Parliament on 27 March 2018 and received Royal Assent on 11 April 2018. Under the new framework, job seekers who fail to meet their mutual obligation requirements will initially have their payment delayed until they re-engage and will incur demerits for failures committed without a valid reason. Those who incur five demerits within six months may face escalating financial penalties for additional failures. As part of the Government's negotiations to secure passage of the Bill, an extra demerit was added to the framework.

For job seekers who receive an income support payment and who are registered with a jobactive, Disability Employment Services or a ParentsNext provider, the Targeted Compliance Framework delivered a new and more streamlined approach. It ensures that those who are genuinely disadvantaged and vulnerable are identified and supported, and apply stronger penalties to job seekers who wilfully and persistently fail to meet their mutual obligation requirements. The Targeted Compliance Framework reflects the expectations of the wider Australian community, that is that people in receipt of income support should do everything they can to find work. This includes taking personal responsibility for looking for work or participating in activities intended to help them build skills or capacity.

Since the new compliance measures were announced in May 2017, the department has engaged with a range of internal and external stakeholders to develop the operational policy settings and IT systems which underpin the new arrangements. Given the scope of the changes, the department implemented a comprehensive and integrated co-design, change management, training, communication and transition strategy. This has ensured that employment services providers were consulted in the design of the framework and given the opportunity to provide feedback on key system design. Between September and October 2017, the department delivered information and IT system co-design sessions across the country with jobactive, ParentsNext and Disability Employment Services providers. The sessions enabled attendees to hear more about the framework and to provide insights on training needs and materials for providers. This supports the successful implementation of the changes and communicates these changes to job seekers.

Change management discussions were held with each jobactive provider from February through to the end of March. These sessions helped providers identify and consider how they could best prepare for, accommodate and transition to the new framework. Discussions also enabled consistent messaging to be delivered, awareness raised around the new framework, and any concerns to be addressed in the lead up to implementation.

As part of the change management strategy, face-to-face training was also delivered across Australia to frontline jobactive, ParentsNext and Disability Employment Services providers. This training was vital to ensure staff responsible for managing the new compliance arrangements were fully prepared and ready to implement the Targeted Compliance Framework from 1 July 2018. Employment services provider staff who participated were highly engaged and positive about the initiative. Between early May and mid-June 2018, the department had delivered 15 one-day intensive sessions and six immersive three-day train-the-trainer sessions, which were attended by more than 1,900 employment provider staff.

The final component of the change management initiative involved developing a broad strategy, informed by social research, that identified key terms, symbols and effective language for communicating the changes. As part of this, a suite of tailored communication products were developed, including an animated video, brochures, posters and web content. These were published on [jobactive.gov.au](http://jobactive.gov.au) and [jobaccess.gov.au](http://jobaccess.gov.au) between late May and 1 July 2018.

## Work for the Dole

Work for the Dole is providing opportunities for participants to gain the skills, experience and confidence to help them move into work while making a positive contribution to the community. Activities are hosted by not-for-profit organisations and government agencies. The initiative provides a valuable opportunity for job seekers to demonstrate their capabilities and work behaviour while making a positive contribution to their local community.

Post-program monitoring data shows that many job seekers started work soon after leaving Work for the Dole: 25.4 per cent of job seekers surveyed between January 2017 and December 2017 were in employment three months later.

The department also surveys job seekers six weeks after they start a Work for the Dole activity.

A total of 6,600 job seekers who participated in Work for the Dole between February 2017 and January 2018, were surveyed about their experience with the program with a 40 per cent response rate. Reflecting that Work for the Dole is primarily an activation program, 74.9 per cent of survey participants reported an increase in their motivation to find a job. Respondents also reported a high level of satisfaction with their Work for the Dole activities:

- ▶ 82.1 per cent were satisfied that they had a safe work environment
- ▶ 79.7 per cent were satisfied with the level of supervision
- ▶ 74.4 per cent were satisfied with the organisation of the activity
- ▶ 74.5 per cent were satisfied with the quality of the activity, and
- ▶ 81.4 per cent believed the activity helped the local community.

These findings have remained stable since the current program commenced on 1 July 2015.

The work health and safety framework for Work for the Dole involves jobactive providers, host organisations and job seekers. Each has a role in meeting their obligations under the relevant work health and safety legislation. For example, providers are responsible for conducting a risk assessment on the work health and safety of each Work for the Dole activity before it can commence. In addition, providers are responsible for conducting a risk assessment for each job seeker placed in an activity, and for ongoing monitoring of activities to ensure that any issues are addressed.

The department purchases personal accident insurance for job seekers participating in activities, as well as combined public and product liability insurance covering job seekers for negligence that causes third-party personal injury or damage.

All work health and safety concerns are taken seriously. Complaints or issues brought to the department's attention are followed up and investigated as a priority. The department has processes in place to respond to all reported incidents to ensure appropriate action is taken and job seekers are safe. It also conducts a range of program assurance activities to test whether program requirements are being met. These are supported by regular reminders and communication with employment services providers on their obligations.

## New Business Assistance with NEIS

New Business Assistance with NEIS provides accredited small business training, mentoring and support. In 2017–18, 6869 individuals received assistance from NEIS to help start their own business. This was an increase of 11 per cent in the number of people receiving support in 2016–17. The department continues to work closely with NEIS providers and other stakeholders to increase the opportunities for self-employment.

New Business Assistance with NEIS also provides eligible participants with access to income support for up to 39 weeks while starting their business.



### ▶ New Business Assistance with NEIS supports new dog grooming venture

Tori always had a love for animals but never considered extending that passion into a viable small business. The catalyst for change was a simple text message from her father with an image of a mobile dog grooming van. Tori was immediately inspired to enrol in a dog grooming course and contacted a local organisation delivering New Business Assistance with NEIS.

She says that she knew from the moment she started receiving the assistance that this new career path was right for her. The business training and mentoring allowed her to develop and put in place a business plan. Soon after that Tori had purchased a trailer and dog grooming equipment.

Since opening the business in 2016, Tori has been providing dog grooming services in the Victorian town of Castlemaine and nearby areas. She was awarded the Mount Alexander Shire Micro Business Award for 2017 and was nominated as one of three finalists for the Best New Business category at the National NEIS Association Business Awards.

“NEIS was exactly what I needed to open my own business”, Tori says. “I am very thankful to have participated in a program where your dreams are not only encouraged, they are shown to be reachable.”

Photo: Tori next to her Pooch Parlour.

## Harvest labour services

To help meet the labour needs of horticultural enterprises, the department contracts providers of harvest labour services to match out-of-area workers with harvesting jobs across rural and regional Australia. In 2017–18, the five Harvest Labour Services providers filled just over 25,000 harvest positions in 11 harvest areas—Kununurra, Top End, Tablelands, North Burnett, Southern Queensland, Riverina, Goulburn Valley, Mid Murray, Sunraysia, Riverland and Adelaide Hills. This was an increase of 78 per cent over 2016–17.

In April 2017, the department expanded eligibility for Harvest Labour Services to include labour hire companies and contractors, and harvest work other than picking (such as chipping, weeding, pruning and packing). These changes were well received by providers and have improved uptake of the program by employers in 2017–18. Harvest Labour Service providers report that while employers sometimes find it hard to recruit staff at short notice, there are no widespread labour shortages in areas covered by the program, and it is meeting employer demand.

## The National Harvest Labour Information Service

To help promote harvest work opportunities across all growing regions in Australia, the department contracts the National Harvest Labour Information Service to produce a comprehensive harvest guide, operate a free-call call centre, and keep the Harvest Trail website up to date. In 2017–18, the National Harvest Labour Information Service received more than 17,000 calls from employers, working holiday makers and Australian job seekers.

## Performance measures: Outcome 1

Performance measures and targets for Outcome 1 are set out in the Department of Jobs and Small Business Portfolio Budget Statements 2017–18 on pages 23–27, and pages 8–12 of the 2017–18 Department of Jobs and Small Business Corporate Plan.

These performance measures and targets have been developed to support policies and programs that contribute to jobs growth, increase workforce participation and improve labour productivity. The performance measures and targets relate to helping job seekers find and stay in work, move from welfare to work, and to meet their mutual obligations. There are also measures and targets relating to employment services providers delivering quality services, meeting employer needs, and helping young people move into work and education through the Transition to Work service.

The department publishes key performance targets for employment services across the four-year period to take account of external factors that limit the ability to estimate long term performance. Adjustments may be made over time. A performance measure is considered met if it is within five per cent of the target.

The department is committed to the Closing the Gap initiative. The Government has set a target of halving the gap in employment outcomes between Indigenous and non-Indigenous Australians. To drive continuous improvement in Indigenous employment, the department has set specific parity targets for Indigenous job seekers for a range of jobactive performance measures. These make it explicit that Indigenous job seekers should attain employment outcomes at the same level and proportion as other job seekers.

In 2017–18, the department met 16 of 19 performance targets of Outcome 1. It also successfully delivered on its objective of fostering a productive and competitive labour market through employment policies and programs that help job seekers into work, meet employer needs and increase Australia’s workforce participation.

The department is committed to performance measures and targets that accurately reflect the performance of the programs and services it administers.

It has made a number of adjustments to performance measures for 2018–19 and is also introducing performance measures and targets for new programs such as ParentsNext and the Time to Work Employment Service. These changes are reflected in the department’s Portfolio Budget Statements 2018–19 and the department’s 2018–19 Corporate Plan.

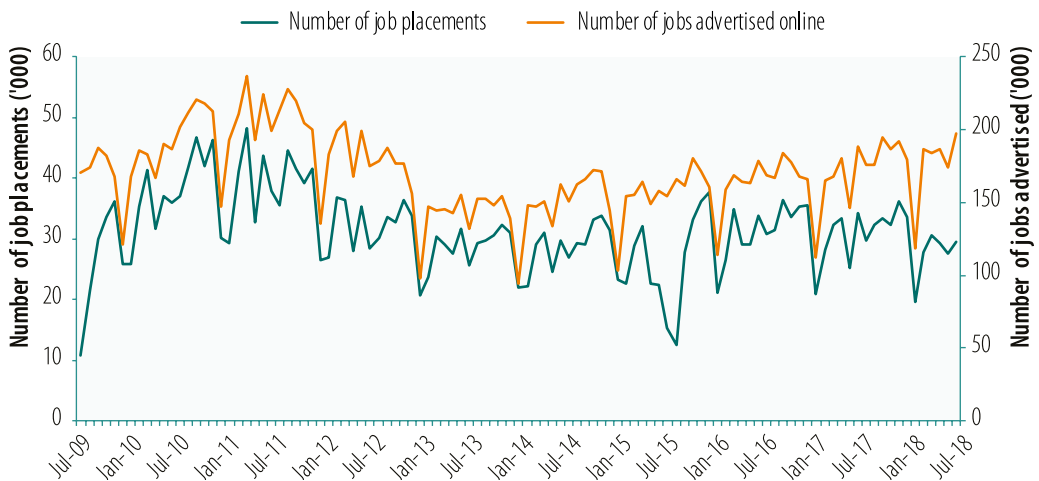
### Objective 1 - Helping job seekers find and keep a job

Employment provides a range of benefits to individuals, their families and the broader Australian community. Having a job means a better standard of living. People who participate in work are generally healthier than those who do not. Employment facilitates better links to the community, increased social interaction and enhanced self-esteem.

The jobactive program and other employment services are designed to help people find and stay in work and to build their skills and employability.

Achieving performance targets, particularly job placements and employment outcomes, is strongly influenced by labour market conditions. This is demonstrated by the close relationship between the department’s internet job vacancy index, which measures the number of online job advertisements each month, and the count of job placements in jobactive (see Figure 2).

**Figure 2. Number of job placements in jobactive compared with the number of job advertisements, 2009–10 to 2017–18**



Although employment growth over the past 12 months was above the decade annual average growth rate, there was a flattening of employment growth in the second half of 2017–18. This affected the employment opportunities for job seekers participating in jobactive and other employment services.

**Table 1. Results for Objective 1**

Indicator	Target	Result
Count of job placements	380,000 overall	351,647
	38,000 Indigenous	35,668
Proportion of job placements sustained to four weeks	55% overall	65.3%
	55% Indigenous	61.2%
Proportion of job placements sustained to 12 weeks	45% overall	58.3%
	45% Indigenous	51.8%
Proportion of job placements sustained to 26 weeks	25% overall	41.3%
	25% Indigenous	33.4%
Proportion of job seekers employed three months following participation in employment services		
Stream A*	55%	59.1%
Stream B*	35%	43.5%
Stream C*	25%	27.2%
Overall	45%	49.5%

\* For an explanation of the three streams, see page 22–23.

## Count of job placements (overall and Indigenous)

When a job seeker finds a job—or is placed into work by a jobactive provider—the provider can record a job placement on the department’s information technology system. Data for this measure is sourced from administrative data, measuring the total count of job placements recorded under jobactive. The department reports publicly on this measure each year.

The department set an overall target of 380,000 job placements in 2017–18, and 351,647 job placements were recorded. This represents 92.5 per cent of the overall job placement target, and compares to the 370,318 job placements recorded in 2016–17.

The department did not achieve its performance target as the number of job placements achieved is not within five per cent of the target. As noted above, there was a flattening-out of employment growth in the second half of 2017–18 and this has affected the attainment of the job placement targets.

For Indigenous job seekers, the department set a parity target of 38,000 job placements in 2017–18. Indigenous job seekers comprise around 10 per cent of the number of jobactive participants, so the job placement target was set at 10 per cent of the overall job placement target.

In 2017–18, 35,668 job placements were recorded for Indigenous job seekers – 93.9 per cent of the target. This represents a five per cent improvement over 2016–17 when 33,966 job placements were recorded for Indigenous job seekers.

The department did not achieve its performance target as the number of job placements achieved for Indigenous job seekers is not within five per cent of the target.

While the Indigenous job placement target was not attained, the number of Indigenous job placements exceeded parity – that is, more than 10 per cent of job placements were for Indigenous job seekers.

## Proportion of job placements sustained to four, 12 and 26 weeks

The extent to which job placements convert into four, 12 or 26 week paid outcomes indicates whether placements enable job seekers to find and stay in work.

In 2017–18, jobactive exceeded all six performance targets for all job seekers and Indigenous job seekers for the second consecutive year.

Under jobactive, providers receive outcome payments for the job seekers they are helping to remain in work. There are three main types of outcome fees:

- ▶ If a job seeker remains employed for four weeks after a job placement is recorded, and:
  - reduces their income support payments by an average of at least 60 per cent, or
  - works a requisite number of hours in employment, the provider receives a four-week outcome payment.
- ▶ If a job seeker remains employed for 12 weeks after a job placement is recorded—and continues to reduce their income support payments by at least 60 per cent or works a requisite number of hours in employment—the provider receives a 12-week outcome payment.
- ▶ If a job seeker is employed for 26 weeks after a job placement is recorded—and reduces their reliance on income support by 100 per cent or works a requisite number of hours in employment—the provider receives a 26-week outcome payment.

Reduced working capacity is considered for those with partial work capacity or those who are primary carer parents.

Administrative data is used for these measures. They are calculated as the proportion of job placements recorded by jobactive providers that convert to paid four, 12 and 26-week outcomes. The department reports publicly on this measure each year.

## Proportion of job seekers employed three months after participating in jobactive

Under jobactive, eligible job seekers are assisted through one of three streams that correlate with differing levels of labour market disadvantage.

The most job ready job seekers are assisted through Stream A. They receive services to help them understand what employers want and how to navigate the local labour market, build a résumé, look for jobs and learn how to access self-help facilities. Stream A job seekers receive case management support after six months in jobactive.

Stream B job seekers have some barriers to employment (for example they may have low levels of educational attainment or a disability). These job seekers need their jobactive provider to help them become job ready, and will receive case management support.

The most disadvantaged job seekers are assisted through Stream C. These job seekers often have a combination of vocational and non-vocational barriers that need to be addressed before they are ready for employment. This may include low work capacity, physical or mental health issues, or substance abuse. Stream C job seekers receive case management support to help them take up and keep a job.

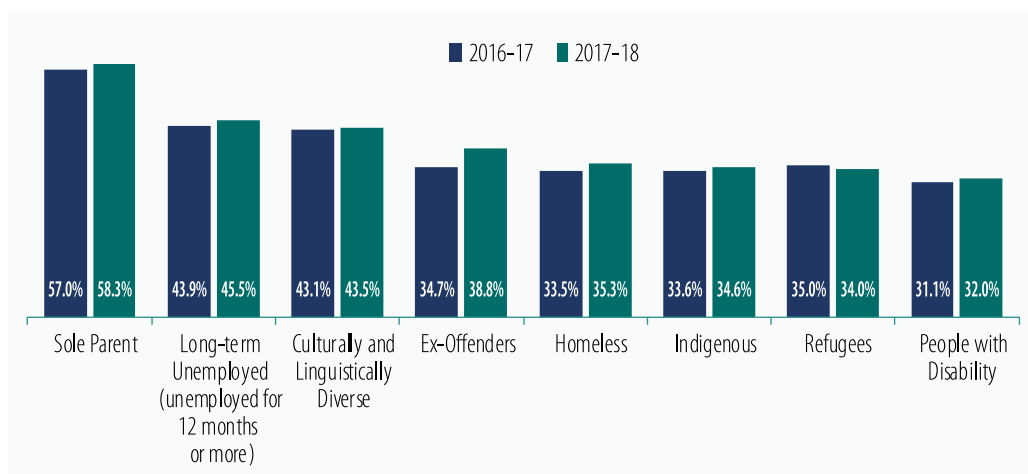
The department measures the employment status of job seekers three months after their participation in jobactive through a post-program monitoring survey. Those surveyed may be on the jobactive caseload or may have exited jobactive when selected for the survey. Post program monitoring survey data is published regularly in the quarterly Employment Services Outcomes Report. It provides information that is not available from the Department of Jobs and Small Business's administrative data, such as:

- ▶ the employment and education status of job seekers who have exited or who are still in employment services
- ▶ the employment status of job seekers who did not achieve a paid employment outcome but who were otherwise employed (such as part-time employment)
- ▶ whether the job seeker is actively searching for work, and
- ▶ whether the job seeker was satisfied with the services received.

The department has set an overall program target and a target for each stream to reflect the different job seekers serviced in jobactive. In 2017–18, 49.5 per cent of job seekers were employed three months after participation in jobactive, exceeding the performance target. The overall employment rate also represents a considerable improvement in performance over 2016–17, when 48.5 per cent of job seekers were employed three months after participation in jobactive.

Encouragingly, employment rates have also improved over the past year for a range of disadvantaged job seekers, including the long-term unemployed (unemployed for 12 months or more), Indigenous Australians, culturally and linguistically diverse job seekers and people with a disability (see Figure 3).

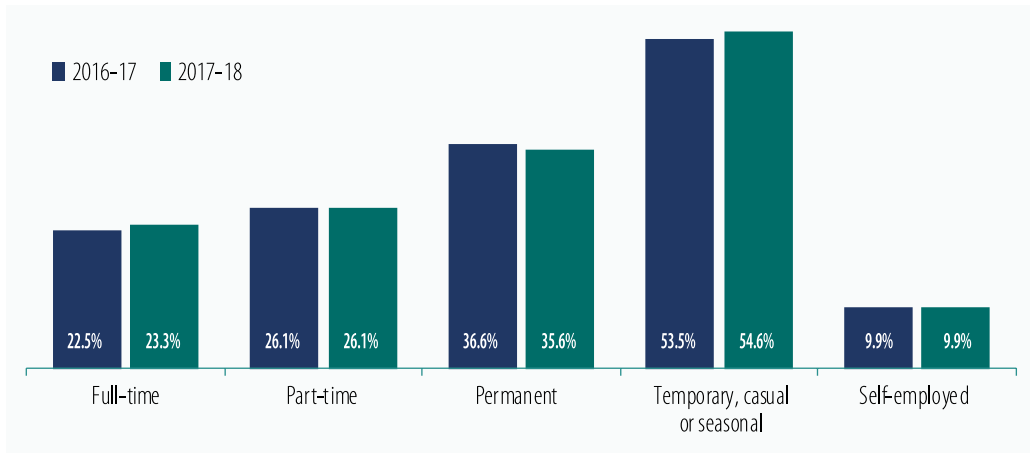
**Figure 3. Proportion of job seekers from various cohorts employed three months after participation in jobactive, 2016–17 and 2017–18**



The majority of job seekers in employment are working in part-time or casual jobs three months after participation in jobactive. Nearly one-quarter of employment gained by job seekers three months after participating in jobactive was full-time (see Figure 4). The rate of full-time employment has increased over the last year, from 22.5 per cent in 2016–17 to 23.3 per cent in 2017–18.



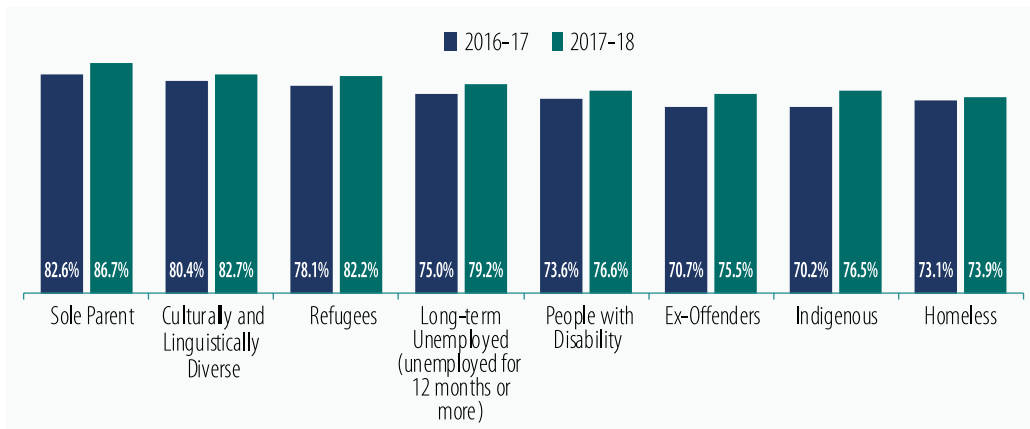
**Figure 4.** Employment type of employed job seekers three months after participating in jobactive, 2016–17 and 2017–18



The department also uses a post-program monitoring survey to confirm the employment status of job seekers three months after a job placement is recorded by their jobactive provider. In 2017–18, 81.8 per cent of job seekers with a recorded job placement were still in employment after three months. This represents an improvement over 2016–17 when 78.8 per cent of job seekers with a recorded job placement were still in employment after three months.

Encouragingly, employment rates for job seekers with a recorded job placement have also improved over the past year for a range of disadvantaged job seekers, including the long-term unemployed (unemployed for 12 months or more), Indigenous Australians, culturally and linguistically diverse job seekers and people with a disability (see Figure 5).

**Figure 5.** Proportion of job seekers from various cohorts employed three months after being placed in a job, 2016–17 and 2017–18





## Objective 2 – Helping job seekers move from welfare to work

A key jobactive objective is to help job seekers move from welfare and to find and stay in work. As noted above, reduced reliance on income support payments is associated with higher levels of economic and social participation.

**Table 2. Results for Objective 2**

Indicator	Target	Result
Proportion of job seekers moving off income support—or with reduced reliance on income support—six months after participating in jobactive	40%	44.1%

This performance measure is designed to indicate the extent to which jobactive leads to a sustainable, reduced reliance on income support payments. A significant reduction in a job seeker’s reliance on income support payments is defined as an average reduction of 60 per cent or more.

The measure is calculated using administrative data sources. A snapshot of the income support status of all job seekers on the jobactive caseload was taken at the end of each month between 1 January 2017 and 31 December 2017. Each job seeker’s income support status at this point was compared with their income support status six months later, measured between 1 July 2017 and 30 June 2018. The department reports publicly on this measure each year.

In 2017–18, 44.1 per cent of job seekers moved off income support or significantly reduced their reliance on income support six months after participating in jobactive. This exceeds the target of 40 per cent by 4.1 percentage points. This is an improvement on performance over 2016–17 when 42.1 per cent of job seekers moved off income support or significantly reduced their reliance on income support six months after participating in jobactive.

## Objective 3 – Helping job seekers meet their mutual obligations

A central feature of the employment services framework is its emphasis on keeping job seekers activated and focused on finding employment. Accordingly, these performance measures relate to keeping job seekers actively engaged, attending appointments with their providers and looking for suitable work.

As the performance measures related to objective 3 are not affected by labour market conditions, they reflect the extent to which the jobactive model is meeting its objectives.

**Table 3. Results for Objective 3**

Indicator	Target	Result
Proportion of Work for the Dole participants who report increased motivation to find a job	75%	74.9%
Proportion of jobactive provider appointments attended	90%	76.8%
Proportion of job seekers with mutual obligation requirements who are actively looking for work	95%	96.2%

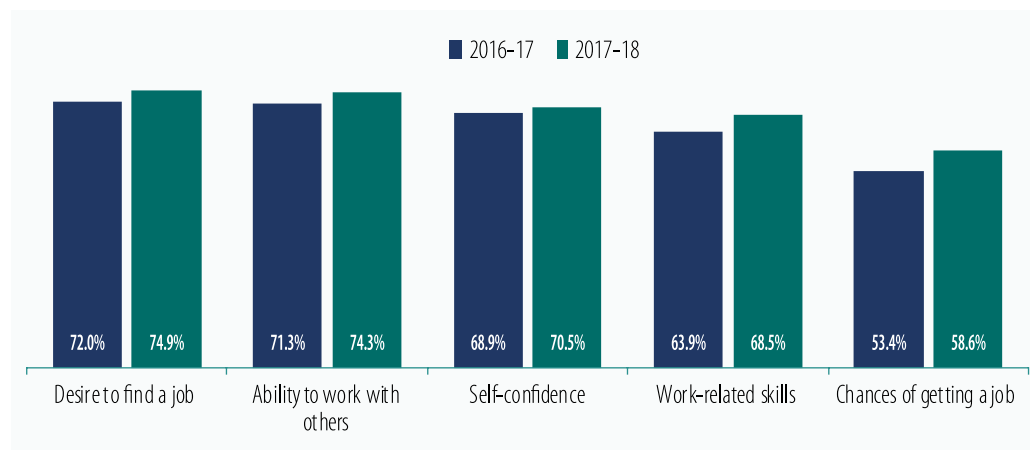
### Proportion of Work for the Dole participants reporting increased motivation to find a job

Work for the Dole is a work experience program that places job seekers in activities where they can build new skills, and get the experience and confidence to move from welfare to work, while giving back to their community. The extent to which Work for the Dole increases participants’ motivation to find work is a measure of how effective the program is at keeping job seekers activated and engaged. The department’s post-program monitoring survey measures the proportion of job seekers reporting an improvement in their desire to find a job around six weeks after commencing a Work for the Dole activity. The data is published regularly in the quarterly Employment Services Outcomes Report.

Participation in Work for the Dole has a positive impact on job seekers’ soft skills development and their outlook. A total of 74.9 per cent of Work for the Dole participants reported that their involvement improved their motivation to find a job. This compares to 72.0 per cent in 2016–17.

Job seekers also report improvements in their ability to work with others, as well as their self-confidence and work related skills (see Figure 6). These results are evidence that work experience programs help improve the employability of participants through the acquisition of soft skills.

**Figure 6. Proportion of Work for the Dole participants who reported improvements in their soft skills, 2016–17 and 2017–18**



## Proportion of jobactive provider appointments attended

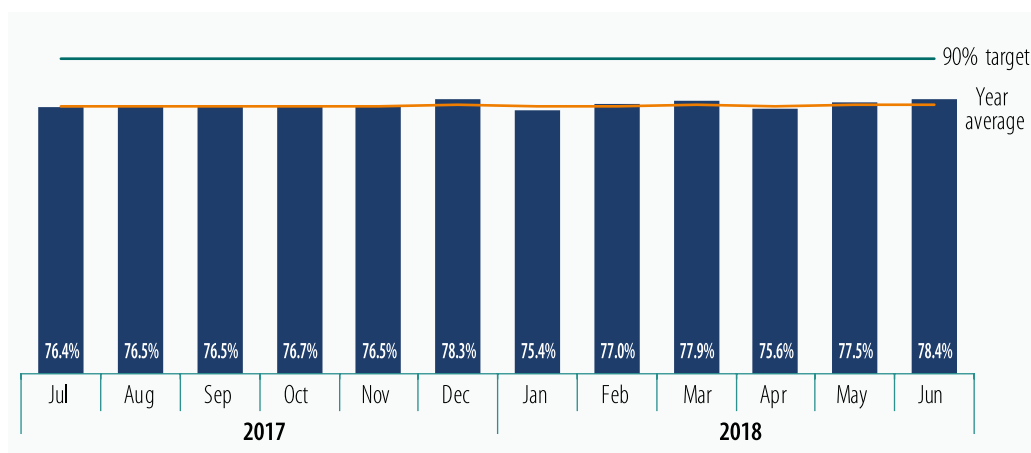
jobactive participants must attend regular appointments with their provider to monitor achievement against their requirements, and to help them find work. The extent to which job seekers attend these appointments is an established measure of job seeker engagement.

This measure is calculated using administrative data sources as the proportion of provider appointments attended (excluding those where providers confirmed that the job seeker had a valid reason for not attending). The department reports publicly on this measure each year.

In 2017–18, 76.8 per cent of job seeker appointments were attended (see Figure 7). This represents a 1.8 percentage point increase over 2016–17 when 75 per cent of provider appointments were attended. Although the result is below the target of 90 per cent, the target was designed to be aspirational. The attendance rate has steadily increased since jobactive was introduced in July 2015.

During the next reporting year the department will implement the Targeted Compliance Framework. This focuses resources and financial penalties on the small minority of job seekers who persistently and wilfully do not comply with requirements, while providing protection for vulnerable job seekers by ensuring requirements match capabilities. The framework is expected to lead to further improvements in the attendance rate.

**Figure 7.** Proportion of job seeker appointments attended, 2017–18



## Proportion of job seekers with mutual obligation requirements who are actively looking for work

Ensuring that job seekers actively look for work and stay engaged with the labour market is a key priority for the Government. Most job seekers participating in jobactive must search for work and have the requirement to look for work included in their Job Plan.

This measure is calculated using administrative data and is reported annually. The measure currently reflects the proportion of job seekers with a job search requirement in their Job Plan.

In 2017–18, 96.2 per cent of job seekers with mutual obligation requirements were actively looking for work. This compares to 96.5 per cent in 2016–17. The Australian National Audit Office (ANAO) noted in its Performance Audit Report: Implementation of the Annual Performance Statements Requirements 2016–17 (tabled in Parliament on 28 March 2018) that the methodology for this measure was not appropriate as it simply measured how many people had a job search requirement in their Job Plan.

In response to the ANAO report, the department revised the methodology for this performance measure for 2018–19. The calculation of this measure will be the proportion of job seekers meeting their job search requirement when it is included in their Job Plan.

## Objective 4 – jobactive organisations delivering quality services

The quality of services provided to job seekers and employers is directly related to other jobactive objectives. It ensures job seekers are getting the help they need, and that employers are being provided with a valuable service. High quality service delivery also ensures the Australian public and job seekers are getting value for the money spent on employment services. The performance measures related to Objective 4 reflect the extent to which the department's approach is directly influencing the achievement of the targets.

**Table 4. Results for Objective 4**

Indicator	Target	Result
Proportion of employers satisfied with the assistance provided by a jobactive organisation	80%	82%
Proportion of jobactive organisations that meet the service delivery requirements	80%	81%

## **Proportion of employers satisfied with the assistance provided by a jobactive organisation**

By tailoring their services to employers' needs, jobactive providers are better positioned to help job seekers achieve job placements, while providing a valuable service for employers.

Data for this measure is sourced from the department's Survey of Employers' Recruitment Experiences from the more than 700 employers who could recall the name of a jobactive provider they had used in the last 12 months.

The measure is the proportion of employers who were satisfied with the assistance provided. In the year to April 2018,<sup>1</sup> 82 per cent of employers were satisfied with the assistance provided by a jobactive provider. This is in line with the 80 per cent target.

## **Proportion of jobactive organisations that meet the service delivery requirements**

jobactive providers are monitored to ensure they are making available the additional employment services to job seekers, employers and other stakeholders to which they committed as part of their tailored service delivery offers.

Providers' delivery of these additional commitments is monitored through the department's contract management process throughout the term of the contract. The measure is calculated as the proportion of jobactive providers that meet 80 per cent or more of their assessed commitments over the financial year.

In 2017–18, 81 per cent of jobactive providers met 80 per cent or more of their assessed commitments, thereby meeting the performance target.

The ANAO noted in its performance audit report: implementation of the annual performance statements requirements 2016–17 (tabled in Parliament on 28 March 2018) that the measure implied that it reflects the proportion of jobactive providers fully complying with their service delivery requirements. Rather, it measured the proportion of providers that meet the requirements.

The department has revised the methodology for this performance measure for 2017–18. The measure reported the proportion of jobactive providers that met or partially met 80 per cent or more of their assessed commitments over the jobactive contract to date. In 2017–18, the measure is reported as the proportion of jobactive providers that fully met 80 per cent or more of their assessed commitments over the financial year.

The department has also revised the methodology for this performance measure for 2018–19. The measure will assess the proportion of assessed commitments made by all jobactive providers (in their service delivery plan and service offer commitments) that are met. All service delivery plan and service offer commitments will be assessed over the two years 2018–19 and 2019–20.

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<sup>1</sup> Latest available data.

## jobactive star ratings

In addition to assessing program level performance measures and targets, the department calculates quarterly star ratings to assess the relative performance of individual provider sites nationally. They are published on the jobactive website and the department's website to help job seekers and employers when choosing a provider. Sites rated with 3-stars perform around the national average, 4-star and 5-star sites achieve better than average results, while 1-star and 2-star sites are below average.

The ratings drive continuous improvement in provider performance against the assessed performance measures over a rolling two-year period. These measures focus on achieving sustained employment placements by the job seekers being assisted, and the extent to which job seekers are undertaking activities to meet their annual requirements. Higher weightings are attributed to outcomes for the most disadvantaged job seekers. The Indigenous Outcomes Incentive was introduced to the star ratings methodology from the December 2017 release. This assesses the outcome rates of individual providers for Indigenous job seekers in comparison with non-Indigenous job seekers, resulting in positive adjustments to the ratings assessment if the outcome rates for Indigenous job seekers are higher, and negative adjustments if they are lower.

The ratings account for differences between sites in local labour market conditions, and the personal factors of the job seekers being helped, such as education level, length of unemployment and workforce experience.

## Program assurance

As foreshadowed in the 2016–17 Annual Report, the department in January 2018 released its enhanced Employment Services Assurance Strategy. The strategy was strengthened to deliver improved oversight and planning of assurance activities across employment services programs. The strategy is principles-based to reduce the level of prescription and complexity, allowing it to be applied and adapted appropriately to new circumstances, policies and programs. It aligns better practice principles with the implementation of the department's Assurance Objectives for employment services.

The cornerstone of payment integrity assurance for jobactive, the Rolling Random Sample, continues to mature with almost 11,000 claims reviewed throughout 2017–18. Improvements to the Rolling Random Sample process have meant that results and feedback to providers are now delivered within six weeks of the commencement of an assessment cycle. This has given jobactive providers an opportunity to implement more timely improvements to claiming practices and to develop a better understanding of Deed and program requirements. jobactive providers have delivered an overall improvement in compliance rates throughout the period of the Deed, which in turn has allowed the department to reduce the frequency of Rolling Random Sample cycles from four to three annually.

The Compliance Indicator is a measure of each jobactive provider's compliance with the jobactive Deed 2015–2020 and guidelines in submitting claims for payment and other relevant processes. It is a score between zero (0) which indicates absolute non-compliance and one hundred (100), where one hundred represents perfect compliance based on the aggregated results of compliance reviews finalised in the preceding 12-months. The improvement in jobactive provider compliance, evident in the Rolling Random Sample results, is reflected in the continued increase in the average Compliance Indicator score increasing from 91.4 with the June 2017 release of the star ratings to 96.1 for the June 2018 star ratings release.

The Quality Assurance Framework was implemented on 1 July 2015 as part of the jobactive Deed 2015–2020. It sets the minimum standard of quality for jobactive providers. Certification under the Quality Assurance Framework assures the department that providers have in place policies and processes to support service delivery. The second round of Quality Principles Audits, which includes a third party Quality Principles Audit, commenced in 2017–18 for all jobactive providers. During 2017–18, 25 providers achieved or maintained their Quality Assurance Framework certification. The remaining 17 providers are expected to achieve or maintain certification before the end of 2018.

Throughout 2017–18, \$2,493,647 net was recovered from across the employment services that the department administers. This is equivalent to 0.14 per cent of the monies spent on employment services over the same period and is smaller than the proportion for 2016–17 of 0.24 per cent. This proportion is calculated as the total dollars recovered in the year against employment services contracts, divided by the total Program 1.1 Administered Expenses set out in Table 28 – Agency Resources Statement – of this Annual Report. The reduction reflects the improved compliance observed through the Rolling Random Sample, achieved through provider education on addressing common errors being made and systems enhancements to support improved payment integrity.

### ► QEII hospital and the Queensland Department of Health

Queensland’s Queen Elizabeth II Jubilee Hospital and Department of Health are collaborating with jobactive providers to select and train new recruits to meet the hospital’s staffing demands.

The department’s Queensland state office worked with the hospital’s facilities manager and TAFE Queensland to co-design a training and work placement program to fill vacancies in the hospital’s operational services team. Department staff presented the program to all jobactive providers in the targeted south east Queensland regions, and also helped plan the information session for shortlisted candidates.

The relationship has proved very successful, with two rounds of recruitment that have resulted in a total of 16 casual positions. Six months after the first round, the retention rate was 100 per cent. Two of the successful recruits were selected to undertake professional development for other roles in the hospital, including work in the theatre teams.

