



**Australian Government**  
**Department of Social Services**

# Department of Social Services

## Submission

Joint Committee of Public Accounts and Audit for the  
Inquiry into Annual Performance Statements 2021-2022



## Table of contents

Submission.....	1
Table of contents .....	2
<b>Introduction</b> .....	3
<b>Background</b> .....	4
2019-20 .....	4
2020-21 .....	4
2021-22 .....	5
<b>Benefits of the assurance and transparency focus</b> .....	6
Better Data Assurance and Controls .....	6
Lesson: .....	7
Performance reporting should be anchored in program management.....	7
Lesson: .....	7
Improved transparency and accountability .....	8
Lesson: .....	9
<b>Challenges to overcome</b> .....	9
Significant capability investment .....	9
Progressive rollout.....	10
Improving guidance .....	10
Audit methodology .....	10
Allocation of findings .....	11
<b>Conclusion</b> .....	11
<b>Appendices</b> Appendix A - Program Profile – Age Pension.....	12

## Introduction

In 2020-21, the Department of Social Services (the department) was one of 3 entities participating in the Australian National Audit Office's (ANAO) pilot program of assurance audits of annual performance statements. Since then, the department has been audited each year and is now in the third cycle of annual performance statements audits. The ANAO has expanded its audit program with 6 agencies audited in 2022-23.

The department acknowledges the collaborative and constructive working relationship with the ANAO, particularly during the pilot program. The ANAO's open and engaged approach allowed emerging issues to be addressed and supported transparent reporting to the Parliament. Insights from the audit have allowed the department to drive improvements to data governance, assurance and transparency about data being reported. Participating in the pilot also gave a unique opportunity for the department to work collaboratively with the ANAO on the maturing audit methodology. The audit team invested significant time and resourcing to understand the department's programs, measurement framework and data methodologies. We continue to work closely with the ANAO in how we approach the audit process to drive meaningful performance reporting as the program continues to expand.

The assurance audits have supported greater accuracy in performance reporting which in turn helps transparency. The department continues to mature its approach to performance measurement through the lessons learned each year.

The department has introduced a number of governance and risk management arrangements policies, tools, guidance and education to plan, monitor and report on performance outcomes. . This is progressively added to through lessons learned and through advice on better practice by our governance committees. The opportunity to participate in the pilot audit program has focused efforts to meet the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and provided insights on matters of assurance.

The department is supportive of the need for more collaboration across the Commonwealth Government on:

- sharing lessons to improve transparency across entities and lift assurance standards
- settling audit methodology to achieve the right balance between transparency and reporting to the Parliament and the resources associated with the audit process
- guidance on interpretation of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

## Background

In 2019, following an Independent Review of the PGPA Act, the Minister for Finance requested the Auditor-General pilot a program of assurance audits of annual performance statements of Commonwealth entities. This was to be done in consultation with the Joint Committee of Public Accounts and Audit (JCPAA). The pilot was intended to inform a decision on the subsequent implementation of mandatory annual performance statements audits in future years. The department participated in the pilot program and has been audited each year, now being in the third cycle of annual performance statement audits.

The Independent Review made 52 recommendations to enhance legislative impact. Eight recommendations were aimed at improving performance reporting. A further 6 supported reducing the reporting burden on entities to the minimum necessary to provide transparency and accountability.

### 2019-20

The department was one of 3 entities to participate in an ANAO pilot audit of performance statements (along with the Attorney-General's Department and the Department of Veterans' Affairs).

The pilot provided a valuable opportunity to gain insights on performance measure development and better practice in reporting to the Parliament.

The department commenced a significant program of work to:

- develop a performance measurement structure with key activities mapped to the department's outcome statements and purposes
- identify performance measures and targets to assess achievement of the department's purposes supported by best available data
- establish a governance structure to oversee development of performance statements and provide advice to the Accountable Authority.

### Withdrawal

In October 2020, the ANAO withdrew from the 2019-20 audit of the department. A contributing factor was delays in the provision of information with the reprioritisation of resources to support the government's response to the COVID-19 pandemic.

### 2020-21

The pilot continued in 2020-21. The department applied lessons learned from 2019-20 and significantly revised performance measures. Targets and reporting methodologies were better aligned to the requirements of the PGPA Rule. A significant program of work was undertaken to improve the culture of annual performance measurement, including:

- Conducting logic mapping to identify roles, responsibilities, outputs and outcomes.

- Establishing better practice artefacts (known as Program Profiles) which document information about the department’s performance measures mapped to the PGPA Rule setting out:
  - Measure and target rationale
  - Reporting methodology
  - Data sources and assurance
  - Limitations and caveats

Twenty two Program Profiles were prepared which have been acknowledged as better practice by the ANAO. An example is provided at Appendix A. The department has shared these with other departments and continues to share lessons learned and artefacts with an increasing number of departments preparing for audit.

### **Outcome**

The department was subject to 2 Category A (high risk) findings with respect to 8 out of 42 performance measures under the following categorisation:

- Inappropriate Performance Measures
- Ineffective support frameworks to develop, gather, assess, monitor, assure and report.

## **2021-22**

The ANAO conducted 6 audits in 2021-22 in a progressive expansion of the audit program. The department undertook a significant program of work to remedy audit findings from 2020-21.

The department improved annual performance statement reporting by:

- removing duplicate content and reducing overall content by over 40 pages which improved readability (to support a clearer read)
- providing better explanations and analysis of performance (to support a clearer read)
- expanding caveats and disclosures (to improve transparency)

### **Outcome**

Previous Category A findings from 2020-21 were closed. The department was subject to 2 new Category A findings in relation to:

- assurance over third party data reported by services providers
- assurance over completeness and accuracy of third party reported telephony data

A further 3 Category B and C findings remain open:

- Assurance over a telephony system used to report performance
- Sufficient and timely records to support completeness and accuracy of results and disclosures
- Completeness of performance information in the Corporate Plan.

Audit timings continue to be brought forward year on year to try and align with financial statements processes. Where information is available, this is increasingly feasible by virtue of cultural shifts and improved process efficiency as shown in the table below.

