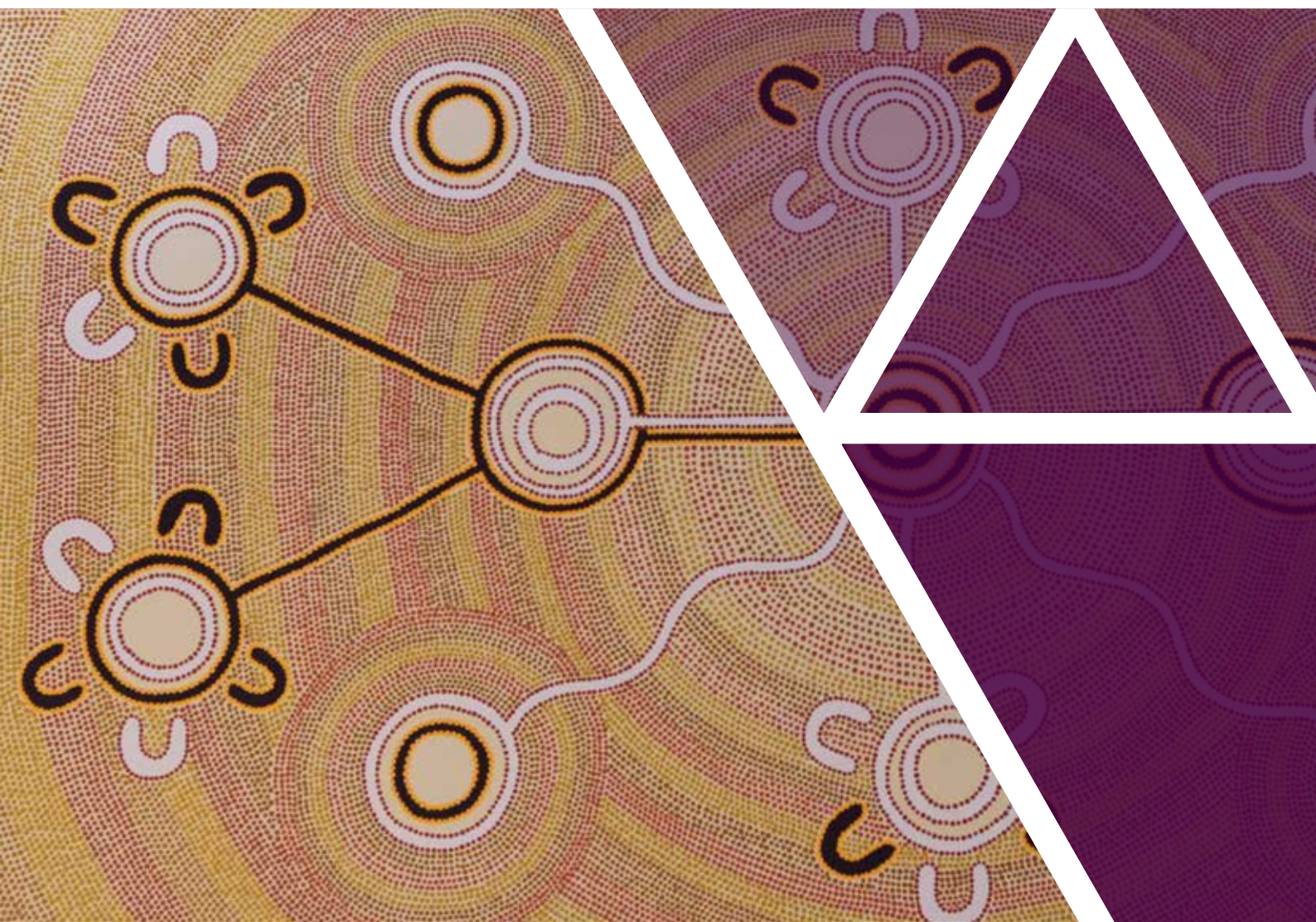


Department of Children and Families

# Annual Report

## 2015-16



## **FRONT COVER ART 'MOVING FORWARD TOGETHER' BY RAYMOND WALTERS**

*Moving Forward Together* shows the importance of Aboriginal and non-Aboriginal staff working together. It was created by Raymond Walters who was born in Alice Springs, and whose language groups are Anmatyerre and Alywarre. Mr Walters previously worked in the Department of Children and Families.

### **Purpose of the Annual Report**

The Annual Report provides an informative overview of the functions and achievements of the Department of Children and Families pursuant to section 28 of the *Public Sector Employment and Management Act* and section 12 of the *Financial Management Act*.

This report is available as an electronic document and can be viewed online at [www.childrenandfamilies.nt.gov.au](http://www.childrenandfamilies.nt.gov.au)

### **Territory Families Central Office**

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**Street:** Darwin Plaza, Level 7, 41 Smith Street Mall, Darwin

**Web:** [www.childrenandfamilies.nt.gov.au](http://www.childrenandfamilies.nt.gov.au)

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Published 30 September 2016.

**Chief Executive Officer**

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The Honourable Dale Wakefield MLA  
Minister for Territory Families  
Parliament House  
DARWIN NT 0800

Dear Minister

**Department of Children and Families 2015-16 Annual Report**

In accordance with the provisions of the *Public Sector Employment and Management Act*, I am pleased to submit to you the Department of Children and Families 2015-16 Annual Report. Pursuant to the *Public Sector Employment and Management Act*, the *Financial Management Act* and the *Information Act*, I advise that, to the best of my knowledge and belief:

- a. proper records of all transactions affecting the agency are kept and that the Department's employees observe the provisions of the *Financial Management Act*, the Financial Management Regulations and the Treasurer's Directions;
- b. Department procedures provide proper internal control and a current description of those procedures is recorded in the Accounting and Property Manual, which has been prepared in accordance with the requirements of the *Financial Management Act*;
- c. no indication of fraud, malpractice, major breach of legislation or delegation, major error in or omission from the accounts and records exists;
- d. in accordance with the requirements of Section 15 of the *Financial Management Act*, the internal audit capacity available to the agency is adequate and the results of internal audits have been reported;
- e. the financial statements in this annual report have been prepared from proper accounts and records and are in accordance with the Treasurer's Directions;
- f. in accordance with the requirements of Section 28 of the *Public Sector Employment and Management Act*, all public sector principles have been upheld; and
- g. with respect to my responsibilities under Section 131 of the *Information Act*, procedures within the Department complied with the archives and records management provisions prescribed in Part 9 of the *Information Act*.

Yours sincerely



Ken Davies  
Chief Executive Officer

30 September 2016

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# Message from the Chief Executive Officer

I am pleased to present the 2015-16 Annual Report for the Department of Children and Families.

This report provides an account of the Department of Children and Families activities and financial performance throughout the year commencing 1 July 2015 and concluding 30 June 2016.

The data in this report clearly shows that the number of child protection reports, matters requiring investigation, and children in care has continued to increase. In response, in 2015-16 the Department has focused on the outcomes it is delivering for clients and this report contains a number of case studies highlighting the work of the Department to protect children from harm and to optimise outcomes for children in care.

This Annual Report demonstrates and celebrates the work of the Department's staff, carers and partners and I would like to acknowledge the efforts and contributions of all individuals who demonstrated their commitment to improving outcomes for young people in the Northern Territory. In particular I would like to acknowledge Anne Bradford, who was Chief Executive Officer of the Department of Children and Families for the period covered by this report.

On 9 September 2016 I was appointed to the role of Chief Executive Officer of Territory Families, a new Department in the Northern Territory that will bring together functions focused on the health, safety, and wellbeing of Territory families. The portfolios encompassed by Territory Families include:

- Children and Families
- Youth Justice
- Youth, Multicultural Affairs and Seniors
- Seniors and Pensioner Concessions
- Domestic Violence Directorate
- Offices of Women's and Men's Policy
- Children's Policy.

The formation of Territory Families provides a great opportunity to build on the dedication of staff to strengthen the support and services we provide to ensure a positive future for all Territorian families.

Yours sincerely

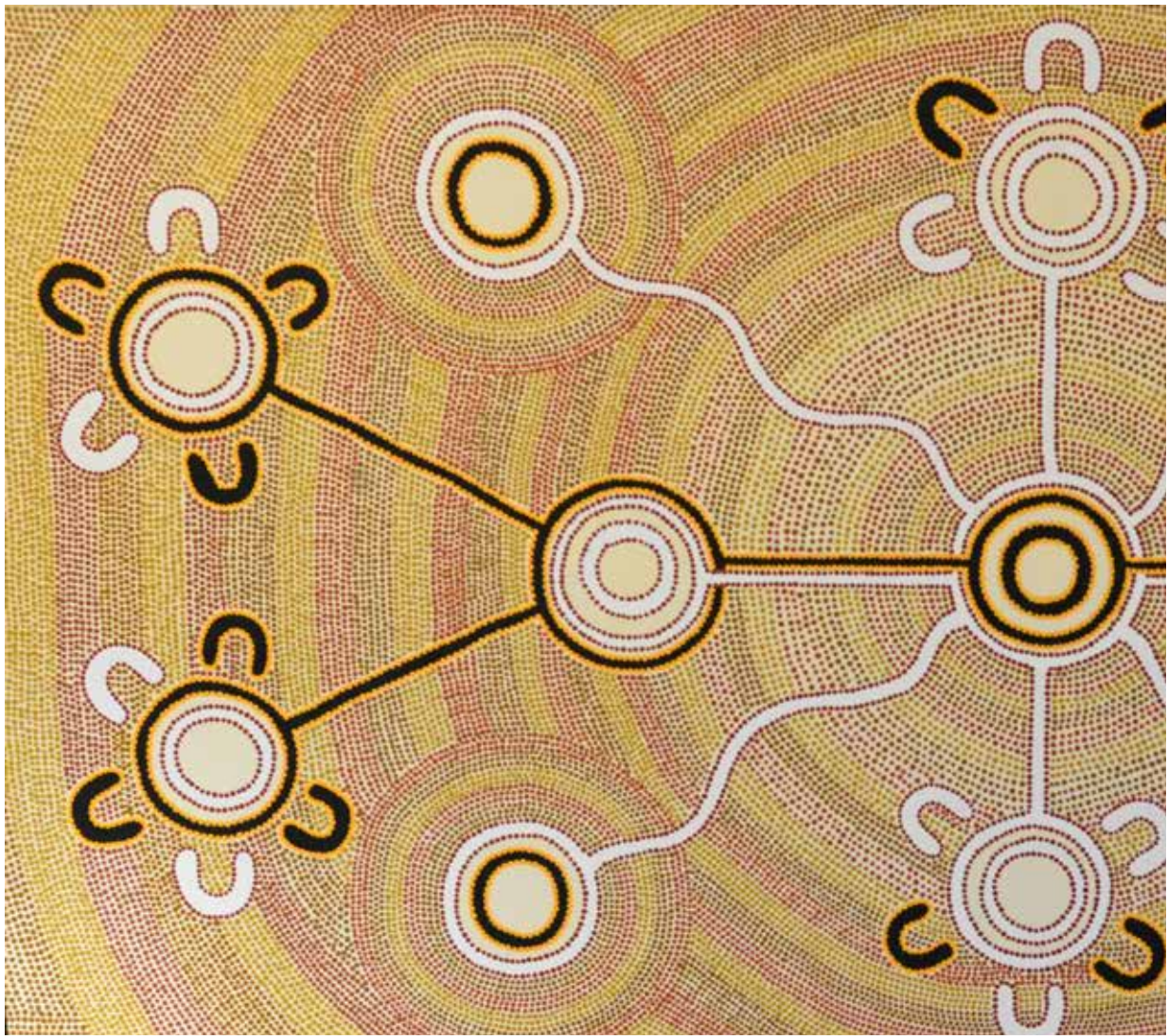


Ken Davies  
Chief Executive Officer

30 September 2016







PART 1:  
ABOUT THE DEPARTMENT OF  
CHILDREN AND FAMILIES





## OUR ROLE

The role of the Department of Children and Families is to partner with families, communities and agencies to keep children safe, strong and connected.