The department is using this success to further guide Queensland Health in its recruitment processes with an eye to jobactive clients. Queensland Health has achieved significant savings in this process compared with its usual procedures, and is looking at this model as a platform for future recruitment. This includes on a specific initiative for Indigenous Australians and people with a disability that will require about 100 new recruits to implement.



## Objective 5 – Young people move into work or education

Transition to Work began in February 2016. The service is designed to provide intensive, pre-employment support to improve the work readiness of young people aged between 15 and 21 to help them into work (including apprenticeships or traineeships) or education. Participants can receive up to a 12-month intensive service in Transition to Work.

Targets for the Transition to Work performance measures were increased in mid-2017 in the department's 2017–18 Corporate Plan. This was due to strong performance against the 2016–17 targets, which were set at 25 per cent above historical outcome rates for a similar group in mainstream employment services (jobactive).

The strong performance of Transition to Work reflects, in part, the strength of the labour market, particularly for young people. Over the 12 months to June 2018, ABS data shows that employment for 15 to 24 year olds grew by 95,200 or 5.1 per cent.

**Table 5. Results for Objective 5**

Indicator	Target	Result
Proportion of placements sustained to a 12-week employment outcome or hybrid outcome, or a 26-week education outcome	65%*	70.9%
Proportion of placements that are converted to sustainability outcomes	40%*	46.1%
Proportion of Transition to Work participants moving off income support, reducing their reliance on income support, or moving on to Youth Allowance (student) six months after participating in the service	30%*	34.1%

\* As detailed in the department's revised 2017–18 Corporate Plan published on 27 February 2018.

### Proportion of placements sustained to a 12-week employment or hybrid outcome, or a 26-week education outcome

This performance measure recognises the different ways a participant can find and stay in work. A Transition to Work provider can receive:

- ▶ a 12-week employment outcome payment when a participant is employed for 12 cumulative weeks, where each period of employment comprises at least four weeks
- ▶ an education outcome payment when a participant undertakes 26 consecutive weeks of:
  - full-time participation in or completion of a Certificate III course or higher
  - full-time participation in or completion of secondary education leading to a Year 12 qualification, or
  - full-time participation in the Adult Migrant English program or the Skills for Education and Employment program, and
- ▶ a hybrid outcome payment when a participant completes 12 consecutive weeks in a combination of employment or study (as described in the outcomes listed above).

This measure is calculated as the proportion of Transition to Work placements sustained to a 12 week employment or hybrid outcome, or a 26-week education outcome, using administrative data. The measure is reported against annually.

In 2017–18, 70.9 per cent of job placements for Transition to Work participants were sustained to a 12 week employment or hybrid outcome, or a 26-week education outcome. This is 5.9 percentage points above the revised 2017–18 target of 65 per cent. The target for this measure was set at 45 per cent for 2016–17.

### Proportion of placements converted to sustainability outcomes

Providers can receive a sustainability outcome payment when a participant achieves a 12 week employment or hybrid outcome, which then continues for a further 14 consecutive weeks.

This measure is calculated as the proportion of placements converted to sustainability outcomes using administrative data. It is reported on a monthly basis.

In 2017–18, 46.1 per cent of job placements for Transition to Work participants were converted to a sustainability outcome. This is 6.1 percentage points above the revised 2017–18 target of 40 per cent. The target for this measure was set at 25 per cent for the 2016–17 financial year.

### Proportion of participants reducing reliance on income support, or moving on to Youth Allowance (student)

Participants who move off or reduce their reliance on income support are on their way to becoming financially self-reliant and independent. Those who move onto Youth Allowance (student) support payments are studying and earning qualifications that will improve their employment prospects in the future.

This measure is calculated as the proportion of Transition to Work participants moving off income support, reducing their reliance on income support (defined as a reduction of 60 per cent or more), or moving on to Youth Allowance (student) support payments six months after participating in the service. Data was collected for participants in the Transition to Work service between 1 January 2017 and 31 December 2017. The income support status of these participants was measured six months later, between 1 July 2017 and 30 June 2018. The measure is calculated using administrative data sources and is reported on an annual basis.

### jobactive – overall program measure

The cost per employment outcome gauges jobactive’s efficiency in helping job seekers find and stay in work. It is a measure of the value for money provided by employment services.

When considered over time, this measure demonstrates the department’s efficiency in developing and implementing national policies and programs that help Australians into employment.

**Table 6. Results for Overall Program Measure**

Indicator	Target	Result
Cost per employment outcome	\$2,500	\$2,188

## Cost per employment outcome

This measure is calculated annually using administrative data, and data from the department's post-program monitoring survey. Program costs consider expenditure such as Employment Fund expenditure, administration fees and outcome payments. Employment outcomes are extrapolated from the number of job seekers who are employed three months after participation in jobactive, as measured by the post-program monitoring survey. Employment outcomes extrapolated for this measure include all employment, such as part-time employment, that is insufficient to generate a paid employment outcome for providers.

In 2017–18, the cost per employment outcome for jobactive was \$2,188, well within the target of \$2,500. This is higher than the cost per employment outcome for jobactive in 2016–17 of \$1,453. This reflects increased jobactive expenditure, mainly on outcome fees, the Employment Fund, PaTH and wage subsidies, and a smaller jobactive caseload in 2017–18.

## Customer service statistics

From 1 July 2017 to 30 June 2018, the department's National Customer Service Line handled more than 179,700 calls about employment support services. These calls related to all Government-funded employment services, including jobactive, Transition to Work, ParentsNext, PaTH, Disability Employment Services (administered by the Department of Social Services) and the Community Development Programme (administered by the Department of the Prime Minister and Cabinet).

In relation to the employment services administered by the department, the National Customer Service Line managed 66,858 feedback items (compared with 75,264 items or a 11.2 percentage fall from last year). This year there were 13,690 complaints, 19,662 requests for information and 25,451 transfers of job seekers between employment services providers (see Table 7).

**Table 7. National Customer Service Line feedback by type, 2017–18**

Feedback type	Number	per cent
Complaints	13,690	20.48%
Requests for information	19,662	29.41%
Transfers of job seekers	25,451	38.07%
Other (for example, compliments and suggestions)	8,055	12.05%
Total	66,858	100.0%



## Funding options to help job seekers

### Wage subsidies

Wage subsidies provide financial incentive of up to \$6,500 or \$10,000 (GST inclusive) to Australian businesses to hire eligible individuals in an ongoing job. Wage subsidies help to create more employment opportunities for young people, mature age people, parents, long-term unemployed and Indigenous Australians, who might not easily get a job.

Wage subsidies are a key element of the jobactive model and were enhanced under the Closing the Gap–Employment Services measures to improve employment opportunities for Indigenous Australians by through immediate access to wage subsidies rather than having a wait of six months.

These changes are driving more opportunities for Indigenous Australians and improving employment outcomes. Between 1 January 2018 and 30 June 2018, there were 5,054 wage subsidy agreements for Indigenous job seekers. This is a 63.2 per cent increase on the number of wage subsidy agreements for Indigenous participants for the same period in 2017.

Due to strong demand, the use of all wage subsidies has increased and continues to grow, assisting more than 56,300 people into work in 2017-18.

Since wage subsidies were first introduced in 2014, they have assisted more than 113,700 individuals into work (to 30 June 2018).

### Relocation Assistance to Take Up A Job

Relocation assistance helps with the financial costs of relocating to start a new job and can be combined with other support delivered by an employment services provider. It is available to people who relocate for a job that is at least 90 minutes away from where they live, and that is a full-time, ongoing role of more than 30 hours a week. Relocation assistance provides:

- ▶ up to \$6,000 (GST exclusive) for people moving to a regional area, or
- ▶ up to \$3,000 (GST exclusive) for people moving to a capital city, with
- ▶ up to an additional \$3,000 (GST exclusive) if the person moves with their dependent children.

Over the last financial year, relocation assistance has helped 580 people and their families relocate and to take up an employment opportunity.

## Employment Fund

jobactive providers have access to the Employment Fund which helps eligible people build their experience and skills through work-related training and support that helps them find and keep a job. The department continues to increase the flexibility and choices available through the Employment Fund and remove unnecessary restrictions.

jobactive providers spent \$231.3 million in 2017–18 to help individuals prepare for work, with expenditure mainly on accredited training, professional services, clothing and presentation, and work-related licensing. The amount spent by jobactive providers increased by 52 percentage points compared to the \$136.7 million spent in 2016–17.

Providers also used the Employment Fund to provide targeted support for Indigenous Australians as part of the Closing the Gap—Employment Services measures which commenced on 1 January 2018.

## Supporting young people and parents

### Youth employment

Labour market conditions for young people have improved in recent times, however many continue to encounter difficulties when trying to secure work, and can face longer spells of unemployment.

The department administers a number of programs, services and initiatives to help young people into work. These include the Youth Jobs PaTH program and the Transition to Work service.

### Youth Jobs PaTH (Prepare, Trial, Hire)

Youth Jobs PaTH (Prepare, Trial, Hire) provides three elements to help give young people:

- ▶ the employability skills that employers want
- ▶ opportunities for work experience, and
- ▶ support to move from welfare to work.

To 30 June 2018, there have been 45,117 participants in at least one Employability Skills Training activity, PaTH internship or Youth Bonus Wage Subsidy.



## ▶ Working with the AAoA to reduce youth unemployment and projected workforce shortages

Ba See came to Australia as a refugee from Burma when he was 11. As he grew older, his lack of work experience prevented him from finding a job. Now he is happy working as an apprentice chef at the Mantra St Kilda Road Hotel.

The tourism sector is projected to increase by around 100,000 jobs by 2022. There are about 130,000 young people in Australia, right now, who need a job.

The department's Employer Mobilisation Branch is working with the Accommodation Association of Australia (AAoA) to ensure that unemployed young people can benefit from this growth and begin a career in hospitality.

With a changing labour market, projected skills gaps and workforce shortages, the accommodation industry has focused on attracting younger workers. It encourages young people to consider hospitality as a career opportunity, not just a stepping-stone or holiday job. The AAoA Academy delivers industry-designed pre-employment programs with both member and non-member hotel groups to help job seekers like Ba See find and stay in work.

The Australian Government is working with the AAoA Academy to help raise awareness of employment services among major hotel groups, and to encourage them to make their entry-level vacancies available to unemployed jobseekers.

A tailored pathway has also been developed combining AAoA Academy services – pre-screening, training and placement support – with Youth Jobs PaTH – Employability Skills Training, internships and wage subsidies. In consultation with the AAoA and industry leaders, we are building a framework of support for line managers who will supervise job seekers for the duration of their internship and their entry into ongoing employment. This pathway has drawn heavily on each hotel group's confidence in the AAoA Academy and industry designed training packages.

Photo: Shaun Fields - General Manager Mantra St Kilda Road, Ba See – Apprentice Chef Bakini Restaurant and Bar, Ritesh Patil – Head Chef Bakini Restaurant and Bar

## Prepare: Employability Skills Training

Employability Skills Training (EST) helps young people develop their skills and confidence through intensive pre-employment training.

Young people undertaking EST enhance their work readiness through two different blocks of targeted training.

- ▶ The first provides young people with pre-employment skills including communicating at work, working in a digital world and how to identify and solve problems.
- ▶ The second training block focuses on advanced job searching skills, career development, interview skills and the opportunity to participate in industry awareness experiences, which provide insights into the tasks and duties of different industries.

In the past year, EST has equipped more than 20,000 young people to meet the expectations of employers in both the recruitment process and as new employees in the workplace. More than 30 per cent of these young people successfully moved onto a job or internship within six months of completing EST.

### ▶ Youth Jobs PaTH helped Rebecca secure a job

After eight months of unemployment, Youth Jobs PaTH paved the way for 20-year-old Rebecca from Mudgee, New South Wales, towards a job.

Rebecca had tried hard to find a job but her lack of experience had held her back. 'I was applying but no one was really interested.'

Rebecca was encouraged to undertake Employability Skills Training (EST) to equip her with the confidence and employability skills needed to be successful.

'I did EST to improve my chances of getting a job. The training taught me how to dress, how to act, how to ask the right sorts of questions. It was more practical.'

During the training, Rebecca was offered an internship at Café 89. Despite not having worked in a café before, Rebecca felt the training had given her the confidence to take it on. 'I decided I'd like to give it a try,' she said.

It turned out to be a good decision. After a four-week internship, Rebecca was offered a job – one that she loves.

Café 89 owner, Joanne, also found real value in the training Rebecca had received and the opportunity to trial Rebecca before hiring her.

'EST gave Rebecca an edge,' Joanne said. 'She had obviously done some training in how to meet and greet people, how to interview, and just how to have a positive interaction in the workplace. It gave her a really big step up.'

'During her internship I was able to see if she was going to be the right fit. It reassured me that, yes, I've employed the right person and she'll stay for a long time!'

Rebecca has been at Café 89 for over six months, and is a valued member of the team. Joanne recommends the Youth Jobs PaTH program to other small businesses, adding 'it's a good way to train them up before you decide if they're right for the role.'

## Trial: internships

PaTH internships give young people the opportunity to demonstrate their skills to an employer in a structured and supervised work experience placement. Employers can trial a young person in an internship for between four and 12 weeks to see how they fit into the team, and if they are suitable for ongoing employment. Each internship is co-designed by the business, young person and their employment services provider. This matches the young person's skills, interests and experience and ensures the business' needs are met.

Young people who participate in an internship receive \$200 a fortnight as an incentive payment on top of their income support. Host businesses receive \$1,000 (GST inclusive) to help with the costs of hosting an internship.

Since the program began in April 2017, 6,048 internship placements have commenced with 2,922 businesses in fields including accommodation and food services, and retail trade. A total of 3,484 young people have successfully completed their internships and of those, 2,332 gained employment following the program.

## Hire: Youth Bonus Wage Subsidy

Under jobactive and Transition to Work (TtW), employment services providers deliver and manage the Youth Bonus wage subsidy (the Hire element of PaTH). The subsidy provides a financial incentive of up to \$10,000 (GST inclusive) to help businesses hire unemployed young people 15 to 24 years of age. From 1 July 2017, 25,439 Youth Bonus wage subsidy agreements have been made.

### ▶ Aloft Hotel on the PaTH to becoming a leading employer of young people

In August 2017, the Aloft Hotel in Perth hosted the Prime Minister and Minister Cash as they acknowledged the Australian Hotels Association's commitment to taking on 10,000 interns nationally.

In the following weeks, the department helped Aloft address its recruitment needs by linking the business to a local training provider, Employability Skills Training Skill Hire, which designs its training to meet the specific requirements of Australian Hotel Association members. Aloft took on two interns as food and beverage attendants in September, and by December had employed them both with the help of a Youth Bonus Wage Subsidy agreement, negotiated with jobactive provider Communicare.

The business has developed a strong, ongoing relationship with Communicare, which has led to more internships and job placements. The experience shows that PaTH is a powerful tool that helps employers connect with a pool of young, motivated job seekers who are willing to prove themselves in the workplace.



## Empowering YOUth Initiatives

Empowering YOUth Initiatives aim to improve outcomes for people aged 15 to 24 who are at risk of long-term unemployment, and to prevent long-term welfare dependency. Projects operate for up to two years and are diverse, using a variety of approaches to address the barriers young people face to gaining and sustaining employment. They include initiatives such as work experience, outdoor adventure therapy, digital platforms and social enterprises.

The majority of round one initiatives have finished. Learnings captured through the evaluation and through Innovation in Youth Employment Services forums will inform ongoing service delivery and future employment policy design for young people. At the forums, employment services providers shared learnings—both successes and failures—and created local links.

### ▶ United Synergies gets Buzzing

United Synergies received funding under round one of Empowering YOUth Initiatives to deliver the Buzzing initiative—an eight-week intensive program that is helping young people improve their employability for the hospitality industry.

It began in June 2016 and finished in April 2018 and gave young people in the Sunshine Coast region of Queensland real life hospitality experience. This included through a mix of tools such as a custom-made interactive gamification app, social media and hands-on activities.

Young people accessed online accredited training units covering food hygiene and safety, and barista operations. As part of the practical requirements for these units, hands-on experience was provided with local coffee roasters, cafes and restaurants.

Lily, who is 16, was referred to Buzzing by her mother. Lily had recently disengaged from school and was starting to engage in risk taking with her peer group. She said she wanted to “better herself” and was looking to be a part of something positive. She engaged well in the course and showed a keen interest in making coffee. Because of her hard work and enthusiasm, Lily obtained employment through her work experience placement in a café. She has maintained meaningful employment and is a valuable member of the café’s team.

Eli is 17 years old and had previously been supported by United Synergies during his involvement with youth justice. It was during one of these discussions that Eli expressed an interest in becoming a barista. He undertook the Buzzing course and started to interact with staff and peers. Eli was invited to volunteer at community events with the coffee cart, and he displayed good initiative on these days. During his work experience, staff noticed that Eli was naturally supporting other participants. He was offered the role of student mentor for the next group of Buzzing students, and jumped at the opportunity. Eli continued to attend voluntarily every Thursday for many weeks, providing hands on support and advice to his peers. His confidence grew with his new responsibilities, and he has since gained meaningful employment.



## Transition to Work

Transition to Work (TtW) is a 12-month intensive service that began in February 2016. It provides intensive, pre-employment support to improve the work readiness of young people aged 15 to 21, and helps them into work (including apprenticeships or traineeships) or education.

TtW performance measures were increased in 2017 due to the strong performance of participants against the 2016–17 targets.

## Job Jumpstart

The department's Job Jumpstart website ([jobjumpstart.gov.au](http://jobjumpstart.gov.au)) was developed to fill a gap in the availability of employment planning and job search self-help advice for young people. The website is also proving to be a useful resource for job seekers, career advisers, employment consultants, youth workers and parents. The department worked closely with young people to design the website and develop content which reflects what they want to know about transitioning from study to work. This ethos of collaboration with young people continues as we develop new content for the site such as a suite of videos and photos.

## ParentsNext

The department commenced the ParentsNext initiative on 4 April 2016 and established 31 projects across 10 local government areas. The program helps parents plan and prepare for employment while caring for young children, and aims to increase their employment prospects by the time their children start school. It provides personalised assistance to improve work readiness in a way that first and foremost recognises their role as a parent.

Over the course of 2017–18, the Department of Human Services referred 24,160 parents to project providers. Providers helped these parents to identify education and employment goals, develop a participation plan and access activities. Parents have become involved in more than 48,900 activities that meet their individual needs. This includes more than 9,700 undertaking education and training, almost 7,600 participating in community services such as parenting courses or counselling, and over 2,770 moving into employment.

The highest proportion of participants in the ParentsNext program are women at around 96 per cent. The program is addressing the Government's strategy to increase women's workforce participation by helping and connecting mothers of all ages to vital services.

## ParentsNext national rollout

From 1 July 2018, the ParentsNext program will be expanded nationally to all employment regions. This will enable around 68,000 parents to benefit from the program each year. Approximately 96 per cent of these will be women and about 10,000 will be Indigenous. The expanded ParentsNext will be delivered as an intensive and targeted stream. Both will provide parents with connections to a wide range of services, which could include pre-employment training, mentoring, work experience and job opportunities. The intensive stream will provide services in 30 locations—10 where the program is currently delivered and a further 20 where there is a high proportion of Indigenous Parenting Payment recipients. The targeted stream will provide services in the remainder of the 51 employment regions (excluding remote areas).

### ▶ Jennifer is a young mum aged 20 years old with one child

After becoming a mum, Jennifer's sole focus has been raising her son, but as he grew a bit older, she found herself thinking about returning to work. She wanted to secure a full-time job so that she could become financially independent. But she wasn't sure what type of work she was interested in.

She received a call from the Department of Human Services about the ParentsNext program, identifying that she was eligible and referring her to a provider in her local area.

At her first appointment, Jennifer talked to her ParentsNext provider about her goal to find full-time work. She explained that she didn't really know what she wanted to do, and that she didn't have a driver's licence which was a requirement for some of the jobs she was interested in.

After listening to her goals and concerns, her ParentsNext caseworker helped Jennifer explore employment opportunities and arranged for her to get the supervised driving hours that she needed for her provisional driving test.

Jennifer went on to secure a casual shop assistant position for the Christmas period and through this experience found that she enjoyed working in retail.

"I realised that I love working with people. In retail you get to meet and talk to lots of interesting people," Jennifer said. "My goal now is to secure a full-time job in a role where I get to use my people and communication skills."

## ▶ Audi Women in Automotive project

Mothers and women who have faced long-term unemployment are gearing up to become automotive experts, thanks to a new and innovative partnership between a ParentsNext provider and Audi Australia. Audi's eight-week 'Women in Automotive' pilot program saw nine women trained, provided with a statement of attainment, and ready to enter the workforce upon their graduation.

This eight-week program consisted of:

- ▶ seven theory modules delivered by TAFE which introduced participants into the automotive industry
- ▶ vocational placements across four Audi dealerships which provided participants with the ability to work hands on in sales, administration, parts and post-sale support, and
- ▶ three weeks of optional intensive vocational placement.

'The program provides an opportunity for our ParentsNext participants to learn skills which will equip them for employment, and gives them the chance to get into a non-traditional industry for women', Program Manager Lucy said. 'The program addresses unemployment, as well as a lack of women working in the automotive field, and was a perfect fit for the ParentsNext objective of reducing employment barriers for participants.

'Audi identified that only two per cent of the global automotive workforce is female, and they want to include more women in their team. We think it's a fantastic opportunity to build the confidence, work skills and knowledge of the women we engage with at ParentsNext', Lucy explained.

Each week, participants are required to attend two half-day theoretical classes at TAFE where they cover different units, from effective communication in the workplace, to complying with legal requirements in the automotive industry. On top of this, they receive on-the-job experience at various Audi dealerships in the wider Sydney area. At the conclusion of the course, the women have a range of skills including sales, automotive parts, administrative and call centre experience.

As for whether the women are enjoying the course, Lucy says they're all nearly experts. 'They are getting so much out of the course. Their confidence has improved and they have a positive outlook for the future. A lot of the women see themselves as future salespeople in the automotive industry', Lucy says.

Three of the participants have been offered employment with a car dealership group, and another two have enrolled to continue their study.



## Pilot program Launch into Work

The department implemented a new pilot program during the year, Launch into Work, which is helping to bridge the gap to employment for women.

The program works with employers to co-design projects that will prepare job seekers for specific roles within the employing organisation. All projects include targeted training, work experience, mentoring and a commitment from the employer to hiring all participants who successfully complete a pre-employment project.

Under the program, the department works with employers that provide training, work experience and mentoring to support job seekers to increase their skills, confidence and experience, and to find and stay in work.

It aims to provide employment opportunities for job seekers who are unlikely to be successful at gaining an interview or employment through traditional recruitment methods. Employers are required to commit to employing suitable project participants who successfully complete a pre-employment project.

The program continues to achieve positive employment outcomes for job seekers and supports Australia's G20 goal to reduce the gender gap in women's workforce participation by 25 per cent by 2025.

The first Launch into Work project with Lendlease Engineering concluded in October 2017.

The Launch into Work Women in Construction project delivered tailored accredited and non-accredited training, as well as practical work experience to prepare participants for a full-time civil construction apprenticeship. Whitelion provided mentoring and pastoral care throughout the project. It also supported participants as they transitioned into employment to ensure they had access to the support they needed to achieve positive employment outcomes. All 10 project participants successfully completed the project and transitioned into employment.



### ► Pilot program creating employment pathways for young refugees

The Launch into Work pilot program is demonstrating how collaboration between employers, registered training organisations, employment services providers and the department can bridge the gap to employment for young refugee job seekers.

Adelaide based social enterprise, Miss Mysa Events, partnered with diversity and inclusion specialists Community Corporate, to deliver a project that would prepare refugee job seekers for employment as events and program assistants.

During the six-week project, participants completed accredited and non-accredited training to build their understanding of the Australian workplace and the hospitality sector. Work experience undertaken at events throughout Adelaide further supported participants to develop the confidence and skills required for a career in the hospitality and events sector.

Mentoring is a core component of Launch into Work. During this project, Community Corporate mentored participants throughout the project and will continue to support the new employees during their first six months of employment to ensure a seamless transition into the workplace.

Launch into Work participant Mimona Abdalla strives to be a leader for African youth in her community. Born in South Sudan, she migrated to Australia at a young age and has since made valuable contributions to her local community by volunteering at events and festivals. The Launch into Work project has enabled Mimona to hone her event management skills and continue to be a positive role model for youth in the community. "What I like about this program was that we were all refugees in the group. We could discuss our cultures and feel comfortable doing this."

All seven participants who completed Launch into Work have now been offered employment with Miss Mysa Events.

Photo: Participants Miron Eilala (left) and Mimona Abdalla (right) undertaking work experience at a Miss MYSA Events function

## Encouraging entrepreneurship and self-employment

### The SelfStart online hub

The SelfStart online hub (<http://jobsearch.gov.au/selfstart>) is a starting point to explore and develop ideas into successful business ventures. SelfStart featured new content in 2017–18 to connect individuals to existing services and provide targeted information to help them start a business. SelfStart had 116,247 page views during the year.

### Exploring Being My Own Boss

In 2017–18, Exploring Being My Own Boss workshops provided 800 people interested in starting their own business with a taste of what is involved. The two-week workshops on self-employment and entrepreneurship cover 10 core topics including financial management and marketing. Of these, 218 people went on to create their own business through the New Business Assistance with NEIS.

Entrepreneurship Facilitators were working in three regions in 2017–18 to promote entrepreneurship and to support more than 13,800 people interested in starting or growing their own business. The facilitators run events to help individuals connect with other entrepreneurs and refer them to existing services such as New Business Assistance with NEIS. The Entrepreneurship Facilitators are helping generate new business activity in Cairns, the Hunter Valley (including Newcastle), Launceston and North East Tasmania by enabling local people, particularly young people, to build their ideas into viable businesses. The facilitators are also creating linkages with support programs to establish greater community networks.

#### ▶ Entrepreneurship Facilitators help expand sustainable food storage business

Bronwyn had been running her sustainable food storage business for around 12 months and was at the stage where she wanted to expand the business. The Tasmanian Entrepreneurship Facilitator worked with Bronwyn to evaluate her options, test new ideas, and ultimately improve her business. Together they identified some areas where she needed additional support to hone her concept.

Bronwyn was operating her business from home and it involved a lot of manual labour, so the facilitator helped connect her with a manufacturing expert to create machinery to improve her efficiency. Bronwyn's facilitator also helped her develop a plan to secure premises and a strategy to manage her finances.

The business now has an online store with a number of stockists across Australia. Bronwyn has moved her operations to Hobart where she employs six staff members and has a permanent base for her growing business.

## Supporting Indigenous Closing the Gap—Employment Services package

The Department of Jobs and Small Business works collaboratively with other agencies to improve servicing arrangements for the vulnerable—including young Indigenous people, ex-offenders and refugees—and to help them move to better employment outcomes.

### Closing the Gap—Employment Services

The Closing the Gap – Employment Services package was announced in the 2017–18 Budget. It aims to create better opportunities for Indigenous Australians to find work and to help close the gap in employment outcomes between Indigenous and non-Indigenous Australians.

Key elements of the package include enhancements to jobactive to deliver up-front intensive employment services to Indigenous job seekers, such as:

- ▶ increasing wage subsidies and making these immediately available on commencement in employment services
- ▶ including greater flexibility in the way services are delivered to encourage pre-placement and post-placement mentoring support
- ▶ participation in health-related activities
- ▶ encouraging jobactive providers to establish Indigenous specific, community-based Work for the Dole projects, and
- ▶ increasing the focus on outcomes for Indigenous job seekers in jobactive provider performance monitoring.

These elements all commenced successfully on 1 January 2018.

Other elements of the package included providing more Indigenous job seekers aged 15 to 21 with access to Transition to Work, and supporting Indigenous prisoners with access to in-prison employment services before their release through the new Time to Work Employment Service.

### Time to Work Employment Service

The Time to Work Employment Service commenced on 1 January 2018 and is a new in-prison employment service targeted at Indigenous Australians. It provides eligible prisoners who volunteer to the service with assistance while they are incarcerated, and helps them prepare for employment post-release.

Key features include a comprehensive employment assessment, assistance to develop a transition plan and a facilitated transfer to an employment services provider. Time to Work will be delivered by 13 specialist providers to service 70 non-remote prisons nationally.

The initiative operates separately to other employment services, however the Time to Work Employment providers will work with a participant's post-release employment service provider to ensure a connected transfer into servicing. The Department of the Prime Minister and Cabinet will engage providers to deliver services in 10 remote prisons under the Indigenous Advancement Strategy.



## Assessing Australia's Labour Force

### **Australian Jobs 2018: a vital resource of employment intermediaries**

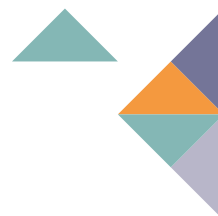
The department has released the 2018 edition of the annual Australian Jobs report. This provides information on trends in the Australian labour market, industries and occupations (identifying those where there have been new jobs created and those in which there have been job losses) as well as regional labour markets.

The 2018 edition has a strong focus on young people and the opportunities and challenges they face. Among other things it provides information on how employers recruit and the attributes they seek, data on education and training pathways, and discussion on the changing nature of the world of work. It also provides information to assist people at all stages of their working life, whether they are looking for their first job, returning to the workforce or transitioning between sectors.

Australian Jobs is a highly regarded publication. More than 100,000 copies are distributed to a wide range of users, including employment services providers, secondary schools, Centrelink, higher education and vocational education organisations, employment and careers intermediaries.

### **The Survey of Employers Who have Recently Advertised**

The Department of Jobs and Small Business undertakes ongoing skill shortage research. To understand employers' ability to recruit the workers they need, and to identify current and emerging shortages in skilled occupations such as professions and trades, the department spoke with more than 4,000 employers who had recently advertised and analysed a wide range of labour market indicators. The survey of employers who have recently advertised covers around 80 skilled occupations in the research program, primarily professions and trades. The results of this ongoing skill shortage research are published on the department's website ([www.jobs.gov.au/skillshortages](http://www.jobs.gov.au/skillshortages)) including reports on occupations at the state and territory and national levels, skill shortage lists, and overview reports that analyse trends in the skilled labour market.



## The Survey of Employers' Recruitment Experiences

As part of the ongoing Survey of Employers' Recruitment Experiences, the department interviewed some 14,000 employers across Australia in 2017–18. The survey is conducted continuously throughout the year to assess recruitment conditions and to identify how job seekers can better meet the needs of employers.

The survey contains a core series of questions each year to monitor key labour market issues and trends. Examples include the difficulties employers face filling positions, the level of competition for vacancies, and employers' methods of recruitment. Additional ad-hoc questions are included to collect insights from employers on a wide range of policy interests to the department and broader community. In 2017–18, questions were included on:

- ▶ the value of work experience
- ▶ employers' use of personal and professional networks to conduct recruitment
- ▶ the impact of seasonal work on the workforce
- ▶ advice for prisoners and ex-offenders seeking to enter the workforce
- ▶ considerations for mature age job seekers in today's labour market, and
- ▶ changes in employers' use of part-time work arrangements.

The survey data and analyses are accessed by a wide range of users, from business and industry groups to jobactive providers, policy makers, young people, career advisors and school teachers, community groups, retrenched workers and job seekers from all walks of life.

Survey results are disseminated in a range of ways, including reports, infographics and presentations published on the Labour Market Information Portal ([www.lmip.gov.au](http://www.lmip.gov.au)) and on the department's website ([www.jobs.gov.au/recruitment-conditions](http://www.jobs.gov.au/recruitment-conditions)). The department also delivered more than 50 presentations in 2017–18 attended by around 6,000 people across Australia. Copies of the presentations and related information were widely distributed. Information sessions were also provided for employees of companies facing retrenchment as well as at jobs fairs run by the department.

## Job Outlook

Job Outlook is the leading source of accessible and engaging careers information for people of all ages and stages in their life. It helps job seekers think about pathways into and between employment as well as access supporting resources to learn more about different careers.

<https://joboutlook.gov.au/>

Job Outlook provides detailed information including:

- ▶ **Job details** - job descriptions, main tasks, titles, skill levels and specialisations
- ▶ **Labour market insights** - employment trends and future growth projections, 'skill in demand' flags
- ▶ **Workforce characteristics** - average earnings and hours, age, gender, location and educational attainment
- ▶ **Job requirements** - skills, abilities, knowledge areas, activities, and physical and social demands, values and work styles
- ▶ **Job pathways** - links to training information and to vacancies on [JobSearch.gov.au](http://JobSearch.gov.au).
- ▶ Job Outlook also houses a popular **career quiz**. The quiz is not a vocational assessment, but rather a tool to help users to understand their work preferences and to explore career options. Career advisors like the quiz because it provides an impetus for discussion.

In 2017, Job Outlook reached a global audience of close to 1.2 million users (700,000 Australians). Usage of Job Outlook has grown strongly over the past year and this is expected to continue as new features are released in coming months enabling users to explore workforce characteristics and skills in demand for local regions.

## Internet Vacancy Index

The monthly Internet Vacancy Index (IVI) is based on a count of online job advertisements newly lodged on SEEK, CareerOne and Australian JobSearch during the month. The IVI enables researchers to understand labour market demand across a number of different topics. Data is available for around 350 occupations by skill level and by state and territory, back to January 2006. Regional job advertisement counts are also available back to May 2010.

In trend terms, the IVI increased by 4.7% over the year to July 2018. The IVI is now 4.7% above the level recorded a year ago and 30.5% (or 42,600 advertisements) higher than the October 2013 low point.

Job advertisements rose in six of the eight occupational groups. The strongest gains were recorded for Professionals (up by 9.6%), Managers (7.6%) and Technicians and Trades Workers (7.0%). Job advertisements decreased for Sales Workers (down by 6.6%) and Labourers (4.4%).

Job advertisements increased in five states and the ACT, with Western Australia recording the strongest rise (up by 16.3%), followed by Tasmania (13.5%, albeit from a low base). Falls were recorded in South Australia (down by 2.7%) and the Northern Territory (0.3%).

## Labour Market Information Portal

The LMIP brings together data from a number of different sources to help job seekers, employment service providers and researchers understand local labour markets.

Content on LMIP is categorized into three distinct sections:

### 1. Explore the data

This section contains the bulk of information available on LMIP. Users can explore two geographical classifications – SA4s and Employment Regions (regions jobactive providers are contracted to service) – using interactive mapping. Data available includes: jobactive caseloads, Centrelink beneficiary data, employment by industry and occupation data, unemployment rates and population statistics.

### 2. Gain insights

Users can view a range of reports and publications produced by the Department. Information available includes: employment projections, the monthly Internet Vacancy report and state labour economics office (LEO) reports.

### 3. Downloads

This section offers users data in Excel files, including SA4 and Employment Region data (as available from Explore the data), as well as Disability Employment Services data (provided by the Department of Social Services).

Over the 12 months to May 2018, the LMIP received 510,000 page views.

## Labour market conditions

Labour market conditions were strong in 2017–18, with the level of employment increasing by 339,000 (or 2.8 per cent) to stand at a record high of 12,573,600 in June 2018. This is well above the annual average growth rate of 1.6 per cent over the last decade.

Full-time employment rose by 158,200 (or 1.9 per cent) in 2017–18 to a record high of 8,565,200 in June 2018, while part-time employment increased by 180,800 (or 4.7 per cent), to stand at 4,008,400.

Against the backdrop of strong employment growth, the unemployment rate fell over the period, to 5.4 per cent in June 2018, while the participation rate rose by 0.6 percentage points to 65.7 per cent in June 2018.

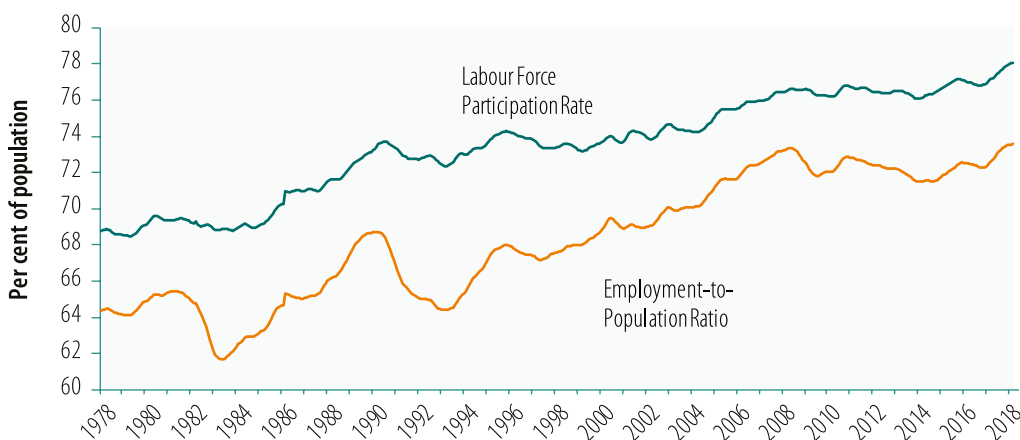
The youth unemployment rate decreased by 1.8 percentage points over the 2017–18 financial year to 11.3 per cent in June 2018, the lowest rate recorded since April 2012. The level of youth employment rose by 95,200 (or 5.1 per cent) over the period due primarily to a rise in part-time employment (up by 77,300 or 7.8 per cent), while full-time employment also increased by 15,400 (or 1.8 per cent) over the period.

The labour force participation rate is the proportion of the workforce-age population (15- to 64-year-olds) that is employed or actively looking for work. It is a good indicator of the total supply of labour, although it does not include those who are marginally attached to the labour force (people who want to be working but are not actively looking for work), such as discouraged job seekers.

The employment-to-population ratio is the proportion of the workforce-age population that is employed. This ratio is influenced by both labour demand and labour supply factors. It is also a good summary indicator for measuring Australia’s labour market performance relative to other countries, particularly those in the OECD.

Over the year to June 2018, Australia’s trend employment-to-population ratio for workforce-age people increased by 0.8 percentage points to 73.7 per cent. The trend workforce-age labour force participation rate increased by 0.7 percentage points over the same period to 78.1 per cent.