**Through maturity**

**2020-21**

- Program Profiles were finalised in July / August 2021. They took 6 months to develop and finalise through workshops to map program outputs, outcomes, roles and responsibilities. Further workshops captured data governance. This delivered a consistent way of capturing performance information.
- Each iterative version was reviewed to ensure compliance with PGPA requirements. There was an extensive education program across the department.

**2021-22**

- The majority of Program Profiles were finalised by the end of April 2022 with some exceptions finalised at the end of the reporting year.

**2022-23**

- Program Profiles were finalised 6 weeks earlier than in 2021-22 and required less intense effort than in previous years.
- Stability across performance measures and the benefits of education have generally meant less intense effort across the department to finalise.

## **Benefits of the assurance and transparency focus**

### **Better Data Assurance and Controls**

The requirements of the PGPA Rule have accelerated steps the department was already taking to recognise the data expertise required to support the work of the department. The department has established a role for Data Stewards who are custodians of departmental data, responsible for data quality and enable access to quality data. Data Stewards are embedded within program areas. In some instances, Data Stewards work in specialist teams to understand appropriate extraction platforms and methodologies and to contextualise data use and interpretation. Data Stewards are a critical resource for their policy and program delivery colleagues.

In 2021, the department established a Chief Data Officer role. The Chief Data Officer champions the value of data and is responsible for enterprise-wide activities or significant projects that strengthen data integrity and reliability.

## Lesson:

The requirements of the PGPA Rule have improved the department's use and reporting of data obtained through third parties.

In particular, the audit approach has encouraged the department to understand the quality and completeness of data obtained from third parties (organisations external to the department) and approaches for that assurance. The department notes the audit methodology as it applies to third party data but suggests this needs to be balanced with the flexibility of the PGPA Rule to allow for accountable authorities to set this in the context of the work of the department.

Audit methodology could better allow for a tiered approach to third party assurance expectations. This could be commensurate with expenditure and departmental operating context. Audit methodology could consider flow on impacts on the not for profit sector and the impact on gathering data from citizens (particularly vulnerable citizens) interacting with services. This could be balanced with the opportunity to provide clear and factual caveats for the reader in understanding the limitations of the data.

## Performance reporting should be anchored in program management

The department's Program Profiles have been acknowledged as a better practice approach. These artefacts have allowed a consistent approach to documenting what we do and why, for performance reporting purposes. Whilst this has been beneficial for audit purposes the Program Profiles serve multiple purposes. This includes documenting risk and management decision making, and providing a useful education tool to program staff.

The architecture of the Program Profiles is informed by:

- criteria set out in the PGPA Rule 2014 16EA
- Department of Finance Resource Management Guide Developing good performance information (RMG 131)

Program Profiles are anchored in a program logic mapping discipline. Program logic mapping is a way of identifying the outcomes, inputs and associated outputs that achieve the objectives of a program. This has multiple benefits. Logic mapping can identify annual performance measures appropriate for assessing impact of Government programs.

## Lesson:

Annual performance reporting is best when it is anchored in strong program management capability. Rather than reporting what is easy to achieve or measure, annual reporting should be aligned with what is measured and reported as part of managing a program, contract or service. It means that service providers should be asked to report meaningful information that allows the department to determine whether it is achieving its objectives and at the same time reduce unnecessary reporting burden on providers and vulnerable participants.

Program Profiles and logic mapping have enabled program areas to think about the tangible outcomes that programs are aiming to achieve. This is an approach that can be revisited where a program undergoes significant change. Logic mapping and Program Profiles show the broader context in which a measure, key activity and program are situated. Importantly showing the alignment of measures and achievement of the department's purposes. Without this broader view measures would be diminished to merely being about the data they report.

## Improved transparency and accountability

By better understanding the quality of data obtained from third parties, the department has progressively improved the disclosures and caveats that accompany performance results.

Limitations with assurance, data sourcing and data quality are identified during Program Profile development (Appendix A refers). At reporting time, data stewards and program areas identify any further emerging issues with performance results. Accompanying notes that are material to a reader's understanding of the department's results are set out in the form of caveats or disclosures.

Disclosures are an important component of balancing the requirements of the PGPA Rule (that data be verifiable, reliable and free from bias) with the practical limitations of obtaining verification over third party reported data.

Additionally, the department's governance structure plays an important role in providing independent advice to the Accountable Authority. Within the department an Audit and Risk Committee is supported by both a Financial Statements Subcommittee and a Performance Statements Subcommittee. This structure underlines the importance the department has placed on its performance statements.

The following shows the complex nature of the data the department utilises to measure performance and report in the annual performance statements. Annual performance measures and targets, published in the Annual Report, often draw upon multiple sources of data (and therefore the information below does not add to 100%). In 2021-22:

- 35% of targets reported data directly held by the department, including on systems where data is input by funded service providers
- 16% of targets reported data from Services Australia generated in the process of making social security payments
- A further 39% of targets reported data generated or held by other government entities
- 16% of targets reported data from not for profit providers including de-identified administrative data or survey scores collected from citizens
- 5% of targets reported data collected for telephony services by a third party, through a funded grant administered by the department (or even sub contracted by another government entity) to deliver a telephony service.

This shows the varying extent to which the department holds data and has direct oversight. The majority of performance measures source data external to the department. Despite the complexities of data sourcing the department has focused efforts to improve third party assurance.



## Lesson:

Early understanding of data allows time for remedial work to improve data quality and mitigate bias in performance reporting.

Audit and Risk Committees are an important source of advice about improving assurance activities and developing disclosures. Moreover, they are a crucial source of advice to the Accountable Authority on the appropriateness of systems, processes and measures. The Accountable Authority has an important role to determine acceptable level of risk to performance reporting, accounting for:

- operating context
- cost of assurance activities
- impact of assurance activities on stakeholders and the not for profit sector and citizens
- accuracy of performance reporting

## Challenges to overcome

### Significant capability investment

During 2021-22 the department provided over 1,400 pieces of evidence and correspondence to the ANAO in support of the annual performance statement audit. The department has committed significant resources to this work, noting that:

- The department is actively sharing our lessons learned and approaches with other government agencies as they embark on this process.
- Each year, we have been better prepared for the performance statements process and continue to improve our approach. Policies and guidance are developed, tested and operationalised for a business as usual approach.
- The performance statement audit process is still developing and the department has worked closely with the ANAO to continue to refine the approach to performance measurement. The ANAO highlights there is more work to do. Performance reporting functions and supporting systems will need to mature and play a more proactive role in strategic planning and quality assurance.
- Significant buy in and support from the department's senior management has been critical in the development the department's performance framework.