The Department delivers:

- child protection services including intake screening and assessment; investigation and court and legal action
- family and parenting support including case management and referral of vulnerable families and crisis accommodation for women and children escaping domestic and family violence
- out of home care services including case management of children in care; placement management and foster and kinship carer recruitment and support
- other services including the adoption of children; working with children clearance (Ochre Cards) scheme; and the Northern Territory's Welfare Recovery responsibilities
- corporate and governance services including financial, human resource, information and communication technology, governance and risk services.

The core activities of the Department are to:

- receive reports from people who believe a child needs protection from abuse or neglect
- investigate when a child is believed to have been harmed or is at risk of significant harm
- provide advice to people who may need assistance in caring for children
- work with families to strengthen their protective and parenting skills
- take matters to court when a child is in need of care and protection
- provide care, homes and services to children who have been removed from their families
- recruit and support carers who provide care and a home environment to children in need.

The Department delivers services to a population of around 240,000 across an area spanning 1.3 million square kilometres. The Department has a strong place based service focus, with dedicated child protection offices in Casuarina, Palmerston, Katherine, Tennant Creek, Alice Springs, Nhulunbuy and staff located in many remote communities including Ntaria, Yuendumu, Ti Tree, Papunya, Ali Curung, Elliot, Ngukurr, Borroloola, Yarralin, Kalkarindji, Lajamanu, Wugularr, Angurugu, Peppimenarti, Wadeye, Daly River, Ramingining, Maningrida, Galiwinku, Wurrumiyanga, Gunbalanya and Yirrkala.

## How To Contact Us

Street:	Darwin Plaza, Level 7, 41 Smith Street Mall, Darwin
Web:	<a href="http://www.childrenandfamilies.nt.gov.au">www.childrenandfamilies.nt.gov.au</a>
Child abuse and protection hotline:	1800 700 250
Compliments and complaints hotline:	1800 750 167
Foster care recruitment hotline:	1800 814 599

### Child Protection Offices

Alice Springs Child Protection Office:	(08) 8955 6001
Arafura Child Protection Office:	(08) 8922 8474
Arnhem Child Protection Office:	(08) 8987 0400
Casuarina Child Protection Office:	(08) 8922 7111
Big Rivers (Katherine) Child Protection Office:	(08) 8973 8600
Palmerston Child Protection Office:	(08) 8999 4789
Barkly Child Protection Office:	(08) 8962 4334



## OUR LEGISLATION

The Department of Children and Families works within a statutory framework and has responsibility for the administration of the following Acts and Regulations:

- *Adoption of Children Act*
- *Adoption of Children Regulations*
- *Care and Protection of Children Act*
- *Care and Protection of Children (Placement Arrangement) Regulations*
- *Care and Protection of Children (Screening) Regulations*
- *Care and Protection of Children (Mediation Conferences) Regulations*
- *Guardianship of Infants Act*.

The Department of Children and Families is also bound to act in accordance with the:

- *Public Sector Employment and Management Act*
- *Financial Management Act*
- *Information Act*
- all other relevant Northern Territory legislation.

## OUR BUDGET

In 2015-16 the Department received \$182.8 million to provide:

- services aimed at the protection and minimisation of harm to children, including receiving and investigating reports of abuse and responding to ensure the safety of children
- services to children in the care of the Chief Executive Officer, including placement and case management, as well as recruitment, assessment and support of carers to provide a range of placement options for children
- targeted support to vulnerable families to prevent their children entering the child protection system and to assist them to improve the wellbeing of their children
- corporate and governance services to support the effective operation of the Department.

The Department also received revenue from the Australian Government through the Stronger Futures in the Northern Territory National Partnership Agreement (and subsequently its replacement, the National Partnership Agreement on Northern Territory Remote Aboriginal Investment).

## OUR STRATEGIC PLAN

During 2015-16, the Department undertook a mid-term review of the Strategic Plan 2015-17. In renewing the plan to reflect our evolving environment and with an intention of transitioning to a new Strategic Plan for 2016-19, an Organisational Cultural Framework was developed. It captures a refreshed Vision, Mission and Values linked to five key Outcomes driving the business of the Department. These are:

1. Protect children from harm
2. Optimise outcomes for children in care
3. Partner with families, communities and agencies
4. Continuous improvement to enable contemporary practice
5. A workplace that values and invests in people.



# Organisational Cultural Framework

## VISION

Safe children, strong families

## MISSION

To partner with families, communities and agencies to keep children safe, strong, and connected.

## OUTCOMES

1. Protect children from harm
2. Optimise outcomes for children in care
3. Partner with families, communities and agencies
4. Continuous improvement to enable contemporary practice
5. A workplace that values and invests in people

## VALUES

Respect | Courage | Integrity | Trust

### RESPECT

- To treat others as we wish to be treated, as valued individuals who might have different perspectives and opinions, and always assuming goodwill and positive intent
- Encourage diversity of thought
- Work inclusively, and build unity
- Acknowledge and support others

### COURAGE

- To accept accountability or take an action despite difficulty, risk or fear
- Provide and be open to constructive feedback
- Make decisions and be accountable for progress
- Use initiative and judgement
- Engage appropriately with risk

### INTEGRITY

- To act with moral and ethical conviction by doing what is right in all circumstances
- Be transparent and accountable
- Be honest and honourable
- Be genuine and ethical

### TRUST

- The confidence that each of us has the intent, capacity and integrity to do the right thing by each other and the Department, and that we are open with each other
- Be reliable and consistent
- Share knowledge and information
- Empower others by being engaging and honest

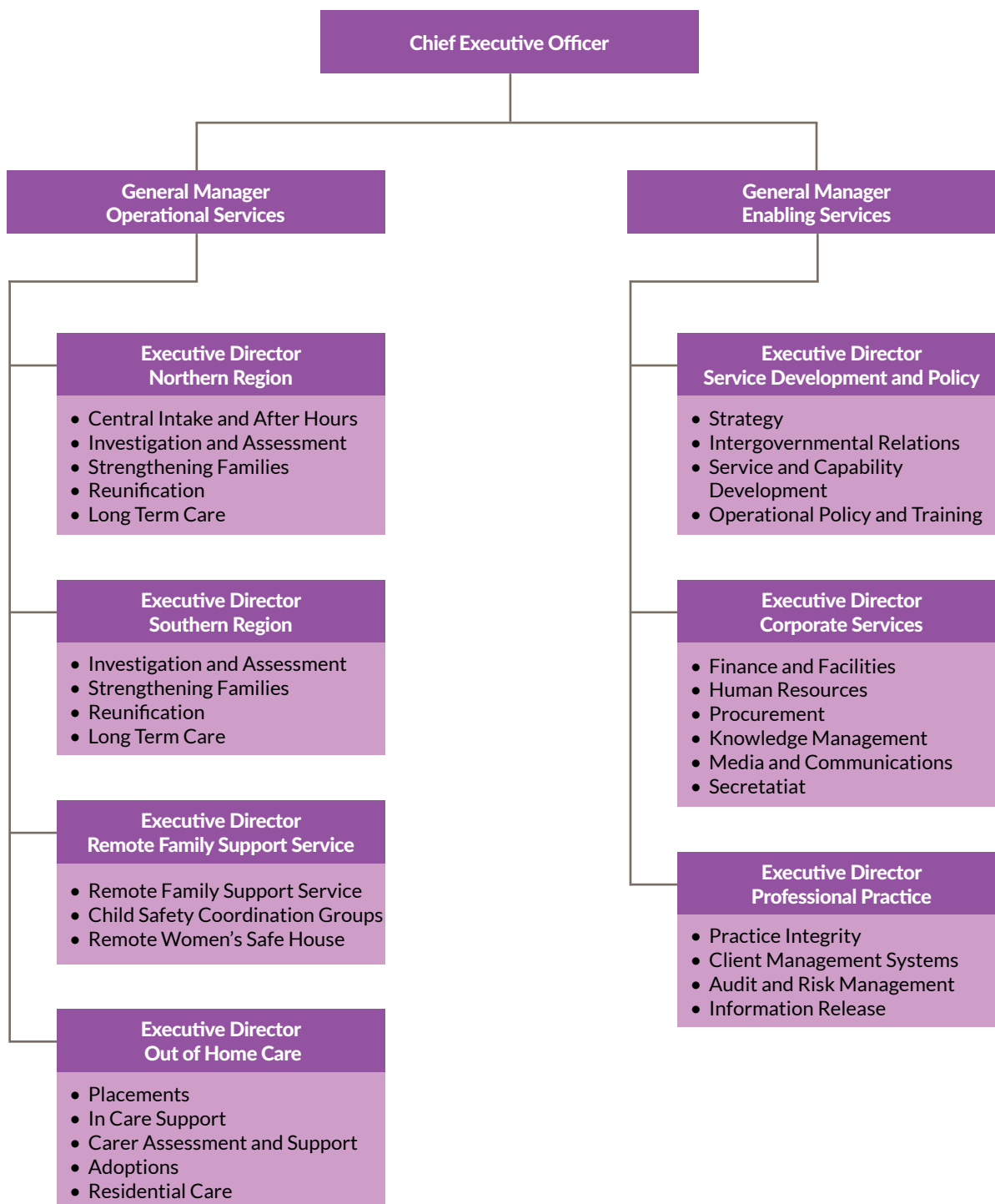
Painting by Raymond Walters



## OUR STRUCTURE

In 2015-16 the Department's structure underwent a number of small changes. This included the introduction of two General Manager roles, formalisation of two child protection operational Divisions (Northern and Southern), and realignment of functional responsibilities within central office.

### STRUCTURE AS AT 30 JUNE 2016





## OUR PEOPLE

As at 30 June 2016, there were 622 full time equivalent (FTE) employees working for the Department of Children and Families. Of these, 54 per cent were employed in direct service delivery roles, 19 per cent were employed in indirect support roles and 27 per cent were in government services roles, such as service development, policy, practice integrity, governance and corporate services.