**Figure 8. Labour force participation rate and employment-to-population ratio, people aged 15 to 64 years, trend data, February 1978 to June 2018.**

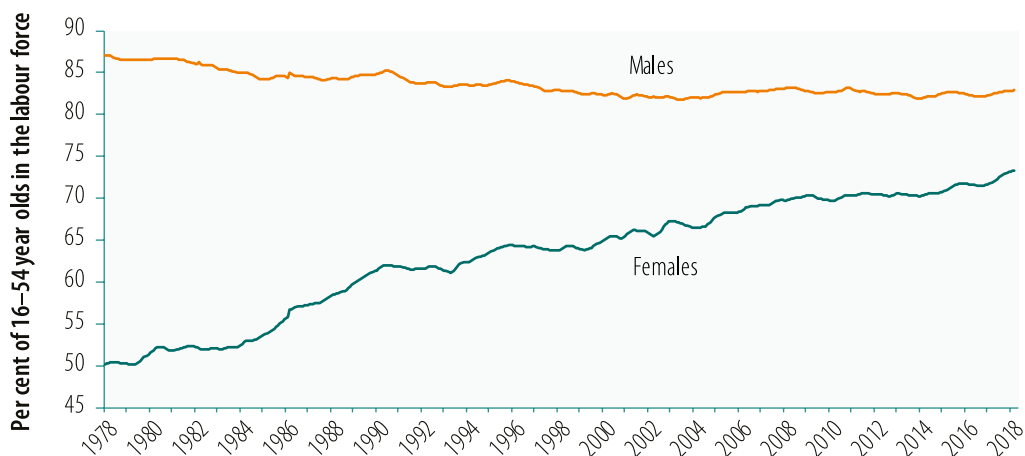


Source: Australian Bureau of Statistics, Labour Force, Australia, June 2018, Cat.no. 6202.0, Table 18.

The gap between male and female labour force participation rates narrowed slightly over the year to April 2018 from 10.4 to 9.5 (see page 69). This will help Australia to achieve the G20 goal of reducing the gap in participation rates between men and women of workforce age by 25 per cent by 2025.

The workforce-age male labour force participation rate increased by 0.2 percentage points to 82.8 per cent over the year to June 2018; the female labour force participation rate increased by 1.1 percentage points to 73.3 per cent over the same period. The notable increase in female labour force participation is partly due to the growth of industries that employ a higher proportion of women during Australia’s transition from resource-intensive to more broad-based economic growth.

**Figure 9. Labour force participation rate of males and females aged 15 to 64 years, trend data, February 1978 to June 2018**



Source: Australian Bureau of Statistics, Labour Force, Australia, June 2018, Cat.no. 6202.0, Table 18.

### Structural adjustment

Structural change is an ongoing feature of the Australian economy as it constantly transitions to new markets, technologies, operating environments and new forms of work. In response to these challenges and new opportunities, the department has developed a number of initiatives to support workers through the transition process.

These include the introduction of employment facilitators. In 2017–18, nine facilitators provided support services in Geelong, Gippsland, north Queensland, north/north-west Tasmania, Adelaide, Port Augusta/Whyalla, north west/west Melbourne and Mandurah. Employment facilitators are an essential component of the department’s assistance to retrenched workers and other job seekers. They work directly with affected people to connect them with training, job opportunities and other support services.

The department worked closely with car manufacturing companies, their workers and the South Australian and Victorian governments to ensure those affected by the closure of the car manufacturing industry had tailored support. This included labour market information, career advice, skills and training, and employment services to help retrenched workers transition to new jobs.

From July to September 2017, the department conducted six successful job fairs across Geelong, Melbourne and Adelaide in partnership with Toyota and the Victorian and South Australian governments. The key focus of these was on assisting automotive workers to connect with local employers and real job opportunities within their region. Over 14,000 job seekers attended the six events, with the following outcomes:

- ▶ around 8,900 job vacancies were offered
- ▶ employers collected over 5,500 resumes
- ▶ nearly 2,000 follow up job interviews were scheduled, and
- ▶ more than 900 people were offered a job.

Intensive employment assistance to retrenched workers will continue until 30 June 2019 under the extended Automotive Industry Structural Adjustment Program.

In 2018, the department developed the new Retrenchment Rapid Response Framework, which will support retrenched workers and employers by connecting them with existing services. It will be available from 1 July 2018. The department also introduced the Stronger Transitions package, which also starts on 1 July 2018. This is designed to provide practical assistance to workers who are being retrenched in five regions facing industrial change: North/West Melbourne, North/North West Tasmania, North/West Adelaide, North Queensland and Mandurah in Western Australia. The new model links companies with the Australian Government to transition retrenched workers into new jobs, particularly in emerging and growing sectors.

## Regional employment

Around one third of Australians live outside the capital cities. Evidence shows that there is a disparity between how regions perform comparatively. This can be attributed to a number of factors, including a region's industry base, its population's access to higher education, transport networks and infrastructure, its degree of natural amenity, population size and growth, accessibility to more dynamic labour markets and the skill level of its labour force.

Research shows that the most successful programs are those that are flexible and adaptable to local conditions, allowing communities to create solutions that meet their own distinct needs, and maximising employment opportunities.

In line with this, the department will be implementing a new Regional Employment Trials program across 10 selected disadvantaged regions from 1 October 2018. In each region, a local employment facilitator will work with the Regional Development Australia committee to enable local stakeholders to address employment issues. Each region will also have access to a \$1 million Local Employment Initiative Fund to support projects that prepare job seekers to take up employment opportunities.



## International engagement

The department continues to participate in international forums and bilateral exchanges in accordance with its International Engagement Strategy 2016–2019. This enables the department to:

- ▶ influence and evaluate international employment and labour market strategies
- ▶ promote and strengthen the small business and deregulation agendas internationally
- ▶ increase awareness of and cooperation on national and Indo–Pacific interests
- ▶ promote an Australian Government view internationally while meeting Australia's international obligations, and
- ▶ identify and share international best practice policies and ideas across the department to inform policy and service delivery.

## Organisation for Economic Co-operation and Development

Australia is a member of the Organisation for Economic Co-operation and Development (OECD). The department, represented by a Minister-Counsellor (Employment), uses its strong relationship with the OECD to enhance Australia's capacity to develop policy and programs in employment, workforce participation, small business and deregulation.

One of the most important achievements of our engagement with the OECD in 2017–18 was the finalisation of the new OECD Jobs Strategy. This provides policy recommendations to promote productivity, jobs growth, jobs quality, labour market stability and resilience.

The department is currently collaborating with the OECD on two projects: Boosting Local Employment and Economic Development in Indigenous Communities in Australia; and Getting Skills Right: Anticipating and Responding to Changing Skills Needs.

## General engagement with the United Nations

The department works with other Australian Government agencies to ensure Australia meets its international reporting obligations to the United Nations. A major milestone in 2017 was Australia becoming a member of the UN Human Rights Council. The department supports Australian representatives to the council on matters that are relevant to our portfolio responsibilities.

## International delegations

Hosting international delegations enables the department to undertake policy dialogues with other countries. The department receives visit requests from both government and non-government organisations with an interest in Australia's public employment systems and workplace relations. In 2017–18, we hosted delegations from Singapore, Malaysia, Finland and Sweden. Through its engagement with international counterparts, the department is able to use opportunities to discuss comparable challenges and international best practice to inform domestic policy development, such as Australia's future employment services in 2020.

## The Group of Twenty (G20)

The G20 is the leading forum for international economic cooperation and an important mechanism for global governance. The department represents Australia in the G20 Employment Working Group, which discusses approaches to global employment challenges. Employment Working Group officials exchange information about strategies and best practice in shared policy interests such as structural adjustment, youth unemployment, boosting female workforce participation and enhancing employment services. The department continued to promote Australia's commitments in these and other policy areas following the G20 Labour and Employment Ministerial Meeting held in Germany in May 2017, including development of Australia's annual G20 Employment Plan.

G20 Employment Working Group and education officials met on a number of occasions in the first half of 2018 to work towards policy recommendations on employment, including the role of education in preparing workers for the jobs of the future. This work was performed in preparation for the first G20 Joint Education and Employment Ministerial Meeting and annual G20 Labour and Employment Ministerial Meeting (held 6–7 September 2018) in Mendoza, Argentina.

## Asia–Pacific Economic Cooperation (APEC)

APEC is a regional economic forum of 21 economies, supported by a secretariat and thematic working groups and committees. In 2017–18, the department continued its contribution to the Human Resources Development Working Group agenda, including:

- ▶ developing the APEC Framework on Human Resources Development in the Digital Age, which sets policy priorities for the future of work, lifelong learning, social protection and support for workforce transitions
- ▶ preparing the 2017 APEC Economic Policy Report—Structural Reform and Human Capital Development. The department and four other APEC members will coordinate implementation of the report's recommendations in 2018–19 through further project activity, building on discussions held under Papua New Guinea's leadership of APEC in 2018, and
- ▶ leading development of an APEC initiative on labour mobility.



## 2030 Agenda for Sustainable Development Goals

In 2015, Australia and other United Nations Member States adopted the 2030 Agenda for Sustainable Development. This is a comprehensive and forward-looking global strategy for addressing recurring and emerging issues faced by the world today and into the future. The agenda has a set of 17 thematic goals and 169 targets, with goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment) particularly relating to the department's portfolio responsibilities.

Member states are encouraged to take concerted actions with domestic and international stakeholders to make progress towards these goals by 2030. Australia conducted its first voluntary national review of the 2030 agenda in 2018 and presented the report to the United Nations High-Level Political Forum on Sustainable Development. One of the key highlights of the review is Australia's success in achieving strong employment growth in 2017–18. As goal 8 intersects with other goals, Australia's progress towards the 2030 agenda will largely depend on sustained economic growth, high levels of employment and labour productivity.

## Delivery and Engagement Group

The Delivery and Engagement Group is responsible for frontline delivery of the department's employment programs. It does this through a range of functions including account and contract management; input into policy development, implementation and review; employer and stakeholder engagement; and local labour market intelligence gathering and interpretation. The group has strong working relationships with providers and employers, and across all levels of government.

In 2017–18, the Delivery and Engagement Group continued to rebalance its business across the three pillars of Delivery, Engagement and Intelligence. By being closely aligned to the market through proximity to stakeholders and client groups (providers and job seekers), the Delivery and Engagement Group directly contributes to the department's vision of More Jobs. Great Workplaces.

The group's functions include:

- ▶ analysing local labour markets and environments
- ▶ engaging with providers, industry and other stakeholders to facilitate better outcomes for employers and job seekers
- ▶ providing expert knowledge on developing, establishing and designing employment policy and programs, and
- ▶ providing regional knowledge on how local, state and Commonwealth policy interact with different groups.



## Outlook for Outcome 1

- ▶ The Career Transition Assistance Trial was a key measure from the Mature Age Employment Package in the 2017–18 Federal Budget. It commences on 1 July 2018 and will help mature age job seekers to increase their employment prospects through tailored career assistance and functional digital literacy. Referrals to the program are made by jobactive providers in the trial regions, and job seekers aged 50 years and over are eligible to participate. The program is being trialled in five employment regions and will be rolled out nationally from July 2019. The department will gather early evaluation data to further develop the program for national rollout. An open and competitive tender process will be run to source providers nationally, as was done in the five trial regions.
- ▶ The department will continue increasing Employment Fund flexibility from 1 July to better target the support available for refugees and mature age people. This will also enable jobactive providers to continue paying for wage subsidies for mature age individuals, parents, young people, long-term unemployed and Indigenous Australians using the Employment Fund.
- ▶ Entrepreneurship and self-employment are being encouraged as part of the 'More Choices for a Longer Life' package. This package includes appointing an additional 20 entrepreneurship facilitators from January 2019 to help older Australians at risk of unemployment due to structural changes in the economy. The department will also arrange early access to NEIS from 1 July 2018 for retrenched workers.
- ▶ We will continue to look at ways to help the horticulture sector meet its workforce needs and encourage Australian job seekers to take up seasonal work opportunities.
- ▶ Youth Jobs PaTH is achieving good results for young people transitioning into employment. The department will continue to focus on increasing take-up of the program.
- ▶ Next year, the department will implement the jobs and skills measures announced in the 2018–19 Budget to help mature age job seekers and workers remain in work, and have flexibility in their later working years.

## ▶ OUTCOME 2

Throughout 2017–18, the department advised on workplace relations policy, managed the Commonwealth work health and safety and workers' compensation framework (including sharing information and coordinating asbestos policy across the supply chain), and implemented key programs.

In late 2017, the department assumed small business policy making functions and is advising on cross-government initiatives affecting small business. The department also assumed responsibility for the Government's deregulation agenda.

The department was successful in improving information sharing and coordinating asbestos policy management across the supply chain. This has been achieved through a whole-of-government approach involving Commonwealth agencies and states and territories. The department is taking an active role in Safe Work Australia's 2018 review of the model work health and safety (WHS) laws. As well as assessing the model's content and effectiveness, the review is also an opportunity to determine if the model laws are operating as intended and to evaluate whether they are flexible and robust enough to respond to emerging issues and the changing nature of work.

The department also administers the Fair Entitlements Guarantee (FEG), a safety net scheme that provides financial assistance to workers who are left with unpaid employment entitlements when they lose their jobs due to the liquidation or bankruptcy of their employer.

Stakeholder consultations were undertaken to inform Comcare scheme reforms. These reforms seek to better support injured workers through early intervention and evidence-based medical treatment, and to help them return to work sooner. The department also continued to work with Comcare and other APS agencies to drive improvements in managing workers' compensation claims.

### Highlights

- ▶ The department supported the passage of the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* on 5 September 2017, and the *Fair Work Amendment (Corrupting Benefits) Act 2017* on 10 August 2017. The Protecting Vulnerable Workers Act introduces higher penalties for employers who deliberately and systematically underpay their staff. The Corrupting Benefits Act bans corrupt and secret payments between employers and unions, and implements recommendations of the Royal Commission into Trade Union Governance and Corruption.
- ▶ The department funded the International Labour Organization to deliver the Women and the Future of Work in the Asia-Pacific project, including a conference and research report, with future-focused policies needed to ensure women have an equal share in the region's economic potential.
- ▶ The Australian Small Business and Advisory Services program was refocused to deliver services that improve digital capability. Three providers were selected to deliver the re-designed program which will commence on 2 July 2018.

- ▶ The department continued to drive the work of the cross-agency Migrant Workers' Taskforce, led by Professor Allan Fels AO. The taskforce is charged with identifying additional measures to protect temporary migrant workers from exploitation in Australian workplaces, and will conclude its work in September 2018.
- ▶ The Quad Bike Safety Inter-Departmental Committee, which is chaired by the department, explored national quad bike safety initiatives including the feasibility of a quad bike safety rating system. The committee is supporting the Australian Competition and Consumer Commission (ACCC) with its quad bike safety investigation, which is expected to be completed later in 2018.
- ▶ The department assisted Comcare to embed choice of claims managers in the Comcare scheme for non-corporate Commonwealth entities, which is expected to be in place in late 2018.
- ▶ The department engaged Jaguar Consulting to conduct an independent review of the *Building and Construction Industry (Improving Productivity) Act 2016*. The review commenced on 1 December 2017 and has been informed by consultations with key industry stakeholders as well as submissions from industry bodies, contractor and subcontractor representatives, and unions. The final report will be delivered later in 2018.
- ▶ The Federal Safety Commissioner (FSC) has improved the scalability of the building and construction Work Health and Safety Accreditation Scheme to encourage a wider range of companies to seek accreditation. The number of currently accredited Indigenous companies has increased significantly over the past three years, rising from 12 in 2014 up to 27 at the end of 2017. The number of companies considered small employers (19 employees or fewer) that are maintaining accreditation has been increasing progressively and represented approximately 18 per cent of accredited companies at the end of 2017.
- ▶ The department's work on modernising the Fair Entitlements Guarantee (FEG) was recognised with a commendation in the 2017 Prime Minister's Award for Excellence in Public Sector Management. FEG's modernisation has led to a significant increase in efficiency, timeliness and outcomes for people receiving payments, and has increased stakeholder satisfaction with administration of the scheme.
- ▶ In 2017–18, the Australian National Audit Office conducted an assurance review of the Fair Entitlements Guarantee Recovery Program to examine whether it has achieved value for money. The report cited that:
  - The program is making a positive impact by influencing market behaviour and increasing voluntary compliance with employer obligations.
  - The department has developed and implemented plans, guidelines and procedures to support the cost-effective conduct of recovery activities.
  - The department has dynamic data collection and reporting tools and has developed guidelines and procedures that support a risk-based, commercial approach to the assessment and selection of matters to pursue.
- ▶ The World Bank study, *Maximizing the Development Impacts from Temporary Migration: recommendations for Australia's Seasonal Worker Programme (2017)* found that the Seasonal Worker Programme 'continues to deliver significant advantages, not just for Australian farmers, but for the workers, households and communities of participating Pacific island countries. The study found that since 2012, the program has delivered approximately \$144 million in net income gains to participating countries in the Pacific region.

## Challenges

- ▶ The department is working with the Fair Work Commission and Fair Work Ombudsman to develop non-regulatory solutions that will make it easier for small and family businesses to navigate the workplace relations system, and improve their interactions with the Fair Work institutions.
- ▶ The department is continuing to provide policy and legal advice on a range of significant workplace relations matters as they arise. These include:
  - building and maintaining nationally harmonised work health and safety laws while ensuring the regulatory framework meets the specific needs, operating environment and priorities of all jurisdictions, and
  - working with stakeholders on reforms to the Comcare scheme to embed best practice injury management and return to work outcomes.
- ▶ The Federal Safety Commissioner (FSC) has been working with stakeholders to develop an approach to auditing accredited companies against the National Construction Code's performance requirements on high risk building materials. This has been challenging, as the existing state and territory regulatory frameworks have shifted over the past 12 months in response to the priorities of each jurisdiction addressing combustible cladding concerns. The FSC has also engaged with the Building Ministers' Forum and the Building Regulators' Forum (BRF) to identify further opportunities to contribute to consideration of non-conforming materials. Consultation with state and territory building regulators to implement information sharing protocols about high risk activities, products and non-compliance with the National Construction Code will further enhance the FSC's influence in this area.
- ▶ The Fair Entitlements Guarantee Recovery Program is working to influence the behaviour of industry stakeholders (including employers and insolvency practitioners) by identifying ambiguities in the law, taking a stance that ensures employee entitlements are paid, and – where necessary – seeking clarification from the courts. The Fair Entitlements Guarantee Recovery Program has tested several important aspects of Australian laws, resulting in a number of court decisions that will increase the payment of employee entitlements.
- ▶ The Seasonal Worker Programme is administered with the Department of Foreign Affairs and Trade, the Department of Home Affairs and the Fair Work Ombudsman. The department has robust processes to ensure workers are protected while in Australia, including a strong compliance and monitoring regime. This includes six stages of monitoring against program requirements under the program's deed of agreement. These activities include employer risk profiling that enables targeted compliance activities, a dedicated contract management team that undertakes scheduled site visits with approved employers, information sharing and referral to other Australian Government agencies, and liaison with participating countries.

## Program 2.1 Workplace support

### The Fair Entitlements Guarantee

The department administers the Fair Entitlements Guarantee. This provides a safety net to workers who have lost their jobs and entitlements through their employer's liquidation or bankruptcy.

The Fair Entitlements Guarantee covers five employment entitlements—unpaid wages (up to 13 weeks), annual leave, long service leave, payment in lieu of notice (up to five weeks) and redundancy pay (up to four weeks for each year of service). Payments are subject to a maximum weekly wage cap, which for 2017–18 was \$2,451.00.

The department has been working on implementing reforms to address corporate misuse of the Fair Entitlements Guarantee. In a few instances over the last few years, more than \$100 million in payments under the guarantee related to entities attempting to avoid their employee entitlements by using sharp corporate practice. Legislative amendments to address corporate misuse of the Fair Entitlements Guarantee are scheduled for introduction into Parliament in 2018–19.

Achievements in the Fair Entitlements Guarantee over 2017–18 include:

- ▶ The time taken to finalise claims continues to improve, and reduced from an average of 10.1 weeks in 2016–17 to 8.3 weeks in 2017–18.
- ▶ A total of \$164.9 million was paid to 10,822 claimants under the Fair Entitlements Guarantee (\$18,289 was paid under the legacy General Employee Entitlements Redundancy Scheme).
- ▶ A total of \$39 million in payments under the Fair Entitlements Guarantee (and the legacy General Employee Entitlements Redundancy Scheme) were recovered from liquidated companies through creditor dividends in the winding-up process.
- ▶ The Fair Entitlements Guarantee hotline handled 19,813 telephone calls and responded to 11,328 emails about the operation of the Fair Entitlements Guarantee.
- ▶ The department initiated an internal review of 1,059 Fair Entitlements Guarantee claim decisions under section 37 of the *Fair Entitlements Guarantee Act 2012* (8.8 per cent of the total number claiming assistance).
- ▶ A total of 561 requests for review were received from people under section 38 of the *Fair Entitlements Guarantee Act 2012* (4.7 per cent of the total number claiming assistance).

Section 38 of the *Fair Entitlements Guarantee Act 2012* allows redundant workers to seek a departmental review of the decision on their claim. If they remain dissatisfied, they can apply to the Administrative Appeals Tribunal for further review. In 2017–18, 24 applications were lodged with the Administrative Appeals Tribunal, representing 3.6 per cent of all section 38 review decisions made during the year. Of 13 matters finalised by the tribunal in 2017–18; the:

- ▶ department and the claimant reached an agreed outcome in two months
- ▶ department's decision was affirmed or the claimant's application was dismissed by the tribunal in three months
- ▶ The claimant withdrew their application in eight matters; and
- ▶ No matters set aside the department's decision.



## The Commonwealth Ombudsman

No inquiries were raised by the Commonwealth Ombudsman in relation to the Fair Entitlements Guarantee.

## Business improvements

The department is focused on continuous improvement in the administration of the Fair Entitlements Guarantee. This continued focus ensures the program delivers quick and accurate outcomes for redundant workers, and that insolvency practitioners can easily engage with the program.

Several business improvements were delivered during the year to further streamline internal processes and enhance system functionality. During the year, the department:

- ▶ improved processes to identify where entitlements cannot be verified so alternative assessment approaches can be implemented
- ▶ improved access to Australian Taxation Office data to make claim assessments faster where employer records are incomplete
- ▶ streamlined processes for resolving discrepancies, which saved up to a week in the claim assessment process, and
- ▶ implemented system enhancements, including a pre-population function for claim assessors, exportable reports for insolvency practitioners, and better data uploads from insolvency practitioners.

## Program assurance and compliance

The department is continuing quality assurance activities to ensure the integrity of claim decisions under the Fair Entitlements Guarantee. A compliance random sample process examines initial claim decisions—and those under review—for accuracy, which helps internal quality control and ongoing assurance. A range of other assurance measures are also in place including a random-sample assurance of taxation calculations for payments.

To supplement these quality assurance activities, the department also undertakes red flag data analysis to identify potential non-compliance and fraud. Other safeguard measures are also maintained, such as program specific fraud detection training, business system controls and mechanisms for receiving and responding to tip-offs.

An internal assurance forum ensures that issues emerging through compliance and review processes are identified and addressed, and that the operation and performance of the Fair Entitlements Guarantee is assured.

## Fair Entitlements Guarantee Recovery Program

The Australian Government's Fair Entitlements Guarantee Recovery Program is strengthening the integrity and sustainability of the Fair Entitlements Guarantee Scheme. The program recovered an additional \$22.6 million in the first year of operation and improved the overall Fair Entitlements Guarantee recovery rate from an average 11 per cent in the 2010–2015 financial years to 19 per cent for 2015–16, 29 per cent for 2016–17 and 25 per cent for 2017–18.

Based on results delivered by the pilot, the Australian Government made the Fair Entitlements Guarantee Recovery Program an ongoing demand driven measure from 1 January 2017 with increased funding and resources. The Government has committed funding of \$47.2 million over four years from 2016–17. The Fair Entitlements Guarantee Recovery Program funds investigations and litigation to recover money to repay advances made under the Fair Entitlements Guarantee scheme.

The Fair Entitlements Guarantee Recovery Program has now recovered Fair Entitlements Guarantee advances totalling \$58.8 million. The program has also recovered non-Fair Entitlements Guarantee employee entitlements of \$1.7 million and superannuation guarantee contributions of \$0.7 million, the benefits of which will flow to the relevant employees.

### ▶ Amerind

The Fair Entitlements Guarantee Recovery Program enabled the department to successfully appeal a Supreme Court of Victoria decision that had denied employees of an insolvent corporate trustee the priority payment of their entitlements.

Ordinarily, the *Corporations Act 2001* requires employee entitlements to be prioritised over other creditors when a company becomes insolvent and is being wound-up. However the Supreme Court's original decision, *Re Amerind Pty Ltd (receivers and managers appointed)* (in liquidation) found that the employees' priority does not apply to a corporate trustee's assets.

Had it stood, the original decision would not only have meant that the Amerind employees, along with the Fair Entitlements Guarantee, would receive less of the available company funds, but also the precedent would have continued to disadvantage the priority creditors—usually employees—in future insolvent corporate trustees.

After careful consideration, the department appealed to the Victorian Court of Appeal using Fair Entitlements Guarantee Recovery Program funding.

The appeal was heard in July and August 2017, and in February 2018 the Victorian Court of Appeal unanimously reversed the Supreme Court decision, re-establishing that the priority regime afforded to employees and to Fair Entitlements Guarantee under the *Corporations Act* does apply to the winding up of a corporate trustee.



## Seasonal Worker Programme

The department is the lead agency for the Seasonal Worker Programme. Support to manage the program is provided by the Department of Foreign Affairs and Trade, the Department of Home Affairs, the Department of Agriculture and Water Resources, the Australian Taxation Office, Austrade and the Fair Work Ombudsman.

The program contributes to the economic development of nine Pacific island countries and Timor–Leste. It provides access to work opportunities in the Australian agriculture sector and, in selected locations, the accommodation and tourism sectors. It also offers Australian employers access to a reliable, returning workforce, subject to labour market testing.

There have been over 25,000 placements of seasonal workers since the program started in July 2012, and continued growth in demand since the program was uncapped in 2015–16. In 2017–18:

- ▶ 8,457 visa subclass 403 were issued to seasonal workers by the Department of Home Affairs, a 37 per cent increase compared to 2016–17, and
- ▶ 23 employers were approved under the program, a 23 per cent increase since 2016–17.

New employers are vetted before being admitted to the program. This includes checks on compliance with Australian workplace relations and immigration legislation. Before approved employers can employ seasonal workers, they must undertake local labour market testing to confirm there are no Australians available to do the work.

The department ensures that strong protections and supports are in place for seasonal workers. It conducted 111 regional monitoring site visits across Australia during 2017–18, up from 39 site visits in 2016–17. It continues to receive strong positive feedback about the benefits of the program from employers and workers.

In September 2017, eight measures were announced to support participation by employers and workers in the Seasonal Worker Programme. The department had responsibility for implementing two measures — streamlining the administration of the program (measures implemented on 1 July 2018), and increasing communication and engagement with stakeholders and industry to promote the program's growth (implemented throughout the 2017–2018 year). The remaining measures sit within the Foreign Affairs and Trade, and Home Affairs portfolios.





## ▶ Seasonal Worker Programme

The Seasonal Worker Programme not only helps Australian farmers source labour when there is not enough local Australian labour to meet seasonal demand, it also supplements foreign aid in the Pacific – putting money directly in the hands of people who need it most. The program has provided over 25,000 work placements for Pacific islanders such as Jone (pictured above) since 2012, contributing to the economic development of participating countries.

The World Bank in its 2017 report *Maximizing the Development Impacts from Temporary Migration: Recommendations for Australia's Seasonal Worker Programme* found that since 2012 the initiative has delivered approximately \$144 million in net income gains to the Pacific region. The study also found that:

- ▶ seasonal workers surveyed reported a high level of satisfaction from participation – 8.6 out of 10 with their experience in Australia
- ▶ 95 per cent of seasonal workers surveyed said they would look to return in future seasons
- ▶ 91 per cent felt the skills they had learnt in Australia would improve their employment prospects on returning home, and
- ▶ 91 per cent were willing to recommend the program to others in their village.

Photo: Fijian seasonal worker Jone picking citrus at a farm in Renmark, South Australia.

## The Coal Mining Industry (Long Service Leave) Corporation

The department supported the the Coal Mining Industry (Long Service Leave) Corporation (Coal LSL), which is responsible for administering the Coal Mining Industry Long Service Leave Fund. Funding provided to the corporation is dependent on levies collected from employers under the *Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992*.

In 2017–18, Coal LSL undertook an actuarial review which recommended a decrease in the levy percentage from 2.7 per cent to 2.0 per cent. This reduction took effect on 1 July 2018. It does not affect employee entitlements which will remain the same.

## Protected Action Ballots Scheme

Under the *Fair Work Act 2009*, a ballot of eligible employees is required before protected industrial action can be taken to pursue claims during bargaining for an enterprise agreement, except when the action is in response to industrial action by the other party. During 2017–18, the department met the full cost of 946 ballots, paying \$1.681 million under the scheme.

## The International Labour Organization

An important part of the department's international engagement is representing Australian interests at the International Labour Organization (ILO), and helping to manage the ILO through Australia's elected position on its Governing Body. The Australian Government plays an active role at ILO meetings, contributing an Australian and regional perspective to the ILO's work and planning. Delegates also contribute to the regional and economic government groups of which Australia is a member—the Asia Pacific Group of Governments (ASPAG) and the Industrialised Market Economies Group.

During 2017–18, the department's Minister-Counsellor (Employment) continued as Australia's delegate to the ILO. They participated in ILO meetings throughout the reporting year, including the ILO-sponsored IV Global Conference on the Sustained Eradication of Child Labour.

In September 2017, the delegate also assumed the role of ASPAG Regional Coordinator until the June 2018 International Labour Conference. The Australian Government values the engagement in the Asia-Pacific and used this position to advocate for priority issues in the region.

The department represented the Government at ILO Governing Body meetings in October and November 2017, March 2018 and June 2018.

From May to June 2018, the department represented the Government at the 107th session of the International Labour Conference, which hosted three main technical committees including a:

- ▶ standard setting discussion on violence and harassment in the world of work
- ▶ discussion on effective development cooperation, and
- ▶ a recurrent discussion on social dialogue and tripartism.

The department is working with the Department of Foreign Affairs and Trade on regional aid projects, including the Better Work programme which has been funded by the Department of Foreign Affairs and Trade since 1 June 2016. Better Work engages business, civil society and governments to assess workplace conditions in the garment industry, and to create strategies to improve labour standards and address gender issues.



## ► Women and the Future of Work in Asia and the Pacific

The department funded the ILO to deliver a project on Women and the Future of Work in Asia and the Pacific, consisting of a regional conference and research report. This project was an opportunity to highlight Australia's support for increasing women's participation in the workforce and the need preparing women for employment opportunities.

The conference was held in Bangkok from 31 January to 1 February 2018 and attracted around 150 tripartite delegates from 22 countries in the Asia-Pacific. Government, worker and employer representatives examined the opportunities and challenges of women's future at work. The conference generated evidence-based policy recommendations on where best to invest efforts and resources to capture opportunities for women.

Based on the conference outcomes, the ILO is developing a research report with strategies and actions for developing a more equitable future of work for women in the Asia-Pacific. The report will be released later in 2018. Outcomes from the project will form part of the Asia-Pacific's contribution to the ILO Future of Work and Women at Work 2019 centenary initiatives.

Photo: The Australian Government-funded Better Work program launched its Global Gender Strategy on the sidelines of the conference. The launch was attended by Australia's delegation to the conference: L to R: Rhea Kuruvilla; Rebecca Duncan; Australia's Ambassador for Women and Girls, Dr Sharman Stone; Theresa Moltoni OAM; Deputy Secretary Sandra Parker PSM; and Australia's Representative to the ILO, Margaret Kidd PSM

## Program 2.2 Workers' Compensation Payments (Comcare)

Special appropriations to Comcare are provided through the department. Management of the Comcare Workers' Compensation Scheme contributes to the achievement of Outcome 2. Further information can be found in the Comcare 2017-18 Annual Report.

## Workforce participation policy initiatives

### Women's workforce participation

In 2014, the Australian Government led the G20 to set a goal to reduce the labour force participation gap between men and women aged 15 to 64 by 25 per cent by 2025.

The goal used the participation rates of working-aged (15 to 64 years) men and women in 2012 as a baseline, which allows comparison across G20 countries. In 2012, the participation gap between working-aged men and women was 12.1 percentage points. This means that for Australia to meet the G20 goal, the participation gap needs to decrease to 9.1 percentage points, a reduction of three percentage points.

The gap between men and women's labour force participation is closing. ABS labour force data shows that over 2017–18, the participation gap reduced from 10.4 percentage points to 9.5 percentage points in trend terms.

In July 2017, the Government released *Towards 2025: an Australian Government strategy to boost women's workforce participation*. The strategy sets out the Government's roadmap to meet the G20 target, including annual implementation plans setting out the priorities for the next 12 months, and reports on the previous year's action and progress towards meeting the target.

The Office for Women and the department worked closely to develop the *Towards 2025* strategy and the 2017–18 implementation plan, which outlined 13 actions led by the department. These include the national rollout of *ParentsNext*, and projects under the *Launch into Work* and the *Career Transition Assistance* programs. The department also undertook a number of low-cost, non-legislative projects such as promoting the economic and business benefits of flexible work to small and medium enterprises, with a strong focus on working mothers.

The department released its first Gender Equality Action Plan in 2016 in response to the Australian Public Service Gender Equality Strategy—2016–2019. This year, the action plan was brought under the new *Diversity and Inclusion Strategy 2018–2020* which highlights the department's ongoing commitment to an inclusive, diverse and safe place for people to work.

## Workplace relations policy advice

### Protecting vulnerable workers

Since its establishment in October 2016, the Migrant Workers' Taskforce has identified improvements to deliver better protections for overseas workers in Australia. The taskforce is considering a number of policy issues including:

- ▶ dealing with unscrupulous labour hire operators
- ▶ managing exploitation of international students and working holiday makers
- ▶ improving government communication with migrant workers, and
- ▶ achieving better coordination of government services and compliance activities.

The taskforce held two stakeholder roundtables in July 2017 to hear from legal organisations, community groups, academics, employers and employee groups on suitable policy responses and remedies to workplace exploitation.

With support from the Fair Work Ombudsman, the department commissioned research into the information needs of vulnerable temporary migrant workers about workplace laws. Recommendations and findings from the research will be included in the report of the taskforce.

The term of the taskforce was extended in April for six months until 30 September 2018.

In September 2017, the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* took effect.

The change included introducing higher penalties to deter employers who deliberately and systematically underpay their workers and to strengthen the fair work act:

- ▶ increase maximum fines for record-keeping and payslip failures
- ▶ introduce a new category of 'serious contraventions' where penalties have increased by 10 times for deliberate and systematic contraventions involving underpayments and similar contraventions
- ▶ introduce new penalties for deliberately hindering or obstructing Fair Work inspectors or providing false and misleading information to the regulator, and
- ▶ introduce new provisions in the Fair Work Act to hold franchisors and holding companies responsible for underpayments by their franchisees or subsidiaries in certain circumstances.

## Royal Commission into Trade Union Governance and Corruption

The department continued to advise the Government on its commitment to improve the transparency and accountability of registered unions and employer associations. The department assisted with the *Fair Work Amendment (Corrupting Benefits) Act 2017*, which passed through Parliament on 10 August 2017. The Act bans corrupt and secret payments between employers and unions, and requires both to disclose any financial benefits they gain from a proposed enterprise agreement.

Two other bills that implement recommendations of the Royal Commission into Trade Union Governance and Corruption were introduced into Parliament in 2017. The Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2017, introduced on 16 August 2017, will broaden the grounds on which the Federal Court can disqualify officers and deregister organisations. It will also introduce a public interest test for mergers of organisations.

The Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2017, introduced on 19 October 2017, regulates worker entitlement funds. It will prescribe basic governance standards for the funds and ensure fund money is spent transparently and for the benefit of workers.

## The Fair Work Commission's annual wage review

Together with the Department of the Treasury, and in consultation with the Department of the Prime Minister and Cabinet and the Department of Social Services, the department prepared the Government's submission to the Fair Work Commission's annual wage review. The Fair Work Commission's decision affects around 200,000 employees who are paid the national minimum wage rate and up to 2.3 million employees on award classification wages.

On 1 June 2018, the Fair Work Commission announced its decision to increase the national minimum wage rate and award classification wages by 3.5 per cent. From 1 July 2018, the national minimum wage rate increased to \$719.20 a week (\$18.93 an hour).

## Pay equity and participation

The department continued to provide policy advice on issues relevant to women's participation in paid work, including pay equity matters, analysis of the gender pay gap, workplace flexibility, and workplace responses to family and domestic violence.

The number of women appointed to government boards in the Jobs and Innovation portfolio has increased. The portfolio has seven boards with 54.1 per cent of reportable positions held by women at 30 June 2018. This is an increase of 6.56 percentage points since 30 June 2017 when women held 47.5 per cent of reportable positions in the portfolio.

The department provided policy advice on issues relating to the annual workplace gender reporting framework administered by the Workplace Gender Equality Agency. On 19 April 2018, responsibility for the *Workplace Gender Equality Act 2012* transferred to the Department of the Prime Minister and Cabinet to support the Government's priority work on women's economic participation.

## The safety net, awards policy and superannuation

The department continued to provide policy advice to Government on safety net, modern award and superannuation matters throughout the year.

The department made a submission to the Senate Education and Employment References Committee's inquiry into penalty rates on 18 July 2017 and appeared at a public hearing of the committee on 25 August 2017. Advice was provided for the Government response to the committee's report which was tabled on 30 January 2018.

The department continued to monitor and advise on numerous matters being considered by the Fair Work Commission as part of the four yearly review of modern awards. Significant matters in 2017–2018 included casual and part-time, family and domestic violence leave, and family friendly work arrangements common issues.