Given the current maturity levels, it is important for agencies to factor performance into their staffing profiles. While there are commonalities between processes for financial statements audits and performance statements audits there are also significant differences between them. These differences mean there is limited capacity to cross fertilise skill sets. It would be worthwhile exploring ways to improve the capability across the Commonwealth agencies. The Australian Public Service Commission may be well placed to offer training through the APS Academy to build capability in this area.

## Progressive rollout

Given the substantial uplift required for entities to prepare, the department suggests the audit program be progressively expanded – as is the current model - rather than a mandatory immediate roll out.

Consideration could also be given to a rolling timeframe, whereby entities are audited periodically such as every 2 to 3 years based on previous audit findings and the ANAO's consideration of risk. This could minimise the diversion of program and policy resources while focusing efforts on meeting the requirements of the PGPA Rule.

## Improving guidance

The PGPA Rule is intentionally flexible to allow decision making capacity for the Accountable Authority and to allow for each entity's operating context. Guidance has also intentionally been left flexible to allow decision making flexibility based on a department's context.

Clearer guidance on the intentions of the PGPA and examples of best practice narratives will allow agencies to plan for significant resourcing and lead time required to deliver a better practice approach. Particularly in relation to longer term policy roles that do not lend themselves to annual measures.

At the next periodic review opportunity, the Committee might like to consider a review of Resource Management Guide content or including a review of the fitness for purpose of performance provisions in the PGPA Rule 2014. This could influence the minimum requirements necessary to improve transparency in balance with appropriate assurance.

## Audit methodology

The department is sympathetic to the challenge in establishing a rigorous audit approach. Noting financial statements audits have matured over many years, it would be of benefit to agencies if there was to be a phased approach for performance statements in reaching the same standard of financial statements.

There would be benefit in a more detailed outline of the ANAO methodology for conducting performance statements audits and expectations in the early stages of engagement – well ahead of the agency being subject to the audit process. A better practice guidance would assist agencies to prepare for the performance statements audit process.

Audit timing pressures are driving requests for documentation earlier and earlier year on year. Generally this can be achieved, as a performance culture is embedded and processes become more efficient. However, in some instances data to support performance measures is only available at the end of the reporting year or well after, which puts further pressure on audit timelines. The department would be happy to provide further observations on the recent audit cycle.

## Allocation of findings

Further work is required to refine and document the concept of materiality in the context of performance statements auditing. If materiality is set too high it may lead to perverse outcomes in the form of under reporting and reduced transparency. If set too low, the performance measures risk being meaningless. The department does not believe that the current assessment in relation to materiality has the right balance.

Performance Statements audit findings are a commentary on the risk of mis-statement in an entity's annual performance statement. Notably they are not an assessment of the risk to service delivery or program failure. Consideration could be given to how findings are more clearly contextualised for the general reader about the implications of performance statement audit findings. This could be done in comparison to the implications of financial statement audit findings and performance audit findings.

Alternatively, consideration could be given to allocation of findings that point to a fundamental or systemic issue to be addressed in relation to delivery of services or programs or relate to data verification.

## Conclusion

The department appreciates the efforts of the ANAO and Finance in establishing annual performance statements audits which have driven improvements in data governance, assurance and transparency of the data being reported. The department welcomes this improved accountability and transparency.

Notwithstanding the challenges associated with establishing the performance statement audit processes and frameworks across a department or agency, for example resourcing constraints, tight timeframes and building the necessary tools, the department looks forward to working with the ANAO, Finance and other agencies to further enhance and embed this important work.

# Appendices

## Appendix A - Program Profile – Age Pension

Program profiles have been prepared for each... They consist of a summary of the



Australian Government  
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# Program Profile

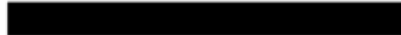
Program 1.6 Income Support for Seniors

Key Activity 1.6.1 Age Pension

Enterprise Performance



Contact:



DSS 2021.07.28



## Contents

Approval .....	3
Program Performance Measure Overview .....	4
Program Profile .....	5
The Department of Social Services' Purpose – Why DSS exists .....	5
Outcome 1: Social Security .....	5
Program 1.6: Income Support for Seniors .....	6
Key Activity 1.6.1: Age Pension .....	6
Performance Measures and Targets .....	9
Appendix .....	11
Appendix A: Key Activity Performance Logic Map .....	12
Appendix B: Data Source and Methodology Dossier .....	13
Appendix C: Key Activity Design Logic .....	18