Of our total staff, 46 per cent are employed in the Administrative stream, 45 per cent in the Professional stream, seven per cent in the Physical stream and two per cent in the Executive stream. The core frontline roles in the Department include:

- Central Intake Staff
- Child Protection Practitioners
- Carer Assessment and Support Workers
- Courts Officers
- Remote Family Support Workers
- Aboriginal Community Workers
- Women’s Safe House Workers
- Residential Care Workers
- Therapists and Counsellors.

As at 30 June 2016, the Department had staff in 25 locations across the Northern Territory, with major service centres located in:

- Darwin
- Palmerston
- Casuarina
- Nhulunbuy
- Katherine
- Tennant Creek
- Alice Springs.

Of the 622 full time equivalent employees almost two thirds are based in Darwin, providing centralised services across the Department and direct services to the Top End. A further 20 per cent are based in Alice Springs, seven per cent in Katherine, three per cent in Nhulunbuy and one per cent in Tennant Creek. Significantly seven per cent of the workforce is based across remote communities outside the major service centres.

In 2015-16 the self-identified Aboriginal representation of the Department’s workforce was 22 per cent, more than double the Northern Territory Public Sector target of 10.5 per cent. Women constitute 79 per cent of the Department’s workforce and 70 per cent of the senior and executive positions. This significantly exceeds the 48 per cent representation of women in senior management roles across the Northern Territory Public Sector.

**TABLE 1: Selected People Demographics as at 30 June 2016**

EEO Group	Number of People	% of Workforce
Aboriginal and Torres Strait Islander	155	22%
Women	570	79%
Women in leadership	21	70%
People with a disability	12	2%

## OUR LEADERSHIP

### Senior Executive Team at 30 June 2016



#### Chief Executive Officer

Anne Bradford joined the Department in early 2015. Prior to this, she was the Chief Executive Officer for the Northern Territory Department of Housing and had held a number of Deputy Chief Executive Officer positions in the departments of Justice, Attorney General's, and Infrastructure.



#### General Manager, Operational Services

Simone Jackson joined the Department in 2011 as the Central Australian Regional Executive Director and led the region until 2013 when she was appointed Executive Director of the new Out of Home Care Division. As the General Manager, Operational Services she is responsible for providing strategic leadership to the Department's delivery of child protection, out of home care and family and parenting support services.



#### General Manager, Enabling Services

Luke Twyford joined the Department of Children and Families in 2012 as Director, Practice Integrity and in 2013 was appointed to the position of Executive Director Professional Practice Division. As the General Manager, Enabling Services he is responsible for providing strategic leadership to the delivery of the Department's strategy, policy, corporate and governance services.

### Enabling Services Group



#### Executive Director, Service Development and Policy

Kiah Hanson joined the Department in 2011 as the Director of Performance Data and Reporting. As the Executive Director, Service Development and Policy she is responsible for strategic planning, program management, government relations, operational policy, and professional development.



#### Executive Director, Corporate Services

Peter Davies joined the Department in September 2015 as the Executive Director, Corporate Services. Prior to joining the Department, he held senior executive roles with NT Police, Fire and Emergency Services. He is responsible for finance, human resources, procurement, emergency management and communications.



### Executive Director, Professional Practice

Bronwyn Thompson joined the Department in 1990 and has extensive experience in child protection. She has held a range of management and executive positions during her time with the Department. As the Executive Director Professional Practice, she is responsible for performance analysis, practice integrity, audit and risk and statutory assurance.

## Operational Services Group



### Executive Director, Northern Region

Karen Broadfoot joined the Department in 2003 and has held a number of management and executive roles over this time. As the Executive Director, Northern Region she is responsible for leading the delivery of child protection and family support services across the region, and the management of the Child Abuse Hotline and Central Intake Services across the Northern Territory.



### Executive Director, Southern Region

Dorrelle Anderson joined the Department in 2010 and has held a range of positions with the Department of Children and Families. She was appointed to her current position of Executive Director Southern Region in 2013, and is currently responsible for leading the delivery of child protection and family support services across the southern region of the Northern Territory.



### Executive Director, Remote Family Support

Jodie Woolcock joined the Department in 2010 as the Manager of the Northern Territory Women's Safe House Program. She was appointed to the role of Executive Director, Remote Family Services in July 2014 and is responsible for the delivery of women's safe houses, family support, therapeutic counseling services and child safety planning in remote communities



### Executive Director, Out of Home Care

Marnie Couch joined the Department in 2011 as part of the Mobile Child Protection Team. She was appointed to the role of Manager Carers and Residential Care Northern in April 2014 and is currently the Acting Executive Director, Out of Home Care where she is responsible for leading the delivery of Out of Home Care Services, including the foster care recruitment campaign, carer assessment and support, adoptions, placements and residential care.

## Former Senior Staff

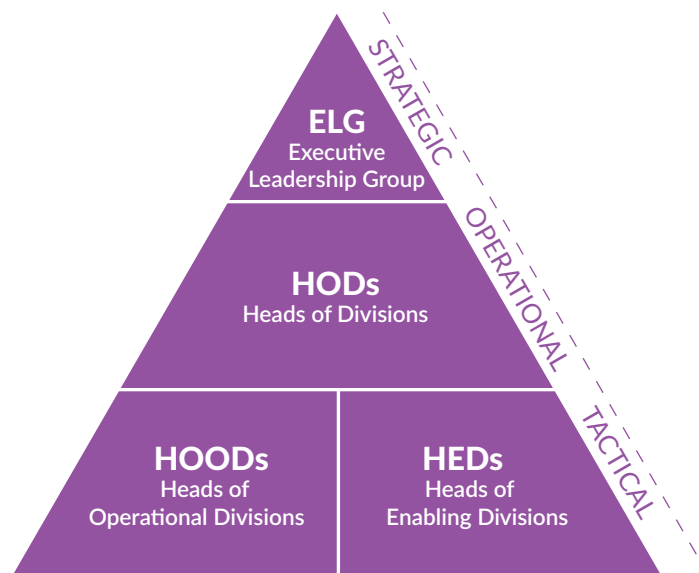
In 2015-16 the Department farewelled Ms Joanne Townsend, Deputy Chief Executive Officer who initially commenced with the Department in 2010 as Director Youth Services. She held a range of management and executive roles prior to her appointment as Deputy Chief Executive Officer in October 2013. In September 2015 she moved to the Department of Land Resource Management. The Department acknowledges and is grateful for the significant contributions Jo Townsend made to the Department of Children and Families.



## OUR GOVERNANCE

In 2015-16, the Department of Children and Families Governance Committees were streamlined into five core bodies focused on providing leadership on the key issues affecting the agency.

### GOVERNANCE COMMITTEES 2015-16



#### Committee

##### Executive Leadership Group:

- set the strategic direction and objectives for the Department
- determine the agency focus and priorities
- outline and embed organisational culture and behaviours
- determine the strategic use of agency resources
- monitor strategic risks including work health and safety

##### Heads of Divisions:

- monitor and manage progress and implementation of agency improvement initiatives
- monitor performance
- monitor agency expenditure and budget
- discuss solutions to identified performance issues
- monitor operational risks, including work health and safety

#### Membership

Chief Executive Officer (Chair)  
General Manager Enabling  
General Manager Operations  
All Executive Directors

Chief Executive Officer  
General Manager Enabling  
General Manager Operations  
All Executive Directors  
Chief Financial Officer  
Director Workforce Capability  
Director Grants and Contract Management

<p><b>Heads of Operational Divisions:</b></p> <ul style="list-style-type: none"> <li>• coordinate operational activities</li> <li>• facilitate effective collaboration</li> <li>• identify issues and inefficiencies for escalation to HODs</li> <li>• monitor the progress of divisional improvement activities outlined in agency business plans</li> </ul>	<p>Chief Executive Officer General Manager Operations Executive Directors Northern Region, Southern Region, Remote Services and Out Of Home Care</p>
<p><b>Heads of Enabling Divisions:</b></p> <ul style="list-style-type: none"> <li>• coordinate enabling activities</li> <li>• facilitate effective collaboration</li> <li>• identify issues and inefficiencies for escalation to HODs</li> <li>• monitor the progress of divisional improvement activities outlined in agency business plans</li> </ul>	<p>General Manager Enabling (Chair) Executive Directors Strategy and Policy, Corporate Services and Professional Practice</p>
<p><b>Audit and Risk Management Committee:</b></p> <ul style="list-style-type: none"> <li>• monitor, review and advise on the Department's identification and management of risk</li> <li>• monitor, review and advise on the adequacy of internal controls established to manage identified risks</li> <li>• monitor the internal audit function including review and audit programs, outcomes and the implementation of recommendations</li> <li>• monitor the governance arrangements in place within the Department</li> </ul>	<p>General Manager Enabling (Chair) Executive Director Southern Region Executive Director Governance 2 Independent members Bruce Michael and Antoni Murphy</p>

# The 2015-16 Year in Review

## July to September 2015

- Legislation establishing Permanent Care Orders came into effect.
- The Tennant Creek Community Based Children’s Care Centre was officially opened. The new Community Based Children’s Care Centre is operated by Lifestyle Solutions to provide care for up to six children in a safe, culturally sensitive and developmentally appropriate emergency short term care. This service will allow young people to remain in, or closer to, their community of origin.
- Staff celebrated National Aborigines and Islanders Day Observance Committee (NAIDOC) Week.
- The Department participated in a roundtable discussion convened by the National Children’s Commissioner, Megan Mitchell, examining how children are affected by domestic and family violence.
- Senior staff gathered for the first Senior Leaders Forum. The forum brought the collective senior leadership of the Department together to explore key themes in leadership.

- The Department moved from three operational regions (Greater Darwin, Katherine and Northern Remote and Central Australia) to two Divisions now known as Southern Region and Northern Region.
- The National Child Protection Week breakfast co-hosted by NAPCAN brought sector partners together to acknowledge the difference that can be made in children's lives.
- The Manager In-Care Support was assisted to travel to Canada to undertake the Endeavour Research Fellowship for Aboriginal Australians, supporting her research towards her doctoral dissertation.

### October to December 2015

- The Remote Services Division undertook workshops in Darwin, Alice Springs and Katherine to discuss how the Remote Family Support Service can complement statutory child protection work and strengthen support to remote community based staff.
- A Departmental carer received a Pride of Australia award for her dedication and passion in providing care to children with complex medical and/or disabilities.
- An Alice Springs staff member was awarded a Chief Minister's Medal for Excellence in the Public Sector. The award recognised her work providing training, policy development and procedures for domestic and family violence services.
- The Darwin 2015 Foster and Kinship Carer Excellence Awards and Service Awards were held at Parliament House. The awards acknowledge the important work that foster and kinship carers do on a daily basis to provide support and stability to some of the most vulnerable children in the Northern Territory. Other Carer Award ceremonies took place in Katherine, Tennant Creek, Alice Springs and Nhulunbuy.