The Fair Work Commission decided on 26 March 2018 to insert five days of unpaid family and domestic violence leave in all modern awards. The Government announced it will amend the *Fair Work Act 2009* to extend unpaid family and domestic violence leave to other national system employees.

## Building and construction

The department provides ongoing policy support to the Australian Building and Construction Commission, including implementing the Code for the Tendering and Performance of Building Work 2016.

The department helped the Minister recruit new Australian Building and Construction Commissioner. On 5 January 2018, Minister Laundry announced the appointment of Mr Stephen McBurney as the new Commissioner.

## Workplace relations legal advice

During the year, the department provided legal advice to portfolio ministers, portfolio agencies and other stakeholders about the operation of the national workplace relations system; developments arising from relevant court and tribunal decisions in federal, state and territory jurisdictions; work health and safety and workers' compensation; and public sector employment matters.

## Primary legislation

The department supported the development of the following legislation to implement the Government's workplace relations priorities:

- ▶ The *Fair Work Amendment (Corrupting Benefits) Act 2017* to implement recommendations from the Royal Commission into Trade Union Governance and Corruption. The Act implements recommendations 40, 41 and 48. It bans corrupt and secret payments between employers and unions, and requires both employers and unions to disclose any financial benefits they stand to gain from a proposed enterprise agreement. It passed both Houses of Parliament on 10 August 2017 and received Royal Assent on 16 August 2017. The Act commenced on 11 September 2017.
- ▶ The *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017* was introduced on 1 March 2017, passed both Houses on 5 September 2017 and received Royal Assent on 14 September 2017. This Act gives effect to the Government's election commitment to ensure workers are protected from exploitive and unfair practices in the workplace. It makes franchisors and holding companies responsible for underpayments by their franchisees or subsidiaries in certain circumstances, increases penalties for 'serious contraventions' and record-keeping failures, prohibits cash-back arrangements, and strengthens the evidence gathering powers of the Fair Work Ombudsman.
- ▶ The Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2017 is before the Senate. It would implement recommendations from the Trade Union Royal Commission with a view to reducing financial misconduct and increasing transparency in registered organisations. The Bill would introduce regulation and basic governance standards for worker entitlement funds; require disclosure to affected employers and employees of any financial benefits a registered organisation may receive from promoting or arranging an insurance-related arrangement or payment to a worker entitlement fund; and broaden and introduce further financial disclosure obligations on registered organisations.
- ▶ The Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2017 would implement recommendations from the Trade Union Royal Commission by addressing organisational and officer misconduct, and strengthening the accountability of registered organisations. As well as implementing a number of other election commitments, it would broaden the grounds on which the Federal Court can disqualify officers, deregister organisations and place an organisation into administration, and introduce a public interest test for amalgamations.
- ▶ The Fair Work Amendment (Repeal of 4 Yearly Reviews and Other Measures) Bill 2017 would amend the *Fair Work Act 2009* to respond to recommendations of the Productivity Commission's Final Report into the Workplace Relations Framework. The Bill removes the requirement for the Fair Work Commission to conduct four-yearly reviews of modern awards and enables the Fair Work Commission to overlook minor procedural or technical errors that are not likely to disadvantage employees when approving an enterprise agreement. The Bill also responds to two recommendations made by the Hon. Peter Heerey AM QC in his Report of Inquiry into Complaints about former Vice President Lawler of the Fair Work Commission. The Bill passed the Senate with amendments and was returned to the House of Representatives on 4 December 2017.



## Legislative instruments

The department developed and streamlined regulations to give effect to the Government's workplace relations priorities. Regulatory improvements made during 2017–18 were:

- ▶ The Safety, Rehabilitation and Compensation (Specified Diseases and Employment) Instrument 2017 creates a rebuttal presumption that certain specified occupational diseases were significantly contributed to by the employee's employment for the purposes of the *Safety, Rehabilitation and Compensation Act 1988*.
- ▶ The Safety, Rehabilitation and Compensation (Specified Laws) Declaration 2017 ensures that compensation under the *Safety, Rehabilitation and Compensation Act 1988* must be repaid or offset against any compensation recovered under specified state laws.
- ▶ The Safety, Rehabilitation and Compensation Amendment (Australian Signals Directorate) Regulations 2018 respond to the Australian Signals Directorate's establishment as a statutory authority independent from the Department of Defence. The regulations ensure that workers' compensation premiums and regulatory contributions are still payable in respect of the directorate and there remains a principal officer for the directorate and a rehabilitation authority for employees of the directorate for the purposes of the *Safety, Rehabilitation and Compensation Act 1988*.
- ▶ The Occupational Health and Safety (Maritime Industry) (Prescribed Ship or Unit—Intra-State Trade) Declaration 2017 provides that a ship or vessel which is only engaged in intra-state trade is not a prescribed ship or a prescribed unit for the purposes of the *Occupational Health and Safety (Maritime Industry) Act 1993*. It replaces the Occupational Health and Safety (Maritime Industry) (Prescribed Ship or Unit — Intra-State Trade) Declaration 2015 (No. 2). This instrument commenced on 16 June 2017.
- ▶ The Seafarers Rehabilitation and Compensation (Prescribed Ship—Intra-State Trade) Declaration 2017 provides that a foreign ship engaged in intra-state trade is not a prescribed ship for the purposes of the *Seafarers Rehabilitation and Compensation Act 1992*. It replaces the Seafarers Rehabilitation and Compensation (Prescribed Ship—Intra-State Trade) Declaration 2015 (No. 2). This instrument commenced on 16 June 2017.
- ▶ The Code for the Tendering and Performance of Building Work Amendment (Infrastructure Exemptions) Instrument 2017 commenced on 22 August 2017. It amends the Code for the Tendering and Performance of Building Work 2016 (Building Code 2016) to provide for a mandatory exemption from the application of the Building Code 2016 for certain essential services providers.
- ▶ The Safety, Rehabilitation and Compensation (Commonwealth Authority) Declaration 2017 provides that Aboriginal Hostels Ltd would continue to be a Commonwealth authority. It commenced on 1 October 2017.
- ▶ The Fair Work Amendment (Protecting Vulnerable Workers) Regulations 2017 amend the Fair Work Regulations 2009 to address a number of consequential matters relating to amendments of the *Fair Work Act 2009* by the *Fair Work Amendment (Protecting Vulnerable Workers) Act 2017*. The Regulations commenced on 21 December 2017.
- ▶ The Work Health and Safety (Managing Risks in Stevedoring) Code of Practice 2017 provides practical guidance to duty holders on meeting their obligations under the *Work Health and Safety Act 2011* and Work Health and Safety Regulations 2011. It commenced on 6 December 2017.
- ▶ The reporting guidelines for the purposes of section 253 – 3<sup>rd</sup> edition, made under the *Fair Work (Registered Organisations) Act 2009*, provides financial reporting guidelines in relation to low-income registered organisations.
- ▶ The reporting guidelines for the purposes of section 253 – 5<sup>th</sup> edition, made under the *Fair Work (Registered Organisations) Act 2009*, provides reporting guidelines in relation to information, reports or statements required in a reporting unit's general purpose financial report.

- ▶ The Fair Work Amendment (Corrupting Benefits) Regulations 2017, which commenced on 29 January 2018, amended the Fair Work Regulations 2009 to prescribe technical requirements in relation to the content and form of disclosure documents prepared by bargaining representatives (employers, employer organisations and unions) for a proposed enterprise agreement. Bargaining representatives are required to disclose financial benefits that they, or parties closely connected to them, may derive because of a term of the proposed agreement.
- ▶ The Safety, Rehabilitation and Compensation (Licence Eligibility—DHL Express (Australia) Pty Ltd) Declaration 2018 allows DHL Express to make an application to self-insure under the Comcare scheme. It commenced on 21 March 2018.
- ▶ The Fair Entitlements Guarantee (extended operation of the Act in relation to Custom Bus Pty Ltd in Administration) Declaration 01/2018 was made on 6 April 2018. This instrument declares that the *Fair Entitlements Guarantee Act 2012* applies to people who were employed, but are no longer employed, by Custom Bus Australia Pty Ltd, an entity under administration under Part 5.3A of the *Corporations Act 2001*.
- ▶ The Fair Work Amendment (Christmas Island and Cocos (Keeling) Islands) Regulations 2018 amended the Fair Work Regulations 2009 to provide that the *Fair Work Act 2009* operates in the same way in relation to Western Australian Government employers and their public sector employees while working in either Christmas Island or the Cocos (Keeling) Islands as it does in Western Australia. The Amendment Regulations commenced on 1 May 2018. They were made following a request by the Western Australian Government.
- ▶ The Safety, Rehabilitation and Compensation (Subsection 5(13) Declarations) Amendment and Repeal Instrument 2018 repeals a number of declarations made under subsection 5(13) of the *Safety, Rehabilitation and Compensation Act 1988* in relation to bodies which have ceased to operate. It also amends the *Safety, Rehabilitation and Compensation Act 1988* – Notice of Declaration (Notice No. ACT 1 of 1994) to ensure the Comcare scheme continues to apply to Australian Capital Territory Government employees. It commenced on 12 May 2018.
- ▶ The Coal Mining Industry (Long Service Leave) Administration Regulations 2018 were made on 2 March 2018 and commenced on 1 July 2018. They replace the sunseting Coal Mining Industry (Long Service Leave) Administration Regulations 1993. These prescribe the requirements that must be met before a person or a corporation can administer the fund. The regulations also prescribe the kinds of employees who may make a waiver agreement with their employers.
- ▶ The Safety, Rehabilitation and Compensation (Weekly Interest on the Lump Sum) Instrument 2018 specifies the ‘weekly interest on the lump sum’ rate applicable on and from 1 July 2018 for the purposes of subsections 21(3) and 21A(3) of the *Safety, Rehabilitation and Compensation Act 1988*.
- ▶ The Seafarers Rehabilitation and Compensation Levy Regulations 2018 repeal the current regulations and specify a new levy rate of \$25 per seafarer berth on prescribed ships.
- ▶ The Seafarers Rehabilitation and Compensation Levy Collection Regulations 2018 provide for matters associated with the collection of the levy. They replace the Seafarers Rehabilitation and Compensation Levy Collection Regulations 2002 before their sunseting date.
- ▶ The Safety, Rehabilitation and Compensation Directions Amendment Instrument 2018 amends the Safety, Rehabilitation and Compensation Directions 2002 to exclude the Australian Capital Territory from sections 4 and 9.
- ▶ The Safety, Rehabilitation and Compensation (Commonwealth Authority) Declaration 2017 will consolidate and maintain all the current Commonwealth authority declarations made under subsection 4(1) of the *Safety, Rehabilitation and Compensation Act 1988* in one instrument.

## Workers' compensation and work health and safety

### Workers' compensation policy

The department collaborated with Comcare and Australian Public Service (APS) departments and agencies to improve early intervention and rehabilitation, and to achieve a sustainable return to work for APS employees after an injury or illness. This included chairing the Deputy Secretaries' Working Group on Managing Workers' Compensation in the Commonwealth, which identified and promoted non-legislative ways APS agencies can improve their performance in injury prevention, early intervention, rehabilitation and return to work.

The department also advised the Government on embedding the competitive choice of workers' compensation claims managers as an ongoing feature of the Comcare scheme for APS departments and agencies. This reflects the success of an outsourcing pilot in achieving savings and improving return to work outcomes. The decision means APS agencies will have the option to outsource their workers' compensation claims management and take greater control of determining claims under delegation from Comcare.

### Workplace safety policy

The department contributed to developing and implementing a national approach to work health and safety as the member representing the Australian Government at Safe Work Australia. The department is continuing to participate in the 2018 Review of the Model Work Health and Safety Laws, currently being undertaken by Safe Work Australia, and looks forward to reviewing its recommendations in light of the Commonwealth jurisdiction.

The department continued to provide advice on policy and legal matters relating to the model work health and safety laws. This includes preparing submissions to several Senate inquiries including on:

- ▶ work health and safety of workers in the offshore petroleum industry,
- ▶ the framework surrounding the prevention, investigation and prosecution of industrial deaths in Australia, and
- ▶ the high rates of mental health conditions experienced by first responders, emergency service workers and volunteers.

A number of Quad Bike Safety Inter-departmental Committee meetings were convened during the year. Membership comprises a range of Commonwealth agencies and nominated state work health and safety regulators. The committee pursued initiatives to improve quad bike safety for both workplace and private use, including the feasibility of a safety rating system and minimum design standards. This work was referred to the Australian Competition and Consumer Commission and the department is supporting the commission with its investigation.

The department and Department of Home Affairs co-lead whole-of-government coordination of asbestos policy issues across the supply chain. This involves working with Commonwealth policy and regulatory agencies, and engaging with relevant state and territory authorities and other stakeholders. This work has improved information sharing and coordinated management across agencies and jurisdictions, especially in relation to the importation of products containing asbestos. Over the past year, the Commonwealth Asbestos Interdepartmental Committee has driven work to:

- ▶ improve import sampling and testing to identify asbestos
- ▶ investigate new technology, and
- ▶ consider options to strengthen the regulatory framework to ensure it supports a nationally coordinated and consistent approach.

The department also assisted Ms Jane Hall of Seyfarth Shaw with the independent review of the work health and safety regulatory framework in the building and construction industry, which covered the top three mechanisms of fatalities. Ms Hall's findings will be provided to Safe Work Australia to help inform its 2018 review of the model work health and safety laws.

## The Office of the Federal Safety Commissioner

The Federal Safety Commissioner (FSC) is supported by the Office of the Federal Safety Commissioner (OFSC). The FSC administers the building and construction Work Health and Safety Accreditation Scheme, which is provided for by the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act). Any person that wishes to carry out building work funded by the Commonwealth or a Commonwealth authority, over-prescribed financial thresholds, must be accredited under the scheme.

In 2017–18, the FSC accredited 31 new construction companies and managed the ongoing accreditation of over 440 companies. Since it was established in 2005, over 1,700 Commonwealth-funded construction projects worth more than \$109 billion have used Work Health and Safety systems and practices accredited under the scheme.

The FSC also conducted a number of pilot audits during the year to explore how best to implement the new NCC performance standards function. Outcomes from the pilot are informing a proposed approach to achieve safety outcomes without duplicating state and territory regulatory frameworks.

In 2017–18 a new FSC was also appointed. This provided an opportunity for renewed focus on engaging with peak industry associations, and contributing to broader government and state and territory building industry matters, particularly concerning building products.

## Review of Security of Payments Laws

The department assisted Mr John Murray AM in delivering his final report on the Review of Security of Payment Laws. The review examined ways to improve national consistency in security of payment legislation and enhance protections to ensure construction industry subcontractors are paid on time for their work. Following extensive industry consultation, Mr Murray delivered his final report in December 2017. Consideration of the recommendations is being progressed by the Building Ministers' Forum with support from the Australian Government Department of Industry, Innovation and Science.



## Small business and deregulation

### Small business

Small business plays an important role in the Australian economy, making up over 97 per cent of all businesses and accounting for nearly half of private sector employment. The Government is committed to ensuring the right conditions exist to allow small business to grow and thrive.

In 2017–18, the Small Business Policy area advised the Government on a range of matters, including the Australian Small Business Advisory Service, small business international engagement with the Asia–Pacific Economic Cooperation (APEC) and the Organisation for Economic Co-operation and Development (OECD), and the Parliamentary Joint Inquiry into the Operation and Effectiveness of the Franchising Code of Conduct. Policy advice was also provided to other Government departments and areas of the department on a range of initiatives affecting small business. This includes the Black Economy Taskforce, regulatory reform, increasing small business engagement with the digital economy, and improving payment times and practices.

### Deregulation – whole-of-government agenda

The Government is committed to improving the quality of regulation and how it is administered, as well as reducing unnecessary regulatory costs. The Deregulation Agenda has cut compliance costs for individuals, businesses and community organisations by almost \$6 billion since 2013. The third annual deregulation report was published on 28 May 2018, highlighting the Government's progress in making it easier for businesses and households to comply with regulations. Between 1 January 2016 and 30 June 2017, the Government took decisions to reduce the regulatory burden on businesses by more than \$800 million a year. It will continue its focus on cutting red tape, improving regulatory performance and ensuring regulations are fit-for-purpose.

## Outlook for Outcome 2

- ▶ Australia will engage with the International Labour Organization's seven 2019 Centenary Initiatives, including the Future of Work and Women at Work. These are being developed with employer and worker representatives to help drive the organisation's social justice mandate and decent work agenda into its second century.
- ▶ The department will continue to lead regular reviews of the skilled migration occupation lists, including labour market analysis and stakeholder engagement. This ensures that Australia's skilled visa programs support jobs by contributing to the workforce needs of industry.
- ▶ The department provides labour market and workplace relations advice to the Department of Foreign Affairs and Trade and the Department of Home Affairs. This includes on labour mobility options to support foreign policy and development assistance objectives.
- ▶ The department will continue to monitor small business conditions and focus its future policy development on improvements to the business-operating environment that facilitates small business growth. This includes reducing red tape and supporting small businesses to engage with the digital economy.
- ▶ Work will continue to identify future developments in workplace relations, work health and safety and workers' compensation, including assisting the Government on further areas for reform.

- ▶ The department will continue to work closely with Commonwealth agencies and states and territories to build an effective and coordinated national approach to managing asbestos across the supply chain. The department is working with other agencies to progress a number of regulatory changes that support a nationally coordinated and consistent approach.
- ▶ Sexual harassment in Australia is dealt with under anti-discrimination laws, and is also a serious work health and safety issue. This is because employers have a duty of care under WHS laws to ensure workers are not exposed to harassment in the workplace, and because the focus of laws is to promote a proactive and preventative approach to risks arising in the workplace.
- ▶ The future of work and work health and safety is central to how Australia will meet the challenges of increasing workforce participation—and facilitate jobs growth—through policies that promote fair, productive, flexible and safe workplaces. Work is continuing to support the national approach to work health and safety regulation, and to ensure work health and safety policies and frameworks meet the needs of our evolving workplaces.
- ▶ The Federal Safety Commissioner is promoting the Work Health and Safety Accreditation Scheme to help more businesses gain and maintain the safety standards required for accreditation. Industry roadshows will help promote the scheme and the value of accreditation in delivering safety improvements, and also help build stronger engagement with building industry stakeholders. Focus will also be given to strengthening state and territory regulator and agency relationships to facilitate information sharing arrangements, referrals and collaboration.
- ▶ The department will provide financial assistance to redundant workers under the Fair Entitlements Guarantee, and engage stakeholders on implementing legislative reforms to address corporate misuse of the Fair Entitlements Guarantee.
- ▶ Recovery actions under the Fair Entitlements Guarantee Recovery Program are being progressed. These aim to increase the amount available for distribution following the liquidation of employers, and reduce the overall cost of the Fair Entitlements Guarantee.

## Performance measures: Outcome 2

**Table 8. Objective 1 – The Fair Entitlement Guarantee Program functions effectively**

Indicator	Target	Results
Percentage of claims processed within 16 weeks of receiving an effective claim	80%	91.6%
Average processing time for all claims	14 weeks	8.3 weeks
Claim payments that are correct	95%	96.88%
Claimants satisfied with the department’s administration of the Fair Entitlements Guarantee	80%	86.2%
Insolvency practitioners satisfied with the department’s administration of the Fair Entitlements Guarantee	80%	91.1%

## Fair Entitlement Guarantee

The Fair Entitlements Guarantee met or exceeded all of its key performance measures for 2017–18.

Average processing time for claims was 8.3 weeks, an improvement from 10.1 weeks in 2016–17. A total of 91.6 per cent of claims were processed within 16 weeks, an improvement on 85.9 per cent in 2016–17. The two timeliness indicators are calculated using data from the Fair Entitlements Guarantee claims assessment database. This data is collected continuously in administering the Fair Entitlements Guarantee.

Accuracy of claim decisions is calculated from a monthly internal audit of a statistically significant random sample of claim decisions. The result is the proportion of decisions found to be accurate against the sample tested. This year, 96.88 per cent were found to be accurate against a target of 95 per cent. This is an improvement from 95.8 per cent in 2016–17.

Stakeholder satisfaction is measured through electronic surveys of stakeholders. Claimants are surveyed six weeks after they receive an outcome on their claim; insolvency practitioners who have been involved with the Fair Entitlements Guarantee throughout the year are surveyed annually towards the end of the financial year. Results are calculated as the percentage of respondents who indicate they are 'satisfied' or 'very satisfied' with the Fair Entitlements Guarantee. Nil responses are excluded. Claimant satisfaction increased slightly to 86.2 per cent from 85.8 per cent in 2016–17. Claimant satisfaction is highly correlated with claimant outcomes: 98 per cent of people who received what they expected were satisfied, whereas only 18.3 per cent of people who did not receive a payment stated they were satisfied. A total of 91.1 per cent of insolvency practitioners were satisfied with the department's administration of the Fair Entitlements Guarantee. This was an improvement on the 87 per cent in 2016–17.

**Table 9. Objective 2 – Commonwealth-funded projects are undertaken by builders accredited by the Office of the Federal Safety Commissioner**

Indicator	Target	Results
Percentage of accreditation applications assessed and applicants contacted within 10 working days.	90%	Exceeded: over 2017–18 99% of applications assessed within 10 working days
Satisfaction of accredited companies with the service provided by the Office of the Federal Safety Commissioner. Results are calculated as the percentage of respondents rating the service as satisfactory or better.	50%	Exceeded: 95% of companies were satisfied with the level of service provided by the OFSC in 2017–18
Companies consider that workplace safety accreditation has improved their safety performance. Results are calculated as the percentage of respondents indicating accreditation has improved their safety performance.	50%	Exceeded: 87% of newly accredited companies consider that their workplace safety practices have improved as a result of accreditation

## Office of the Federal Safety Commissioner

The Office of the Federal Safety Commissioner (OFSC) works closely with industry to encourage companies to seek and maintain accreditation. This collaborative approach provides companies with the best opportunity to meet the required high standards and ensures the greatest impact in improving workplace health and safety across sections of the construction industry.

In 2017–18, the OFSC continued to refine its interaction with and management of accredited companies. Additional information technology enhancements to further streamline reporting continued to reduce red tape for companies. Companies are now able to submit all required reports through their online accounts, ensuring accuracy and quality through built in validation checks. The online application continues to expedite the assessment process with 99 per cent of applications assessed within 10 working days, which exceeds OFSC's 90 per cent target.

The annual survey of accredited companies was undertaken in May 2018 and provides an opportunity for companies to anonymously rate the scheme and the OFSC's services. Accredited companies reaffirmed the positive benefits of accreditation with 87 per cent of newly accredited companies stating that the scheme had improved safety practices in their company, and approximately 85 per cent indicating that they would recommend accreditation to non-accredited companies. The survey results show that accredited companies also continued to be satisfied with the OFSC's management of the scheme. Nearly all survey respondents (95 per cent) were satisfied with the OFSC's service and more than 80 per cent found the guidance material to be clear and easy to understand.

Accredited companies are subject to regular compliance audits and must also provide work health and safety reports to the OFSC twice a year. Information gathered through these processes allows the Federal Safety Commissioner to monitor the performance of accredited companies and the scheme's effectiveness. At 30 June 2018, 446 companies were accredited under the scheme. These companies are currently undertaking Commonwealth funded construction work valued at over \$40 billion.

The OFSC operates under the Australian Government's Regulator Performance Framework. Self-assessment against the framework's six key performance indicators is undertaken annually and reported at [www.fsc.gov.au](http://www.fsc.gov.au)

**Table 10. Objective 3 – The workplace relations system contributes to the productivity agenda by encouraging the adoption of flexible and modern workplace relations**

Indicator	Target	Results
Evidence that the national workplace relations system supports improved productivity outcomes.	Increase in productivity and growth in the ABS wage price index.	Productivity increased by 0.7% over the year to the June quarter 2018, compared with 0.8% over the year to June 2017 (subject to ABS revision). Wage Price Index was 2.1% over the year to the June quarter 2018, compared with 1.9% over the year to June 2017.
Evidence that industrial action is minimised.	Maintenance of the number of working days lost per thousand employees.	9.9 working days lost per thousand employees over the year to the June 2018 quarter, compared with 12.7 over the year to June 2017.



Indicator	Target	Results
Evidence that enterprise bargaining is used by employers and employees to negotiate pay and conditions.	Increase in the number and coverage of enterprise agreements.	12,832 current agreements at 30 June 2018 covering around 2.0 million employees compared to 14,492 agreements covering around 1.9 million employees at 30 June 2017.

## Workplace relations

Data sourced from the Australian Bureau of Statistics (ABS) indicates that productivity growth fell slightly from 0.8 per cent over the year to the June quarter 2017, to 0.7 per cent over the year to the June quarter 2018. Latest available data shows that growth in the wage price index increased from 1.9 per cent over the year to the June quarter 2017, to 2.1 per cent over the year to the June quarter 2018.

ABS data shows that the rate of industrial disputes for the June quarter 2018 decreased to 9.9 working days lost per thousand employees, compared to 12.7 working days lost per thousand employees for the year to June quarter 2017. The rate of industrial disputes remains at near historical lows.

The department maintains a workplace agreement database which contains information on all known federal enterprise agreements in operation since the introduction of the Enterprise Bargaining Principle in October 1991. Analysis of the database indicates there were 12,832 agreements covering around 2.0 million employees at 30 June 2018, a decrease from 14,492 agreements covering around 1.9 million employees at 30 June 2017.

## Outcome 2: Effectiveness indicators

**Table 11.** The national workplace relations system supports improved productivity outcomes

Performance measure	Year to June quarter 2015	Year to June quarter 2016	Year to June quarter 2017	Year to June quarter 2018
Productivity growth as measured by output per hour worked in the market sector (annual, trend terms).	1.2%	1.5%	1.0%	0.7%
ABS wage price index (annual, seasonally adjusted terms).	2.3%	2.1%	1.9%	2.1%

Labour productivity—as measured by gross value added per hour worked in the market sector—increased by 0.7 per cent (trend terms) in the year to the June quarter of 2018, down from 0.8 per cent growth in the year to the June quarter of 2017. Short-term measures of productivity are prone to volatility and cyclical effects, and should therefore be interpreted with caution. Data are also subject to revision by the ABS.

The ABS Wage Price Index measures wage growth in the Australian economy and is the preferred indicator of wage trends. The index increased by 2.1 per cent (seasonally adjusted) in the year to the June quarter of 2018 up from an increase of 1.9 per cent in the year to the June quarter of 2017.

Private sector wages grew by 2.0 per cent in the year to the June quarter of 2018, while wages in the public sector increased by 2.4 per cent in the same period. In that period annual wage growth by industry (original data) was highest in health care and social assistance (2.7 per cent) and education and training (2.5 per cent). Mining was the lowest (1.3 per cent).

**Table 12. Incidence of industrial action (allowing for variations in the bargaining cycle)**

Performance measure	Year to June quarter 2015	Year to June quarter 2016	Year to June quarter 2017	Year to June quarter 2018
Working days lost per thousand employees.	7.3	9.5	12.7	9.9

In the year to the June quarter of 2018, 9.9 working days per thousand employees were lost due to industrial action. This was down from 12.7 working days in the year to the June quarter of 2017. In the year to the June quarter of 2018, 110,000 working days were lost as a result of industrial disputes. Of the reported industries, the coal mining industry accounted for the largest number of working days lost (58,200). In comparison, about 9,200 working days were lost in the education and training, health care and social assistance industries combined, and 20,200 working days were lost in the construction industry.

**Table 13. Enterprise bargaining is used by employers and employees to negotiate pay and conditions**

Performance measure	June quarter 2015	June quarter 2016	June quarter 2017	June quarter 2018
Number of enterprise agreements under the <i>Fair Work Act 2009</i> that have not passed their nominal expiry date.	16,269 agreements covering an estimated 2.4 million employees	14,439 agreements covering an estimated 2.2 million employees	14,492 agreements covering an estimated 1.9 million employees	12,832 agreements covering an estimated 2.0 million employees

The number of current enterprise agreements – that is, agreements not past their expiry date or terminated – was 12,832 covering around 2.0 million employees at 30 June 2018. This compares with 14,492 agreements covering around 1.9 million employees at 30 June 2017. Note that there were some minor revisions in the historical figures.

Note for all tables: These indicators are used to help understand the workplace relations system, noting significant drivers in broader aspects of the Australian economy. Monitoring the data for these indicators allows the department to be properly informed and provide good policy advice. However, movements in these indicators are influenced by many factors.

# AUSTRALIAN SMALL BUSINESS AND FAMILY ENTERPRISE OMBUDSMAN

The Office of the Australian Small Business and Family Enterprise Ombudsman (ASBFEO) was established in March 2016 with the commencement of the *Australian Small Business and Family Enterprise Ombudsman Act 2015* (Cth).

It is an independent advocate for small business and family enterprise, with legislative powers to effectively influence Australia's lawmakers. This ensures that legislation and regulations consider the needs of small businesses.

The ombudsman provides small businesses and family enterprises with direct assistance and advice if they find themselves involved in a dispute with a client, other businesses or Australian Government agencies.

## Advocacy

### **Reports tabled by the Minister under section 41 or section 56 of the *Australian Small Business and Family Enterprise Ombudsman Act 2015* (Cth)**

Nil.

The Ombudsman provides quarterly updates to the Minister under section 40 of the Act.

### **The kinds of national strategies in relation to legislation, policies and practices that affect, or may affect, small businesses or family enterprises developed during the period**

Two inquiries were launched under section 36 of the Act at the Ombudsman's own initiative during the reporting period:

- ▶ an inquiry into Access to justice was launched on 4 December 2017, and
- ▶ an inquiry into Affordable capital for SME growth was launched on 4 April 2018.

The Ombudsman also supported and provided input to The Treasury in undertaking an investigation into allegations of heavy handed tactics by the ATO in dealing with small businesses. Our report to the Treasury was released separately.

As part of a working group, the Ombudsman also released the paper *Workplace relations simplification for small business* on 27 April 2018.

## **The number and subject matter of consultations to which the Ombudsman has made submissions, recommendations or other contributions during the period**

Over the reporting period, the office made 66 submissions covering a broad range of topics including:

- ▶ government procurement
- ▶ penalty rates
- ▶ open banking in Australia
- ▶ the Skilling Australia Fund and temporary skilled visas
- ▶ the Australian Taxation Office's approach to disclosure of tax debt information
- ▶ competition in the Australian financial system
- ▶ the Food and Grocery Code of Conduct
- ▶ banking executive accountability
- ▶ single touch payroll
- ▶ National Broadband Network rules in respect of consumer information and service continuity
- ▶ whistle-blower protections
- ▶ integrity of small business capital gains tax concessions
- ▶ gift cards
- ▶ electronic sales suppression tools
- ▶ private indemnity insurance, and
- ▶ Australian Financial Complaints Authority.

## **The number of proposals in relation to relevant legislation, policies and practices that the Ombudsman has reviewed during the period**

The Ombudsman received eight requests to review Regulation Impact Statements for feedback on the impact on small business during the period.

## **The kinds of action taken to promote best practice during the period**

The Ombudsman launched a National Payments Transparency Register. This lists companies that pay small suppliers in 30 days or less and their performance against those terms.

## **Assistance**

### **The number of requests for assistance made to the Ombudsman**

There office received 3,629 enquiries during the year.

The number of requests for assistance that resulted in one of the following for the period, broken down for each of the following:

1. a formal request for assistance
2. a recommendation by the Ombudsman that parties to a dispute take part in an alternative dispute resolution process
3. the resolution of a dispute, and
4. the resolution of a dispute through an alternative dispute resolution process recommended by the Ombudsman.

Of the 3,629 contacts, 2,993 were formal requests for assistance in accordance with the Act. Of those requests, the Ombudsman recommended 34 parties to a dispute undertake an alternative dispute resolution process.

**Table 14. Resolution of disputes**

Resolution	Count	Percentage of total
Referred to appropriate agency	814	27%
Referred to state Small Business Commissioners	772	26%
Resolved by ASBFEO direct action	103	3%
Resolved by ASBFEO with provision of information or referral to professional advice	1,208	41%
Case in progress with ASBFEO	62	2%
Referred to alternative dispute resolution	34	1%
Total	2,993	100%

Of the 34 mediations referred by ASBFEO during the period:

- ▶ 14 matters referred to alternative dispute resolution were mediated and an agreement between the parties was reached
- ▶ four matters referred to alternative dispute resolution did not reach agreement between the parties
- ▶ 12 matters referred to alternative dispute resolution did not progress generally due to complainant withdrawal, and
- ▶ four matters referred to alternative dispute resolution remain in progress and outcomes are still pending.

### The number and kind of requests for assistance transferred to other agencies of the Commonwealth during the period

Of the 2,993 requests received by the office, 814 were referred to other agencies of the Commonwealth. This also includes some requests which were transferred to industry bodies and tribunals like the Financial Ombudsman Service and the Fair Work Ombudsman.

### The number and kind of requests for assistance transferred to other state and territory agencies during the period

The office works closely with state and territory agencies, including the small business commissioners in New South Wales, Victoria, South Australia and Western Australia. Of the requests for assistance received, 772 were referred to state and territory agencies.

### **The number and kind of requests for assistance that the Ombudsman resolved cooperatively with other agencies of the Commonwealth, and states and territories during the period**

The Ombudsman did not enter into any formal cooperative arrangements as outlined in Section 70 of the Act during the reporting period.

### **The number and kind of requests for assistance in relation to which the Ombudsman recommended an alternative dispute resolution process**

The Ombudsman recommended an alternative dispute resolution process for 34 requests for assistance, including:

- ▶ 30 contract disputes
- ▶ one franchise dispute, and
- ▶ three general commercial disputes.

### **The number of visits to the Ombudsman’s website during the period**

Over the reporting period 1 July 2017 to 30 June 2018, there were 86,361 visits to our website [www.asbfeo.gov.au](http://www.asbfeo.gov.au)



# PART 3

## OUR CAPABILITY AND ACCOUNTABILITY

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# OUR CAPABILITY AND ACCOUNTABILITY

The department ensures it is able to deliver on priorities for the Australian Government and the community by having strong capability—which is underpinned by its people, culture, governance principles, processes, systems and knowledge. Capability building drives better policy advice to ministers, and better program outcomes—the basis of achieving ‘More Jobs. Great Workplaces.’ By ensuring continual investment in capability, the department is actively positioning itself to promote innovation and effectively manage risk.

The department accounts for its activities, accepts responsibility for its actions and discloses the results of its work through Ministers to Parliament and to all Australian citizens. For the department, accountability drives transparency and trust, and leads to better engagement with its partners and stakeholders. The department understands the importance of an effective governance framework in supporting performance and accountability. It prioritises the organisation’s governance framework, strategic policies and committees, and reviews them regularly.

## Machinery-of-government changes

In December 2017, the Australian Government announced changes to establish a new Jobs and Innovation Portfolio. As part of these changes, the Department of Employment became the Department of Jobs and Small Business.

The department gained responsibility for reducing the burden of Government regulation from the Department of the Prime Minister and Cabinet, and small business policy and programs from The Treasury. As part of the small business function, the department now supports the Australian Small Business and Family Enterprise Ombudsman.

The department collaborated with the Treasury and the Department of the Prime Minister and Cabinet to effectively manage these machinery-of-government changes with minimal disruption to staff, and policy and program delivery.

While the department has not lost any functions under the changes, the Workplace Gender Equality Agency has moved to the Prime Minister and Cabinet Portfolio to align with the Office for Women.

The department has created a new Deregulation and Small Business Branch within the existing Economic Policy Group to deliver the small business and regulatory reform functions.

## Governance

The department promotes a sound governance culture that meets its performance and accountability requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Its governance framework includes committees which are established to provide leadership, oversee decision making and ensure effective service delivery. These committees also embed the governance fundamentals of transparency, collaboration and performance.

During 2017–18, the department continued to implement the PGPA Act’s requirements while also ensuring that arrangements were in place to help staff plan for success (Strategic Plan, Corporate Plan and Business Planning), define and manage risk in line with the department’s risk appetite, and regularly monitor their performance.



## ▶ Strategic Plan 2017–2020



On 20 June 2018, the department updated its Strategic Plan 2017–2020 by including a new purpose statement reflecting the addition of small business policy and program delivery to the portfolio.

The strategic plan defines at the highest level how the department works together to achieve its vision: More Jobs. Great Workplaces.

This plan refines the department’s direction and includes a tagline explaining the work of the department – *More job seekers into jobs. Safe, fair and productive workplaces.* The tagline clarifies that the department assists job seekers to become sustainably employed as quickly as possible. The department also provides robust policy advice on making safe, fair and productive workplaces. With better workplaces come better conditions for sustained job creation.

Five core elements within the strategic plan provide direction when people in the department plan, deliver and evaluate their work:

- ▶ **Delivery.** We deliver on the Government’s agenda and its priorities.
- ▶ **Collaboration.** We build and maintain meaningful relationships across the public service and with corporate and not-for-profit partners.
- ▶ **Forward-looking.** We strive to be innovative in everything we do, identifying risks, emerging trends and opportunities.
- ▶ **Influence.** We aspire to be influential in the economic and social environment in which we work, for the benefit of the community we serve.
- ▶ **People.** An engaged and capable workforce is the heart of our business and our ability to support the Government and the community.

The plan is a reference point for everyone in the department and flows through all departmental planning, including corporate and business planning processes.

## ▶ Corporate Plan



The corporate plan is the department's primary planning document, fulfilling a core requirement under the *Public Governance Performance and Accountability Act 2013*. It also aligns with performance information published in the Portfolio Budget Statements.

The plan identifies how the department will achieve its purpose by outlining priorities and measures for the year ahead, and how these will be achieved over a rolling four-year period. It also details how the department's operating environment and capability are expected to change in the coming years, and how the department will manage these factors in achieving its purpose. The plan is developed in consultation with all areas of the department.

The department's results against the performance criteria in the 2017–18 Corporate Plan and Portfolio Budget Statements are set out in the annual performance statements (Part 2 of this report).