## Approval

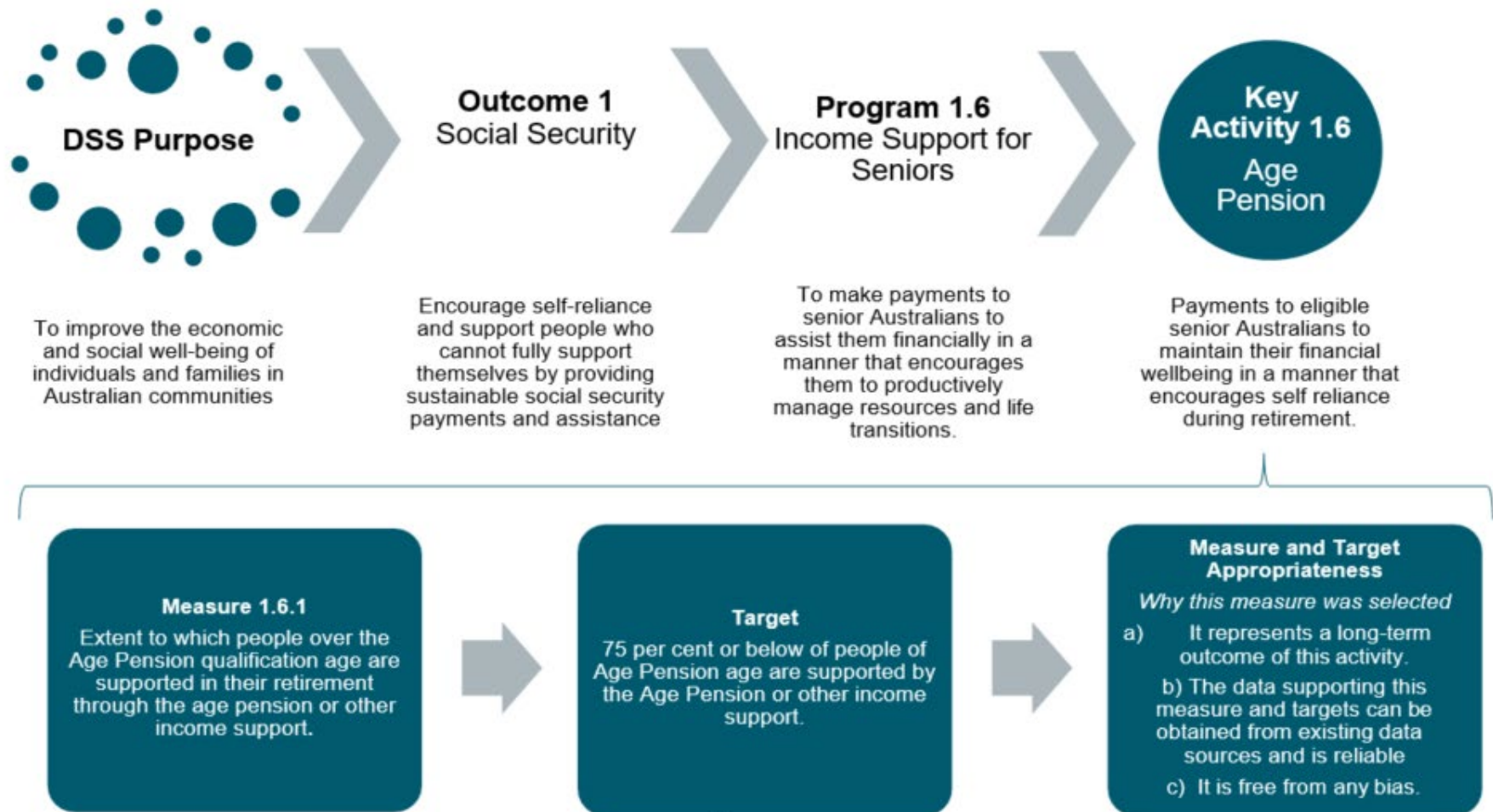
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## Version

Version Number	Arc Location	Date version approved by GM
[REDACTED]	[REDACTED]	[REDACTED]

## Program Performance Measure Overview

The following diagram depicts how the Department of Social Services' (DSS or the department) purpose is translated into this key activity, measure and target.



4

## Program Profile

This Program Profile details Key Activity 1.6 Age Pension, which is part of Program 1.6 Income Support for Seniors. This document explains the context and rationale for the program, key activity, and associated performance measures and targets. The profile also includes:

- **Appendix A: Key Activity Performance Logic Map** – provides for a visual representation of how:
  - a. This key activity contributes to the achievement of DSS' purpose, via key activities; and
  - b. The measure and targets demonstrate achievement of this key activity.
- **Appendix B: Data Source and Methodology Dossier** – documents the data sources, controls and methodologies in place for each measure.
- **Appendix C: Key Activity Design Logic** – provides a visual representation of the design of the key activity to demonstrate all significant combination of program design elements.

## The Department of Social Services' Purpose – Why DSS exists

The Department's enduring purpose is to improve the economic and social well-being of individuals and families in Australian communities. We achieve this purpose through the implementation of a diverse range of government policies, programs, services, and payments. The department's purpose is delivered under four outcome areas:

1. Outcome 1 – Social Security
2. Outcome 2 – Families and Communities
3. Outcome 3 – Disability and Carers
4. Outcome 4 – Housing

## Outcome 1: Social Security

### Objective - Why this Outcome exists

To contribute to the achievement of the department's purpose, Outcome 1 aims to *encourage self-reliance and support people who cannot fully support themselves by providing sustainable social security payments and assistance.*

### Environment

The social security system promotes self-reliance while providing adequate support for those who need it.

The sustainability of the social security system and the capacity of people to achieve and maintain financial self-reliance throughout their lives relies on many factors, some beyond the direct influence of the department. These factors include labour market conditions, availability and alignment of education and job opportunities, and increasing life expectancy. The department works in close partnership with other Australian Government agencies to develop and implement cross-portfolio strategies aimed at influencing these factors to deliver an efficient and effective social security system.

As the department responsible for the social security system, the department has a key focus on the implementation of the social services policies through the range of life event payments administered by Services Australia. The beneficiaries of these payments are Australians who are eligible for, and in need of, support at some point in their lives. Currently, the department is focussed on supporting



Australian's through the COVID-19 pandemic, including by temporarily adjusting policy arrangements in the Social Security system.

## Programs and activities

Outcome 1 comprises 12 programs and a number of activities contributing to the achievement of the social security outcome.

### Program 1.6: Income Support for Seniors

#### Objective - Why this Program exists

To contribute to the achievement of Outcome 1, this Program aims to *make payments to senior Australians to assist them financially in a manner that encourages them to productively manage resources and life transitions.*

#### Program Outcome

This program aims to deliver the following program level outcome:

1. Senior Australians are assisted financially in a manner that encourages them to productively manage resources and life transitions.

The program outcome is achieved by delivery of the following key activity: Age Pension.

#### Key Activity 1.6.1: Age Pension

#### Objective – Why this key activity exists

To contribute to the Program 1.6 outcome, the Age Pension key activity provides *payments to eligible senior Australians to maintain their financial wellbeing in a manner that encourages self-reliance during retirement.*

#### Key Activity Outcomes

##### Long-Term Outcomes

This key activity aims to deliver the following key activity long-term outcomes:

1. Senior Australians with limited means are assisted with maintaining their financial wellbeing.
2. Senior Australians are supported and encouraged to productively manage resources and be self-reliant during retirement.

##### Short-Term Outcomes

To achieve the long-term outcomes, the following short-term outcomes are delivered through this key activity:

1. Legislation and policy supports senior Australians by determining eligibility requirements and the value of the Age Pension.
2. Eligible senior Australians receive payments in accordance with legislation and guidelines.