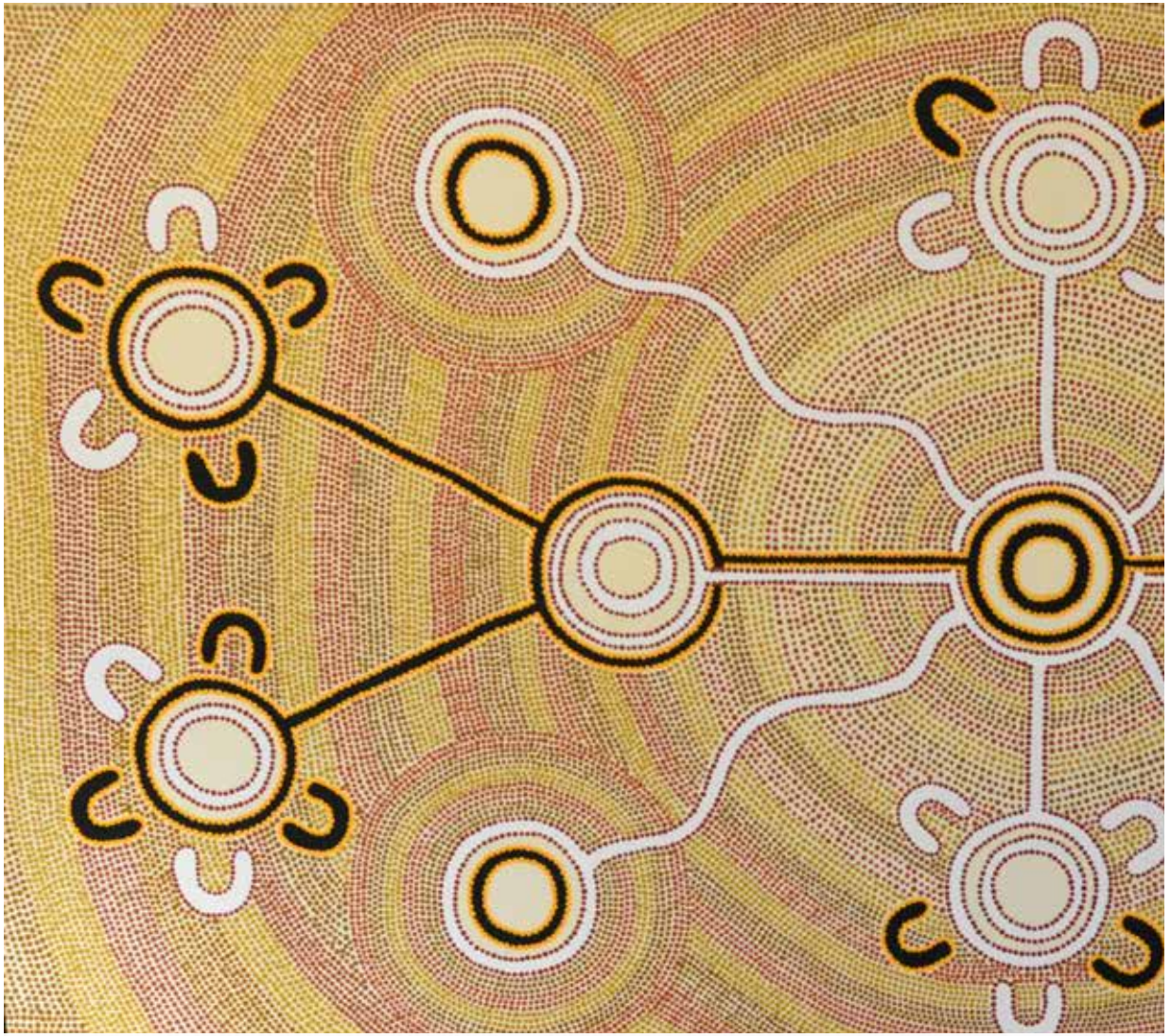
### January to March 2016

- The Department activated and operated the Evacuation Centre at Foskey Pavilion for 495 flood evacuees from Nauiyu (Daly River). From Boxing Day to 12 January the Department also coordinated the Welfare Group and travelled to Daly River to assess damage and process the Natural Disaster Relief and Recovery Arrangements for those in need.
- A Tennant Creek foster carer was nominated as a Local Hero in the Australian of the Year Awards.
- The Department transitioned from one Deputy Chief Executive Officer to two General Managers.
- The first successful providers of the new Intensive Family Preservation Service were announced.

### April to July 2016

- 'Talking Posters' aimed at recruiting kinship carers were launched at the Wurrumiyanga Community on the Tiwi Islands. The posters were created in Traditional and Modern Tiwi to inform interested individuals on the steps involved in becoming a kinship carer.
- The Northern Territory Remote Aboriginal Investment National Partnership Agreement with the Australian Government was finalised. This new agreement replaced Stronger Futures and secured continued Australian Government investment for a Remote Family Support Service and Women's Safe House program.
- Two coronial inquests into the deaths of children in care were held.
- A submission on out of home care was made to the Royal Commission into Institutional Responses to Child Sexual Abuse.
- The 2016 Annual National Foster Care Conference was hosted by the Foster Carers Association of the Northern Territory. The Department of Children and Families was a major sponsor of the conference, which allowed foster carers and key stakeholders to come together.





## PART 2: PERFORMANCE





## INTRODUCTION

In 2015-16, service demand for statutory child protection and out of home care continued to increase. The data shows that the Department responded to an increasing number of families needing support to care appropriately for their children. With 20,465 notifications received and 7,862 cases proceeding to investigation, the Department of Children and Families finalised 8,167 investigations and substantiated 1,907 cases where children were assessed to have been harmed or at risk of harm. Consequently 315 children were brought into care, bringing the total number of Territory children in care on 30 June 2016 to over 1,000.

**TABLE 2: Key Numbers in Child Protection in the Northern Territory 2011-12 to 2015-16**

Child Protection Activities	2011-12	2012-13	2013-14	2014-15	2015-16
Child Protection Reports Assessed	7,970	9,967	12,936	17,032	20,465
Child Protection Investigations Commenced	4,006	3,802	4,905	7,091	7,862
Child Protection Investigations Finalised	4,257	3,558	4,303	6,870	8,167
Cases Substantiated	1,705	1,483	1,685	2,075	1,907
Children Admitted into OoHC	399	362	396	335	315
Children Exiting OoHC	370	329	242	257	304
Number of Children in OoHC*	700	748	918	997	1,020
Children in Foster and Kinship Care*	370	414	488	482	491
New Foster and Kinship Households	149	137	170	160	176
Foster and Kinship Households exiting	99	104	128	134	152
Foster and Kinship Households*	340	372	414	434	454
Children in Residential Care Facilities*	65	74	99	97	111

\*Figures at 30 June

In 2015-16, the Department introduced new strategic outcomes to better articulate the core business of the agency. The five outcome areas are:

1. Protect children from harm
2. Optimise outcomes for children in care
3. Partner with families, communities and agencies
4. Continuous improvement to enable contemporary practice
5. A workplace that values and invests in people.

Whereas previous Annual Reports focused on the activities of the Department, this report is presented against the five strategic outcomes that we seek to achieve.

# Outcome 1: Protect Children from Harm

The vast majority of parents have the capacity to raise happy and healthy children but some families need more help, and in some cases, statutory child protection responses are required. The Department of Children and Families provides services aimed at the protection and minimisation of harm to children, including: receiving, assessing and investigating reports of abuse, and responding to ensure the safety of children, including by providing targeted support to vulnerable families.

To protect children from harm the Department must:

1. identify children who may not be safe and respond in a timely way
2. thoroughly investigate and assess the child's situation
3. take effective action to address unsafe situations for children.

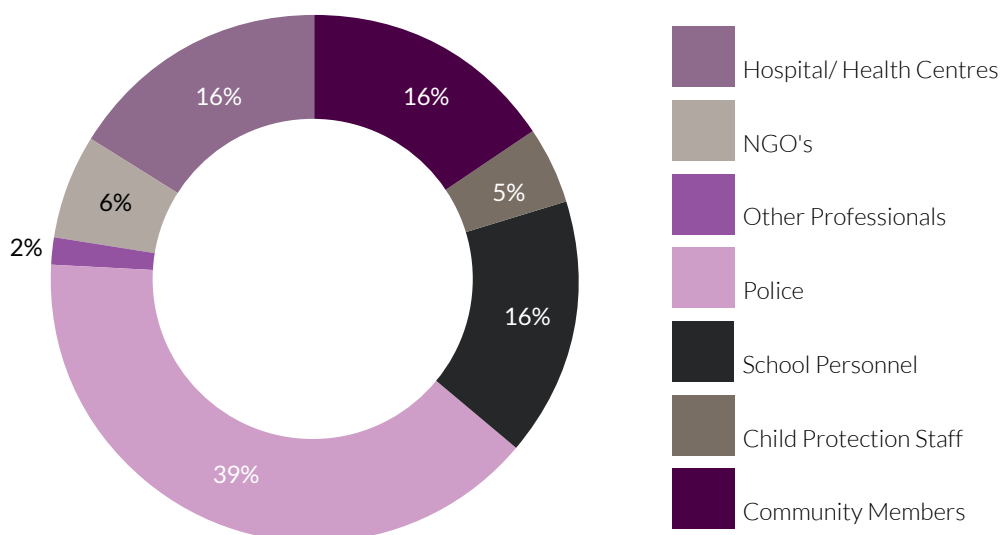
## IDENTIFY CHILDREN WHO MAY NOT BE SAFE AND RESPOND IN A TIMELY WAY

The Department runs a Child Abuse Hotline, to receive any reports of concern about children in the Northern Territory. The Child Abuse Hotline operates 24 hours per day, every day of the year. Professionally qualified staff in the Department's Central Intake Team consider every report to determine which matters require formal investigation, and how, and with what priority, the Department will respond.

In 2015-16, the Child Abuse Hotline received 20,465 reports, or notifications, of potential child abuse or neglect. This equates to the Department receiving an average of 56 reports every day of the year. Every report is important, as it provides information that is analysed and stored for future use. Over the last five years, the number of child protection reports received has increased from 7,970 in 2011-12 to 20,465 in 2015-16.

The majority of reports to the Department are made by police, school personnel, or hospital and health centre staff. In 2015-16, these sources made 71 per cent of all reports to the Department.