## Business planning

Business planning within the department involves developing forward plans for each cluster, group and branch. The plans outline priorities for the year ahead, strategies for achieving these and how success will be measured.

Business plans are an important link between the strategic plan, corporate plan and individual performance agreements. They set strategic priorities into actions, define deliverables and ensure accountability.

Staff are encouraged to refer to their business plan when building individual performance agreements. This approach helps drive performance, increase engagement and build capability, while positioning individuals to understand how their work contributes to achieving the department's purpose.

As part of the business planning process, the executive and each group's leadership team met twice during the year to discuss the objectives, processes and challenges outlined in their respective business plans. These meetings afford an opportunity to review progress towards the delivery of outcomes.

## The Executive Meeting

The Executive Meeting is the department's primary governance body. It supports the Secretary as the accountable authority in delivering outcomes, strategic decision making and operational matters. It also promotes the core principles of good public service governance by ensuring the department adheres to all applicable standards and legislative requirements, acts impartially and delivers with integrity. It is chaired by the Secretary and attended by the three deputy secretaries and meets fortnightly.

## Committees

The department's governance committees support the Executive Meeting by helping report, make decisions, deliver the Government's objectives, achieve the department's purpose, and comply with the department's obligations. At 30 June 2018, the department had six governance committees:

- ▶ The Audit Committee helps the department comply with its obligations under the *Public Governance Performance and Accountability Act 2013* by providing independent advice and assurance to the Secretary on the department's control framework, including financial and performance reporting, and risk oversight and management. The committee also provides a forum for communication between the Secretary, senior managers, and the department's internal and external auditors.
- ▶ The Finance and Business Services Committee oversees and advises on whole-of-department activities around organisational efficiency, capability building and corporate management. The committee also oversees the department's risk framework, fraud control and protective security.
- ▶ The Information Technology Committee ensures strategic use of IT resources within the department. It plans and directs a program of work around IT objectives, and makes IT investment decisions. The committee also oversees the IT risk framework.
- ▶ The People and Capability Committee manages the department's people and organisational strategies. It also helps the department comply with its work health and safety obligations, and diversity goals. The committee helps implement the department's innovation framework, work force planning, staff development and leadership.
- ▶ The Strategic Policy Committee operates as a policy think tank, focusing on emerging cross portfolio priorities and longer-term policy issues. It provides a forum to exchange, test and challenge new ideas about current and future priorities and policies.
- ▶ The Data Digital and Privacy Committee oversees implementation of the Government's data agenda across the department, as well as the Digital Transformation Agency's digital delivery agenda and the National Archive's digital continuity agenda.

The committee structure integrates with other governance arrangements such as the department's core strategic level documents (including the corporate and strategic plans), subcommittees and interdepartmental committees. The department also has a number of consultative committees, steering committees and working groups that support, monitor, consult and share information.

The Audit Committee meets quarterly, and each of the other committees usually meet every second month, with additional meetings when necessary. Activity reports are provided to the Executive Meeting to help monitor progress and performance.

The department's management committees consist of leadership forums for the two business groups (Employment Cluster, and Workplaces and Small Business cluster). They are convened to promote principles of good governance across all levels of their respective cluster. The Senior Management Meeting convenes weekly and consists of the executive and all group managers. This forum provides a shared management perspective on strategic and operational issues.

The department conducts an annual health check of its governance arrangements.

## Finance and Business Services Committee

The Finance and Business Services Committee oversees the department's corporate strategies for meeting its business goals. It considers opportunities for driving business efficiencies and for supporting innovation and organisational capability. The committee was co-chaired by the Deputy Secretary Employment and the Deputy Secretary Corporate. Membership includes a cross-section of management levels and organisational areas from throughout the department. The committee met seven times during 2017–18.

The committee will continue to oversee the department's risk management framework including developing strategies to respond to areas identified as needing improvement. It values broad employee engagement in promoting departmental initiatives.

The committee's focus for 2018–19 includes:

- ▶ implementing communication and training initiatives to ensure transparency and accountability, and increase knowledge across the department
- ▶ improving business practices and reducing internal red tape, and
- ▶ ensuring the department maintains a strong risk management culture.

## The Information Technology Committee

The Information Technology Committee advises the Executive on departmental IT capabilities, strategy, risk, investment and priorities, and oversees IT strategy implementation.

Steering committees in the department's two ICT groups manage the investment portfolio and services, and support the Information Technology Committee in delivering the strategy and work program, including risk management.

## The Strategic Policy Committee

The Strategic Policy Committee (formerly the Strategy Committee) operates as a policy think tank and focuses on emerging cross portfolio priorities. As well as considering and influencing longer term strategic policy issues, the committee advises the executive on progressing short to medium-term departmental and whole-of-government policy priorities. It also helps engage external stakeholders on emerging policy issues.

The committee's membership structure and terms of reference were reviewed during the year. Key reforms included reviewing membership to ensure wide representation from policy areas including the new small business function, promoting the committee's role across the department and a name change to reflect the committee's focus on whole-of-government and departmental policy issues.

The committee considered a range of strategic issues during the year such as the impact of migration policy on the labour market, future of labour market assistance, developing a behavioural tax and transfer model, regulatory settings, research on redundancy, and seasonal work. The committee also endorsed updates on the department's forward research agenda and data strategy.

Through the committee's policy discussions in the year ahead, the department will continue to collaborate with other agencies to influence and provide policy advice on the future of employment services, best practice regulation, the future of work project and small business initiatives.

## The Data, Digital and Privacy Committee

The Data, Digital and Privacy Committee was established by the department in early 2018 to:

- ▶ Provide oversight of the development of implementation plans and awareness across the department for whole of government data and digital agendas.
- ▶ Oversee and guide implementation of the Public Sector Data Management Agenda and provide recommendations pertaining to scope, role, structure and resources for implementation following the outcomes of the PM&C Data Review.
- ▶ Oversee the development of implementation plans relating to digital transformation agenda activities.
- ▶ Oversee and guide implementation of the corporate strategies relating to data, digital and privacy management, e.g. risk strategies.
- ▶ Ensure the Department of Jobs and Small Business meets targets outlined in the Digital Continuity 2020 policy, including a comprehensive information management governance framework.
- ▶ Set up a framework to identify crossover of work and consistency where possible within the following streams:
  - Whole of Government Data Agenda
  - Digital Continuity 2020 Policy
  - Data and Digital Management Project
  - Notifiable Data Breaches Scheme, and
  - Assessment of privacy risk and carrying out privacy impact assessment as required by the new Privacy Code.

## Behavioural economics

The department continued to build its behavioural economics capability in 2017–18 and apply this to evidence-based policy and program development. Behavioural economics projects incorporate user-centred design, innovative policy ideas, and a rigorous trial and adapt approach. This capability helps provide a realistic understanding of the behaviours and decision-making of job seekers and employers. It also can help identify and address otherwise hidden psychological obstacles that might affect the choices of job seekers, employers, service providers and employees. To see what works, the department tests a variety of behavioural economics interventions using randomised controlled trials, the ‘gold standard’ for measuring improvements to policy and program outcomes.

The department has a number of behavioural economics trials underway to support effective policy and program design and implementation. This year, there was a particular focus on simple and cost-effective online methods to encourage better outcomes for job seekers.

Evidence gathered from completed trials has been incorporated in the design of policies and programs. A key achievement in 2017–18 was publishing the report *Applying behavioural economics to increase the take-up of wage subsidies*. This is available on the department’s website. It outlines the behavioural economics approach in the department, and reports on the successful findings from this project. Results from the trial were used to fine-tune operational policy changes to the wage subsidies program.

## Innovation

Innovation at the department means putting ideas into practice to add value for its people, stakeholders and clients.

The department continued driving and influencing the innovation agenda through the National Innovation and Science Agenda and Public Sector Innovation Network. The work is guided by the Innovation Framework 2016–2018 which focuses on four priorities. Activities over the last 12 months include:

1. Evolving our organisation's capability and unlocking our people's expertise.
  - Increasing the use of multi-disciplinary teams and project based approaches.
  - Using IT to enable greater collaboration and productivity.
  - Implementing more flexible working arrangements.
  - Encouraging people to bring the whole person to work through a range of internal networks and forums.
2. Designing policies and services by applying user centred design to meet the diverse needs of our stakeholders.
  - Building our internal capability through our User Centred Strategy, launched in September 2017, and embedding user centred principles in our policy design and service delivery.
  - Speaking with job seekers, providers, employers and other community members to get a better understanding of stakeholder experiences of government services.
3. Exploring a variety of policy levers and non-legislative approaches.
  - Using our internal ideas management system—Spark—and external platform—MindHive—to crowdsource ideas on policy topics.
  - Applying behavioural economics to trial and tailor approaches before national roll outs, and to achieve better outcomes for job seekers and employers.
4. Demonstrating the value we create for our people, stakeholders and clients.
  - Using our APS census data to measure our innovation activities, and identify priority areas for development and support.
  - Showcasing innovation through case studies and events.

The department continued to build its innovation culture and capability. Activities included collaborating with other APS agencies to run Innovation Month and help junior staff learn how to apply innovation through our annual Shark Tank initiative.



## The Evaluation, Research and Evidence Framework 2015–2020

The Evaluation, Research and Evidence Framework 2015–2020 sets out the forward plan to strengthen our evidence base and make sure that the right evidence and insights are available to inform policy and program decisions.

Achievements under the framework in 2017–18 include:

- ▶ supporting research activities, including 13 projects examining job seeker characteristics and motivations, workers' health and safety and employment outcomes for Indigenous Australians, pre-release prisoners and migrant workers
- ▶ launching the Department of Jobs and Small Business's Staff Discussion Paper Series so staff can publish and disseminate their research and analyses to a broader audience
- ▶ continuing our commitment to publish evaluation and research reports, including the Tasmanian Jobs Programme evaluation and The Australian Recruitment Industry – a comparison of service delivery 2016 research report. This ensures this work informs our broader policy and service delivery context, and
- ▶ updating the Research and Evaluation Services panel to include a new user-centred design services category. The panel supports the research and evaluation work of the department and other Australian Government agencies. At 30 June 2018, panel members had been engaged for 269 projects; 79 of which are being undertaken by the department.

## Regulatory reform

The department and its agencies are working to reduce the regulatory burdens facing business, community organisations, individuals and families. Among our achievements during 2017–18 was automating the process for jobactive providers to record hours of paid part-time and casual employment undertaken by job seekers. This change will save almost \$11.3 million in regulatory burden a year by replacing a time consuming manual process.

In 2017–18, the jobs-related regulators (Fair Work Ombudsman, Fair Work Commission, Safety, Rehabilitation and Compensation Commission, Comcare, Registered Organisations Commission, Australian Building and Construction Commission, Office of the Federal Safety Commissioner, and the Workplace Gender Equality Agency (transferred to the Department of the Prime Minister and Cabinet on 19 April 2018) — completed their second self-assessment under the Government's Regulator Performance Framework.



## Risk management

In June 2017, the department delivered its new enterprise risk management system, RiskNet. The system is designed to help staff better assess risk, and will provide clearer and more meaningful information for those responsible for accepting risk plans. RiskNet incorporates the department's new risk appetite statement and matrix, enabling staff to easily and accurately assess risk against the department's tolerance levels. It enables a strategic risk view to be maintained, similar risks to be easily grouped and tracked, and risk to be rated consistently across the department.

The department's strategic risk statement was approved by the Secretary in November 2017. This document highlights priority focus areas of potential exposure to uncertainty. It helps to recognise risks when encountered, and provides advice on how to manage them effectively. Along with the risk appetite statement, the strategic risk statement is used to guide decision-making risk management and resource allocation.

The Finance and Business Services Committee—where risk is a standing agenda item—oversees risk management. The department consistently achieves strong results in the Comcover Benchmarking Survey of risk maturity, demonstrating a well-embedded and mature culture of risk management.

In August 2017, the Australian National Audit Office (ANAO) published a performance audit on *The Management of Risk by Public Sector Entities* which included the department. The ANAO found the department had a mature and integrated approach to identifying and managing risk, and had implemented a range of measures to build its risk capability, including an enterprise-wide risk management system.

## Fraud control

Fraud and corruption can damage the performance and reputation of Australian Government programs. The department seeks to minimise these risks by preventing, detecting, investigating, recording and reporting instances of fraud and corruption through policies, procedures and practices that align with the Commonwealth Fraud Control Framework.

The department developed an expanded fraud control strategy in February 2018 in line with the Commonwealth Fraud Control Framework. This strategy is designed to communicate clearly to staff and contractors the requirements under the *Public Governance, Performance and Accountability Act 2013*.

The strategy promotes continuing maturity of the department's fraud control culture and ensures our approach is consistent with other Commonwealth agencies.

The Serious Non-Compliance and Investigations Unit operates within the department's compliance framework. It assesses and manages serious non-compliance and fraud, deals with incidents promptly and effectively, and maintains a register of these. The unit also works with program assurance and risk management areas to ensure the department responds to issues appropriately.

In 2018–19, work will continue to develop the department's fraud prevention strategy and to implement a fraud prevention training plan. The unit will also focus on developing an approach to mitigate the risk of fraud from external providers engaged in activities funded by the department.



## Internal audit

The internal audit function is a central component of the department's governance framework. The internal audit function serves to strengthen accountability and promote good governance and transparency through the provision of independent and objective assurance. In this way, internal audit adds value to and improves the department's operations and its performance.

The internal audit team helps foster a culture of accountability, integrity and high ethical standards by encouraging debate and collaborating with internal and external stakeholders to build and share information and knowledge. The team reinforces the appropriate use of Commonwealth resources, value for money considerations, self-assessment and continuous improvement throughout the department.

In 2017–18, the team:

- ▶ delivered an audit program that was responsive to the department's changing needs and priorities
- ▶ reviewed all tabled Australian National Audit Office (ANAO) performance audit reports and disseminated key findings and relevant information to appropriate officials
- ▶ continued its 'no surprises' audit approach through open communication with stakeholders
- ▶ attended and provided information and advice to departmental governance committees to support their decision-making and build productive working relationships
- ▶ facilitated the ANAO's annual financial statements audit, as well as five ANAO performance audits and one assurance review, and
- ▶ monitored implementation of internal and ANAO audit recommendations and helped business areas implement the recommendations.

The department's 2017–18 internal audit work program was developed following consultation with the executive and the department's senior executive service. The program was approved by the Audit Committee in June 2017 with a suite of 15 audit activities. These were designed to address key aspects of the department's control framework and support program and process performance.

In 2018–19, the internal audit team will:

- ▶ encourage better internal practices with ongoing reviews of processes and functions
- ▶ help the department strengthen its accountability and performance, and promote good governance and transparency
- ▶ provide advice and guidance on better practice, and
- ▶ support the Audit Committee in fulfilling its roles and responsibilities.

## Audit Committee

The department's Audit Committee is established in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA) and section 17 of the PGPA Rule 2014. It functions in an oversight and review capacity to provide independent advice and assurance to the Secretary on the Department's financial reporting, performance reporting, and control frameworks.

An independent audit committee is an important element of good governance. To support this, and as required under PGPA Rule 2014, the department's Secretary and Chief Financial Officer do not form part of the committee. The appointment of external members to the committee strengthens its independence. An external member chairs the committee.

Throughout 2017–18, the committee had five members. The majority of committee members are external to the Department, and all members have a distinguished background in one or more of public sector management and service delivery, financial management and accounting standards, information technology and governance. In 2017–18, the committee met five times. ANAO representatives observed and made presentations at these meetings.

In 2018–19, the Audit Committee will continue providing independent advice to the Secretary to inform decision-making on the department’s accountability and control framework. Through this advice, the committee also supports the Secretary to meet her obligations.

## ▶ People

People are central to achieving the department’s purpose. Our people work to achieve a shared vision and ensure that the department continues to be future focused and responsive to the changing nature of work.



In 2017–18, the department developed People Strategy 2018–2022- ‘Building now for our Future’, to help us adjust and prepare our workforce and work environment for the future. This includes implementing new technology, managing changing workforce demographics and achieving greater engagement with clients through new channels and technologies.

The People Strategy is the blueprint to help develop people, and to deliver the department’s priorities now and into the future. It has five themes that will be developed and implemented over its five-year lifespan:

- ▶ our people capability
- ▶ our approach to work
- ▶ our responsiveness
- ▶ our leadership, and
- ▶ our people information.

These themes are supported by a foundation of good learning development opportunities, wellbeing and resilience, and an HR business model and service supply to support them.

From these themes, initiatives are being developed to help us adjust and prepare for change. While some initiatives are new, others will build on important work already underway within the department.

## The People and Capability Committee

The People and Capability Committee governs the strategies, policies and decisions that affect our employees. It reviews and drives innovative approaches to people management and capability development activities, while ensuring continued compliance with legislative requirements, including work health and safety obligations.

Highlights for the committee in 2017–18 included:

- ▶ reporting on the findings from a trial of flexible work practices (Flexible by Default), which confirmed a positive culture and high level of support for working flexibly across the department
- ▶ launching the online work health and safety management system, which provides employees with centralised access to work health and safety policies, procedures, systems and resources
- ▶ implementing a pilot program to identify and support development of high-potential Executive Level 1 employees
- ▶ launching the department's Diversity and Inclusion Strategy 2018–2020, which underscores our commitment to supporting employees who identify with diversity groups
- ▶ endorsing the 'People Strategy 2018-2022 - Building now for our future', which identifies 27 initiatives over the next five years to develop our people and workforce for the future.

In the year ahead, the committee will continue overseeing the People Strategy, and monitor progress on recommendations and initiatives associated with its implementation.

**Table 15. Employees by employment status, 30 June 2017 and 2018**

	2017			2018		
	Female	Male	Grand Total	Female	Male	Grand Total
<b>Ongoing</b>						
Full Time	812	877	1689	878	886	1764
Part Time	270	47	317	289	45	334
Sub Total	1082	924	2006	1167	931	2098
<b>Non-Ongoing</b>						
Full Time	21	26	47	19	15	34
Part Time	15	9	24	13	5	18
Sub Total	36	35	71	32	20	52
<b>Total</b>	<b>1118</b>	<b>959</b>	<b>2077</b>	<b>1199</b>	<b>951</b>	<b>2150</b>

## Staffing statistics

**Table 16.** Employees by classification at 30 June 2017 and 2018

Substantive Classification	2017			2018		
	Female	Male	Grand Total	Female	Male	Grand Total
Trainees	2	0	2	0	0	0
Indigenous Australian Government Development Programme Trainees	4	3	7	2	1	3
Graduates	16	16	32	14	12	26
APS Level 1	1	0	1	4		4
APS Level 2	4	6	10	2	1	3
APS Level 3	35	31	66	33	25	58
APS Level 4	140	89	229	124	79	203
APS Level 5	190	143	333	201	139	340
APS Level 6	273	232	505	312	247	559
Executive Level 1	286	288	574	321	290	611
Executive Level 2	92	80	172	104	85	189
Information Technology Specialist	2	13	15	2	13	15
Government Lawyer	8	5	13	14	6	20
Senior Government Lawyer	16	10	26	19	12	31
Principal Government Lawyer	18	11	29	14	11	25
SES Band 1	22	24	46	23	24	47
SES Band 2	7	7	14	7	5	12
SES Band 3	1	1	2	2	1	3
Secretary	1	0	1	1	0	1
<b>Grand Total</b>	<b>1,118</b>	<b>959</b>	<b>2,077</b>	<b>1199</b>	<b>951</b>	<b>2150</b>

**Table 17. Employees by location, 30 June 2017 and 2018**

State	2017	2018
ACT	1677	1758
NSW	152	143
NT	10	10
OS	1	1
QLD	82	80
SA	48	48
TAS	14	14
VIC	62	66
WA	30	30

## Learning and development

The department continued investing in its people through a new learning framework. Corporately-funded learning and development programs were also aligned to outcomes in the department's strategic plan, leadership statement and organisational capability vision. The department offered shorter programs with targeted learning outcomes, and increased and broadened the opportunities available to all employees.

A total of 1,399 individual employees participated in face-to-face learning and development programs during the year (see Table 15).

**Table 18. Participation in face-to-face learning and development programs, 2016–17 and 2017–18**

	2016–17	2017–18
Number of participants	1,256	3,197
Number of programs	19	32
	108 individual courses	236 individual courses

The department also assessed the effectiveness of learning and development programs through evaluations and the 2017 APS Employee Census results.

The department delivers a highly customisable learning management system, Learnhub. As at 30 June 2018, 41 agencies (including the department) were using Learnhub. In addition to providing a platform for employees to book into a number of face-to-face courses, the Learnhub system allows employees to learn at their own pace using a range of e-learning tools, Lynda.com, Skillsoft, and Good-Practice, and is accessible from portable devices. Table 20 shows details of employee engagement from 1 July 2017 to 30 June 2018 as compared with 1 July 2016 to 31 May 2017.

**Table 19. e-Learning engagement from 1 July 2016 to 31 May 2017 and 1 July 2017 to 30 June 2018**

	1 July 2016 to 31 May 2017	1 July 2017 to 30 June 2018
Number of in-house courses completed	3,855	11,330
Number of active individual users of Lynda.com	819	927
Number of active individual users of Skillsoft	268	755

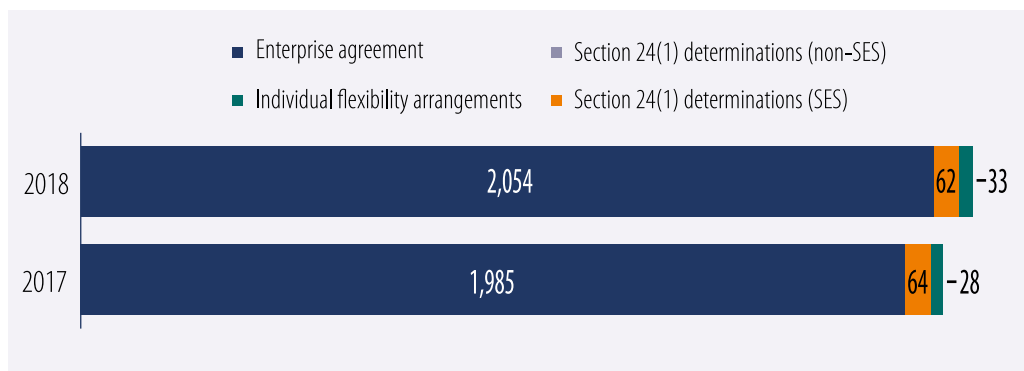
An employee may complete multiple e-learning courses.  
 Figures reflect the number of active users of Lynda.com at 31 May 2017 and 30 June 2018.  
 Figures reflects the number of active users of Skillsoft at 31 May 2017 and 30 June 2018.

Leadership development is a priority, and the department supports senior executive service (SES) and executive level 2 (EL2) staff to undertake a range of education activities. In 2017–18, 22 EL2 employees attended 10 management and leadership courses, and 16 SES attended nine executive development programs. These activities are high-calibre and clearly aligned to the department’s vision to create a workforce for the future. They are led by thought leaders, including providers such as the Australian Public Service Commission, Melbourne Business School, and the Australia and New Zealand School of Government.

### Remuneration and conditions of employment

All non-SES employees in the department are covered by the Department of Employment Enterprise Agreement 2016–2019. The agreement operates in conjunction with Commonwealth legislation and the department’s policies and guidelines to define the terms and conditions of employment for staff. The enterprise agreement’s nominal expiry date is 28 March 2019. Figure 10 shows the employee agreement statistics at 30 June 2018.

**Figure 10. Employee agreement statistics, 30 June 2018**



The department has 33 individual flexibility arrangements in place for non-SES employees; these recognise specialised capabilities and additional responsibilities.

Remuneration and conditions for SES employees is determined under section 24(1) of the *Public Service Act 1999*. An SES remuneration package recognises all hours worked, including any reasonable additional hours. In 2017–18, all SES employees had section 24(1) determinations in place.

The department's remuneration framework does not provide performance pay for SES or non-SES employees.

## Non-salary benefits

The department offers a range of flexible working arrangements to help employees balance their personal and professional lives. These include part-time working hours, flextime, purchased leave, parental leave, cultural leave and community volunteer leave. A six-month flexible by default trial – which was run across five branches in 2017 – encouraged conversations about workplace flexibility, changed attitudes within the organisation to 'if not, why not?', and ensured that managers were supported and encouraged to accommodate flexible working conditions within operational requirements.

## Impact of the machinery-of-government changes

During 2017–18 the following machinery-of-government changes affected the department:

- ▶ Twenty-three ongoing and three non-ongoing employees from Small Business Policy, and employees supporting the Australian Small Business and Family Enterprise Ombudsman, joined the department from the Department of the Treasury.
- ▶ Four employees from the regulatory reform team in the Department of the Prime Minister and Cabinet moved to the Department of Jobs and Small Business.

## Secondment program

A number of secondments were supported during the year to enable the exchange of staff between the department, other APS agencies and private sector organisations. These arrangements foster collaboration across Government, and build positive cultural change. They connect staff and expose them to new ideas, alternative leadership styles, diverse approaches to policy-making, and the challenges and practicalities of implementing policy decisions.

In 2017–18, there were five secondments into the department from other Government agencies. Twenty employees of the department were seconded to 14 Government and five non-government organisations.



## Salary ranges

**Table 20.** Employee salary ranges by classification, 30 June 2017 and 2018

Classification	2017 (\$)	2018 (\$)
APS Level 1	28,547 – 52,021	28,832 – 52,541
APS Level 2	55,882 – 59,548	56,441 – 60,143
APS Level 3	62,406 – 65,001	63,030 – 65,651
APS Level 4	67,884 – 72,600	68,563 – 73,326
APS Level 5	74,852 – 80,130	75,702 – 80,931
APS Level 6	84,262 – 92,660	85,105 – 93,587
Executive Level 1	103,615 – 114,516	104,651 – 115,661
Executive Level 2	121,929 – 146,360	123,148 – 147,824
Information Technology Specialist	120,242 – 125,968	121,444 – 127,228
Government Lawyer	65,001 – 92,660	65,651 – 93,587
Senior Government Lawyer	103,615 – 126,927	104,651 – 128,196
Principal Government Lawyer	139,099 – 150,020	140,490 – 151,520
SES Band 1	153,678 – 255,067	159,125 – 257,618
SES Band 2	212,885 – 276,009	215,014 – 278,074
SES Band 3	300,000 – 330,000	329,545 – 333,300

Note: The Secretary's salary is not included because remuneration arrangements for departmental secretaries are assigned under section 14 of the *Remuneration Tribunal Act 1973*, available from the Department of the Prime Minister and Cabinet at [www.dpmc.gov.au/who-we-are/accountability-and-reporting/secretaries-remuneration](http://www.dpmc.gov.au/who-we-are/accountability-and-reporting/secretaries-remuneration).

## Entry-level recruitment programs

The department builds its workforce through its graduate program, as well as through whole-of-government initiatives such as the ICT Apprenticeship Program, and the Indigenous Australian Government Development Program. These programs allow the department to develop and maintain capability and give participants the chance to gain specific skills and knowledge through on-the-job training and formal learning and development.

The 10-month graduate program offers workplace learning and development tailored to both the department and the wider APS. It allows graduates to experience two job placements in areas that will enhance their knowledge and capability. In 2017, 29 graduates successfully completed the program on 1 December. The 2018 Graduate Program began on 31 January 2018 with 26 participants.

The department recruited three ICT apprentices and three ICT school based apprentices through the Digital Transformation Agency's ICT entry-level programs. The apprentices commenced on 31 January 2018 and will remain with the department for two years. The ICT school based apprentices joined the department in February 2018 for one year.



The Indigenous Australian Government Development Program (IAGDP) is administered by the department. It is a targeted employment and development program for Aboriginal and Torres Strait Islander people. New recruits join each year and are employed in various APS agencies. Participants are offered ongoing employment and the opportunity to undertake a Diploma of Government and engage in other professional and personal development activities. IAGDP attracted new APS agencies during the year and a large number of participants. The 2016–17 program, which ended in December 2017, had 92 commencing participants placed in 23 APS agencies. Seven participants were employed in the department.

For the 2017–18 intake, which began in September 2017, 84 participants commenced across 24 participating APS agencies. Four participants commenced with the department as part of the 2017–18 cohort.



Graduates of the department's 2017 Indigenous Australian Government Development Program. Left to right: Siah Mye, Raymond Graham, Secretary Kerri Hartland, Deputy Secretary Jill Charker, Kusum Turner, Brad Mapiva and Diane Takurit

## Diversity and inclusion

The department is a place where employees feel included, valued and respected; have mutual respect for one another; and have access to opportunities, which support full participation at work.

Diversity is about respect and acknowledging that everyone is different, bringing something unique to the workplace. The way people work and think is shaped by our culture, background, experiences and personalities. The department recognises the diversity of its existing workforce. It is committed to building and leveraging the depth of perspectives, experiences, knowledge and skills that diversity brings to the organisation.

## Diversity and inclusion strategy

The department's commitment to diversity and inclusion is outlined in our Diversity and Inclusion Strategy 2018–2020, which was launched on 30 April 2018. This strategy and the supporting plans show how the department:

- ▶ achieves an inclusive and safe place for people to work
- ▶ embraces and celebrates diversity, and
- ▶ realises the vision of More Jobs. Great Workplaces.

The strategy acknowledges employees may identify across a number of diversity groups. This is addressed by outlining the department's commitments to action in the following employee plans:

- ▶ Aboriginal and Torres Strait Islander Employment and Career Plan 2016–2018
- ▶ Culturally and Linguistically Diverse Employee Action Plan 2018–2020
- ▶ Disability Action Plan 2018–2020
- ▶ Gender Equality Action Plan 2016–2019
- ▶ Intergeneration Leadership Action Plan 2018–2020, and
- ▶ Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ+) Plan 2018–2020.

This strategy is also complemented by the department's Reconciliation Action Plan 2017–2020.

Implementation of the Diversity and Inclusion Strategy and its supporting plans will be a key focus for 2018–19.



Photo: Departmental Staff celebrate the release of the Diversity and Inclusion Strategy

## Reconciliation Action Plan

The department is committed to achieving reconciliation between Aboriginal and Torres Strait Islander peoples and the wider Australian community. It is connecting Indigenous Australians to work and fostering its own Indigenous workforce at all levels.

The department's Reconciliation Action Plan 2017–2020 reaffirms the department's commitment to reconciliation and sets out the steps it is taking in its reconciliation journey to:

- ▶ create an inclusive workforce that values and respects Aboriginal and Torres Strait Islander people and culture
- ▶ provide opportunities for Aboriginal and Torres Strait Islander people and suppliers to prosper
- ▶ deliver policy and programs that achieve stronger outcomes for Indigenous Australians, and
- ▶ connect Aboriginal and Torres Strait Islander people to careers in the department.

The department is committed to reach its target to increase its Indigenous workforce to three per cent (currently sitting at 2.9 per cent) by 2018. The priorities and practical actions outlined in the Aboriginal and Torres Strait Islander Employment and Career Plan 2016–2018 provide the foundation for ensuring the department delivers on this promise. The plan supports and complements the Reconciliation Action Plan in helping the department remain an employer of choice for Aboriginal and Torres Strait Islander people.

**Table 21. Diversity**

	2017		2018	
	Headcount	%	Headcount	%
<b>Aboriginal and Torres Strait Islander</b>	<b>56</b>	<b>2.70%</b>	<b>61</b>	<b>2.84%</b>
Ongoing	45		61	
Non Ongoing	11		0	
<b>People With Disability</b>	<b>77</b>	<b>3.71%</b>	<b>82</b>	<b>3.82%</b>
Ongoing	74		78	
Non Ongoing	3		4	

## Work health and safety

The department provides a safe working environment for all its workers and visitors. An audit of the department's work health and safety management system by Comcare in March 2018 confirmed internal governance arrangements meet legislative and regulatory standards, and that approaches to employee health and wellbeing are well targeted. Initiatives offered to employees to promote health and wellbeing include early intervention, onsite annual influenza vaccinations and reimbursements, health and wellbeing seminars, and campaigns aligned with national health awareness days.

In 2018, the department's Employee Assistance Program offered all employees and their immediate family member's access to free counselling and other support services.

The Work Health Safety Committee is the primary mechanism for consultation and collaboration with departmental employees. It also covers other areas of the department responsible for work health and safety such as first aid, emergency management, and property and environment services. Work health and safety is a standing agenda item on the People and Capability Committee, allowing ongoing monitoring of organisational health and safety, and advice to the executive where required. The committee will exercise due diligence to ensure the department complies with relevant work health and safety duties and obligations.

## Work health and safety incident reporting

Ninety work health and safety incidents were reported for 2017–18, with 'falls on the same level (including trips and slips)' accounting for the highest proportion (21 per cent) of reported incidents (see Table 22).

No notifiable incidents were reported to Comcare pursuant to section 38 of the *Work Health and Safety Act 2011*, which requires notification of dangerous incidents or those resulting in serious injury or death.

**Table 22. Work health and safety incidents by type, 2016–17 and 2017–18**

Mechanism of incident	2016–17 (%)	2017–18 (%)	2017–18 (Number)
Falls on the same level (including trips and slips)	12.7	21.1	19
Miscellaneous and uncategorised mechanisms	21.8	15.6	14
Vehicle accident	7.3	4.4	4
Unspecified mechanism of injury	7.3	8.9	8
Repetitive movement with low muscle loading	9.1	7.8	7
Being hit by moving object	3.6	5.6	5
Other muscular stress	3.6	8.9	8
Single contact with chemical or substance (excluding insect and spider bites and stings)	5.5	0.0	0
Hitting objects with the body	10.9	13.3	12
Other and multiple mechanisms of injury	1.8	1.1	1
Fall from a height	0	1.1	
Exposure to variations in pressure (other than sound)	0	1.1	1
Exposure to mental stress factors	0	1.1	1
Other contact with chemical or substance (includes insect and spider bites and stings)	9.1	6.7	6
Contact or exposure to heat and cold	5.5	2.2	2
Contact with electricity	0	0.0	0
Slide or cave in	0	0.0	0
Exposure to sharp, sudden noise	1.8	1.1	1
Total	100	100	90

## Attendance

The department’s unscheduled absence rates compare favourably with those of other policy agencies, as reported in the 2017 State of the Service. The department is committed to building employee engagement and removing barriers to participation in the workplace.

The department offers a range of training programs on giving and receiving feedback, appropriate behaviours in the workplace and how to have effective conversations.

It also has in place a range of early intervention strategies designed to help staff remain at or return to work as quickly as possible after an injury or illness. These strategies provide a sound platform for managing unscheduled absences for the year ahead.

# Communication

Communication Branch supports the department and its ministers to communicate employment, workplace relations and small business programs and policies to employers, employees and the broader community. Services include providing communication expertise across a range of products and delivery such as: developing and implementing communication strategies; media advice, materials and engagement; graphic design; events; speechwriting; social media; campaign advertising and website development and management.

Regular, targeted staff communication and events are undertaken to build a productive and inclusive workplace culture.

The department uses paid advertising to inform the community about the programs and initiatives it administers, consistent with the requirements of the Australian Government guidelines on information and advertising campaigns. Appendix 3 provides more information on our advertising initiatives.



## ▶ The jobs campaign

A new jobs campaign launched on 27 May 2018 with national advertising across television, radio, online video, press and digital channels. The advertisements are designed to inspire confidence in a strengthening economy that is growing opportunities for business and jobs. They also aim to increase awareness and take up of Australian Government programs that help businesses employ staff. Employers and job seekers are directed to [jobs.gov.au](http://jobs.gov.au) to find information on accessing these programs and financial incentives.



## ▶ Youth Jobs PaTH campaign

A national campaign to increase employer awareness of—and participation in—the Youth Jobs PaTH program ran from November 2017 to May 2018. Advertising appeared on radio, print, digital and social channels.

The campaign used a testimonial-based approach, showcasing stories from real businesses and young people who secured employment through the Youth Jobs PaTH.



## ▶ The jobactive campaign



The third phase of the campaign to promote jobactive employment services ran in October and November 2017. Advertisements were placed on television, radio and online to encourage employers to recruit with jobactive. Part of the online advertising also promoted the Restart mature-age wage subsidy.

## ▶ Informing job seekers and employment providers about the new compliance system

The program communication team also produced a range of products to inform job seekers and providers about the Targeted Compliance Framework, which started on 1 July 2018.

Animated videos, brochures, posters, web content and online communication ensured job seekers and employment providers could clearly understand the new demerit system, changes to financial penalties and online tools.

All communication products will be translated into 11 languages to support job seekers from diverse backgrounds. A social media campaign will help job seekers transition to the new system.

**New compliance system** from 1 July 2018  
Know where you stand and how the new rules can affect you

**Meeting all your requirements**

**Meeting all your requirements:**

- Mutual obligation requirements include job search, attending provider appointments, job interviews and activities.
- Tell your provider ahead of time if you can't meet your requirements.

**Warning (1 to 5 demerits)**

**If you do not meet your requirements you will get a demerit:**

- Every time you miss your requirements your payment will be suspended. Contact your provider, meet the requirements and you will get your payment.
- Meet all your requirements to get back to the zone.
- If you continue to get demerits you will have a review with your provider and Centrelink to see why you are not meeting your requirements.
- If you get 5 demerits you will move to the penalty zone.

**Financial penalties**

**In this zone, you will get financial penalties:**

- 1st time fail to meet your requirements = lose 1 week's pay.
- 2nd time fail to meet your requirements = lose 2 weeks' pay.
- 3rd time fail to meet your requirements = payment cancelled, 4 week wait to re-apply.

**Demerits**

**You will get demerits if you do not...**

- agree to a Job Plan
- do job search
- attend or behave appropriately at a provider appointment
- attend or behave appropriately at a third-party appointment
- attend or behave appropriately at an activity
- attend a job interview
- behave appropriately at a job interview
- act on a job referral.

**Payment cancelled**

**4 week wait to re-apply if you:**







- fail to accept or commence suitable work
- voluntarily leave or are dismissed for misconduct from suitable work.