#### Key Roles

The key activity outcomes are achieved by delivery of the following activities by the department and Services Australia.

### The department

The department’s role is policy development and program management of Age Pension, including to undertake:

1. Policy development and advice.
2. Ongoing monitoring and analysis.

### Services Australia

Services Australia is the primary portfolio agency responsible for administering the Age Pension on the department’s behalf, including to:

3. Receive, process and manage payment applications.
4. Deliver the Age Pension at the correct rate to each recipient.

### Activity Details

The department has responsibility for the policy development and program management of the Age Pension. The Age Pension is designed to provide income support to older Australians who need it, while encouraging pensioners to maximise their overall incomes. The Age Pension is paid to people who meet age and residence requirements, subject to a means test. Pension rates are indexed to ensure they keep pace with price increases and linked to improvements in community living standards through a wages benchmark.

Since 2017, the Age Pension age has been gradually increasing, as set out in the table below.

Period within which a person was born	Pension age	Date pension age changes
From 1 July 1952 to 31 December 1953	65 years and 6 months	1 July 2017
From 1 January 1954 to 30 June 1955	66 years	1 July 2019
From 1 July 1955 to 31 December 1956	66 years and 6 months	1 July 2021
From 1 January 1957 onwards	67 years	1 July 2023

The Age Pension is subject to an income test and an assets test. Pensioners are paid under the test that produces the lower rate of payment. To qualify for the Age Pension, a claimant must meet the criteria listed in the following table, or the alternative criteria for women that are explained later in this topic. If more detail about a criterion is required, the second column indicates where you will find this.

Criterion	More detail
Have reached pension age	
AND meet ONE of the following	
Have 10 years qualifying Australian residence, OR	
Have a Qualifying Residence Exemption ( <a href="#">QRE</a> ) for Age Pension, OR	

Have been receiving Widow Allowance ([WA](#)), or Partner Allowance ([PA](#)) immediately before reaching pension age, OR

[7.1.1.20](#) Summary of Portability under International Social Security Agreements

If the payments were received because of an international agreement, Age is also paid under the provisions of the agreement.

Have reached pension age before 20 March 1997, and were receiving WA or PA immediately before 20 March 1997, OR

Be a woman who:

- Has reached pension age
- was widowed while living permanently in Australia with her partner, AND
- has lived in Australia for the 104 weeks immediately prior to claiming, OR

[Social Security Act 1991 \(Cth\)](#) (SSAct) section 43(1A)(c) Both partners must be Australian residents at time of partner's death

Be a woman who:

- immediately before 20 March 2020
- was receiving a Wife Pension ([WP](#)) under Part 2.4, OR
- was receiving a WP under a scheduled international social security agreement, AND
- immediately before 20 March 2020, was not receiving Carer Allowance ([CA](#)) under Part 2.19, AND
- has reached pension age, AND
- is not otherwise qualified for an Age.

[SSAct](#) section 43(1B)

For pension age, see [SSAct](#) section 23(5A) to (5D)

## 1. Policy development and advice

The department is responsible for designing policies and implementing legislation for the Age Pension. The outputs of this work include legislation and policy advice which are designed to support senior Australians by setting the eligibility criteria, the value of the Age Pension and means test parameters to ensure the payment is targeted to those with limited means.

## 2. Ongoing monitoring and analysis

The department is responsible for monitoring Age Pension policy settings, recipient numbers and expenditure. It also analyses broader social and economic trends that may affect pensioners and the Age Pension program.

## Performance Measures and Targets

### Measure 1.6-1

<b>Performance Measure</b> <i>What is the measure?</i>	Extent to which people over the Age Pension qualification age are supported in their retirement through the Age Pension or other income support.			
<b>Target</b> <i>What is the aim?</i>	75 per cent or below of people of Age Pension age are supported by the Age Pension or other income support.			
<b>Target by Year</b> <i>What is the target by year?</i>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Per cent of people of Age Pension age that are supported by the Age Pension or other income support	≤75 per cent	≤75 per cent	≤75 per cent	≤75 per cent
<b>Measure and Target Appropriateness</b> <i>Why was this measure selected as appropriate?</i>	<p>This measure and target was selected as:</p> <ul style="list-style-type: none"> <li>a) It represents a long-term outcome of this activity.*</li> <li>b) The data supporting this measure and targets can be obtained from existing data sources and is reliable.</li> <li>c) It is free from any bias.</li> </ul> <p>* The department is responsible for the overall policy development and program management of the Age Pension, while relying on Services Australia to manage payment applications and deliver payments. This means that the department has a high level of influence over achievement of the long-term outcome of this key activity. Achievement of this measure would demonstrate achievement of the long-term outcome.</p>			
<b>Measure Alignment to Purpose or Key Activity</b> <i>How does this measure align to DSS's purpose or one of its key activities?</i>	<p>The performance measure aligns to the long-term outcome of the Age Pension key activity: <i>'Senior Australians are assisted financially in a manner that encourages them to productively manage resources and life transitions.'</i></p> <p>Measuring the extent to which people over the Age Pension qualification age are supported in their retirement through the Age Pension, or other income support, aims to demonstrate that senior Australians with low to moderate means are assisted financially.</p> <p>The department directly contributes to achieving this measure because it is responsible for policy development and program management of the Age Pension.</p>			