**CHART 1: Source of Notifications for Child Protection Reports 2015-16**

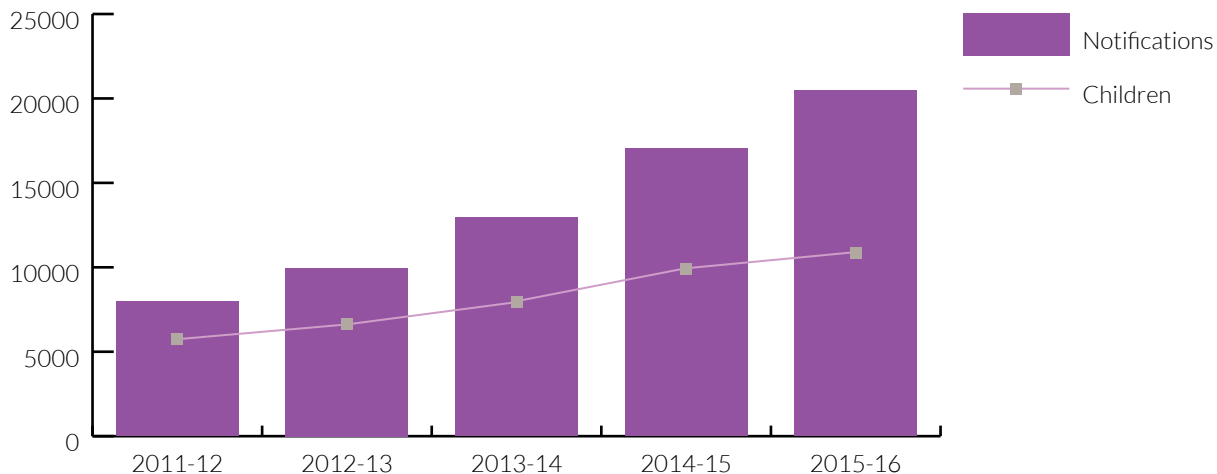


In 2015-16 the Department improved the call queue system on the Child Abuse Hotline to ensure that important information was not missed. Through a redesign of the call handling system the Department was also able to more clearly offer a call return service, a feature that means callers do not have to wait on the line, and can instead have the Department return their call. As a result of these improvements the

call abandonment rate (where callers leave the queue without providing information), dropped by 25 per cent.

While there has been significant growth in the number of reports received and assessed by the Department, a growing number of them relate to the same children. The 20,465 reports received in 2015-16 related to 10,851 individual children. This suggests that while there is growing activity by notifiers, there is a need for the Department to respond to multiple reports for the same children more effectively.

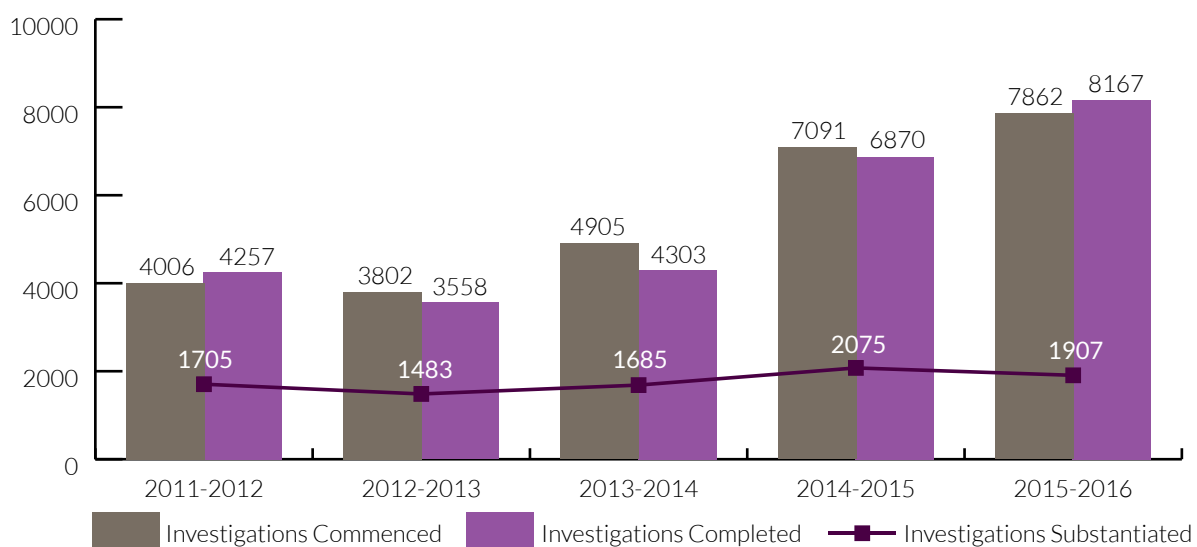
**CHART 2: Child Protection Reports over Five Financial Years**



## THOROUGHLY INVESTIGATE AND ASSESS THE CHILD'S SITUATION

On receiving a report, the Central Intake Team collects necessary information from the reporter, other service providers and the Department's information system to assess if the child has been, or is at risk of harm. When a child is identified as being at risk of harm the report is screened in for investigation. In 2015-16, 7,862 reports met the assessment criteria to proceed to a formal investigation. This represented an 11 per cent increase on the number commenced in the prior year.

**CHART 3: Child Protection Investigations, 2011-12 to 2015-16**





A child protection investigation involves: interviewing the child, their siblings and parents; assessing the home environment; and collecting information from professionals or organisations who may be involved with the family such as health providers, teachers or non-government services.

The Department responds to reports about children in accordance with their priority rating, which is allocated following assessment of the reported concerns. Child protection investigations only commence when direct action has been taken to assess the safety of the child. In 2015-16, 7,179 or 90 per cent of investigation cases commenced within their allocated priority response time. This significantly exceeds the 5,346 cases commenced within their allocated priority response time in 2014-15, and represents a significant effort by the child protection investigation and assessment teams. Proportionately the number of cases within each priority response tier also improved in 2015-16.

Over 2015-16 the Department significantly improved the timeliness of investigations. In 2015-16 the number of investigations without an investigative outcome being recorded within 28 days, decreased from 1,057 in June 2015, to 662 in June 2016. However, not all investigations can be completed within 28 days and legitimate delays occur when:

- the Department is waiting for the outcome of other professional assessments (i.e. a Police report, criminal investigation, or a psychological assessment) to inform the final investigation outcome
- the family is mobile and it is difficult to locate them or interview all parties.

By the end of 2015-16 the Department had completed 8,167 investigations. This volume was a significant achievement for the Department as it represented a 19 per cent increase on the prior year and a doubling of activity over the last four years. Significantly 2015-16 was the first time in four years that the Department was able to complete more investigations than it commenced.

### **CASE STUDY – Responding to a ‘Priority One - 24 hour report’**

In 2015-16 the Department was advised that a family with five children and already known to be experiencing domestic and family violence had travelled unexpectedly from their home to a remote outstation and that a serious incident had occurred. Based on the information received at Central Intake it was determined that the matter required a priority one response and the Arafura Child Protection Office was given 24 hours to respond to the concerns.

Given the remote location and the number of children involved, a comprehensive and coordinated logistical exercise was required. Workers needed to travel by chartered air and then pick up cars to travel to the family's last reported location. They also required sufficient provisions for themselves and the five children.

Upon arrival the child protection staff engaged with the family, members of the community and the Traditional Owners. It was determined that the children needed to be removed from their parents care to ensure their safety. The child protection staff were also required to work in partnership with police in relation to the arrest of the stepfather.

By working in partnership with the community and other stakeholders, the Departmental staff were able to respond swiftly to a dangerous situation for five children, in the process overcoming significant geographic, logistical and time challenges. The children appeared relieved to be out of the domestic situation and were able to be placed together in an environment where they are safe.

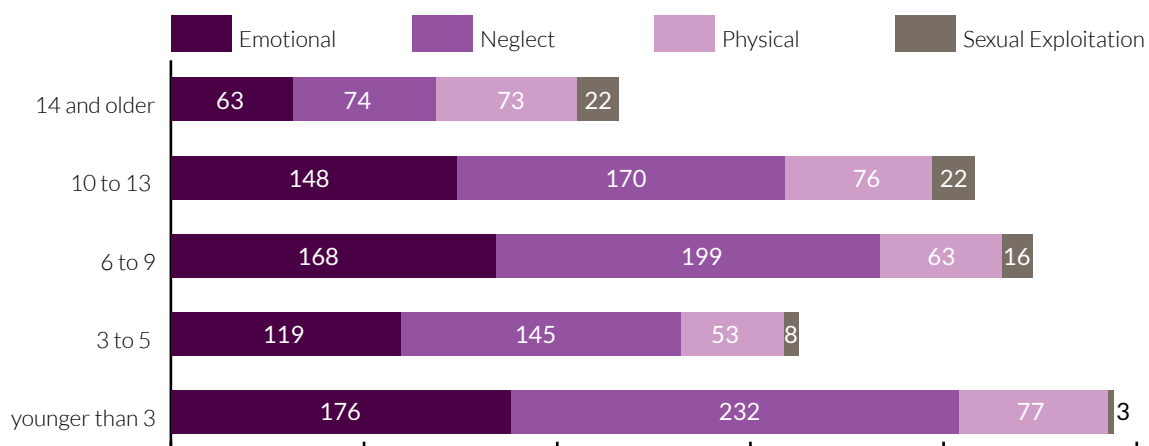
When completing a child protection investigation child protection practitioners are required to substantiate if the child was harmed, or at risk of harm. Departmental workers substantiated that children were at risk of harm in 1,907 cases in 2015-16. This represents 23 per cent of all completed investigations.

When recording a substantiation workers must also record which of the four harm types they are substantiating. The four categories of harm are:

- Sexual Exploitation - any act by a person, having the care of a child that exposes the child to, or involves the child in, sexual processes beyond his or her understanding or contrary to accepted community standards.
- Physical Abuse - any non-accidental physical act inflicted upon a child by a person having the care of a child.
- Emotional Abuse - any act by a person having the care of a child that results in the child suffering any kind of significant emotional deprivation or trauma. Children affected by exposure to family violence are also included in this category.
- Neglect - any serious acts or omissions by a person having the care of a child that, within the bounds of cultural tradition, constitute a failure to provide conditions that are essential for the healthy physical and emotional development of a child.

Neglect and emotional abuse are the most common forms of substantiated harm experienced by Northern Territory children. In 2015-16 the distribution by harm type has remained relatively consistent with previous years. Of the 1,907 substantiated cases of abuse, 43 per cent were for neglect, 35 per cent were for emotional abuse, 18 per cent were for physical abuse, and four per cent were for sexual exploitation.

**CHART 4: Primary Harm Type for Substantiations 2015-16 by Age Group**



Of the substantiated cases, females were slightly more likely than males to be found to have been harmed or at risk of harm and 42 per cent of matters concerned children under five years of age, making this the largest age group represented in substantiated cases.

Aboriginal children are significantly over represented in the Northern Territory child protection system with 85 per cent of substantiated cases relating to Aboriginal families. Of these a high proportion were for neglect and emotional abuse relating to children under the age of 10.