**Need help? Speak to your provider.**

The compliance poster explains the new system to job seekers

## Social media channels

The department's social media channels continued to expand during the year, promoting programs and policies directly to the community with engaging and innovative content.

Profile/Page/Platform	Total Fans/Followers
 <b>Department of Jobs and Small Business</b> @jobsGovAU	3,514 ▲ 35.6%
 <b>jobactive</b> Business Page	18.3k ▲ 27.2%
 <b>ParentsNext</b> Business Page	1,477 ▲ 19.7%
 <b>Department of Jobs and Small Business</b> LinkedIn	4101 ▲ 106.3%
 <b>jobactive</b> LinkedIn	5626 ▲ 10.6%
 <b>Youth Jobs PaTH</b> LinkedIn	271 ▲ 100%

- ▶ **19.5 million** impressions
- ▶ More than **29,000** engagement
- ▶ **19,400** link clicks

### TOP POSTS

4556 impressions  
12 likes  
14 responses  
13 retweets  
1 reply



2403 impressions  
33 likes  
2 comments  
128 clicks



5438 reached  
268 engaged  
269 clicks  
6 comments  
23 shares



906 reached  
68 engaged  
71 clicks  
6 comments  
4 shares



On 30 April 2018, the department launched an online newsroom to deliver stories and information in ways that better meet the needs of media. It aims to inform newsmakers and increase the likelihood of accurate coverage on policies and programs, and influence public discourse.

In developing the newsroom, consultation was undertaken with:

- ▶ journalists and news producers, representing national and regional media across TV, radio, print and online
- ▶ colleagues from other Government departments with an online news site, and
- ▶ senior management.

The Communication Branch led the newsroom’s development with collaboration and input from the Governance Risk and Assurance Branch on project planning, risk assurance and integrating research results. An editorial advisory group was established to guide the initiative, and included key representatives from across the department.

Since launching in April, the newsroom has published fresh stories each week. Further enhancements are being developed for the site to provide engaging, useful and timely information.





## Communicating with staff

The Communication Branch works closely with the Secretary, Executive and internal clients to communicate with and engage staff on the department's work and priorities. The branch uses various strategies and platforms, including the Secretary's weekly snapshot email, a weekly wrap-up newsletter, all staff events and the intranet. The intranet continues to be a primary communication channel and is going through constant review and enhancement to improve its effectiveness.

Communication Branch supported a number of external forums during the year to engage stakeholders on particular aspects of the department's work. The branch also continued to support the National Office social club, which fundraises for community organisations. In 2017, \$13,500 was raised for Pegasus Riding for the Disabled, a not-for-profit community organisation that provides horse-riding activities for people with disability. Working closely with People Branch, the Communication Branch implemented a creative internal communication strategy to encourage staff to participate in the 2018 APS Census. This approach contributed to the department achieving the highest response rate of any APS agency, at 95 per cent.



### ▶ Celebrating IDAHOBIT 2018

The department marked International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT) on Wednesday 18 May with a special event hosted by its Pride Network. A highlight was a speech by former High Court judge, the Hon Michael Kirby AC CMG, who shared his career journey from his beginnings as a lawyer through to his more recent roles in championing diversity. He also spoke about the importance of good leadership in creating change, and in driving a more honest and equal society.

The department's Secretary, Kerri Hartland, also announced the appointment of the department's first SES pride champion, Benedikte Jensen.

Kerri Hartland, The Hon. Michael Kirby AC CMG, Pride Network Chair Jarrod Cusack, special guest Michael Byrne and Pride Network Deputy Chair Ellen Stokes at the IDAHOBIT all staff event

## Data management

The department supports the Government's public data reforms, which aim to release non-sensitive data and promote the effective use and reuse of data to support evidence-based policy.

In 2017–18, the department maintained its focus on increasing data capability skills. It supported a number of staff to study applied data analytics with the Australian National University, and also ran specific data courses to enhance data reporting, presentation and analysis aligned with the use of QlikSense software.

Departmental data assets have increased from 13 to 35 and are publicly available on **data.gov.au**—the whole-of-government data sharing platform. Data services include data access via the Labour Market Information Portal and other departmental websites, as well as responses to ad-hoc requests. The department collaborates with other agencies on data activities and is a member of the Economic Data and Analysis Network (EDAN).

As in 2016–17, the department was a GovHack sponsor and participated in the 2017–18 event to help promote the release and use of open government data. The department released a New Business Assistance with NEIS dataset on **data.gov.au** which received more than 170 views during the competition. The department will be a sponsor for the 2018–19 event.

## Information technology

The department's two information technology groups—the Employment Systems Group, and the Technology and Services Group—provide the IT services that enable the department to achieve its strategic goals and outcomes.

An agile approach is applied to IT system development projects. User-centred design and experience techniques are key to making sure systems meet the needs of stakeholders.

Corporate information technology services are provided by the department to nine major clients, the largest of which is the Department of Education and Training. The department also offers a service catalogue, including desktop and mobile computing support for about 7,200 users. Application and website hosting services are provided through data centres leased and operated by the department and through cloud computing providers.

Ongoing efforts are in place to build resilience to cyber intrusion. This includes implementing the mandatory strategies to mitigate targeted cyber intrusions specified in the Protective Security Policy Framework. The department has delivered a range of enhancements to its cyber security capability, including a comprehensive information security framework, which is supported by policy, technical and operational documentation.

Key projects in 2017–18 included:

- ▶ supporting implementation of new policies and programs including the Targeted Compliance Framework, ParentsNext and Time To Work initiatives
- ▶ enhancing the range of digital services available to job seekers and employers, including the online employment services trial
- ▶ improving reporting and data analytics capability, including enhancing the Qlik Sense enterprise-wide data visualisation solution
- ▶ enabling business process improvement and red tape reduction across a range of employment and workplace relations programs
- ▶ improving the department's network design to incorporate multiple layers of redundancy, which has reduced the number of high priority incidents
- ▶ delivering a mobile computing platform based on Windows 10 and Office 365 that delivers better flexibility for staff and clients, and
- ▶ replacing ageing data centre and desktop hardware.

## Digital transformation agenda

The range of digital services expanded during the year to meet the needs of job seekers, employers, employees accessing their entitlements, business and the public. This integrated suite of whole-of-government digital services is now used by almost 900,000 registered job seekers.

The online employment services trial commences on 1 July 2018. This will enable selected job seekers to get online instead of visiting an employment services provider.

Job seekers can now view more of their details online and update information to help target the services they receive. A range of online features helps job seekers meet their reporting requirements under the targeted compliance framework.

## Parliamentary services

The department's Parliamentary team provides high-quality parliamentary services to its Ministers, Assistant Minister, Secretary and portfolio agencies. These include processing, monitoring and quality-assuring ministerial correspondence and briefings, coordinating question time briefs and parliamentary questions, and facilitating Senate Estimates hearings. Parliamentary staff also maintain the department's Parliamentary Document Management System (PDMS), which electronically stores all parliamentary and executive documentation.

**Table 23. Parliamentary workflow—documents processed for 2017–18**

Responsible area	Ministerial correspondence (received)	Briefings	Question time briefs	Answers to parliamentary questions on notice (tabled)	Senate Estimates questions on notice (tabled)	Senate Estimates Briefing
Department	1,633	804	184	28	335	208

Parliamentary staff continued reviewing business practices during the year to streamline parliamentary document processing and increase productivity and efficiency.

Activities included:

- ▶ coordinating an incoming ministerial brief following machinery-of-government changes in November 2017
- ▶ participating in cross-agency parliamentary workflow solution committee meetings to develop strategic approaches to improve PDMS functionality and achieve efficiencies across government, and
- ▶ managing the department’s transition to CabNet +, which replaces the older CabNet system with modern, secure, paperless technology that enhances accessibility and collaboration.

In 2018–19, the Parliamentary team will continue:

- ▶ working with APS partners to help improve the PDMS. This includes developing and implementing innovations to deliver new services with a digital focus
- ▶ managing further enhancements of CabNet + which are expected to be fully implemented by mid-2019, and
- ▶ anticipating business needs and developing staff capabilities to deliver efficient parliamentary services that align with modern technology and the expectations of the department’s future workforce.

## Asset management

Non-financial assets, including property and facilities are managed according to the Department’s policies and procedures for the acquisition, issuing, disposal and loss of relevant property, and any relevant assets under construction. The Department also provided asset management services to the Department of Education and Training for 2017–18 fiscal financial year.

Non-financial assets are reported in the Financial Statements at their fair value. A formal valuation is performed, at most tri-annually, with the next valuation scheduled for the 2018–19 financial year.

## Purchasing and grants

The department is a non-corporate Commonwealth entity, and its procurement and grant policies and practices are consistent with:

- ▶ all relevant Commonwealth legislation
- ▶ the Australian Government Financial Framework, including the Commonwealth Procurement Rules, the Commonwealth Grants Rules and Guidelines, and the Public Governance, Performance and Accountability Act, and
- ▶ Secretary's Instructions and the Department of Jobs and Small Business' internal policies and processes.

The department provides procurement and grants management advice and guidance, sources ICT goods and services under a centralised model, and coordinates contracts and statutory reporting. It helps a number of agencies achieve open, transparent and accountable purchases and value-for-money outcomes by working closely with internal and external stakeholders. It also ensures consistent guidelines and operating procedures are in place to meet mandatory reporting obligations.

The department communicates with staff about their obligations when undertaking procurement or grant activities. This is achieved through intranet and email news articles to promote procurement and grant obligations, providing and publishing clear guidelines and reference material, and facilitating regular procurement training and information sessions.

Procurement processes are fair and equitable. It is departmental policy to use panel arrangements to select providers where possible, and to conduct its procurement activities in accordance with relevant policies, regulations and legislative requirements.

The department publishes details of its procurement activities and plans on AusTender. During 2017–18, 74 contracts were exempted from publication.

Information on grants awarded by the department during 2017–18 (as at 31 December 2017) is available at [www.jobs.gov.au](http://www.jobs.gov.au)

Grants awarded by the department since 1 January 2018 are available at [www.grants.gov.au](http://www.grants.gov.au)

### Support for Indigenous businesses and small and medium enterprises

The department has embedded the Indigenous Procurement Policy into internal procurement processes to increase opportunities for businesses owned by Aboriginal and Torres Strait Islander people. The department partners with Supply Nation to implement these policies and to support participation of these businesses in Australian Government procurements.

In 2017–18, the Department of the Prime Minister and Cabinet set the department a target of 44 contracts to meet the Indigenous Procurement Policy requirements. A total of 159 procurements were achieved with Indigenous enterprises, representing 10.4 per cent of all our procurements.

The department supports small business participation in Australian Government procurements. Small and medium-sized enterprise participation statistics are available on the Department of Finance website at [www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts](http://www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts)

The department recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Department of the Treasury website at [www.treasury.gov.au](http://www.treasury.gov.au)

## Consultants

The department engages consultants to provide independent and expert advice or services, considering the skills and resources required for the task, the skills available internally and the cost-effectiveness of those options. The decision to engage a consultant is made in accordance with the Public Governance, Performance and Accountability Act and related regulations.

Selection methods include open tender, prequalified tender, limited tender and panel arrangements (initially selected through either an open tender or a prequalified tender process). Consultants are typically engaged to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; or to provide independent advice, information or creative solutions.

During 2017–18, the department entered into 113 new consultancies, involving total expenditure of \$5,919,475. In addition, 27 ongoing consultancy contracts were active during the year, involving total expenditure of \$4,500,812.

Information on the value of contracts and consultancies is available at [www.tenders.gov.au](http://www.tenders.gov.au)

## External scrutiny

### Judicial and administrative tribunal decisions

The Workplace Relations Legal Group supports an effective workplace relations system by providing legal advice to the Minister and the Government. This includes on issues concerning workplace relations, work health and safety, and workers' compensation arising before courts and tribunals, and by supporting the Minister's intervention in significant matters.

The department supported the Minister's involvement in the following matters before courts and administrative tribunals during 2017–18:

### **Mondelez Australia Pty Ltd, Claremont Operations (Confectioners & Stores) Enterprise Agreement 2017 (AG2017/5020)**

On 26 March 2018, the Minister for Small and Family Business, the Workplace and Deregulation applied to the President of the Fair Work Commission for the Mondelez Australia, Pty Ltd, Claremont Operations (Confectioners & Stores) Enterprise Agreement to be referred to a Full Bench of the Fair Work Commission on public interest grounds. The Minister's application outlined concerns that the agreement approval application involved consideration of the correct principles to apply for the accrual, taking and deducting paid personal or carer's leave under the National Employment Standards, and be relevant to the accrual taking and deduction of annual leave under the Standards. On 13 April 2018, Vice President Hatcher of the Fair Work Commission (as the President's delegate) rejected the Minister's application.

Following the Fair Work Commission's approval of the agreement, on 20 June 2016, the Minister filed an application to intervene in Mondelez's application to the Federal Court for a declaration as to the correct interpretation of the paid personal or carer's leave provisions in the National Employment Standards. The Minister seeks to make submissions on the correct interpretation as to the accrual, taking, payment and deduction of paid personal or carer's leave. The Minister also supports Mondelez's application to have the matter referred to the Full Court.

## **Metropolitan Fire and Emergency Services Board and United Firefighters Union Operational Staff Agreement 2016 (AG2018/1278)**

On 11 April, 2018 the Minister for Small and Family Business, the Workplace and Deregulation applied to the President of the Fair Work Commission for the Metropolitan Fire and Emergency Services Board's (MFB) application for approval of the Metropolitan Fire and Emergency Services Board & United Firefighters Union Operational Staff Agreement 2016 (MFB Agreement) to be referred to a Full Bench of the Fair Work Commission on public interest grounds. The Minister's application outlined concerns that the agreement included unlawful terms (discriminatory terms and objectionable terms). On 23 May 2018, Vice President Hatcher of the Fair Work Commission (as the President's delegate) rejected the Minister's application.

On 4 June 2018, Deputy President Gostencnik granted the Minister permission to make submissions and file evidentiary material in relation to a number of issues. The matter is ongoing and has been scheduled for a five-day hearing commencing 27 August 2018.

## **Construction, Forestry, Mining and Energy Union v Director of the Fair Work Building Industry Inspectorate [2017] FCA 1166**

The Commonwealth was joined on 18 October 2016 as second respondent in litigation brought by the Construction, Forestry, Mining and Energy Union (CFMEU) against Mr Nigel Hadgkiss, former Director of the Fair Work Building Industry Inspectorate and former Australian Building and Construction Commissioner. While Mr Hadgkiss was responsible throughout the proceedings for the conduct of his own defence, the department managed the Commonwealth's involvement in this matter. The Commonwealth was released from this litigation by consent on 8 September 2017.

### **Equal remuneration applications**

On 15 July 2013, United Voice and the Australian Education Union filed an application with the Fair Work Commission for an equal remuneration order for employees in long day care centres. On 8 October 2013, the Independent Education Union filed an application for early childhood teachers in long day care centres. The applications were later expanded to include employees working in preschools. The Commonwealth was named as a respondent to both applications.

On 30 November 2017, the Fair Work Commission Full Bench held a preliminary hearing on the comparator proposed by United Voice and the Australian Education Union. The Commonwealth made submissions to assist the Fair Work Commission on questions of law. On 6 February 2018, the Fair Work Commission Full Bench dismissed the United Voice and Australian Education Union application.

The Independent Education Union application is proceeding separately, with hearing dates on the substantive matter listed for July and August 2018.

### **The Fair Work Commission's annual wage review**

The Government's participation in the annual wage review was supported through legal advice that was provided as necessary.

## Parliamentary committee inquiries

The department appeared before Estimates hearings of the Senate Education and Employment Legislation Committee on three occasions during 2017–18 for a total of six days:

- ▶ Supplementary Estimates – 25–27 October and 1 December 2017
- ▶ Additional Estimates – 28 February 2018, and
- ▶ Budget Estimates – 29 May 2018.

The department assisted the Senate Education and Employment References Committee by making a submission to its inquiry into penalty rates.

The department assisted the Senate Education and Employment Legislation Committee by making a submission and appearing for a hearing, with its inquiries into the following Bills:

- ▶ the Fair Work Amendment (Pay Protection) Bill 2017 on 25 August 2017
- ▶ the Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2017 on 28 September 2017, and
- ▶ the Fair Work Laws Amendment (Proper Use of Worker Benefits) Bill 2017 on 30 October 2017.

The department assisted the Senate Select Committee on the Future of Work and Workers by making a submission and attending a hearing on 4 June 2018.

## Reports by the Auditor-General

During 2017–18, the department was involved in a combination of ANAO audit activities including, the annual financial statements audit, an assurance review and a number of cross-entity and department specific performance audits:

- ▶ Report No. 4 of 2017–18: jobactive: Design and Monitoring
- ▶ Report No. 6 of 2017–18: The Management of Risk by Public Sector Entities Design
- ▶ Report No. 14 of 2017–18: The Design and Implementation of the Community Development Programme
- ▶ Report No. 24 of 2017–18: Audits of the financial statements of Australian Government Entities for the Period Ended 30 June 2017
- ▶ Report No. 33 of 2017–18: Implementation of the Annual Performance Statements Requirements 2016–17
- ▶ Report No. 40 of 2017–18: Achieving Value for Money from the Fair Entitlements Guarantee Recovery Program (Assurance Review)
- ▶ Report No. 41 of 2017–18: Efficiency Through Contestability Programme
- ▶ Report No. 47 of 2017–18: Interim Report on Key Financial Controls of Major Entities

Two of the ANAO reports tabled in the parliament that made recommendations relating to the department. Report No. 4 of 2017–18: jobactive: Design and Monitoring, and Report No. 33 of 2017–18: Implementation of the Annual Performance Statements Requirements 2016–17 made a total of three recommendations. The Department agreed with the recommendations of the audits.



## Office of the Australian Information Commissioner

During 2017–18, the Office of the Australian Information Commissioner made one finding in relation to the Department involving documents requested under the Freedom of Information Act. Details can be found at [www.austlii.edu.au/au/cases/cth/AICmr//2018/55.html](http://www.austlii.edu.au/au/cases/cth/AICmr//2018/55.html)

### Disability reporting mechanisms

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

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10-year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high-level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports was released in 2014 and is available at [www.dss.gov.au](http://www.dss.gov.au)

### Information Publication Scheme

Agencies subject to the Freedom of Information Act are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the scheme's requirements. The department's publication plan is available at <https://docs.jobs.gov.au/pages/information-publication-scheme-ips>



## The International Labour Organization

Australia has been a member of the International Labour Organization (ILO) since it was founded in 1919. The department has primary responsibility for the Australian Government's engagement with the organisation. Australia is required to report on the tripartite—employers, workers and government—consultations concerning international labour standards in accordance with obligations under the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), which it ratified in June 1979.

The International Labour Affairs Committee is a subcommittee of the National Workplace Relations Consultative Council. It was established in 1978 under section 12(1) of the *National Labour Consultative Council Act 1977*. Its terms of reference require it to consider matters of substance relating to the ILO and other relevant international bodies. The committee met three times during the reporting period, on 20 October 2017, 5 March and 16 May 2018.

Direct consultation also takes place regularly between the department and the representative employer and worker organisations (the Australian Chamber of Commerce and Industry and the Australian Council of Trade Unions).

In March 2018 the Minister for Small and Family Business, the Workplace and Deregulation approved consideration of the ILO's Minimum Age Convention, 1973 (No. 138) for possible ratification. The convention aims to ensure the effective abolition of child labour and set the minimum age of admission to employment. The department is consulting with the Australian Chamber of Commerce and Industry and the Australian Council of Trade Unions, state and territory governments and relevant Commonwealth agencies on compliance of existing law and practice with the articles of the convention. The Government will decide whether to proceed with ratification based on the outcomes of these consultations.

The department is also working with states and territories to progress the Government's commitment to ratify the ILO's Forced Labour Protocol, which supplements the Forced Labour Convention, 1930 (No. 29). The protocol requires countries to take effective measures to prevent and eliminate forced labour, protect victims and provide access to appropriate and effective remedies, and sanction perpetrators.

# PART 4

## OUR FINANCIAL INFORMATION

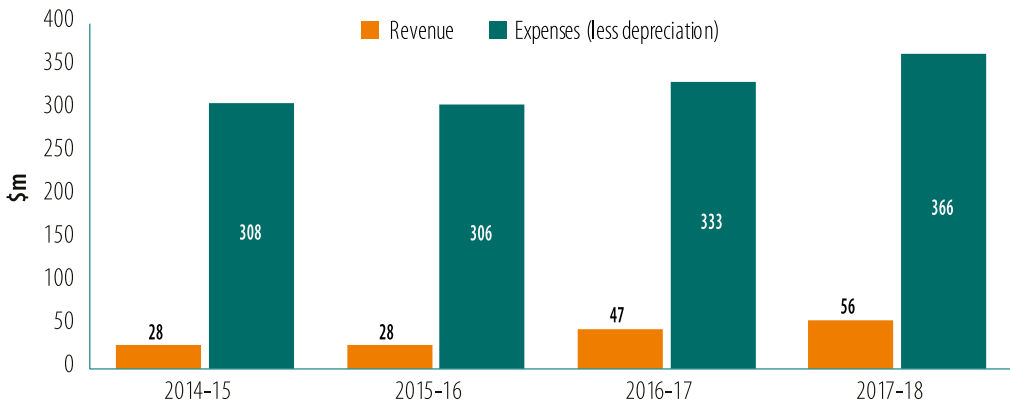
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# FINANCIAL OVERVIEW

## Financial performance—departmental

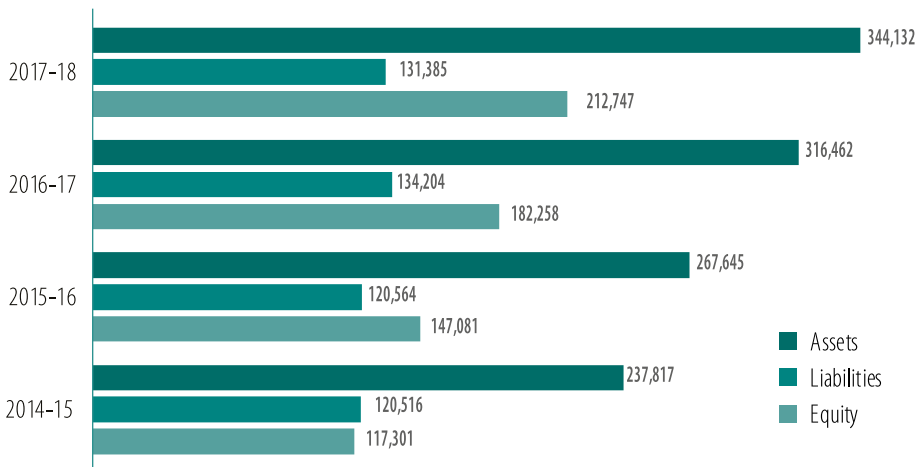
For the 2017–18 financial year, the department recorded a surplus before depreciation and amortisation of \$1.5 million (0.4% of total departmental expenses).

**Figure 11. Departmental financial performance**



The result is in keeping with the department’s sound financial position as at 30 June 2018, with financial assets of \$149.6 million exceeding total liabilities of \$131.4 million. Non-financial assets were \$194.5 million at 30 June 2018, primarily reflecting the department’s IT systems and software, fit-outs and infrastructure.

**Figure 12. Departmental financial position**



## Financial performance—administered

In 2017–18, total administered expenses on behalf of Government was \$2,158.8 million, consisting of:

- ▶ \$1,375.4 million in supplier expenses primarily related to jobactive
- ▶ \$449.4 million in subsidies, primarily related to payments made for jobactive wage subsidies and under the *Coal Mining Industry (Long Service Leave) Administration Act 1992*
- ▶ \$229.2 million in personal benefits associated with payments made under the New Enterprise Incentive Scheme and the Fair Entitlements Guarantee program
- ▶ \$98.7 million in grants, primarily related to workers' compensation payments administered by Comcare, the Empowering YOUTH Initiatives and ParentsNext programs
- ▶ \$6.0 million in payments for Comcare's appropriation.

Total administered revenue in 2017–18 was \$587.1 million, primarily associated with the levy collections under the *Coal Mining Industry (Long Service Leave) Administration Act 1992* funding arrangements managed by the Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) and a reduction in amounts payable by the Commonwealth under workers' compensation arrangements administered by Comcare but reported in the Department of Jobs and Small Business' financial statements.

Administered assets at 30 June 2018 were \$460.1 million predominantly related to investments in Coal LSL. Administered liabilities were \$2,458.5 million, of which \$2,278.8 million related to amounts payable to Comcare.





## INDEPENDENT AUDITOR'S REPORT

**To the Minister for Jobs, Industrial Relations and Women**

**To the Minister for Small and Family Business, Skills and Vocational Education**

### Opinion

In my opinion, the financial statements of the Department of Jobs and Small Business (the Department) for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of Jobs and Small Business as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Department of Jobs and Small Business, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Schedule of Cash Flow; and
- Notes to and forming part of the financial statements, comprising an Overview and other explanatory information.

### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department of Jobs and Small Business in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter	How the audit addressed the matter
<p data-bbox="260 409 658 456"><b>Accuracy and validity of administered supplier and subsidy expense payments</b></p> <p data-bbox="260 456 658 485"><i>Refer to Note 2.1 Administered - Expenses</i></p> <p data-bbox="260 485 658 618">I focused on this area given the significant value of supplier and subsidy expense payments and the importance of the Department's processes to monitor compliance with the Department's employment services programs for the accuracy and validity of the payments.</p> <p data-bbox="260 618 658 694">The accuracy of these payments is dependent on self-assessed information provided by claimants, both individuals and entities.</p> <p data-bbox="260 694 658 828">The complete and accurate recording of expenses is dependant upon the effective design and implementation of the compliance risk management regime to address the risk that inappropriate payments made may not be detected and corrected by the Department.</p> <p data-bbox="260 828 658 894">During 2017-18 the Department recognised supplier expenses of \$1.4 million, and subsidy expenses of \$0.4 million.</p>	<p data-bbox="658 409 1053 437">To address this key audit matter, I have:</p> <ul data-bbox="692 437 1053 733" style="list-style-type: none"> <li data-bbox="692 437 1053 514">• tested key controls and information technology (IT) systems related to the calculation and processing of payments;</li> <li data-bbox="692 514 1053 609">• assessed the Department's design and implementation of the compliance program used to determine the validity of third party information;</li> <li data-bbox="692 609 1053 675">• evaluated the Department's analysis of the results and error rates detected by the compliance program; and</li> <li data-bbox="692 675 1053 733">• determined whether errors detected are appropriately accounted for.</li> </ul>

#### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Department of Jobs and Small Business the Secretary is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the Department of Jobs and Small Business' ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

- involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
  - conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Peter Kerr  
Executive Director  
Delegate of the Auditor-General  
Canberra  
6 September 2018



**Department of Jobs and Small Business**  
**STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41 (2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Jobs and Small Business will be able to pay its debts as and when they fall due.

Signed 

Kerri Hartland  
Accountable Authority

6 September 2018

Signed 

Glen Casson  
Chief Financial Officer

6 September 2018

**Department of Jobs and Small Business**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 30 June 2018*

	Notes	2018 \$'000	2017 \$'000	Original Budget <sup>1</sup> \$'000
<b>NET COST OF SERVICES</b>				
<b>EXPENSES</b>				
Employee benefits	1.1A	226,285	211,105	223,304
Suppliers	1.1B	137,271	116,641	127,636
Grants	1.1C	137	346	-
Depreciation and amortisation	3.2A	42,671	32,885	35,881
Finance costs	1.1D	2	-	-
Write-down and impairment of assets	1.1E	1,991	4,926	-
Losses from asset sales		-	165	-
<b>Total expenses</b>		<b>408,357</b>	<b>366,068</b>	<b>386,821</b>
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Sale of goods and rendering of services	1.2A	52,500	39,722	47,842
Rental Income	1.2B	1,552	2,210	1,541
Resources received free of charge - external audit		400	410	410
<b>Total own-source revenue</b>		<b>54,452</b>	<b>42,342</b>	<b>49,793</b>
<b>Gains</b>				
Gain on sale of assets		256	-	-
Other gains	1.2C	1,678	4,369	-
<b>Total gains</b>		<b>1,934</b>	<b>4,369</b>	<b>-</b>
<b>Total own-source income</b>		<b>56,386</b>	<b>46,711</b>	<b>49,793</b>
<b>Net cost of services</b>		<b>(351,971)</b>	<b>(319,357)</b>	<b>(337,028)</b>
Revenue from Government		310,830	286,351	301,147
<b>Deficit attributable to the Australian Government</b>		<b>(41,141)</b>	<b>(33,006)</b>	<b>(35,881)</b>
<b>Total comprehensive loss attributable to the Australian Government</b>		<b>(41,141)</b>	<b>(33,006)</b>	<b>(35,881)</b>

1. Jobs's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2017–18 Portfolio Budget Statements. The budgeted financial statements have not been audited.
2. The Original Budget amount relating to Sale of goods and rendering of services was split to reflect the amount relating to sublease rental income disclosed at Rental Income.

## Department of Jobs and Small Business STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget <sup>1</sup> \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents		2,396	3,661	2,000
Trade and other receivables	3.1A	144,650	144,685	123,913
Accrued revenue		2,582	898	1,764
<b>Total financial assets</b>		<b>149,628</b>	<b>149,244</b>	<b>127,677</b>
<b>Non-financial Assets</b>				
Leasehold improvements	3.2A	28,957	24,722	24,530
Infrastructure, plant and equipment	3.2A	30,466	29,406	17,206
Intangibles	3.2A	113,238	95,928	121,563
Prepayments		21,843	17,162	9,636
<b>Total non-financial assets</b>		<b>194,504</b>	<b>167,218</b>	<b>172,935</b>
<b>Total assets</b>		<b>344,132</b>	<b>316,462</b>	<b>300,612</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	3.3A	38,937	43,694	19,497
Other payables	3.3B	17,357	19,126	26,187
<b>Total payables</b>		<b>56,294</b>	<b>62,820</b>	<b>45,684</b>
<b>Provisions</b>				
Employee provisions	6.1A	74,998	71,332	67,875
Other provisions	3.4A	93	52	3,217
<b>Total provisions</b>		<b>75,091</b>	<b>71,384</b>	<b>71,092</b>
<b>Total liabilities</b>		<b>131,385</b>	<b>134,204</b>	<b>116,776</b>
<b>Net assets</b>		<b>212,747</b>	<b>182,258</b>	<b>183,836</b>
<b>EQUITY</b>				
Contributed equity		334,114	262,484	299,305
Reserves		10,252	10,252	10,252
Accumulated deficit		(131,619)	(90,478)	(125,721)
<b>Total equity</b>		<b>212,747</b>	<b>182,258</b>	<b>183,836</b>

1. Jobs's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2017–18 Portfolio Budget Statements. The budgeted financial statements have not been audited.
2. The accounting policy relating to lease incentives was adjusted to align with the guidance provided in Resource Management Guide 110. Comparatives for the line items Trade and other receivables, and Other payables have each been adjusted to reflect this change in policy.

**Department of Jobs and Small Business**  
**STATEMENT OF CHANGES IN EQUITY**  
for the period ended 30 June 2018

	Retained earnings		Asset revaluation surplus		Contributed equity		Total equity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	(90,478)	(57,472)	(89,840)	10,252	262,484	194,301	236,997	147,081
<b>Adjusted opening balance</b>	<b>(90,478)</b>	<b>(57,472)</b>	<b>(89,840)</b>	<b>10,252</b>	<b>262,484</b>	<b>194,301</b>	<b>236,997</b>	<b>147,081</b>
<b>Comprehensive income</b>								
Other comprehensive income	-	-	-	-	-	-	-	-
Deficit for the period	(41,141)	(33,006)	(35,881)	-	-	-	-	(35,881)
<b>Total comprehensive income</b>	<b>(41,141)</b>	<b>(33,006)</b>	<b>(35,881)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,881)</b>
<b>Contributions by owners</b>								
Equity injection - Appropriation	-	-	-	-	40,349	7,316	36,272	7,316
Departmental capital budget	-	-	-	-	31,306	27,310	26,036	27,310
Restructuring	-	-	-	-	(25)	33,557	(25)	33,557
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,630</b>	<b>68,183</b>	<b>62,308</b>	<b>68,183</b>
<b>Closing balance as at 30 June</b>	<b>(131,619)</b>	<b>(90,478)</b>	<b>(125,721)</b>	<b>10,252</b>	<b>334,114</b>	<b>262,484</b>	<b>299,305</b>	<b>182,258</b>
								<b>183,836</b>

1. Job's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2017-18 Portfolio Budget Statements. The budgeted financial statements have not been audited.

**Accounting Policy**

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received from, or relinquished to, another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

## Department of Jobs and Small Business

### CASH FLOW STATEMENT

for the period ended 30 June 2018

	2018 \$'000	2017 \$'000	Original Budget <sup>1</sup> \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations	380,300	317,938	301,155
Sale of goods and rendering of services	67,821	28,328	47,842
GST received	17,232	12,773	12,764
Sublease rent	1,552	2,210	1,541
<b>Total cash received</b>	<b>466,905</b>	<b>361,249</b>	<b>363,302</b>
<b>Cash used</b>			
Employees	225,323	208,556	222,403
Suppliers	164,803	122,385	96,117
Grants	137	346	-
Section 74 receipts transferred to the OPA	78,179	30,443	44,782
<b>Total cash used</b>	<b>468,442</b>	<b>361,730</b>	<b>363,302</b>
<b>Net cash from / (used by) operating activities</b>	<b>(1,537)</b>	<b>(481)</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of infrastructure, plant and equipment	272	4	-
<b>Total cash received</b>	<b>272</b>	<b>4</b>	<b>-</b>
<b>Cash used</b>			
Purchase of infrastructure, plant and equipment	16,474	4,031	4,137
Purchase / development of intangibles	47,761	29,259	53,370
Purchase of leasehold improvements	5,295	4,054	4,801
<b>Total cash used</b>	<b>69,530</b>	<b>37,344</b>	<b>62,308</b>
<b>Net cash used by investing activities</b>	<b>(69,258)</b>	<b>(37,340)</b>	<b>(62,308)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity - equity injection and capital budget	69,530	37,606	62,308
<b>Total cash received</b>	<b>69,530</b>	<b>37,606</b>	<b>62,308</b>
<b>Net cash from financing activities</b>	<b>69,530</b>	<b>37,606</b>	<b>62,308</b>
<b>Net decrease in cash held</b>	<b>(1,265)</b>	<b>(215)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	3,661	3,876	2,000
<b>Cash and cash equivalents at the end of the reporting period<sup>2</sup></b>	<b>2,396</b>	<b>3,661</b>	<b>2,000</b>

- Jobs's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the 2017–18 Portfolio Budget Statements. The budgeted financial statements have not been audited.
- As shown in the Statement of Financial Position.
- The Original Budget amount relating to Sale of goods and rendering of services was split to reflect the amount relating to sublease rental income disclosed at Rental Income.

**Department of Jobs and Small Business**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**

for the period ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget <sup>1</sup> \$'000
<b>NET COST OF SERVICES</b>				
<b>EXPENSES</b>				
Suppliers	2.1A	1,375,432	1,262,270	1,323,292
Subsidies	2.1B	449,374	229,351	288,718
Personal benefits	2.1C	229,180	254,752	320,825
Grants	2.1D	98,755	96,674	109,830
Write-down and impairment of assets		16	120	642
Payments to corporate Commonwealth entities		6,020	6,104	6,020
<b>Total expenses administered on behalf of Government</b>		<b>2,158,777</b>	<b>1,849,271</b>	<b>2,049,327</b>
<b>INCOME</b>				
<b>Revenue</b>				
<b>Taxation revenue</b>				
Other taxes		151,966	143,483	154,618
<b>Total taxation revenue</b>		<b>151,966</b>	<b>143,483</b>	<b>154,618</b>
<b>Non-taxation revenue</b>				
Commonwealth asset recoveries		39,626	47,984	70,612
Other revenue		395,519	138,971	6,753
<b>Total non-taxation revenue</b>		<b>435,145</b>	<b>186,955</b>	<b>77,365</b>
<b>Total revenue</b>		<b>587,111</b>	<b>330,438</b>	<b>231,983</b>
<b>Total income administered on behalf of Government</b>		<b>587,111</b>	<b>330,438</b>	<b>231,983</b>
<b>Net cost of services</b>		<b>(1,571,666)</b>	<b>(1,518,833)</b>	<b>(1,817,344)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation surplus		72,662	96,859	-
<b>Total other comprehensive income</b>		<b>72,662</b>	<b>96,859</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(1,499,004)</b>	<b>(1,421,974)</b>	<b>(1,817,344)</b>

1. Jobs's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the Portfolio Budget Statements 2017–18. The budgeted financial statements have not been audited.

**Accounting Policy**

Revenue

All administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Administered revenue is recognised when the service is provided. Collectability of the debt is reviewed at balance date. Impairment allowances are made when collectability of the debt is judged to be less, rather than more, likely.

**Department of Jobs and Small Business**  
**ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES**

as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000	Original Budget <sup>1</sup> \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents		40	10	-
Trade, taxation and other receivables	4.1A	43,353	38,003	43,878
Other investments	4.1B	410,418	337,756	240,897
<b>Total financial assets</b>		<b>453,811</b>	<b>375,769</b>	<b>284,775</b>
<b>Non-financial assets</b>				
Prepayments		6,314	5,901	5,779
<b>Total non-financial assets</b>		<b>6,314</b>	<b>5,901</b>	<b>5,779</b>
<b>Total assets administered on behalf of Government</b>		<b>460,125</b>	<b>381,670</b>	<b>290,554</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	4.2A	82,423	80,979	60,976
Subsidies	4.2B	73,171	36,890	24,135
Personal benefits	4.2C	1,422	3,521	1,204
Grants	4.2D	11,255	2,189	2,168
Other payables	4.2E	2,290,276	2,676,564	2,730,753
<b>Total payables</b>		<b>2,458,547</b>	<b>2,800,143</b>	<b>2,819,236</b>
<b>Total liabilities administered on behalf of Government</b>		<b>2,458,547</b>	<b>2,800,143</b>	<b>2,819,236</b>
<b>Net liabilities</b>		<b>(1,998,422)</b>	<b>(2,418,473)</b>	<b>(2,528,682)</b>

1. Jobs's original budgeted financial statement that was first presented to Parliament in respect of the reporting period was the Portfolio Budget Statements 2017–18. The budgeted financial statements have not been audited.