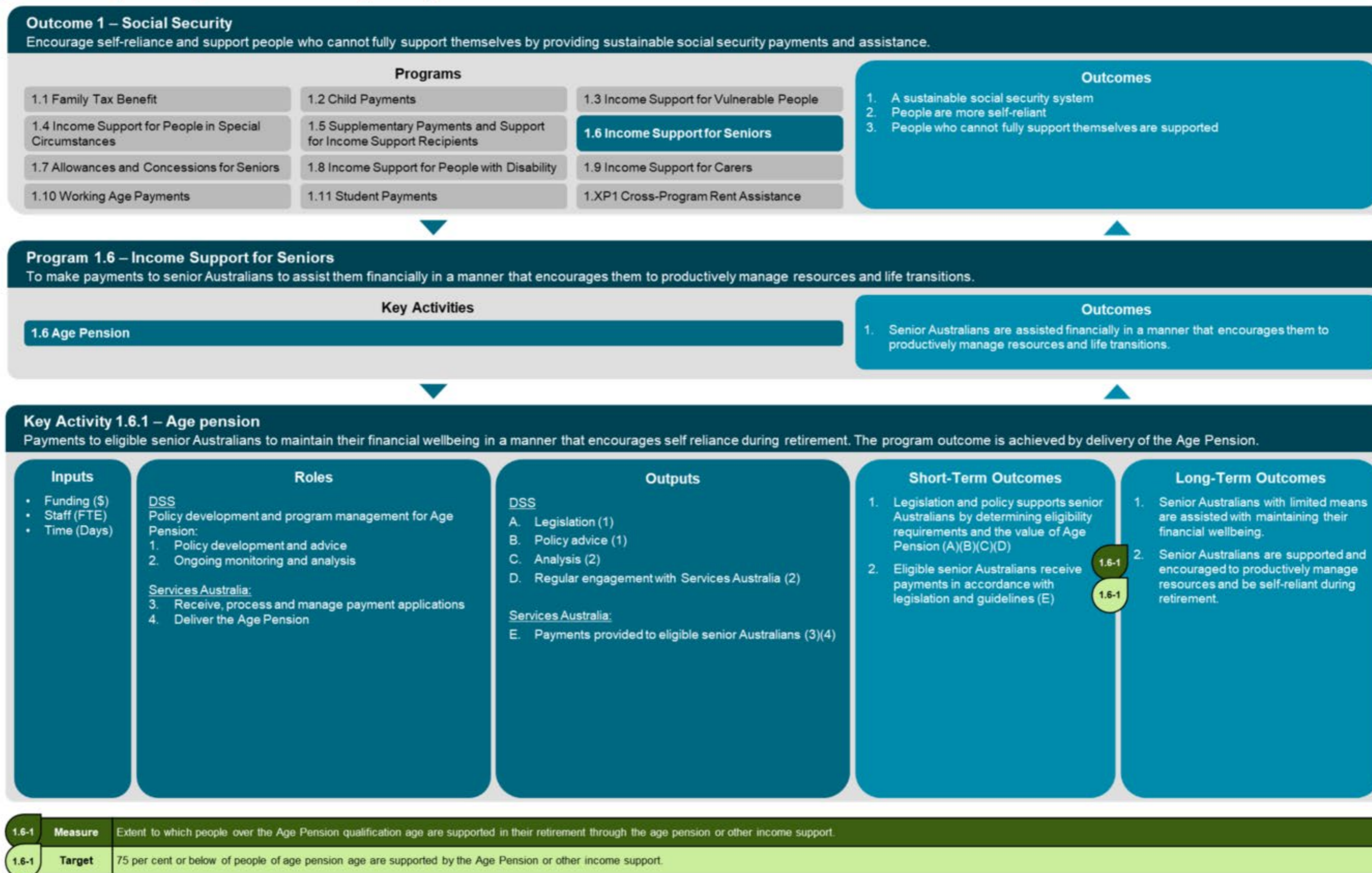
<p><b>Target Alignment to Measure</b></p> <p><i>How does this target align to the measure?</i></p>	<p>This target represents a strong demonstration of achievement of the measure. Measuring the proportion of people of Age Pension age supported by the Age Pension or other income support demonstrates:</p> <ul style="list-style-type: none"> <li>• Funding is targeted to senior Australians with low to moderate means to maintain their financial wellbeing, in a manner that encourages self-reliance during retirement.</li> <li>• The remaining proportion of senior Australians not receiving a payment can fully support themselves due to the level of their income and assets, consistent with the objective of self-reliance.</li> </ul>
<p><b>Target Rationale</b></p> <p><i>What is the rationale for this target?</i></p>	<p>The outcome for June 2019 was 71.2 per cent of people of Age Pension age in receipt of Age Pension or other income support. In the short-term this number could increase due to economic conditions around COVID-19, but the longer term trend is downward as new retirees reach Age Pension age with more savings, or still in work.</p>
<p><b>Type of Measure</b></p> <p><i>Is this measuring outputs, efficiency or effectiveness?</i></p>	<p>Effectiveness</p>
<p><b>Type of Measure Rationale</b></p> <p><i>What is the rationale for this type of measure?</i></p>	<p>The performance measure demonstrates achievement of a key activity long-term outcome.</p>
<p><b>Base of Measure</b></p> <p><i>Is this measure quantitative or qualitative?</i></p>	<p>Quantitative</p>
<p><b>Base of Measure Rationale</b></p> <p><i>What is the rationale for the base of this measure?</i></p>	<p>The result uses quantitative data.</p>
<p><b>Timeframe of Measure</b></p> <p><i>Is this a short-, medium- or long-term measure?</i></p>	<p>Long-term</p>
<p><b>Timeframe of Measure Rationale</b></p> <p><i>What is the rationale for the timeframe of this measure?</i></p>	<p>This measure is intended to exist for greater than four years. It will show trends in performance on a consistent basis over time.</p>

## Appendix

- Appendix A: Key Activity Performance Logic Map
- Appendix B: Data Source and Methodology Dossier
- Appendix C: Key Activity Design Logic



## Appendix A: Key Activity Performance Logic Map



## Appendix B: Data Source and Methodology Dossier

### Data Governance and Approvals

Accountability	Accountability	Accountable Authority	Approval Date
Accountable for inclusion of data in performance measure reporting	Performance Measure Owner (██████████)	██████████ ██████████	██████████ ██████████
Accountable for calculation methodology, changes made to data and associated storage	Program Owner (██████████)	██████████	██████████ ██████████
Responsible for calculation methodology, changes made to data and associated storage	Program Manager (██████████)	██████████ ██████████	██████████ ██████████
Accountable for receipt and storage of source data	Data Owner (██████████)	██████████	██████████
Responsible for receipt and storage of source data	Data Steward (██████████)	██████████	██████████

### Program Output Reporting

<b>Outputs</b> <i>Goods, or services produced / delivered</i>	<ul style="list-style-type: none"> <li>Administered outlays</li> <li>Number of recipients</li> <li>Payment accuracy (Age Pension)</li> </ul>
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## Measure 1.6-1 Information