**CHART 5: Substantiated Cases by Age and Indigenous Indicator in 2015-16**



## TAKE EFFECTIVE ACTION TO ADDRESS UNSAFE SITUATIONS FOR CHILDREN

The core business of the Department in response to known risks to children is to make those children safe. When an investigation substantiates harm, the Department conducts an assessment of the child's safety and determines an appropriate course of action. The Department can:

- work with the family to address safety concerns
- close the case as requiring no further action because the risks that led to the child being harmed have already been resolved by the primary caregiver
- apply to the court for a care and protection order, that will remove parental responsibility from the person who caused or enabled the harm.

Of the 1,907 investigations substantiated in 2015-16, 315 individual children were taken into the care of the Chief Executive Officer. In comparison, on 30 June 2016, the Department was working with the parents and caregivers of 1,515 children who had been assessed to be at risk, but whose situation did not warrant their removal. In these situations the Department works with families to provide ongoing intervention to address the issues that gave rise to the harm (for example drug and alcohol misuse, family violence, mental health).

When working with families who have been identified as having risk factors the Department conducts regular risk re-assessments to ensure that progress is being made. The Strengthening Families and Remote Family Support workforce takes a lead role for these families to ensure that sustainable changes are made.

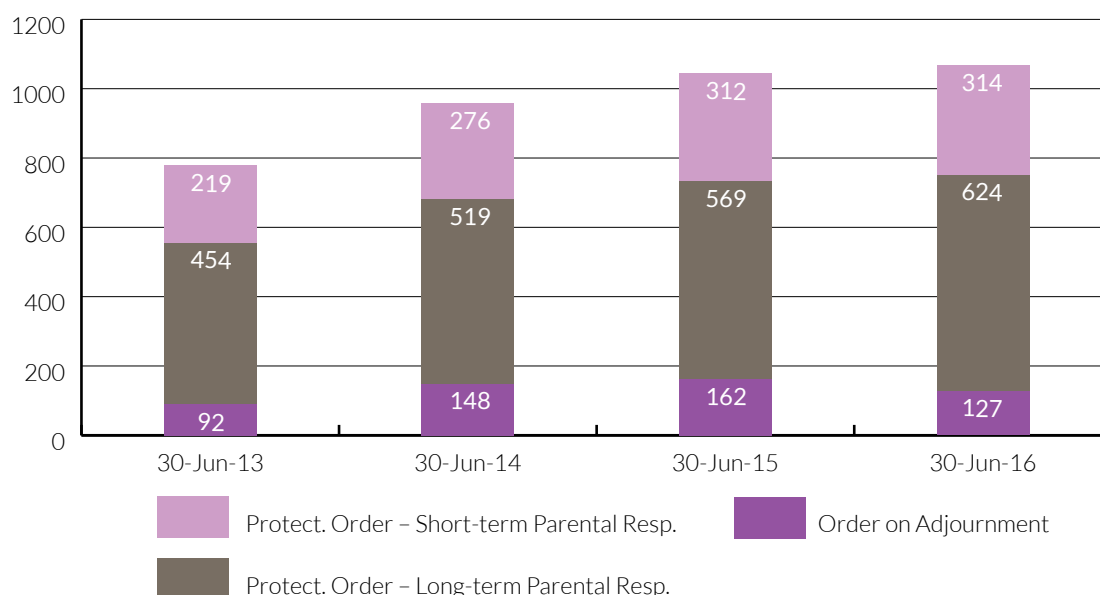
Over 2015-16 the Department held 48 Child Safety Coordination Group meetings in the remote communities of Maningrida, Wadeye, Yuendumu, Yirrkala and Borroloola. Chaired by Remote Family Support Team Leaders these multi-agency forums give local service providers a regular opportunity to discuss individual children of concern and agree on action. The group uses its collective knowledge to provide integrated and local responses to keep children safe and connected within their families and communities.

To further improve its engagement with vulnerable families, the Department announced in April 2016 that four organisations were being contracted to work intensively with parents and families who are at risk of having their children removed. The Intensive Family Preservation Service was introduced to provide purposeful, planned and intensive support to families where the Department has significant concerns for the safety of a child. The intervention will address safety concerns and improve the family's capacity to care for and protect their children. The Intensive Family Support Services will be located in Darwin, Alice Springs, Katherine, Tennant Creek and Nhulunbuy.

Other work of the Department to provide safe environments to protect children from harm included working with SAFE NT to administer the Working with Children Clearance (Ochre Card) scheme. In 2015-16 SAFE NT assessed 29,185 applications and issued 28,999 cards. The Department also provided 3,361 temporary exemptions in line with the criteria of the Act.

When children cannot be assessed as safe, the Department will apply to the Court for a child protection order to have the parental responsibility for the child granted to the Chief Executive Officer or another third party. In 2015-16 the Department worked with the Court to improve the provision of information, and responded to new directions aimed at achieving better outcomes. Specifically the Department participated in revised case conferencing processes that aimed to limit adversarial court hearings. Positively the number of children with Orders on Adjournment (i.e. matters still pending a final court outcome) had reduced to 126 from 162 by 30 June 2016.

**CHART 6: Number of Children on Child Protection Orders**





## CASE STUDY – Partnering with families to keep children safe

In 2015-16 the Department received concerns that a young male was presenting with potentially life threatening volatile substance abuse. While the family of the child were desperate to change the child's behaviour they were unable to do so on their own. The Department partnered with the family and other services providers to put intensive support around the young person to try and keep the child safely at home. To do this the Department sourced expertise from another jurisdiction to work with the child and family.

Despite the intensive in-home support work, the child continued to be challenging. It was eventually decided jointly with the family that the child should come into the care of

the Chief Executive Officer to receive the intense level of care that was not possible for the family to achieve in their home. This was a very difficult decision for the family and it was the strong partnership and trust that had been developed between the child protection workers, the other services involved and the family that allowed the decision to be made in the best interests of the child.

While there continues to be challenges for everyone involved, there has been a significant reduction in the degree of risk. The family and all service providers continue to work together with the goal of achieving the best possible outcome for this child.

**TABLE 3: Five Year Actuals for BP3 Measures – Child Protection Output Group**

	2011-12	2012-13 <sup>1</sup>	2013-14	2014-15	2015-16
Child protection notifications received	7 970	9,967	1,936	17,032	20,465
Investigations commenced	4,006	3,802	4,905	7,091	7,862
Investigations finalised	4,257	3,558	4,303	6,870	8,167
Investigations substantiating harm	1,705	1,483	1,685	2,075	1,907
Investigations of reports commenced					
–Category 1: within 1 day	85%	90%	-	-	-
–Category 2: within 3 days	67%	82%	-	-	-
–Category 3: within 5 days	49%	84%	-	-	-
–priority 1 – 24 hours	-	-	93%	95%	89%
–priority 2 – within 3 days	-	-	88%	77%	78%
–priority 3 – within 5 days	-	-	85%	75%	71%
–priority 4 – within 10 days	-	-	89%	80%	62%

1. On 1 January 2013, DCF introduced a new four-tier priority response rating system. The new system brings the Territory closer to contemporary practice in other Australian jurisdictions by enabling more rapid responses to vulnerable infants that do not meet priority 1 (the new 3 day, priority rating 2 category enables this response).

## Outcome 2: Optimise Outcomes for Children in Care

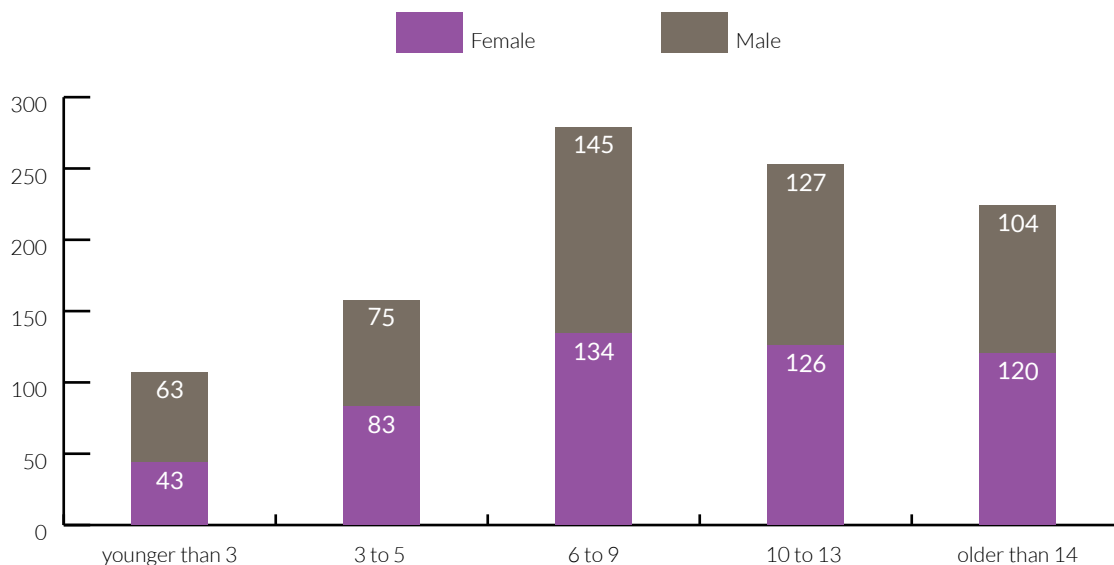
Children in out of home care are among the most vulnerable Territorians. They are children who have been removed from their parents and families due to incidents or a history of abuse and neglect. As at 30 June 2016, there were 1,020 children in out of home care in the Northern Territory, an increase from 997 children at the same time in 2015.

**CHART 7: Number of Children in Out of Home Care, 30 June, Past Five Years by Indigenous Indicator**



Of the 1,020 children in care, 908 (89 per cent) are Aboriginal, 514 (50.3 per cent) are male, and more than half are younger than 10 (279 are between 6 and 9 and 265 are younger than 6).

**CHART 8: Children in Out Of Home Care at 30 June 2016 by Gender and Age**



To optimise outcomes for children in care the Department ensures that:

1. children in care experience safety and stability
2. children in care have their needs met
3. children in care live in nurturing care environments.

## CHILDREN IN CARE EXPERIENCE SAFETY AND STABILITY

The impact of stability and safety on children and their development is well known, and research continues to confirm that children have better outcomes when they feel secure in a stable placement.

In 2015-16 the Department continued to emphasise the importance of placement decision making and processed 5,469 placements requests for children in care. A placement request is required prior to any planned movement of a child, and either every 3 or 6 months for children in non-foster or kinship care placements, depending on their complexity. In order to seek a placement, case managers are required to provide detailed information on the child's needs, behaviours and interests to enable effective placement decision-making. The formalisation of the placement request process has greatly improved the services provided to young people in care and enables decision makers to ensure that placements are suitably matched to emphasise stability and support and prevent unnecessary placement breakdowns. As at 30 June 2015-16, 714 or 70 per cent of all children in care had been in three or fewer placements over their time in care. Some 294 children remained in their initial placement and 46 of these had been in care for more than five years.