**Accounting Policy**

Prepayments

All administered prepayments are current assets.

**Department of Jobs and Small Business**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*for the period ended 30 June 2018*

	2018 \$'000	2017 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>(2,418,473)</b>	(2,611,725)
<b>Net cost of services</b>		
Income	587,111	330,438
<b>Expenses</b>		
Payments to entities other than corporate Commonwealth entities	<b>(2,152,757)</b>	(1,843,167)
Payments to corporate Commonwealth entities	<b>(6,020)</b>	(6,104)
<b>Other comprehensive income</b>		
Revaluations transferred to reserves	<b>72,662</b>	96,859
<b>Transfers (to)/from the Australian Government</b>		
<b>Appropriation transfers from Official Public Account</b>		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	<b>1,742,482</b>	1,423,053
Payments to corporate Commonwealth entities	<b>6,019</b>	6,237
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	<b>196,329</b>	221,628
Payments to corporate Commonwealth entities	<b>179,816</b>	177,502
<b>Appropriation transfers to Official Public Account</b>		
Transfers to Official Public Account	<b>(205,591)</b>	(213,194)
<b>Closing assets less liabilities as at 30 June</b>	<b>(1,998,422)</b>	(2,418,473)

**Accounting Policy**

*Administered Cash Transfers to and from the Official Public Account*

Revenue collected by the Department for use by the Government rather than the Department is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.



**Department of Jobs and Small Business**  
**ADMINISTERED CASH FLOW STATEMENT**  
*for the period ended 30 June 2018*

	2018	2017
	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
GST received	161,431	119,253
Levies	149,082	144,992
Commonwealth asset recoveries	39,626	47,984
Other	8,658	2,452
<b>Total cash received</b>	<b>358,797</b>	<b>314,681</b>
<b>Cash used</b>		
Suppliers	1,539,839	1,374,765
Subsidies	413,093	216,596
Personal benefits	229,843	246,091
Grants	89,689	96,653
Payments to corporate Commonwealth entities	6,019	6,104
<b>Total cash used</b>	<b>2,278,483</b>	<b>1,940,209</b>
<b>Net cash used by operating activities</b>	<b>(1,919,686)</b>	<b>(1,625,528)</b>
Cash and cash equivalents at the beginning of the reporting period	10	4
<b>Cash from the Official Public Account for</b>		
- Appropriations	2,124,646	1,828,420
- GST appropriations	166,754	134,009
<b>Total cash from Official Public Account</b>	<b>2,291,400</b>	<b>1,962,429</b>
<b>Cash to the Official Public Account for</b>		
- Appropriations	(205,591)	(213,194)
- Return of GST appropriations	(166,093)	(123,701)
<b>Total cash to Official Public Account</b>	<b>(371,684)</b>	<b>(336,895)</b>
<b>Cash and cash equivalents at the end of the reporting period<sup>1</sup></b>	<b>40</b>	<b>10</b>

1. As shown in the Administered Schedule of Assets and Liabilities.

## Department of Jobs and Small Business NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison between the 2017–18 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2017–18 financial statements. The Budget is not audited and does not reflect budget estimates presented to Parliament in respect of the 2018 financial year. However, major changes in budget have been explained as part of the variance analysis where relevant.

Variances are considered to be ‘major’ based on the following criteria:

- the variance between budget and actual is greater than 10 per cent; and
- an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of the Department.

#### Departmental Major Budget Variances for 2018

Explanations of major variances	Affected line items (and schedule)
Suppliers expense are \$9.6m higher than the original budget due to additional IT expenditure and subsequent staff resource expenses to support projects.	Suppliers (Statement of Comprehensive Income)
Grants are \$0.1m higher than budget due to one off grants provided to support the department’s outcomes.	Grants (Statement of Comprehensive Income)
Depreciation and amortisation expense is \$6.8m higher than the original budget due to additional investment in ICT.	Depreciation and amortisation (Statement of Comprehensive Income)
The Write-down of assets expense is \$2.0m higher than the original budget due to the annual review of asset impairment and useful life.	Write-down of assets (Statement of Comprehensive Income)
Own Source revenue is \$4.7m higher than the original budget due to additional services provided throughout the year.	Own-source Revenue (Statement of Comprehensive Income)
Gain on the sale of assets are \$0.3m higher than the original budget due to revenue from assets disposed at the end of their useful life.	Gain on the sale of assets (Statement of Comprehensive income)
Other gains are \$1.7m higher than the original budget due to prior year revenue adjustments.	Other gains (Statement of Comprehensive income)
Trade and other receivables are \$20.7m higher than the original budget due to capital acquisitions not yet paid and additional functions assumed as a result of Machinery of Government changes.	Trade and other receivables (Statement of Financial Position)
Other financial assets are \$0.8m higher than the original budget due to services provided by the department where payment has not yet been received.	Other financial assets (Statement of Financial Position)
Leasehold Improvement values have increased by \$4.4m compared to the original budget due to fit outs undertaken in the department’s properties.	Leasehold Improvements (Statement of Financial Position)
Infrastructure, Plant and Equipment (IP&E) (\$13.3m) and payment of IP&E (\$12.3m) are higher than the original budget due to the additional purchase of ICT equipment.	Infrastructure, Plant and Equipment (Statement of Financial Position), Infrastructure, Plant and Equipment (Cash Flow Statement)
Intangible assets are \$8.3m lower than the original budget due to higher amortisation and impairment.	Intangibles (Statement of Financial Position)
Prepayments are \$12.2m higher than the original budget due to an increase in IT expenditure.	Other non-financial assets (Statement of Financial Position)
Suppliers payable are \$19.4m higher than the original budget predominately due to asset purchases received but not paid by the end of the financial year and higher than planned supplier accruals.	Suppliers payables (Statement of Financial Position)
Other payables are \$8.8m lower than the original budget due to a policy change in the treatment of lease incentives.	Other payables (Statement of Financial Position)
Employee provisions are \$7.1m higher than the original budget due to Machinery of Government changes.	Employee provisions (Statement of Financial Position)
Other provisions are \$3.1m lower than the original budget due to the rationalisation of the department’s leases.	Other provisions (Statement of Financial Position)
Contributed equity (\$34.8m) and equity received (\$7.2m) are higher than the original budget due to equity and capital injections in the Portfolio Additional Estimates Statements.	Contributed equity (Statement of Financial Position), Contributed equity/capital (Statement of Changes in Equity) Contributed equity - equity injection (Cash Flow Statement)

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Appropriations received are \$79.1m higher than expected due to services provided by the department.	Appropriations (Cash Flow Statement)
Sale of goods and rendering of services received are \$20.0m higher than the original budget due to the timing of receipts across financial years.	Sale of goods and rendering of services (Cash Flow Statement).
GST received from the ATO is \$4.5m higher than the original budget due to higher supplier expenses.	Net GST received (Cash Flow Statement)
Suppliers payments are \$68.7m higher than the original budget due to higher than planned service provision and the timing of payments across financial years.	Suppliers (Cash Flow Statement)
Section 74 transfers are \$33.4m higher than the original budget due to services provided by the department and the timing of receipts across financial years.	Section 74 transfers to the OPA (Cash Flow Statement)
Purchase of leasehold improvements are \$0.5m higher than the original budget due to timing of payments across financial years.	Purchase of leasehold Improvements (Cash Flow Statement)
Development of intangibles are \$5.6m less than the original budget due to lower than planned intangible development and timing of payments.	Purchase / development of intangibles (Cash Flow Statement)

<b>Administered Major Budget Variances for 2018</b>	
<b>Explanations of major variances</b>	<b>Affected line items (and schedule)</b>
Suppliers expense is \$52.1m higher than the original budget primarily due to jobactive providers achieving stronger employment outcomes.	Suppliers (Administered Schedule of Comprehensive Income)
Subsidies expense is \$160.7m higher than the original budget due to stronger take-up of wage subsidies.	Subsidies (Administered Schedule of Comprehensive Income)
Personal benefits expense is \$91.6m lower than the original budget due to lower than expected take-up of some jobactive sub-programs and a lower than forecast average cost per claim and number of claims paid in the Fair Entitlements Guarantee Program (FEG).	Personal benefits (Administered Schedule of Comprehensive Income)
Grants expense is \$11.1m lower than the original budget primarily due to lower than expected Asbestos Related Claims through Comcare.	Grants (Administered Schedule of Comprehensive Income)
Commonwealth Asset Recoveries are \$31.0m lower than the original budget due to the complex nature of recoveries relating to the FEG program including activities under the FEG Recovery program.	Commonwealth Asset Recoveries (Administered Schedule of Comprehensive Income)
Other revenue is \$388.8m higher than the original budget due to a reduction in Comcare liability following an actuarial review.	Other revenue (Administered Schedule of Comprehensive Income)
Other comprehensive income (\$72.7m) and Other investments (\$169.5m) are higher than the original budget as a result of movements in the net asset balance of Coal Long Service Leave (LSL).	Other comprehensive income – Changes in asset revaluation surplus (Administered Schedule of Comprehensive Income), Other Investments (Administered Schedule of Assets and Liabilities)
Suppliers payable is \$21.4m higher than the original budget due to an increase in jobactive accruals.	Suppliers payable (Administered Schedule of Assets and Liabilities)
Subsidies payable is \$49.0m higher than the original budget due to an increase in wage subsidies accruals.	Subsidies payable (Administered Schedule of Assets and Liabilities)
Grants payable is \$9.1m higher than the original budget due to grant accruals for milestones met but not paid at year end.	Grants payable (Administered Schedule of Assets and Liabilities)
Other payables are \$440.5m lower than the original budget due to a reduction in Comcare liability following an actuarial review.	Other payables (Administered Schedule of Assets and Liabilities)

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Overview

##### Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements and notes have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations—Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

##### Change of Name

The Department's name was changed to the Department of Jobs and Small Business from the Department of Employment as a result of Administrative Arrangements Order introduced on 20 December 2017. As part of the changes, the Department gained the small business and regulatory policy functions.

##### Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the department has made and relied on the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- the jobactive and Transition to Work accruals for Supplier and Subsidies expense, developed by the Department have been reviewed by an independent actuary;
- the Department relies on the work of actuaries engaged by Comcare relating to balances for Other Payables; and
- the Department relies on the net asset position of the Coal Mining Industry (Long Service Leave Funding) Corporation for Other Investments.
- the Department adjusted its accounting policy relating to lease incentives to align with the guidance provided through the *Public Governance, Performance and Accountability Act 2013 Resource Management Guide*. This change has been reflected in the comparative balances and is included within notes 3.1A and 3.3B.

The Department made no other assumptions or estimates identified as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

##### New Australian Accounting Standards

No new and amended standards that were applicable to the current reporting period have had a material effect on the Department's financial statement.

##### Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

- Revenues, expenses and non-financial assets are recognised net of GST except:
  - where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
  - for receivables and payables.

##### Events After the Reporting Period

There have been no events after balance date that have the potential to significantly affect the ongoing structure and financial activities of the Department.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Departmental Financial Performance**

This section analyses the financial performance of the Department of Jobs and Small Business for the year ended 2018.

**1.1. Expenses**

	2018	2017
	\$'000	\$'000
<b>Note 1.1A: Employee Benefits</b>		
Wages and salaries	170,227	162,075
Superannuation		
Defined contribution plans	18,109	15,892
Defined benefit plans	17,386	17,109
Leave and other entitlements	16,459	11,989
Separations and redundancies	2,688	2,683
Other employee expenses	1,416	1,357
<b>Total employee benefits</b>	<b>226,285</b>	<b>211,105</b>

**Accounting Policy**

Accounting policies for employee related expenses are contained in the People and Relationships section.

	2018	2017
	\$'000	\$'000
<b>Note 1.1B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Consultants	13,336	12,877
Contractors	24,795	13,600
Travel	5,258	4,289
IT services	33,059	26,180
Property	6,546	6,242
Shared services	7,948	5,552
Resources provided free of charge	400	410
Legal	2,262	2,901
Training	4,806	4,158
Other	12,689	13,605
<b>Total goods and services supplied or rendered</b>	<b>111,099</b>	<b>89,814</b>
Provision of goods	3,128	3,201
Rendering of services	107,971	86,613
<b>Total goods and services supplied or rendered</b>	<b>111,099</b>	<b>89,814</b>
<b>Other suppliers</b>		
Operating lease rentals in connection with		
Minimum lease rentals	25,644	25,787
Contingent rentals	-	20
Workers compensation expenses	528	1,020
<b>Total other suppliers</b>	<b>26,172</b>	<b>26,827</b>
<b>Total suppliers</b>	<b>137,271</b>	<b>116,641</b>

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### Leasing commitments

Details of significant leasing commitments for the Department include:

The Department in its capacity as lessee for 10 & 12 Mort Street, Canberra is subject to a 3.75% fixed annual adjustment. The current lease term expires on 24 March 2025.

The Department in its capacity as lessee for 14 Mort Street, Canberra is subject to a 3.75% fixed annual adjustment. The current lease term expires on 24 March 2025.

The Department in its capacity as lessee for 140-180 City Walk, Canberra is subject to a 4.00% fixed annual adjustment. The current lease term expires on 31 March 2024.

The Department in its capacity as lessee for Level 9, 255 Elizabeth Street, Sydney is subject to a 3.75% fixed annual adjustment. The current lease term expires on 31 December 2020.

The Department in its capacity as lessee for Level 10, 414 Latrobe Street, Melbourne is subject to a 3.75% fixed annual adjustment. The current lease term expires on 30 September 2024.

The Department in its capacity as lessee for Level 18, 11 Waymouth Street, Adelaide is subject to a 3.50% fixed annual adjustment. The current lease term expires on 31 March 2022.

The Department in its capacity as lessee for Levels 5 & 8, 215 Adelaide Street, Brisbane is subject to a 3.50% fixed annual adjustment. The current lease term expires on 30 November 2024.

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable (GST inclusive) as follows:</b>		
Within 1 year	<b>25,198</b>	22,765
Between 1 to 5 years	<b>97,709</b>	90,027
More than 5 years	<b>33,929</b>	51,843
<b>Total operating lease commitments</b>	<b>156,836</b>	164,635

#### Accounting Policy

##### Leases

An operating lease is a lease that is not a finance lease and where the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Lease payments are subject to increases in accordance with upwards movements in the consumer price index, market rates, fixed increase rates or a combination of the aforementioned rates.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2018	2017
	\$'000	\$'000
<b>Note 1.1C: Grants</b>		
<b>Private sector</b>		
Other	137	346
<b>Total grants</b>	<b>137</b>	<b>346</b>
<b>Note 1.1D: Finance Costs</b>		
Unwinding of discount for restoration	2	-
<b>Total finance costs</b>	<b>2</b>	<b>-</b>
<b>Note 1.1E: Write-Down and Impairment of Assets</b>		
<b>Asset write-downs and impairments from</b>		
Write-off of receivables - goods and services	2	1
Write-off of leasehold improvements	-	954
Write-off of infrastructure, plant and equipment	503	32
Impairment of infrastructure, plant and equipment	-	2,117
Impairment of intangibles	1,486	1,822
<b>Total write-down and impairment of assets</b>	<b>1,991</b>	<b>4,926</b>



**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1.2. Income**

	2018	2017
	\$'000	\$'000

**OWN-SOURCE REVENUE**

**Note 1.2A: Sale of Goods and Rendering of Services**

Rendering of services	52,500	39,722
<b>Total sale of goods and rendering of services</b>	<b>52,500</b>	<b>39,722</b>

**Accounting Policy**

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Department retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

	2018	2017
	\$'000	\$'000

**Note 1.2B: Rental Income**

Rental Income	1,552	2,210
<b>Total rental income</b>	<b>1,552</b>	<b>2,210</b>

**Sub leasing rental income commitments**

The Department in its capacity as lessor has a number of memorandum of understanding agreements with Commonwealth entities in four tenancies.

**Commitments for sublease rental income receivables (GST inclusive) are as follows:**

Within 1 year	(1,668)	(1,779)
Between 1 to 5 years	(4,147)	(4,963)
More than 5 years	(707)	(1,910)
<b>Total sublease rental income commitments</b>	<b>(6,522)</b>	<b>(8,652)</b>

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1.2C: Other Gains**

Gain on write back of restoration provision	-	275
First time recognition of assets – infrastructure, plant and equipment	<b>95</b>	-
Write back of provision for surplus lease space	-	787
Write back of leaseholds impairment	-	894
Write back of intangibles impairment	-	337
Write back of infrastructure, plant and equipment impairment	-	652
Other	<b>1,583</b>	<b>1,424</b>
<b>Total other gains</b>	<b>1,678</b>	<b>4,369</b>

**Accounting Policy**

**Revenue from Government**

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the corporate Commonwealth entity unless the funding is in the nature of an equity injection or a loan.

**Resources Received Free of Charge**

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

**Gains**

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Accounting Policy for the Statement of Changes in Equity).

**Sale of Assets**

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 2. Income and Expenses Administered on Behalf of Government

This section analyses the activities that the Department of Jobs and Small Business does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

##### 2.1. Administered - Expenses

	2018	2017
	\$'000	\$'000
<b>Note 2.1A: Suppliers</b>		
<b>Services rendered</b>		
Provider services	1,340,582	1,237,807
Memberships	11,822	11,229
Legal	7,537	2,693
Contractors and consultants	5,041	3,068
Advertising	9,914	6,979
Other	536	494
<b>Total suppliers<sup>1</sup></b>	<b>1,375,432</b>	<b>1,262,270</b>
<b>Note 2.1B: Subsidies</b>		
<b>Subsidies in connection with</b>		
Labour market assistance to job seekers and industry	297,408	85,868
Industrial relations	151,966	143,483
<b>Total subsidies</b>	<b>449,374</b>	<b>229,351</b>
<b>Note 2.1C: Personal Benefits</b>		
<b>Direct</b>		
Labour market assistance to job seekers and industry	64,222	68,709
Industrial relations	164,910	185,160
<b>Indirect</b>		
Industrial relations	48	883
<b>Total personal benefits</b>	<b>229,180</b>	<b>254,752</b>

##### Accounting Policy

The Department administers personal benefit programs on behalf of the Government that provide entitlements to individuals. Payments are determined in accordance with provisions of the *Fair Entitlements Guarantee Act 2012* and the funding agreements for the New Enterprise Incentive Scheme and Youth Jobs PaTH under jobactive.

	2018	2017
	\$'000	\$'000
<b>Note 2.1D: Grants</b>		
<b>Public sector</b>		
Australian Government entities (related parties)	55,413	64,227
<b>Private sector</b>		
Non-profit organisations	37,054	4,480
Other	6,288	27,967
<b>Total grants</b>	<b>98,755</b>	<b>96,674</b>

1. In 2016-17 supplier expenses were presented based on an outcomes split. To better reflect the nature of these expenses, they are now split based on the type of expense.

##### Accounting Policy

The Department administers a number of grant and subsidy schemes on behalf of the Government.

Grant and subsidy liabilities are recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants and subsidies but services have not been performed or criteria satisfied.

Payment to corporate Commonwealth entities from amounts appropriated for that purpose are classified as administered expenses, equity injections or loans of the relevant portfolio department. The appropriation to the Department is disclosed under the Funding section—Appropriations.

**Department of Jobs and Small Business**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

All administered revenues are revenues relating to ordinary activities performed by the Department on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 3. Departmental Financial Position

This section analyses the Department of Jobs and Small Business' assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

##### 3.1. Financial Assets

	2018 \$'000	2017 \$'000
<b>Note 3.1A: Trade and Other Receivables</b>		
Goods and services	3,199	16,330
Appropriation receivables - for existing programs	137,782	125,667
GST receivable from the Australian Taxation Office	3,189	2,511
Lease incentives	-	-
Other	484	179
<b>Total trade and other receivables (gross)</b>	<b>144,654</b>	<b>144,687</b>
Less impairment allowance for goods and services	(4)	(2)
<b>Total trade and other receivables (net)</b>	<b>144,650</b>	<b>144,685</b>

Credit terms for goods and services are net 30 days.

##### Reconciliation of the Impairment Allowance Movements in relation to 2018

	Goods and services \$'000	Total \$'000
Opening balance as at 1 July 2017	(2)	(2)
Increase recognised in net cost of services	(2)	(2)
<b>Closing balance as at 30 June 2018</b>	<b>(4)</b>	<b>(4)</b>

##### Movements in relation to 2017

	Goods and services \$'000	Total \$'000
Opening balance as at July 2016	(3)	(3)
Amounts written off	1	1
<b>Closing balance as at 30 June 2017</b>	<b>(2)</b>	<b>(2)</b>

##### Accounting Policy

###### Receivables and impairment

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed and impairment allowances are made when collectability of the debt is no longer probable.

###### Lease Incentives

Lease incentives provided in the form of 'free' leasehold improvements and rent free holidays to tenants are recognised as a receivable. The receivable is reduced by allocating lease receipts between rental income and reduction of the receivable.

**Department of Jobs and Small Business  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3.2. Non-Financial Assets**

**Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles (2017-18)**

	Leasehold improvements \$'000	Other plant & equipment \$'000	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 30 June 2017</b>					
Gross book value	28,703	38,882	143,243	1,913	212,741
Opening adjustment - gross book value	-	-	-	-	-
Accumulated depreciation, amortisation and impairment	(3,981)	(9,476)	(48,248)	(980)	(62,685)
Opening adjustment - accumulated depreciation and impairment	-	-	-	-	-
<b>Net book value 30 June 2017</b>	<b>24,722</b>	<b>29,406</b>	<b>94,995</b>	<b>933</b>	<b>150,056</b>
Additions					
Purchase or internally developed	6,916	10,866	48,912	-	66,694
First time recognition	-	62	33	-	95
Restructuring (Note 8.1A)	492	-	-	-	492
Reclassification	-	-	-	-	-
Revaluations recognised in other comprehensive income	-	-	-	-	-
Impairments recognised in net cost of services	-	(428)	(1,486)	-	(1,914)
Reversal of impairments recognised in net cost of services	-	-	-	-	-
Depreciation/amortisation expense	(3,173)	(9,349)	(29,780)	(369)	(42,671)
Other movements	-	-	-	-	-
Other	-	(16)	-	-	(16)
Write-offs	-	(75)	-	-	(75)
<b>Total as at 30 June 2018</b>	<b>28,957</b>	<b>30,466</b>	<b>112,674</b>	<b>564</b>	<b>172,661</b>
<b>Total as at 30 June 2018 represented by:</b>					
Gross book value					
Fair value	26,762	45,338	143,099	1,913	217,112
Work in progress	9,349	1,256	48,096	-	58,701
Accumulated depreciation, amortisation and impairment	(7,154)	(16,128)	(78,521)	(1,349)	(103,152)
<b>Total as at 30 June 2018</b>	<b>28,957</b>	<b>30,466</b>	<b>112,674</b>	<b>564</b>	<b>172,661</b>

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

During 2018, \$1.486 million of internally developed software was impaired (2017: \$1.822m). There were no write offs of internally developed software (2017: nil). There were no write offs of purchased software during 2018 (2017: nil).

During 2018, \$0.428 million of plant and equipment was impaired (2017: \$2.177m).

There is one leased property that the Department manages which is due to be vacated within the next 12 months that has a leasehold improvement asset. The total net book value of the leasehold improvements, including restoration for this property, was \$0.025 million as at 30 June 2018.

No impairment loss was required for surplus lease space (2017: nil).

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy below.

Revaluation increments for leasehold improvements and other plant & equipment credited to the asset revaluation reserve were included in the equity section of the Statement of Financial Position, no increments were expensed.

#### Contractual commitments for the acquisition of property, plant, equipment and intangible assets

	2018	2017
	\$'000	\$'000
<b>Commitments are payable as follows:</b>		
Within 1 year	<u>5,189</u>	<u>16,447</u>
<b>Total commitments payable</b>	<b>5,189</b>	<b>16,447</b>

#### Accounting Policy

##### Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

##### Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, (or \$50,000 for leasehold improvements) which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the restoration provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'restoration' recognised.

##### Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measurement
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. This volatility is assessed before the end of each reporting period.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Revaluation Cont'd

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset Class	2018
Leasehold improvements	Lease Term
Infrastructure, plant and equipment	3–25 years

Impairment

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

The Department's intangibles comprise purchased and internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Purchases costing less than \$200,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Department's software are 2–15 years.

All software assets were assessed for indications of impairment as at 30 June 2018.



**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3.3. Payables**

	2018	2017
	\$'000	\$'000

**Note 3.3A: Trade Creditors and Accruals**

Trade creditors and accruals	33,613	40,388
Operating lease rentals	5,324	3,306
<b>Total suppliers</b>	<b>38,937</b>	<b>43,694</b>

Settlement is usually made within 30 days.

**Note 3.3B: Other Payables**

Salaries and wages	1,586	1,497
Superannuation	558	261
Separations and redundancies	548	1,848
Other employee benefits	841	1,273
Lease incentive	11,503	12,172
Unearned income	2,321	2,075
<b>Total other payables</b>	<b>17,357</b>	<b>19,126</b>

1. In 2016-17 accrued expenses were included in other payables. To better reflect the nature of the payables, accrued expenses were moved from other payables and are now included in suppliers, with the 2016-17 comparative of 14.452m being reallocated accordingly

**Accounting Policy**

**Operating lease rentals**

Operating lease payments are expressed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**Lease Incentives**

Lease incentives taking the form of 'free' leasehold improvements and rent free holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**3.4. Other Provisions**

**Note 3.4A: Other provisions**

	Provision for restoration \$'000	Provision for surplus lease \$'000	Total \$'000
<b>As at 1 July 2017</b>	-	52	52
Additional provisions made	91	-	91
Amounts reversed	-	-	-
Amounts used	-	(52)	(52)
Discount or change in discount rate	2	-	2
<b>Total as at 30 June 2018</b>	<b>93</b>	<b>-</b>	<b>93</b>

The Department currently has one (2017:nil) agreement for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The provision reflects the present value of this obligation.

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 4. Assets and Liabilities Administered on Behalf of Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result. The Department of Jobs and Small Business does not control but administers on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

##### 4.1. Administered - Financial Assets

	2018	2017
	\$'000	\$'000
<b>Note 4.1A: Receivables</b>		
Taxation receivables	13,338	10,454
Personal benefits receivables	6,782	8,218
Goods and services receivables	3,192	3,819
GST receivable from the ATO	22,174	17,716
<b>Total receivables (gross)</b>	<b>45,486</b>	<b>40,207</b>
<b>Less impairment allowance</b>		
Goods and services	(2,133)	(2,204)
<b>Total impairment allowance</b>	<b>(2,133)</b>	<b>(2,204)</b>
<b>Total receivables (net)</b>	<b>43,353</b>	<b>38,003</b>

Credit terms are within 30 days.

##### Reconciliation of the Impairment Allowance

###### Movements in relation to 2018

	Goods and services \$'000	Total \$'000
<b>Opening balance as at 1 July 2017</b>	<b>(2,204)</b>	<b>(2,204)</b>
Amounts written off	1	1
Increase recognised in net cost of services	70	70
<b>Closing balance as at 30 June 2018</b>	<b>(2,133)</b>	<b>(2,133)</b>

###### Movements in relation to 2017

	Goods and services \$'000	Total \$'000
Opening balance as at 1 July 2016	(2,142)	(2,142)
Amounts written off	58	58
Increase recognised in net cost of services	(120)	(120)
<b>Closing balance as at 30 June 2017</b>	<b>(2,204)</b>	<b>(2,204)</b>

##### Accounting Policy

###### Receivables

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2018	2017
	\$'000	\$'000
<b><u>Note 4.1B: Other Investments</u></b>		
<b>Other Investments</b>		
Coal Mining Industry (Long Service Leave Funding) Corporation <sup>1</sup>	<u>410,418</u>	<u>337,756</u>
<b>Total other investments</b>	<b><u>410,418</u></b>	<b><u>337,756</u></b>

The Commonwealth retains 100 per cent ownership of the listed investment. The principle activity of the administered investment is as follows:

<sup>1</sup>*Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL)* – the administration of the Coal Mining Industry Long Service Leave Fund (The Fund). The Fund has operated since 1949 to provide reimbursement payments to employers paying long service leave to persons employed in the black coal industry in New South Wales, Queensland, Western Australia and Tasmania on the basis of industry employment service.

**Accounting Policy**

**Administered Investments**

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the Whole of Government level.

Administered investments other than those held for sale are classified as available-for-sale and are measured at their fair value as at 30 June 2018. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities as at the end of the reporting period.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**4.2. Administered - Payables**

	2018	2017
	\$'000	\$'000
<b>Note 4.2A: Suppliers</b>		
Trade creditors and accruals	82,423	80,979
<b>Total suppliers</b>	<b>82,423</b>	<b>80,979</b>
Settlement was made within 30 days.		
<b>Note 4.2B: Subsidies</b>		
Subsidies	73,171	36,890
<b>Total subsidies</b>	<b>73,171</b>	<b>36,890</b>
<b>Note 4.2C: Personal Benefits</b>		
Labour market assistance to job seekers and industry - Direct	498	411
Labour market assistance to job seekers and industry - Indirect	-	18
Industrial relations - Direct	924	3,092
<b>Total personal benefits</b>	<b>1,422</b>	<b>3,521</b>
<b>Note 4.2D: Grants</b>		
<b>Private sector</b>		
Non-profit organisations	9,381	602
Other	1,874	1,587
<b>Total grants</b>	<b>11,255</b>	<b>2,189</b>
<b>Note 4.2E: Other Payables</b>		
Comcare payable <sup>1</sup>	2,278,802	2,666,165
Withholding Payable	505	3
GST payable	10,969	10,396
<b>Total other payables</b>	<b>2,290,276</b>	<b>2,676,564</b>

1. The amount payable to Comcare represents amounts payable by the Commonwealth for:
- workers compensation claims resulting from injuries that occurred prior to 1 July 1989, referred to as 'pre-premium' claims;
  - workers compensation claims resulting from injuries that have occurred since 1 July 1989, referred to as 'premium' claims; and
  - the management of asbestos related personal injury common law disease claims against the Commonwealth.

Full details of the amounts payable may be found in the Comcare annual report.

## Department of Jobs and Small Business NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 5. Funding

This section identifies the Department of Jobs and Small Business' funding structure.

#### 5.1. Appropriations

##### Note 5.1A: Annual Appropriations. ('Recoverable GST exclusive')

	2018 Appropriations			Appropriation applied in 2018 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
	Annual appropriation \$'000	Adjustments to appropriation <sup>3</sup> \$'000	Total appropriation \$'000		
<b>DEPARTMENTAL</b>					
Ordinary annual services	305,391	83,618	389,009	380,300	8,709
Capital Budget <sup>2</sup>	31,306	-	31,306	34,462	(3,156)
Other services					
Equity	40,349	-	40,349	35,068	5,281
<b>Total departmental</b>	<b>377,046</b>	<b>83,618</b>	<b>460,664</b>	<b>449,830</b>	<b>10,834</b>
<b>ADMINISTERED</b>					
Ordinary annual services					
Administered items	1,718,876	9,222	1,728,098	1,737,471	(9,373)
Payments to corporate Commonwealth entities	6,020	-	6,020	6,019	1
<b>Total administered</b>	<b>1,724,896</b>	<b>9,222</b>	<b>1,734,118</b>	<b>1,743,491</b>	<b>(9,373)</b>

1. The Ordinary annual services variance is due to closing liabilities not yet paid and operating surplus. The Capital variance is due to timing between goods being received and payments being made. The administered items variance relates to higher than planned administered expenditure.

2. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

3. Departmental Adjustments to appropriation includes \$78.18m of PGPA Act Section 74 receipts and \$5.44m of PGPA Act Section 75 transfers as a result of transferred functions to the Department. The administered items adjustments to appropriation relates to PGPA Act Section 75 transfers as a result of transferred functions to the Department.

##### Accounting Policy

###### Payments to Corporate Commonwealth Entities

Payments to Comcare from amounts appropriated for that purpose are classified as administered expenses of the Department.

**Department of Jobs and Small Business  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2017 Appropriations			Appropriation applied in 2017 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
	Annual appropriation \$'000	Adjustments to appropriation \$'000	Total appropriation \$'000		
<b>DEPARTMENTAL</b>					
Ordinary annual services <sup>3</sup>	286,373	30,443	316,816	317,939	(1,123)
Capital Budget <sup>2</sup>	27,310	12,342	39,652	30,522	9,130
Other services					
Equity	7,316	-	7,316	7,084	232
<b>Total departmental</b>	<b>320,999</b>	<b>42,785</b>	<b>363,784</b>	<b>355,545</b>	<b>8,239</b>
<b>ADMINISTERED</b>					
Ordinary annual services <sup>3</sup>					
Administered items	1,670,953	-	1,670,953	1,418,794	252,159
Payments to corporate entities	6,119	-	6,119	6,104	15
<b>Total administered</b>	<b>1,677,072</b>	<b>-</b>	<b>1,677,072</b>	<b>1,424,898</b>	<b>252,174</b>

1. The Ordinary annual services variance relates to increased expenditure as a result of a transfer of functions. The Capital variance is due to timing between goods being received and payment being made. The administered items variance relates to lower than planned administered expenditure.
2. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1, 3 & 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.
3. A section 51 determination reducing Administered Ordinary annual services by \$0.95m was processed in 2016-17 and Departmental Ordinary annual services of \$0.02m was quarantined.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2015-16	-	4,309
Appropriation Act (No. 1) 2016-17	<b>1,258</b>	103,498
Appropriation Act (No. 1) Capital Budget 2016-17	-	4,384
Supply Act (No. 1) Capital Budget 2016-17	-	7,563
Appropriation Act (No. 2) Equity Injection 2016-17	<b>2,005</b>	2,005
Appropriation Act (No. 3) 2016-17	-	2,845
Appropriation Act (No. 4) Equity Injection 2016-17	<b>1,063</b>	1,063
Appropriation Act (No. 1) 2017-18	<b>115,140</b>	-
Appropriation Act (No. 1) Capital Budget 2017-18	<b>4,838</b>	-
Appropriation Act (No. 2) Equity Injection 2017-18	<b>1,204</b>	-
Appropriation Act (No. 3) 2017-18	<b>4,244</b>	-
Appropriation Act (No. 3) Capital Budget 2017-18	<b>3,953</b>	-
Appropriation Act (No. 4) Equity Injection 2017-18	<b>4,077</b>	-
Cash at bank	<b>2,396</b>	3,661
<b>Total</b>	<b>140,178</b>	129,328
<b>Administered</b>		
Appropriation Act (No. 1) 2014-15	-	40,377
Appropriation Act (No. 1) 2016-17	-	314,010
Supply Act (No. 1) 2016-2017	-	1,170
Appropriation Act (No. 3) 2016-17	-	5,420
Appropriation Act (No. 1) 2017-18	<b>8,022</b>	-
Appropriation Act (No. 3) 2017-18	<b>41,416</b>	-
Appropriation Act (No. 5) 2017-18	<b>36,928</b>	-
Cash at bank	<b>40</b>	10
<b>Total</b>	<b>86,406</b>	360,987



**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 5.1C: Special Appropriations (Recoverable GST exclusive)**

Authority	Type	Purpose	Appropriation applied	
			2018 \$'000	2017 \$'000
<i>Fair Entitlements Guarantee Act 2012 - Section 50 (Administered)</i>	Unlimited Amount	An Act to provide for financial assistance for workers who have not been fully paid for work done for insolvents or bankrupts, and for related purposes.	131,918	150,016
<i>Coal Mining Industry (Long Service Leave Funding) Act 1992 (Administered)</i>	Unlimited Amount	An Act to manage the long service leave entitlement of the Coal Mining Industry.	149,081	144,992
<i>Safety, Rehabilitation and Compensation Act 1988 (SRC Act) (Administered)</i>	Unlimited Amount	An Act to provide for the payment of workers compensation claims and associated expenses in accordance with the provisions of the SRC Act.	30,734	32,510
<i>Asbestos-related Claims (Management of Commonwealth Liabilities) Act 2005 (Administered)</i>	Unlimited Amount	An Act to assign responsibility for the management of certain liabilities relating to asbestos-related claims, and for related purposes.	24,675	31,717
<i>Public Governance, Performance and Accountability Act 2013 - Section 77</i>	Refund	To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.	2	0
<b>Total special appropriations applied</b>			<b>336,410</b>	<b>359,235</b>

1. There was ten section 77 payments made with a total value of \$2,039.49.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**5.2. Net Cash Appropriation Arrangements**

	2018	2017
	\$'000	\$'000
Total comprehensive income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations	1,530	(121)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(42,671)</u>	<u>(32,885)</u>
<i>Total comprehensive loss - as per the Statement of Comprehensive Income</i>	<u><u>(41,141)</u></u>	<u><u>(33,006)</u></u>

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 6. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

##### 6.1. Employee Provisions

	2018	2017
	\$'000	\$'000
<b>Note 6.1A: Employee Provisions</b>		
Leave	<u>74,998</u>	<u>71,332</u>
<b>Total employee provisions</b>	<b><u>74,998</u></b>	<b><u>71,332</u></b>

#### Accounting Policy

##### Employee Benefits

Liabilities for 'short-term employee benefits' and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts. Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

##### Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2017. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

##### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

##### Superannuation

The majority of the Department's staff are members of the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other schemes administered by the Commonwealth Superannuation Corporation (CSC).