Performance Measure Information	
<b>Number</b>	1.6-1
<b>Performance Measure</b>	Extent to which people over the Age Pension qualification age are supported in their retirement through the Age Pension or other income support.
<b>Target</b>	75 per cent or below of people of Age Pension age are supported by the Age Pension or other income support.
Data Source Information	
<b>Data Type</b> <i>What data set(s) is used to assess the measure?</i>	<ol style="list-style-type: none"> <li>1. Number of people receiving payments over Age Pension age.</li> <li>2. Number of Australians over Age Pension age.</li> </ol>
<b>Data Source</b> <i>Where was this data generated or extracted from?</i>	<ol style="list-style-type: none"> <li>1. Services Australia administrative data.</li> <li>2. Department of Veterans' Affairs (DVA) administrative data.</li> <li>3. Australian Bureau of Statistics data – Population Projections, Australia</li> </ol>
<b>Data Provider</b> <i>Who provided the data?</i>	<ol style="list-style-type: none"> <li>1. Services Australia</li> <li>2. Department of Veterans Affairs</li> <li>3. Australian Bureau of Statistics</li> </ol>
<b>Source Data Owner</b> <i>Is the accountable authority within the data provider known? (who signed off on providing the data to DSS?)</i>	<p><b>Number of people receiving payments over the Age Pension age</b> Director, Income Support Unit extracts the Age Pension age data. Data received from DVA is added to the Age Pension age data.</p> <p>Branch Manager, Data Access clears the extraction before providing to DSS Age Pension and Payment Rates team.</p> <p><b>DVA data</b> –Chief Data Officer, Assistant Secretary, Data and Insights, Department of Veterans Affairs.</p> <p>Requested by email and they send it to DSS.</p> <p><b>Number of Australians over Age Pension Age</b> Australian Bureau of Statistics – publicly available source</p>
<b>Source Data Provision Information</b> <i>Provide an overview of the data provision process.</i>	<p>Income Support Unit generates data report, including number of pension recipients over age-pension age. Extraction scripts have been agreed with Program areas.</p> <p>The Income Support Unit requests number of people receiving DVA payments over the Age Pension age from DVA, and combines this with Age Pension data from Services Australia (separate line in the report for other DSS payments that are over the Age Pension age).</p> <p>The Income Support Unit also accesses the Australian Bureau of Statistics (ABS) data – Population Projections, Australia for the number of people over Age Pension age.</p>

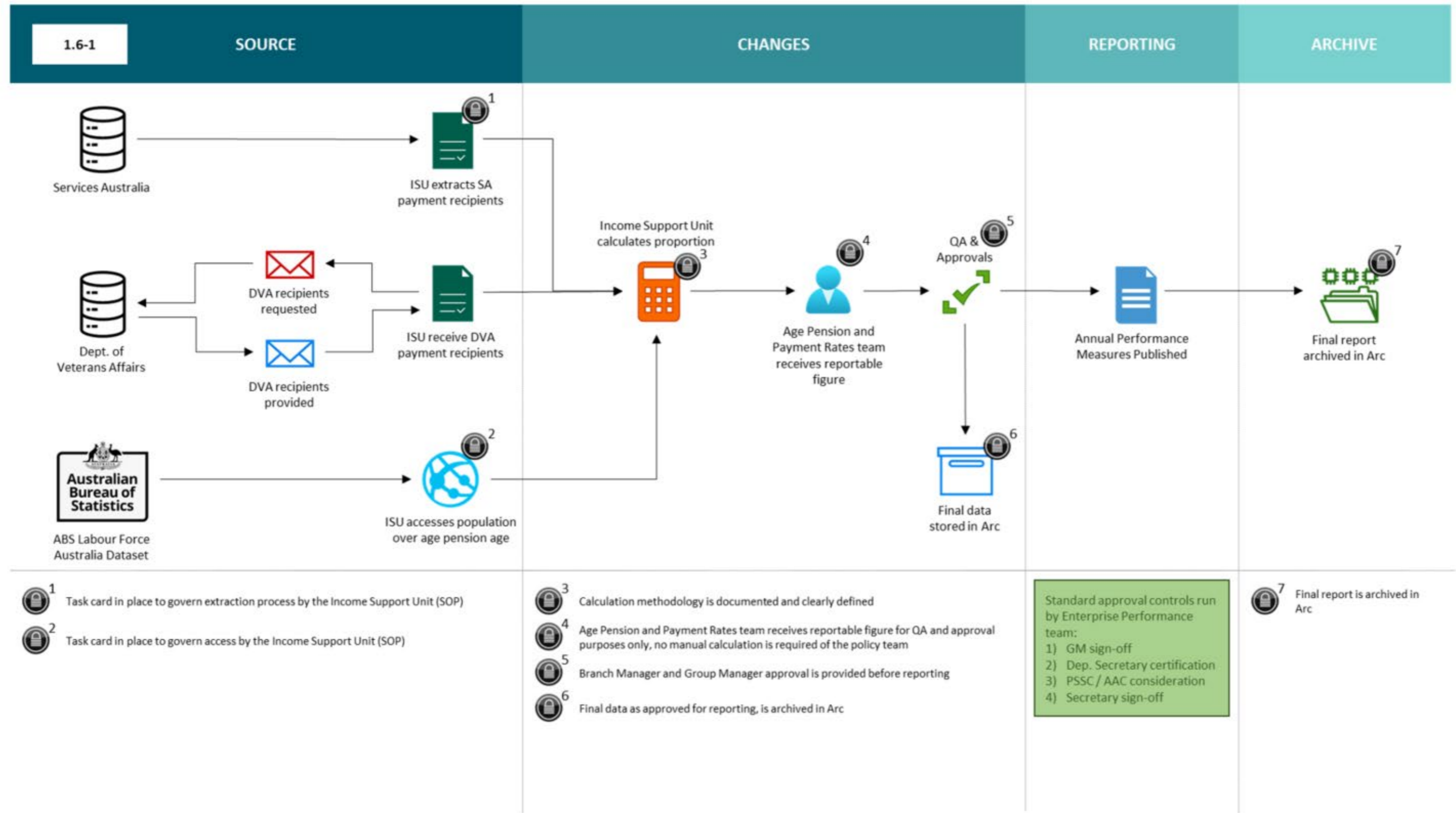
<b>Supporting Documentation</b> <i>Detailed documentation that governs management of source data</i>	The Income Support Unit have a task card governing the extraction process, in [REDACTED]
<b>Changes to Data</b>	
<b>Calculation Methodology</b> <i>How is the data treated to generate the desired output data set?</i>	<p><b>Numerator:</b> Age Pension recipients (Services Australia and DVA combined) plus DVA Service Pension and Income Support Supplement recipients over Age Pension age plus other income support recipients over Age Pension age as at June.</p> <p><b>Denominator:</b> ABS population projection for people over Age Pension age as at June.</p> $\% = \frac{\text{income recipients over Age Pension age}}{\text{ABS population for people over Age Pension age}}$ <p>Income Support Unit generates this percentage for Annual Performance Statement reporting purposes.</p>
<b>Data Changes</b> <i>What changes are made to the data?</i>	No changes are made to the data.
<b>Controls</b> <i>What controls are in place to ensure changes are standardised and recorded and approved?</i>	N/A. No changes are made to the data.
<b>Supporting documentation</b> <i>Detailed documentation that governs management of changes to data</i>	N/A. No changes are made to the data.
<b>Data Storage and Archive</b>	
<b>Archiving</b> <i>Is the final data appropriately stored and archived?</i>	<p>Final data used in Annual Performance Statement is stored in Arc in [REDACTED], signed off by the Branch Manager, Group Manager and Deputy Secretary. The Age Pension and Payment Rates Policy team retains Arc record (access and version controlled of data they provide for clearance.</p> <p>The Enterprise Performance Reporting team retain final Deputy Secretary cleared input.</p>
<b>Risks to Achieving Target</b>	
<b>Risks to Achieving Target</b> <i>Factors influencing the achievement of this measure</i>	Economic downturns can result in an increase in income support recipients as unemployment increases and financial investments are affected.