While the number of children entering the Chief Executive Officer's care over the last year has decreased on prior years, the total number of children on care and protection orders continues to grow. This is because the number of children in long-term orders (those who are in care until they reach 18 years of age) has grown considerably. On 30 June 2016, more than half of the children in care were in care until they reach 18 years of age. Of these 55 children were younger than five. Collectively these 55 children represent a minimum requirement to provide 715 years of care. It is for these reasons that the Department invests significantly in the recruitment and support of carers who can provide long-term, stable and caring homes for children.

On 1 July 2015 Permanent Care Orders became available under the *Care and Protection of Children Act*. These orders enable the transfer of parental responsibility for a child to a third party until the child reaches 18 years of age. The order is designed to assist carers, particularly kinship carers, to assume full responsibility for children who would otherwise remain in out of home care until they are 18. While the Department received a level of interest and processed a number of applications, there were no actual orders granted in 2015-16.

Out of home care is intended to keep children safe, protect them from further harm and address past trauma. Whenever the Department receives information that a child in care may not be safe an immediate response to address the concerns occurs. Through this process the Department's Practice Integrity Unit coordinates a Departmental response to any concerns about the safety or wellbeing of a child in care. Overall in 2015-16 the Department investigated 496 concerns about the wellbeing and safety of children in care and in 86 cases found that the child had been or was at risk of harm. This compares to 123 substantiations that occurred in 2014-15.

To improve the safety and quality of services to children and young people in out of home care, the Department engaged the Australian Childhood Foundation to implement a therapeutic model of residential care. This project includes the development and design of a residential care service that is trauma informed and contextualised to the Northern Territory environment. Over the year the Department worked collaboratively with the Australian Childhood Foundation involving consultations and multiple residential care site visits. In late 2015-16 a draft model was delivered that will guide and equip Department staff to understand trauma and stabilise, support and manage children and young people in residential care settings to improve their outcomes.



## CASE STUDY – Responding to concerns about a child in care

An Aboriginal teenage girl came into care as a result of physical abuse, medical neglect, lack of supervision and parental mental health issues. She is subject to a long term Protection Order with parental responsibility to the Chief Executive Officer until 18 years of age. Not long after entering care, she was placed with a grandparent, in an authorised kinship care arrangement.

In 2015-16 the girl had a range of escalating high risk behaviours including alcohol and substance misuse, absconding, and non-engagement in school. Her grandmother initially struggled to manage these behaviours and experienced stress and anger which resulted in notifications being made to the Department in relation to the standard of care she provided. The Practice Integrity team facilitated responses to these notifications, coordinating the case management team, Investigation and Assessment team, and Out of Home Care Division to ensure that there was a collaborative approach and that all services provided by the Department were

assisting the child. Case management linked the grandmother in with therapeutic support, and through this she was able to implement strategies to manage her stress. As a result, she was able to seek assistance from her family to better support her granddaughter. The grandmother also established a strong, trusting relationship with the Department's Aboriginal Community Worker who became a key source of support. Through persistence the grandmother was able to access the support she required to keep caring for her granddaughter.

Although the girl continues to display high risk behaviours, her grandmother has remained firm and her patience has seen the girl's behaviours improve. The grandmother has recently expressed an interest in applying for guardianship of her granddaughter, meaning strong connections have been formed to ensure that this child has an opportunity attain a stable and caring family based placement.

## CHILDREN IN CARE HAVE THEIR NEEDS MET

Meeting the needs of a child in care requires the Department's case managers to establish and maintain trusting, effective and engaging relationships with the child. Throughout 2015-16, case managers were routinely seeing more than 750 children per month (or 25 children each day). This is a significant achievement, given our geographic characteristics, travel limitations in the Wet Season and an increasing focus on keeping children placed in remote communities.

In 2015-16 the Department also attempted new methods of engagement including participation in a national electronic survey. The survey of Northern Territory children was conducted between March and July 2015, targeting those aged eight to 17 years who have resided in out of home care for at least three months. Ninety six children in care were surveyed. Of these:

- 90 per cent were Aboriginal young people
- 56 per cent were placed in Foster Care/Purchased Home Based Care
- 47 per cent were male and 53 per cent female
- 46 per cent were from Central Australia, 28 per cent from Katherine and 26 per cent were from Greater Darwin.

The survey responses provided an opportunity for case managers to consider how children perceive their life in out of home care. Each child's individual survey results were provided to their case manager for action and also informed broader considerations of emerging themes. Of the surveyed children:

- 73 per cent felt people listened to them most of the time
- 70 per cent believed people explained decisions to them
- 61 per cent believed they had a say about what happens for them.

The Department creates a care plan for every child in care outlining how the child's individual needs are to be met. A quality care planning process requires staff to engage with the child, parents, family, carers, educators, health practitioners and other service providers to ensure that all needs are identified and that parties understand their role. Throughout 2015-16 the Department of Children and Families maintained approved care plans for over 800 children in care, while the remaining number cycled through the review and approval process. In 2015-16 the Department commenced a pilot Boarding School Initiative for children in out of home care. The initiative includes a shared worker between the departments of Children and Families and Education to coordinate funding, school matching and support to reduce disengagement and placement breakdowns. Over the year 16 young people were successfully engaged in schooling and boarding with a number of education institutions that have greatly improved each child's ability to reach their potential.

Overall in 2015-16 three hundred and four children left care. Of these the vast majority returned to their families following the reduction in the risk factors that had led to them coming into care. For these children the Department's work with the parents has meant that they can grow up with their family. For other children their time in care ends when they reach the age of 18. It is at this age that the legal authority for the Department to provide parental responsibility ends. Prior to a young person reaching this stage the Department will undertake a leaving care planning process, engaging the young person in preparations for adulthood. The Department funds the 'Moving On' program and 'Go Your Own Way' kits to assist all teenagers in care prepare for independent living, and also provides ongoing support to care leavers up to the age of 25.

### CASE STUDY – Supporting Reunification

A young boy was one of a sibling group of children who were removed from the care of relatives due to severe neglect and placed on a two year order giving parental responsibility to the Chief Executive Officer. During his time in care the young boy demonstrated a number of concerning behaviours associated with his upbringing. This included hyperactivity, defiance, poor concentration, failure to engage in school work, verbal and physical aggression, low frustration tolerance, poor peer relationships and poor attachments.

Upon his entry to care the child received services aimed at addressing the trauma. This included play-based and art-based therapies as a contemporary approach to treating complex developmental trauma. As part of the therapeutic approach, the Department's In-Care Support therapist worked with the school, special education teacher, mental

health services, case management, carer and the biological parent.

In 2015-16, after 18 months in care, the biological mother requested the child be returned to her care when the order ceased. Support work was undertaken with the mother and her parenting capacity assessed in conjunction with case management and mental health services. By working together with the mother and child the Department's workers were able to effect sufficient changes for the boy to return home.

The child continues to live with his mother and although there are some behavioural concerns, these have greatly reduced and the mother continues to be assessed as managing well. Through the commitment and persistence Departmental staff have ensured that this child and mother can live together.

## CHILDREN IN CARE LIVE IN NURTURING CARE ENVIRONMENTS

While the Department does all that it can to optimise outcomes for children in care, it cannot do it alone. The stability of a nurturing home environment improves social and emotional wellbeing and helps to provide vulnerable young people with a bright future.

Across the care continuum the Department provide six major placement types:

- Kinship Care Households
- Foster Care Households
- Purchased Home Based Care
- Residential Care
- Other Forms of Care – including boarding school, youth detention, hospital, or parents for the purpose of reunification.

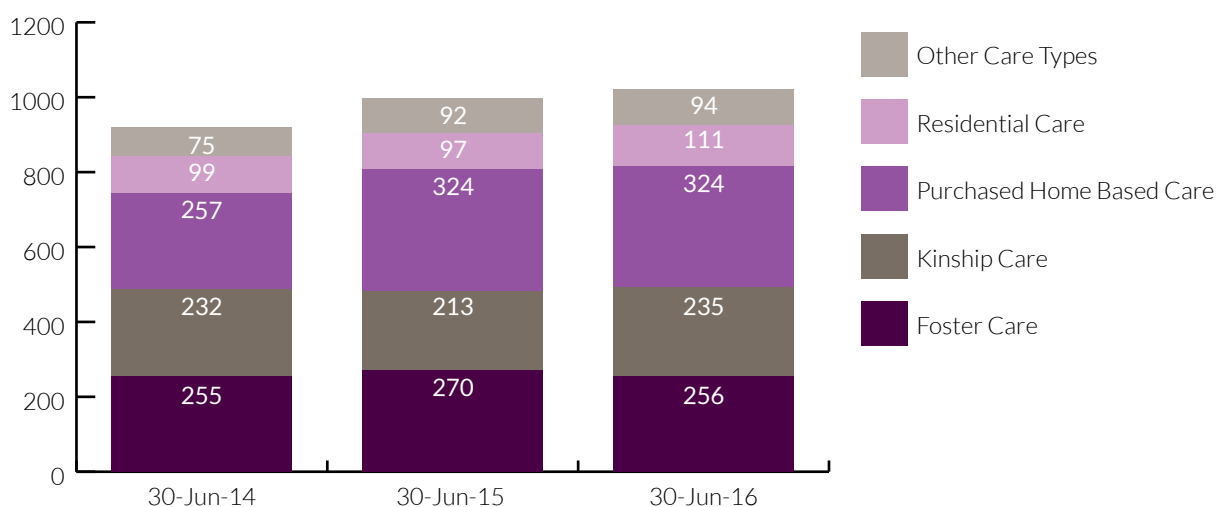
Out of home care services seek to promote continuity of care and minimise placement disruption for all children. Each child in care is matched with carers who have the capacity to meet their needs, support their development and maintain positive family, community and cultural connections.

A placement within the child's immediate or extended family is preferred for all children, therefore the search for suitable placement options within the child's immediate and extended family occurs until all options have been exhausted.

In determining where to place a child the Department will consider the young person's history (culture and identity and lived experience) as well as their needs (routines, appointments, school, health, childcare or other educational details). The child's views and wishes, the presence of siblings and the long term case management strategy for the child will also inform the placement decision.

In 2015-16 the Department was successful in increasing the number of children in care placed with kinship carers. The Department also recruited and approved 176 new foster and kinship carer households. This was slightly more than the 160 recruited in the year before. The Department also achieved improved compliance with the number of children in placements with current authorised carer registrations reducing from 70 children in unregistered placements at January 2015, to six children in unregistered placements at the end of June 2016.

**CHART 9: Children in Care by Placement Type**





Not all children are able to be placed in home based care. For these children the Department funds and operates residential care services and facilities. In 2015-16 the Department funded:

- 13 General Residential Care services in Darwin, Katherine, and Alice Springs for young people between 12 and 18 years of age and who have complex needs
- 10 residential placement services in Darwin, Katherine, Alice Springs, and Tennant Creek
- a therapeutic counselling service in Alice Springs
- a leaving care service, delivered in both Darwin and Alice Springs, for young people who are transitioning from care.