The PSS and AGEST are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The Department makes employer contributions to the employee's defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**6.2. Key Management Personnel Remuneration**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Department, directly or indirectly, including any director (whether executive or otherwise) of the Department. The Department has determined the key management personnel to be the Secretary and Deputy Secretaries.

<b>2018</b>	2017
<b>\$'000</b>	\$'000

**Note 6.2A: Key Management Personnel Remuneration**

Short-term employee benefits	<b>1,572</b>	1,548
Post-employment benefits	<b>279</b>	368
Other long-term employee benefits <sup>1</sup>	<b>248</b>	396
<b>Total key management personnel remuneration expenses</b>	<b>2,099</b>	2,312

1. Other includes motor vehicle allowances, other allowances and reportable fringe benefits.

2. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the department.

The total number of senior management personnel that are included in the above table is 5 (2017: 5). This includes former Secretary Leon, from 1 July 2017 to 17 September 2017.

This note was prepared on an accrual basis and excludes acting arrangements, unless these are deemed to be significant long-term acting of greater than three months.

**6.3. Related Party Disclosures**

**Related party relationships:**

The Department is an Australian Government controlled entity. Related parties to the Department are Key Management Personnel including the Portfolio Minister and the Department's Executive.

**Transactions with related parties:**

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as any ordinary citizen. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed for 2018 (2017: nil).

## Department of Jobs and Small Business NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 7. Managing Uncertainties

This section analyses how the Department of Jobs and Small Business manages financial risks within its operating environment.

#### 7.1. Contingent Assets and Liabilities

##### Quantifiable Contingencies

The Department has one quantifiable contingency, which is considered remote. All prior year contingencies have been realised or expired.

##### Accounting Policy

###### Contingent Assets and Contingent Liabilities

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Administered – Contingent Assets and Liabilities**

	Claims for damages or costs		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Contingent assets</b>				
Balance from previous period	39,032	43,738	39,032	43,738
Re-measurement	38,791	43,140	38,791	43,140
Assets realised	(39,635)	(47,846)	(39,635)	(47,846)
<b>Total contingent assets</b>	<b>38,188</b>	<b>39,032</b>	<b>38,188</b>	<b>39,032</b>
<b>Contingent liabilities</b>				
Balance from previous period	32,112	51,558	32,112	51,558
Re-measurement	(5,837)	(19,446)	(5,837)	(19,446)
<b>Total contingent liabilities</b>	<b>26,275</b>	<b>32,112</b>	<b>26,275</b>	<b>32,112</b>
<b>Net contingent assets / (liabilities)</b>	<b>11,913</b>	<b>6,920</b>	<b>11,913</b>	<b>6,920</b>

Quantifiable Administered Contingencies

The above table reports contingent assets and liabilities in respect of estimated payments and recoveries in relation to dividends for Fair Entitlements Guarantee (FEG) and the General Employee Entitlements and Redundancy Scheme (GEERS).

Unquantifiable Administered Contingencies

Relating to FEG, it is known that there are employers with outstanding employee entitlements that have been placed into liquidation. The amounts are unable to be quantified as no claim forms have been received.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.2. Financial Instruments**

	2018	2017
	\$'000	\$'000
<b>Note 7.2A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Receivables</b>		
Cash and cash equivalents	2,396	3,661
Goods and services receivables	3,195	16,328
<b>Total receivables</b>	<u>5,591</u>	<u>19,989</u>
<b>Total financial assets</b>	<u>5,591</u>	<u>19,989</u>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors and accruals	33,613	40,388
<b>Total financial liabilities measured at amortised cost</b>	<u>33,613</u>	<u>40,388</u>
<b>Total financial liabilities</b>	<u>33,613</u>	<u>40,388</u>

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2018 \$'000	2017 \$'000
<b><u>Note 7.2B: Net Gains or Losses on Financial Assets</u></b>		
<b>Loans and receivables</b>		
Write off - goods and services	-	(1)
Impairment of receivables - goods and services	<u>(2)</u>	-
<b>Net losses on loans and receivables</b>	<u>(2)</u>	<u>(1)</u>
<b>Net losses on financial assets</b>	<u>(2)</u>	<u>(1)</u>

**Accounting Policy**

**Financial Assets**

The Department classifies its financial assets in the following category:

- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

**Receivables**

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. The Department's receivables are measured at their nominal amount less impairment.

**Impairment of Financial Assets**

Financial assets are assessed for impairment at the end of the reporting period.

Financial assets held at cost—if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

**Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

**Financial Liabilities at Fair Value through Profit or Loss**

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

**Other Financial Liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).



**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.3. Administered - Financial Instruments**

	2018	2017
	\$'000	\$'000
<b>Note 7.3A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
<b>Available-for-sale financial assets</b>		
Investments	410,418	337,756
<b>Total available-for-sale financial assets</b>	<b>410,418</b>	<b>337,756</b>
<b>Receivables</b>		
Cash and cash equivalents	40	10
Goods and services receivables	1,059	1,615
<b>Total receivables</b>	<b>1,099</b>	<b>1,625</b>
<b>Total financial assets</b>	<b>411,517</b>	<b>339,381</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors and accruals	82,423	80,979
<b>Total financial liabilities measured at amortised cost</b>	<b>82,423</b>	<b>80,979</b>
<b>Total financial liabilities</b>	<b>82,423</b>	<b>80,979</b>
<b>Note 7.3B: Net Gains or Losses on Financial Assets</b>		
<b>Available-for-sale financial assets</b>		
Gains recognised in equity	72,662	96,859
<b>Net gains from available-for-sale financial assets</b>	<b>72,662</b>	<b>96,859</b>
<b>Loans and receivables</b>		
Interest revenue	19	4
Write-down and impairment	(16)	(120)
<b>Net losses from loans and receivables</b>	<b>3</b>	<b>(116)</b>
<b>Net gains on financial assets</b>	<b>72,665</b>	<b>96,743</b>

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.4. Fair Value Measurement**

**Note 7.4A: Fair Value Measurement**

	Fair value measurements at the end of the reporting period	
	2018	2017
	\$'000	\$'000
<b>Non-financial assets</b>		
Leasehold Improvements	19,607	22,535
Infrastructure, plant and equipment	29,210	29,157
<b>Total non-financial assets</b>	<b>48,817</b>	<b>51,692</b>
<b>Total fair value measurements of assets in the Statement of Financial Position</b>	<b>48,817</b>	<b>51,692</b>
<b>Assets not measured at fair value in the Statement of Financial Position</b>		
Leasehold improvements - AUC	9,349	2,187
Infrastructure, plant & equipment - AUC	1,256	249
<b>Total assets not measured at fair value in the Statement of Financial Position</b>	<b>10,605</b>	<b>2,436</b>

**Accounting Policy**

The Department's policy under AASB 13—Fair Value Measurement is to test the value assets at least once every 12 months and to obtain a comprehensive valuation at least once every three years. <sup>1</sup>

For 2017–18, Australian Valuation Solutions (AVS) has completed a fair value review all leasehold improvements and infrastructure, plant and equipment as at 30 June 2018.<sup>2</sup> The review concluded that there was no material movements in fair value of the Department assets.

<sup>1</sup> The Department's assets are held for operational purposes and not held for the purpose of deriving a profit. The current use of all non-financial assets is considered their highest and best use.

<sup>2</sup> No non-financial assets were measured at fair value on a non-recurring basis at 30 June 2018 (2017:Nil)

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**7.5. Administered - Fair Value Measurement**

Note 7.5A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2018	2017
	\$'000	\$'000
<b>Financial assets</b>		
Administered investments	<b>410,418</b>	337,756
<b>Total financial assets</b>	<b>410,418</b>	337,756
<i>Total fair value measurements of assets in the Administered Schedule of Assets and Liabilities</i>	<b>410,418</b>	337,756

There are a number of administered assets and liabilities not measured at fair value in the Administered Schedule of Assets and Liabilities. The carrying amounts of these assets and liabilities are considered to be a reasonable approximation of their fair value.

The Department's administered investments are classified as available-for-sale financial assets and are measured at their fair value as at 30 June 2018. Fair value is assessed as the Australian Government's proportional interest in the net assets of the entity at balance date. The methods and valuation techniques used for the purpose of measuring fair value of assets and liabilities in 2018 are unchanged from the prior year.

Changing inputs to the level 3 hierarchy valuations to reasonably possible alternate assumptions would not significantly change amounts recognised in net cost of service or other comprehensive income.

**Department of Jobs and Small Business**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**8. Other Information**

This section provides other disclosures relevant to the Department of Jobs and Small Business financial information environment for the year.

**8.1. Restructuring**

**Note 8.1A: Restructuring**

Departmental	2018		Total
	Small Business and Small Business Ombudsman Functions Department of Treasury <sup>1</sup>	Deregulation Functions Department of the Prime Minister and Cabinet <sup>2</sup>	
	\$'000	\$'000	\$'000
<b>FUNCTIONS ASSUMED</b>			
<b>Assets recognised</b>			
Trade and other receivables			
Appropriation receivable	1,110	148	1,258
Trade and other receivables	3	-	3
Leasehold improvements	492	-	492
Prepayments	26	-	26
<b>Total assets recognised</b>	<b>1,631</b>	<b>148</b>	<b>1,779</b>
<b>Liabilities recognised</b>			
Suppliers	(403)	-	(403)
Operating lease rentals	(20)	-	(20)
Employee provisions	(1,127)	(163)	(1,290)
Other provisions	(91)	-	(91)
<b>Total liabilities recognised</b>	<b>(1,641)</b>	<b>(163)</b>	<b>(1,804)</b>
<b>Net liabilities recognised</b>	<b>(10)</b>	<b>(15)</b>	<b>(25)</b>
<b>Income assumed</b>			
Recognised by the receiving entity	2,297	214	2,511
Recognised by the losing entity	4,085	495	4,580
<b>Total income assumed</b>	<b>6,382</b>	<b>709</b>	<b>7,091</b>
<b>Expenses assumed</b>			
Recognised by the receiving entity	2,297	214	2,511
Recognised by the losing entity	4,085	495	4,580
<b>Total expenses assumed</b>	<b>6,382</b>	<b>709</b>	<b>7,091</b>

Administered	2018		Total
	Small Business and Small Business Ombudsman Functions Department of Treasury <sup>1</sup>	Deregulation Functions Department of the Prime Minister and Cabinet <sup>2</sup>	
	\$'000	\$'000	\$'000
<b>FUNCTIONS ASSUMED</b>			
<b>Assets recognised</b>			
<b>Total assets recognised</b>	-	-	-
<b>Liabilities recognised</b>			
<b>Total liabilities recognised</b>	-	-	-
<b>Net liabilities recognised</b>	-	-	-
<b>Income assumed</b>			
<b>Total income assumed</b>	-	-	-
<b>Expenses assumed</b>			
Recognised by the receiving entity	4,290	-	4,290
Recognised by the losing entity	-	-	-
<b>Total expenses assumed</b>	<b>4,290</b>	<b>-</b>	<b>4,290</b>

1. The small business functions were assumed by the Department due to the Administrative Arrangements order dated 19 April 2018.

2. The regulatory policy functions were assumed by the Department due to the Administrative Arrangements order dated 19 April 2018.

## Department of Jobs and Small Business

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. The net liabilities assumed from all entities was \$24,659.

4. In respect to functions assumed, the net book value of assets and liabilities were transferred to the Department for no consideration.

	2017		Total
	Corporate Functions Department of Finance <sup>1</sup>	Corporate Functions Department of Education and Training <sup>2</sup>	
	\$'000	\$'000	\$'000
<b>FUNCTIONS ASSUMED</b>			
Assets recognised			
Trade and other receivables			
Appropriation receivable	-	19,256	19,256
Trade and other receivables	-	970	970
Other financial assets	-	3,202	3,202
Leasehold improvements	-	753	753
Infrastructure, plant and equipment	-	10,565	10,565
Intangibles	-	4,074	4,074
Other non-financial assets	-	6,714	6,714
<b>Total assets recognised</b>	<b>-</b>	<b>45,534</b>	<b>45,534</b>
Liabilities recognised			
Suppliers	-	(815)	(815)
Other payables	-	(1,746)	(1,746)
Employee provisions	-	(5,372)	(5,372)
Other provisions	-	(118)	(118)
<b>Total liabilities recognised</b>	<b>-</b>	<b>(8,051)</b>	<b>(8,051)</b>
<b>Net assets recognised</b>	<b>-</b>	<b>37,483</b>	<b>37,483</b>
Income assumed			
Recognised by the receiving entity	-	27,375	27,375
Recognised by the Losing entity	-	6,525	6,525
<b>Total income assumed</b>	<b>-</b>	<b>33,900</b>	<b>33,900</b>
Expenses assumed			
Recognised by the receiving entity	-	58,188	58,188
Recognised by the Losing entity	-	46,576	46,576
<b>Total expenses assumed</b>	<b>-</b>	<b>104,764</b>	<b>104,764</b>
<b>FUNCTIONS RELINQUISHED</b>			
Assets relinquished			
Trade and other receivables			
Appropriation receivable	2,047	558	2,605
Trade and other receivables	1	193	194
Leasehold improvements	64	246	310
Infrastructure, plant and equipment	26	445	471
Intangibles	2,374	418	2,792
Other non-financial assets	649	125	774
<b>Total assets relinquished</b>	<b>5,161</b>	<b>1,985</b>	<b>7,146</b>
Liabilities relinquished			
Suppliers	-	(1)	(1)
Other payables	(668)	(6)	(674)
Employee provisions	(1,554)	(466)	(2,020)
Other provisions	-	(525)	(525)
<b>Total liabilities relinquished</b>	<b>(2,222)</b>	<b>(998)</b>	<b>(3,220)</b>
<b>Net assets relinquished</b>	<b>2,939</b>	<b>987</b>	<b>3,926</b>

1. The Shared Service functions were relinquished to the Department of Finance due to machinery of government changes.

2. The Shared Service functions were assumed/relinquished from/to the Department of Education and Training due to machinery of government of changes.

3. The net assets assumed from all entities was \$37,483,000.

4. The net liabilities relinquished to all entities was \$3,926,000.

5. In respect to functions assumed, the net book value of assets and liabilities were transferred to the Department for no consideration.

## **Department of Jobs and Small Business**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

#### **Note 8.1B: Jointly Controlled Operations**

The Shared Services Centre (SSC) was established by the Department of Jobs and Small Business (Jobs) and the Department of Education and Training (Education) as a jointly controlled operation under AASB 11—Joint Arrangements. The SSC provided a range of corporate services to both Departments and other client agencies from 1 July 2014 to 30 November 2016.

On 1 December 2016, following a Machinery of Government change, the functions previously supported by the SSC transitioned to new arrangements with core transactional services transferring to the Department of Finance; library and audio visual services transferring to Education; and information and communications technology, assets management, and other corporate services transferring to Jobs.

The financial statements of both Jobs and Education recognised their interest in the SSC with approximately 50 per cent recognised in both departments accounts up until 30 November 2016.

# PART 5

## APPENDIXES

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# APPENDIX 1: ECOLOGICALLY SUSTAINABLE DEVELOPMENT

The Department of Jobs and Small Business reports on the environmental impacts of its activities under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*.

The department continues to focus optimising the occupancy rates and energy efficiency of its property portfolio. National headquarters buildings at 10, 12 and 14 Mort Street and 140–180 City Walk Canberra have achieved an overall occupancy rate of 91.27 per cent at June 2018.

Tenancies in states and territories continue to be reviewed and rationalised as leases expire. For example, the department will be relocating its Hobart office to a smaller tenancy when the current lease expires in October 2018.

An upgrade of the lighting and lighting control systems at 14 Mort Street (previously the least energy efficient building in the Canberra property portfolio) has been completed, with a modern Dali lighting control system and LED luminaires throughout, replacing old manual controls and inefficient T8 fluorescent tubes. Energy usage data to date indicates that the upgraded building will be approximately 60 per cent more energy efficient, saving electricity costs and reducing emissions by about 500 tonnes CO<sub>2-e</sub> each year.

## Environmental performance

The department’s environmental performance, with comparison to the previous year, is summarised in Tables 21 to 24.

### Office and building energy use

Improvements to the lighting at 14 Mort Street Canberra and rationalisation of the department’s property portfolio have achieved significant energy savings, particularly in terms of energy use per person (full-time equivalent) which decreased by 20.67 per cent. Additionally, energy intensity per square metre improved by 11.10 per cent and greenhouse gas emissions from tenant light and power decreased by 14.96 per cent.

**Table 24. Summary of office and building energy use 2017–18**

Indicator	2016–17	2017-18	% change
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	7,997.93	6,344.43	-20.67%
Office tenant light and power energy use per square metre (MJ/m <sup>2</sup> )	326.17	289.96	-11.10%
Greenhouse emissions attributed to office tenant light and power energy use (tonnes CO <sub>2-e</sub> )	3,139.27	2,669.58	-14.96%
Green power purchased, as a percentage of total electricity consumption	8.57%	8.32%	-2.92%

CO<sub>2-e</sub> = carbon dioxide equivalent; kWh = kilowatt hour; MJ = megajoule; FTE = full time equivalent (the most appropriate indicator of staff numbers).



## Information and communications technology

Efficiency in the deployment of information and communication technology (ICT) equipment to staff and the ratio of printers to computers have continued to improve in 2017–18, with improvements of 20 per cent in the computer to printer ratio and 7 per cent in the devices to user ratio – building on last year’s improvements of over 16 per cent in both ratios.

**Table 25. Summary of ICT sustainability 2017–18**

Indicator	2016–17	2017–18	% change
Desktop computers to printer ratio	15:1	12:1	-20.00%
Desktop devices per end user	1.57	1.46	-7.01%

## Vehicle fleet and air travel

The size of the department’s vehicle fleet has increased by 4.76 per cent since 2016–17, from 42 to 44. The department continued to provide a range of ICT and property services to the Department of Education and Training during 2017–18 and the vehicle fleet was involved in many of these services.

The average Green Vehicle Guide rating of the fleet remains constant at 13.4. The operational efficiency of the vehicle fleet has improved: average fuel efficiency has improved by 8.21 per cent, so that final greenhouse gas emissions have only risen by 4.90 per cent while the total increase in kilometres travelled was 6.17 per cent.

Total flight distance travelled was 1.88 per cent lower in 2017–18. Greenhouse gas emissions data are now provided by QBT, the department’s travel contractor, and are reported for the first time. Year-to-year comparisons will be possible in 2018–19.

**Table 26. Summary of vehicle fleet and air travel 2017–18**

Indicator	2016–17	2017–18	% change
Total number of fleet vehicles	42	44	+4.76%
Average green vehicle rating of fleet	13.4	13.4	unchanged
Total kilometres (km) travelled	271,144	287,879	+6.17%
Average fuel consumption of vehicle fleet (litres/100 km)	8.28	8.96	+8.21%
Total direct greenhouse emissions of fleet (tonnes CO <sub>2-e</sub> )	43.68	45.82	+4.90%
Total distance of flights (km)	7,289,278	7,153,697	-1.88%
Greenhouse emissions attributed to flights (tonnes CO <sub>2-e</sub> )	n/a	671.62	n/a

## Resource efficiency and waste

Total paper usage continues to be reduced, falling by 7.63 per cent in 2017–18 to 6.54 reams per person a year.

In 2017–18, 69.63 per cent of paper purchased was either 100 per cent post-consumer recycled stock or carbon neutral. A further 12.88 per cent had significant recycled content or other environmental credentials, such as Forest Stewardship Council (FSC) certification, leaving only 17.49 per cent coming from virgin stock without environmental standards.

The waste management system in Canberra continues to achieve very good results. In 2017–18, 13.99 tonnes of organic material was diverted from landfill to vermiculture—reducing emissions and producing beneficial worm castings and compost. This was slightly lower than the total of 14.40 tonnes in 2016–17, but 6.88 per cent higher on a per person basis (kilograms per FTE).

**Table 27. Summary of resource efficiency and waste 2017–18**

Indicator	2016–17	2017–17	% change
Office paper purchased by FTE (A4 reams/FTE)	7.08	6.54	-7.63%
Percentage of paper purchased with recycled content	85.62%	82.51%	-3.62%
Office paper recycled (kilograms per FTE)*	83.51	69.96	-16.23%
Total landfill waste produced (kilograms per FTE)*	18.99	26.72	+40.71%
Total comingled recycling (kilograms per FTE)*	11.90	13.84	+14.02%
Total organic recycling (kilograms per FTE)*	7.44	7.99	+6.88%

\*Waste and recycling data only available for the ACT.

## Looking ahead

Following the success of the lighting upgrade at 14 Mort Street, the department has negotiated a similar arrangement with the owners of our largest Canberra tenancy at 140-180 City Walk to replace old fluorescent lighting with LED luminaires and upgrade the lighting control system. The new system installation will begin in financial year 2018–19.

## APPENDIX 2: AGENCY RESOURCE STATEMENTS

**Table 28.** Agency resource statement, 2017–18

	Actual available appropriation for 2017–18	Payments made 2017–18	Balance remaining 2017–18
	\$'000 (a)	\$'000 (b)	\$'000 (a) - (b)
<b>Ordinary annual services<sup>1</sup></b>			
Departmental appropriation <sup>2</sup>	342,136	336,582	5,554
s74 receipts collected by non-corporate entities	78,179	78,179	-
<b>Total</b>	<b>420,315</b>	<b>414,761</b>	<b>5,554</b>
<b>Administered expenses</b>			
Outcome 1	1,685,365	1,710,609	
Outcome 2	38,217	26,862	
Payments to corporate entities <sup>3</sup>	6,020	6,019	
<b>Total</b>	<b>1,729,602</b>	<b>1,743,491</b>	
<b>Total ordinary annual services</b>	<b>A 2,149,917</b>	<b>2,158,252</b>	
<b>Departmental non-operating</b>			
Equity injections <sup>4</sup>	40,349	35,068	5,281
<b>Total</b>	<b>B 40,349</b>	<b>35,068</b>	<b>5,281</b>
<b>Total available annual appropriations and payments</b>	<b>2,190,266</b>	<b>2,193,320</b>	
<b>Special appropriations limited by criteria/entitlement</b>			
<i>Fair Work Entitlement Guarantee Act 2012</i>	131,918	131,918	
<i>Coal Mining Industry (LSL) Funding Act 1992</i>	149,081	149,081	
<i>Safety, Rehabilitation and Compensation Act 1988</i>	30,734	30,734	
<i>Asbestos-related Claims (Management of Commonwealth Liabilities Act) 2005</i>	24,675	24,675	
<i>Public Governance, Performance and Accountability Act 2013 (PGPA Act) – Section 77</i>	2	2	
<b>Total special appropriations</b>	<b>C 336,410</b>	<b>336,410</b>	
<b>Total resourcing and payments (A+B+C)</b>	<b>2,526,676</b>	<b>2,529,730</b>	

	Actual available appropriation for 2017–18	Payments made 2017–18	Balance remaining 2017–18
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or corporate entities through annual appropriations	6,020	6,019	
<b>Total net resourcing and payments for Employment</b>	<b>2,520,656</b>	<b>2,523,711</b>	

1 Appropriation Act (No.1) 2017–18, Appropriation Act (No.3) 2017–18 and Appropriation Act (No.5) 2017–18. This also includes prior year departmental appropriation, Section 75 transfers, section 74 Retained Revenue Receipts and adjustments for the expected expenditure from the 2017–18 Portfolio Additional Estimates.

2 Includes an amount of \$31.306m for the 2017–18 Departmental Capital Budget. For accounting purposes this amount has been designated as 'contributions by owners'.

3 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act 2013.

4 Appropriation Bill (No. 2 and 4) 2017–18.

## Table 29. Expenses for Outcome 1

Outcome 1: Foster a productive and competitive labour market through employment policies and programs that assist job seekers into work, meet employer needs and increase Australia's workforce participation.	Budget1 2017–18 \$'000 (a)	Actual Expenses 2017–18 \$'000 (b)	Variation 2017–18 \$'000 (a-b)
<b>Outcome 1 by appropriation type Program 1.1: Employment services</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Bill No. 1, Appropriation Bill No. 1 and 3)	1,685,957	1,747,122	(61,165)
<b>Departmental expenses</b>			
Departmental appropriation <sup>2</sup>	270,955	274,710	(3,755)
Expenses not requiring appropriation in the budget year	28,965	33,199	(4,234)
<b>Total expenses for Outcome 1</b>	<b>1,985,877</b>	<b>2,055,031</b>	<b>(69,154)</b>
<b>Average staffing level (number)</b>	<b>1,495</b>	<b>1,501</b>	<b>(6)</b>

1 Full-year budget, including any subsequent adjustment made in the 2017–18 Portfolio Supplementary Additional Estimates.

2 Departmental appropriation combines ordinary annual services (Appropriation Bill No. 1 and 3), receipts collected by non-corporate Commonwealth entities (section 74) and adjustments for the expected expenditure from the 2017–18 Portfolio Additional Estimates.

**Table 30. Expenses for Outcome 2**

	Budget1 2017–18 \$'000 (a)	Actual Expenses 2017–18 \$'000 (b)	Variation 2017–18 \$'000 (a-b)
<b>Outcome 2: Facilitate jobs growth through policies that promote fair, productive and safe workplaces.</b>			
<b>Program 2.1: Workplace Support</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Bill No. 1, Appropriation Bill No. 1 and 3)	33,491	25,309.62	8,181
Special appropriations	348,307	320,626	27,681
<b>Total for program 2.1</b>	<b>381,798</b>	<b>345,936</b>	<b>35,862</b>
<b>Program 2.2: Workers' compensation payments</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Bill No. 1, Appropriation Bill No. 1 and 3)	6,020	6,020	-
Special appropriations	55,372	55,409	(37)
<b>Total for program 2.2</b>	<b>61,392</b>	<b>61,429</b>	<b>(37)</b>
<b>Program 2.3: Small Business Advisory Services</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Bill No. 1, Appropriation Bill No. 1 and 3)	4,706	4,290	416
<b>Total for program 2.3</b>	<b>4,706</b>	<b>4,290</b>	<b>416</b>
<b>Outcome 2 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Bill No. 1, Appropriation Bill No. 1 and 3)	44,217	35,620	8,597
Special appropriations	403,679	376,035	27,644
<b>Departmental expenses</b>			
Departmental appropriation <sup>2</sup>	87,817	90,576	(2,759)
Expenses not requiring appropriation in the budget year	8,622	9,882	(1,260)
<b>Total expenses for Outcome 2</b>	<b>544,335</b>	<b>512,113</b>	<b>32,222</b>
<b>Average staffing level (number)</b>	<b>454</b>	<b>456</b>	<b>(2)</b>

1 Full-year budget, including any subsequent adjustment made in the 2017–18 Portfolio Supplementary Additional Estimates.

2 Departmental appropriation combines ordinary annual services (Appropriation Bill No. 1 and 3), receipts collected by non-corporate Commonwealth entities (section 74) and adjustments for the expected expenditure from the 2017–18 Portfolio Additional Estimates.

## APPENDIX 3: ADVERTISING AND MARKET RESEARCH

Details of payments made (GST inclusive) to creative advertising services, market research, media placement and direct mail organisations by the department in 2017–18 are provided in Tables 25 to 28. Payments of less than the threshold contained in section 311A of the *Commonwealth Electoral Act 1918* are excluded.

During 2017–18 the department conducted the following advertising for the following programs and initiatives:

- ▶ jobactive
- ▶ Youth Jobs PaTH
- ▶ ParentsNext
- ▶ Jobs campaign
- ▶ Seasonal Work Incentives Trial.

Further information is available on the Department of Jobs and Small Business website and in the reports on Australian Government advertising prepared by the Department of Finance.

**Table 31. Advertising agencies**

Organisation	Service provided	Total paid
BMF Advertising	Creative development services for Jobs campaign	\$1,313,746
J Walter Thompson	Creative development services for jobactive campaign	\$176,006
J Walter Thompson	Creative development services for Youth Jobs PaTH campaign	\$1,011,507
Venus Communication	Creative development services for proposed ParentsNext campaign	\$63,044

**Table 32. Market research organisations**

Organisation	Service provided	Total \$ paid
Chat House Research Pty Ltd	Developmental research for a proposed NEIS campaign	114,670
Colmar Brunton	Research into community perceptions on the impact of technology on future employment	90,900
DBM Consultants Pty Ltd	Benchmark and tracking research for jobs campaign	119,405
DBM Consultants Pty Ltd	Benchmark and tracking research for jobactive campaign	121,436

Organisation	Service provided	Total \$ paid
DBM Consultants Pty Ltd	Benchmark and tracking research for Youth Jobs PaTH campaign	158,466
JWS Research	Concept and refinement testing for Jobs campaign	230,450
Kantar Public	Concept testing for jobactive campaign	80,025
Kantar Public	Concept testing for Youth Jobs PaTH campaign	256,300
Multicultural Marketing and Management	Research into the information and education needs of migrant workers with respect to their workplace rights and entitlements (jointly funded with Fair Work Ombudsman)	137,750
Where to Research Based Consulting Pty Ltd	Concept testing for proposed ParentsNext campaign	62,700
Where to Research Based Consulting Pty Ltd	Developmental research for targeted Compliance Framework	172,750
Where to Research Based Consulting Pty Ltd	Inform a communication strategy for effective messaging about the Online Job Seeker Classification Instrument (JSCI)	50,000

**Table 33. Media placement organisations**

Organisation	Service Provided	Total \$ Paid
Dentsu X	Advertising for Jobs campaign	4,270,663
Dentsu X	Advertising for jobactive campaign	1,144,734
Dentsu X	Advertising for Youth Jobs PaTH campaign	2,776,463
Dentsu X	Advertising for the Seasonal Work Incentives Trial	49,497

**Table 34. Direct mail organisations**

Organisation	Service Provided	Total \$ Paid
National Mailing & Marketing	Distribution of Youth Jobs PaTH information packs to jobactive providers	20,439

# ABBREVIATIONS AND ACRONYMS

AAoA	Accommodation Association of Australia
ACCC	Australian Competition and Consumer Commission
ANAO	Australian National Audit Office
APEC	Asia–Pacific Economic Cooperation
APS	Australian Public Service
ASBFEO	Office of the Australian Small Business and Family Enterprise Ombudsman
ASPAG	Asia Pacific Group of Governments
BRF	Building Regulators’ Forum
CFMEU	Construction, Forestry, Mining and Energy Union
Coal LSL	Coal Mining Industry Long Service Leave Fund
EDAN	Economic Data and Analysis Network
EL2	Executive level 2
EST	Employability Skills Training
EYI	Empowering Youth Initiative
FEG	Fair Entitlements Guarantee
FSC	Federal Safety Commissioner
HRC	United Nations Human Rights Council
IAGDP	Indigenous Australian Government Development Program
ILO	International Labour Organization
JSCI	Job Seeker Classification Instrument
MFB	Metropolitan Fire and Emergency Services Board
MOU	memoranda of understandings
NEIS	New Enterprise Incentives Scheme
OECD	Organisation for Economic Co-operation and Development
OFSC	Office of the Federal Safety Commissioner
PDMS	Parliamentary Document Management System
SAFE	Scaled Agile Framework
SES	senior executive service



SSAYIT	Support SA Youth Initiative Transition
TtW	Transition to Work
TURC	Trade Union Royal Commission
WHS	work health and safety

## GLOSSARY

administered item	Revenues, expenses, assets and liabilities that the Government controls, but which an agency or authority manages on the Commonwealth's behalf.
annual performance statement	A requirement under the Public Governance, Performance and Accountability Act 2013 taking effect from 1 July 2015. The statement is designed to provide a line of sight between planned non-financial performance outlined in the department's corporate plan and actual performance over the reporting period.
appropriation	An amount of public monies parliament authorises for spending for a particular purpose.
AusTender	The Australian Government's web-based procurement system, which provides centralised access to all publicly available approaches to market, multi-use lists, annual procurement plans and reported contracts.
budget measure	A decision by Cabinet or ministers that has resulted in a cost or savings to outlays.
effectiveness indicators	Measures of the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
jobactive	Employment services arrangements that commenced 1 July 2015.
performance indicators	Financial and non-financial measures used to help define and evaluate an organisation's success. An indicator is usually selected on the basis of relevance as a measure of some aspect of a specific project or operation.
outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Government. Actual outcomes are assessments of the end results or impacts actually achieved.
Portfolio Budget Statements	Budget-related paper detailing Budget initiatives and explanations of appropriations specified by outcome and programme by each agency within a portfolio.
programs	Government programs deliver benefits, services or transfer payments to individuals, industry, business or the community as a whole and are the primary vehicles for government agencies to achieve the intended results of their outcome statements.
sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

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# LIST OF REQUIREMENTS

This annual report has been prepared in accordance with the Public Governance, Performance and Accountability Amendment (Non-corporate Commonwealth Entity Annual Reporting) Rule 2016 (Division 3A).

**Table 35. Annual report requirements**

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AD(g)	Letter of transmittal			
17AI		A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory	ii
17AD(h)	Aids to access			
17AJ(a)		Table of contents.	Mandatory	iii
17AJ(b)		Alphabetical index.	Mandatory	195–X
17AJ(c)		Glossary of abbreviations and acronyms.	Mandatory	186–187
17AJ(d)		List of requirements.	Mandatory	188–194
17AJ(e)		Details of contact officer.	Mandatory	Inside back cover
17AJ(f)		Entity's website address.	Mandatory	Back cover
17AJ(g)		Electronic address of report.	Mandatory	Back cover
17AD(a)	Review by accountable authority			
17AD(a)		A review by the accountable authority of the entity.	Mandatory	3–5
17AD(b)	Overview of the entity			
17AE(1)(a)(i)		A description of the role and functions of the entity.	Mandatory	i, v, 2
17AE(1)(a)(ii)		A description of the organisational structure of the entity.	Mandatory	8
17AE(1)(a)(iii)		A description of the outcomes and programmes administered by the entity.	Mandatory	10–11
17AE(1)(a)(iv)		A description of the purposes of the entity as included in corporate plan.	Mandatory	2

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AE(1)(b)		An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory	iv–v
17AE(2)		Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory	Not applicable
17AD(c)	Report on the Performance of the entity			
17AD(c)(i); 16F		Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule.	Mandatory	10
17AD(c)(ii)	Report on Financial Performance			
17AF(1)(a)		A discussion and analysis of the entity's financial performance.	Mandatory	124–125
17AF(1)(b)		A table summarising the total resources and total payments of the entity.	Mandatory	179–181
17AF(2)		If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.	Not applicable
17AD(d)	Management and Accountability			
	Corporate Governance			
17AG(2)(a)		Information on compliance with section 10 (fraud systems)	Mandatory	ii
17AG(2)(b)(i)		A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory	ii

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(2)(b)(ii)		A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory	ii
17AG(2)(b)(iii)		A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory	ii
17AG(2)(c)		An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory	88–98
17AG(2)(d) – (e)		A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance.	If applicable, Mandatory	Not applicable
External Scrutiny				
17AG(3)		Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory	118–122
17AG(3)(a)		Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory	118–122
17AG(3)(b)		Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman.	If applicable, Mandatory	120
17AG(3)(c)		Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory	Not applicable
Management of Human Resources				
17AG(4)(a)		An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory	101–102

PGPA Rule Reference	Part of Report	Description	Requirement	Page
17AG(4)(b)		<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> <li>· Statistics on staffing classification level;</li> <li>· Statistics on full-time employees;</li> <li>· Statistics on part-time employees;</li> <li>· Statistics on gender;</li> <li>· Statistics on staff location;</li> <li>· Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory	100–103
17AG(4)(c)		Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the Public Service Act 1999.	Mandatory	102
17AG(4)(c)(i)		Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c).	Mandatory	102
17AG(4)(c)(ii)		The salary ranges available for APS employees by classification level.	Mandatory	104
17AG(4)(c)(iii)		A description of non-salary benefits provided to employees.	Mandatory	103
17AG(4)(d)(i)		Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory	Not applicable
17AG(4)(d)(ii)		Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iii)		Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory	Not applicable
17AG(4)(d)(iv)		Information on aggregate amount of performance payments.	If applicable, Mandatory	Not applicable

PGPA Rule Reference	Part of Report	Description	Requirement	Page
	Assets Management			
17AG(5)		An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	116
	Purchasing			
17AG(6)		An assessment of entity performance against the Commonwealth Procurement Rules.	Mandatory	117
	Consultants			
17AG(7)(a)		A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory	118
17AG(7)(b)		A statement that "During 2017–18, 113 new consultancy contracts were entered into involving total actual expenditure of \$5,919,475. In addition, 27 ongoing consultancy contracts were active during the period, involving total actual expenditure of \$4,500,812".	Mandatory	118
17AG(7)(c)		A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory	118
17AG(7)(d)		A statement that "Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website."	Mandatory	118



PGPA Rule Reference	Part of Report	Description	Requirement	Page
Australian National Audit Office Access Clauses				
17AG(8)		If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	Nil to report
Exempt contracts				
17AG(9)		If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	117
Small business				
17AG(10)(a)		A statement that "Department of Jobs and Small Business supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory	117
17AG(10)(b)		An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory	117
17AG(10)(c)		If the entity is considered by the department administered by the Finance Minister as material in nature—a statement that "Department of Jobs and Small Business recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, Mandatory	117

PGPA Rule Reference	Part of Report	Description	Requirement	Page
	Financial Statements			
17AD(e)		Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory	123–174
17AD(f)	Other Mandatory Information			
17AH(1)(a)(i)		If the entity conducted advertising campaigns, a statement that “During 2017–18, the Department of Jobs and Small Business conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”	If applicable, Mandatory	182
17AH(1)(a)(ii)		If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory	N/A
17AH(1)(b)		A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website].”	If applicable, Mandatory	117
17AH(1)(c)		Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory	121
17AH(1)(d)		Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory	121
17AH(1)(e)		Correction of material errors in previous annual report	If applicable, mandatory	Nil to report
17AH(2)	Information required by other legislation			
		Work Health and Safety	Mandatory	107–108
		Advertising and Market Research	Mandatory	184–185
		Ecologically sustainable development	Mandatory	178–180

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