Changes to eligibility criteria, rates and means test settings affect the proportion of seniors in receipt of Age Pension.

Relevant Attachments

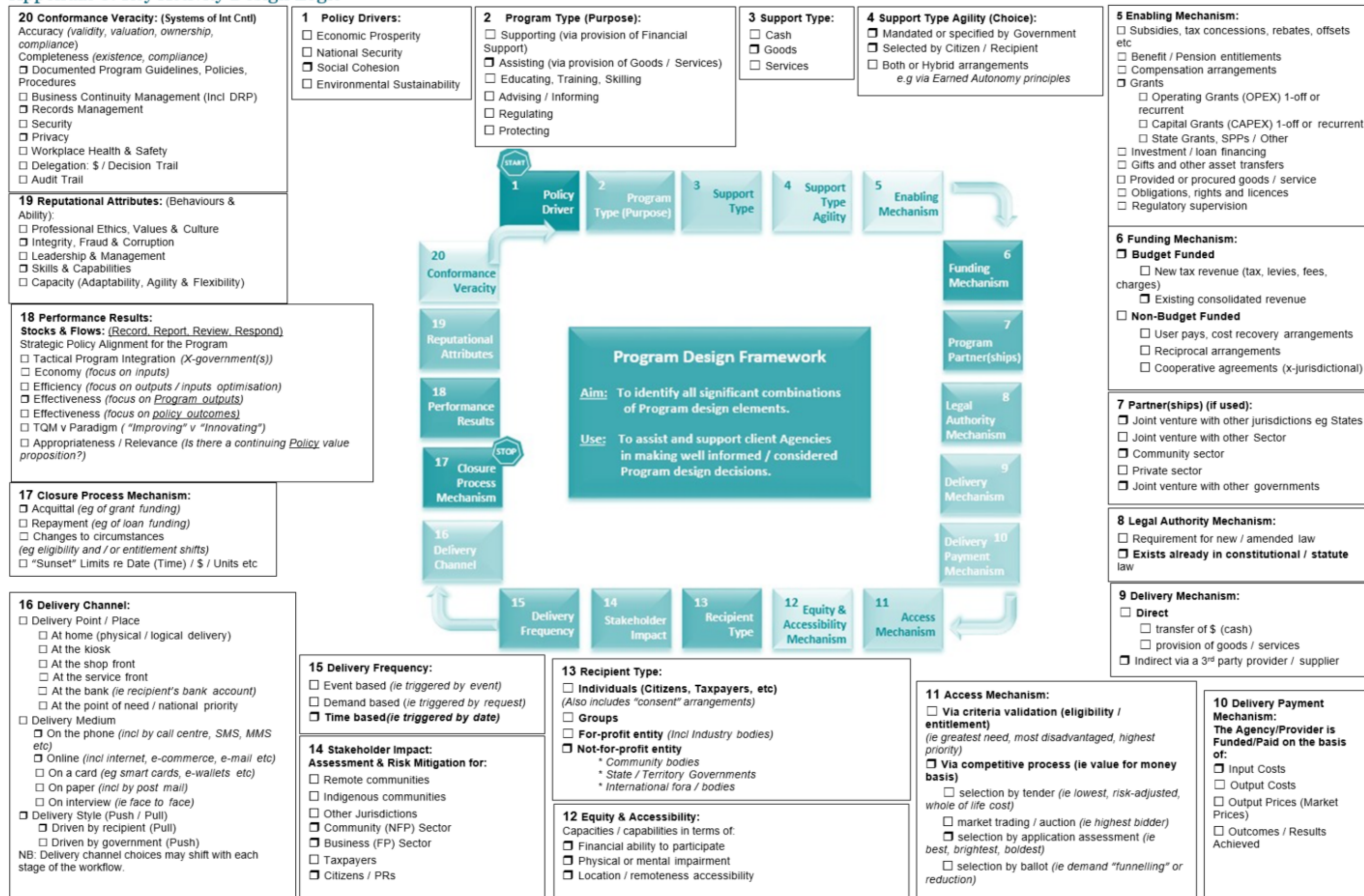
Document Name	File
[Redacted]	

Data Process Map: Measure 1.6-1





## Appendix C: Key Activity Design Logic





Key Activity Design Logic –Context Questions