In 2015-16, the Department received an additional \$10 million ongoing to address the rising cost of caring for children in out of home care. These funds were used to provide placements to children with complexities that preclude them from foster and kinship care placements.

In July 2015, the Department opened the Community Based Children's Care Service in Tennant Creek. This facility allows children from the local region to remain in Tennant Creek while foster and kinship carers are found. Children, from newborn babies up to age 12, can remain close to family connections instead of being relocated to Darwin or Alice Springs. The facility is operated by Lifestyle Solutions and was established to provide a safe, culturally sensitive and developmentally appropriate emergency short term care option. The Community Based Children's Care Service is intended to reduce the trauma of removal and ensure that the children remain connected to their community and family.

To improve placement options the Department continued to focus on recruiting more foster and kinship carers and improving support to those in the community who already provide care. The Foster Carer Attraction, Recruitment and Retention Strategy 2015-2016 included development of:

- a Carer Attraction and Recruitment Team, whose role is to support the recruitment of foster carers, including Aboriginal carers
- 'talking posters' that have been produced in key Top End and Central Australian Aboriginal languages.
- radio adverts inviting Aboriginal people to become carers.

Aboriginal community engagement is designed to increase placement options for Aboriginal children and young people and enhance Departmental efforts to meet the intent of the Aboriginal Placement Principles. To achieve this outcome the Department developed 'Talking Posters' as a tool to promote what is required to become a foster or kinship carer in language. The posters are community and child friendly and aimed at catching the eye of passers-by. Talking Posters launches occurred in Wurrumiyanga and Wadeye with further launches scheduled for Yuendumu, Maningrida and Kalkarindji.

## CASE STUDY - Out of Home Care – Kinship Carers

Five siblings have been placed with their extended family who volunteered to be registered as kinship carers. As a result of this placement all five children have gradually overcome setbacks experienced in their early years and are thriving in a safe and stable care environment. The carers are proactive in addressing any problems and have sought assistance from case managers, counsellors and school staff to help them understand the challenges and respond in the best way possible. The carers patience and calm,

positive support and guidance has seen the children through difficult times including overcoming a fear of adults.

Significantly they have enabled each of the children to retain a positive relationship with their parents while protecting them from harmful exposure to their parents' problems. As a result the children are growing up within their family and culture knowing who they are and where they belong.

## CASE STUDY - Out of Home Care – Foster Carers

In 2015-16 the Department celebrated the efforts and motivation of a couple who originally, as first time carers, took on a set of twins. The carers were able to provide a stable environment, and develop a routine that the children now enjoy. The carers subsequently had a third foster child, a sibling of the twins, placed with them. One carer took a year off work to focus on the transition of the child into the household and to support the development of strong attachments between the siblings. The couple also made a decision to relocate to a larger home to accommodate the children more comfortably.

The carers are in regular contact with departmental case managers and work

together to ensure that the children attend appointments and a variety of extra-curricular activities. The carers have embraced the children's culture and provided meaningful connections with the children's extended family. They have worked consistently to provide the children with sensitive and loving care and provide flexible parenting strategies to meet the changing needs of the children.

Carers such as these not only provide opportunities to thrive for individual children in care, but also provide inspiration and motivation to the Department's staff.

**TABLE 4: Five Year Actuals for BP3 Measures – Out of Home Care Output Group**

	2011-12	2012-13	2013-14	2014-15	2015-16
Children on a care and protection order*	780	817	988	1,073	1,085
Children in out of home care*	700	748	918	997	1,020
Children admitted to out of home care	399	362	396	335	315
Children exiting out of home care	370	329	242	257	304
Days of out of home care	284,347	271,287	299,725	343,980	363,718
Foster places of care *	215	225	229	229	249
Kinship places of care *	125	147	185	205	205
Proportion of children on a care and protection order who exited care after less than 12 month who had 1 or 2 placements	92%	95%	95%	89%	92%

\*On 30 June 2016

# Outcome 3: Partner with Families, Communities and Agencies

The Department of Children and Families works with a broad range of internal and external parties. These include:

- children and young people
- parents and primary carers
- extended family and kin-relatives
- foster and kinship carers
- non-government providers and the community services sector
- government agencies
- individuals and communities affected by disasters, through our role in leading disaster welfare recovery responses.

To meet its goals and the needs of partners the Department aims to:

1. empower and support families and communities to keep children safe
2. trust and respect the carers who raise children in care
3. share our vision and responsibilities with partners who can provide effective services
4. form stronger partnerships in times of emergency.

## EMPOWER AND SUPPORT FAMILIES AND COMMUNITIES TO KEEP CHILDREN SAFE

Fundamental to the Department's work with non-government partners has been the implementation of the Family Intervention Framework. The Framework was developed in 2014 and refined through consultation with the non-government sector throughout 2015-16. The intention of the Framework is to define the services required by families which can reduce demand on the statutory child protection system and prevent a number of children entering and remaining in out of home care. The four service components of the Framework are:

- Child Safety Intervention
- Intensive Family Preservation
- Reunification Support
- Relative and Kinship Carer Support.

In 2015-16, the Department focused on implementing the Intensive Family Preservation Service as the first externally provided component of the framework. This involved replacing historical grant-funded family support services with a tendered panel contract. The select tender process was open to all existing family support providers and the successful providers are CatholicCare NT, Somerville Community Services, Tangetyere Council and Save the Children. The new contract arrangements will improve outcomes for families by providing better service quality and consistency, value for money and streamlined services linked to clearly defined outcomes.

Throughout 2015-16 the Department also provided a range of crisis accommodation services. Specifically in 2015-16, the Department of Children and Families allocated a total of \$13.21 million to deliver 38 domestic and family violence services across the Northern Territory. Over the year 467 women and 596 accompanying children escaping domestic and family violence accessed safe houses funded or operated by the Department and in April 2016 the Department consolidated the program management of domestic and family violence crisis accommodation and support services to improve program synergies. In June 2016 it was announced that all specialist domestic and family violence

functions would transfer on 1 July 2016, to a new Women's and Men's Policy and Domestic and Family Violence Services Division within the Department of Local Government and Community Services.

The Department also partners with couples seeking to adopt children. In 2015-16, the Department of Children and Families managed the assessment and finalisation of four local and three international adoptions. This compares to two adoptions in 2014-15.

## TRUST AND RESPECT THE CARERS WHO RAISE CHILDREN IN CARE

Foster and kinship carers are responsible for the daily care of children. Every day, carers open their homes to vulnerable and traumatised children and welcome them into their lives. To support the partnership with carers in 2015-16, the Department:

- initiated monthly carer morning teas as a key networking, support and engagement process
- designed and implemented a carer payment hotline, giving carers direct access to finance staff who are able to provide advice and make payments
- refined the Carer Community website
- designed the Carer Recruitment and Retention Strategy including the introduction of 'talking posters' in language and new engagement and support events
- provided induction training for foster and kinship carers
- recognised the achievement and contribution of individual carers through the Foster and Kinship Carer Excellence Awards.

The Training and Curriculum unit, in coordination with the Out of Home Care Division, facilitates two days of carer induction training, which contributes to the carer's authorisation requirements. It covers the strategies and dynamics associated with caring for children and includes an introduction to Aboriginal culture. Training attendance has increased dramatically since 2014 with 136 carers from each of the major centres receiving training in 2015-16.

The annual Foster and Kinship Carer Excellence Awards acknowledge the important work undertaken in partnership with the Department to provide support and stability to children in care across the Northern Territory. The awards provide recipients with the opportunity to be acknowledged and celebrated by their family, friends, fellow carers, service providers and their regional community. Seventeen recipients from 12 households were presented their awards by the Minister for Children and Families at the events in Darwin and Alice Springs in December 2015 and events were also held in other regional centres.

### CASE STUDY - Out of Home Care – Retiring Foster Carer

During 2015, a long term foster carer retired after 10 years of caring. Over this period the carer provided a home for 23 children, some for just a few days, others for many years. The carer indicated that the timing of her retirement would be dependent on seeing the two children who had been in her care since they were babies, settled into new homes. Over several months she worked closely with case managers to prepare the children, one for reunification with family in a remote community and the other for transition to a new long term placement.

On her retirement the carer reflected that her years of foster caring had given her great joy and that it had been a privilege to care for the children helping both child and family. The carer knew that she had impacted with purpose on the lives of over 23 individuals, who may have had an uncertain future had she not volunteered.



## SHARE OUR VISION AND RESPONSIBILITIES WITH PARTNERS WHO CAN PROVIDE EFFECTIVE SERVICES

The Department relies on the work of partners to deliver strong client outcomes. In 2015-16, the Department allocated \$41.9 million to external service providers through formal grant and contract arrangements. This included \$20.8 million for Out of Home care service providers; \$17.5 million for domestic and family violence, family support, early childhood and youth services; and \$1.75 million for peak bodies to provide Northern Territory wide advocacy, information and sector development services.

The peak bodies funded by the Department of Children and Families are:

- the Foster Carers Association of the Northern Territory
- the CREATE Foundation
- the National Association for the Prevention of Child Abuse and Neglect (NAPCAN).

Throughout 2015-16 the Department continued to partner with:

- the Foster Carers Association of the Northern Territory to:
  - support Department of Children and Families staff in carer induction and related training to strengthen the capacity and understand the role of foster and kinship carers
  - support the recruitment of foster carers
  - empower foster and kinship carers through mentorship, support, professional development and advocacy;
- the CREATE Foundation to:
  - provide a number of engagement opportunities for young people in out of home care, including connection activities, CREATE your future workshops and the Speak Up Program
  - produce and distribute the 'Go Your Own Way' Kits to assist young people transitioning from care
  - provide information and collaborate with other organisations to support improvements in Out of Home care services and care;
- NAPCAN to:
  - work with Department funded service providers to ensure that they develop and implement child safe and child-centred policies, programs and practices
  - promote child safety, child rights and prevention of child abuse and neglect
  - provide Mandatory Reporting workshops to increase community confidence and awareness of their roles and responsibilities in reporting family violence and child abuse and neglect
  - deliver the NAPCAN hosted breakfast to launch National Child Protection Week in September.

Nearly two thirds of the reports received by the Department of Children and Families are made by government employees. These public servants are important partners in the child protection system, and it is imperative that these organisations are well informed about what constitutes an effective report. Throughout 2015-16 the Department engaged with our public sector colleagues by providing education and communication on their responsibilities and role in protecting children.

The Department joined with the Department of Treasury and Finance, to develop a demand projection model to better understand and predict demands on out of home care services. The model allows the Department to forecast the number of children that may require its care and project demand for different types of care. The demand projection model integrates with the Department's expenditure modelling, allowing the Department to better plan and monitor staffing requirements, services and service costs. It improves the Department's reporting to government on the types of services and level of funding needed into the future.

Other cross government work included input into the:

- Great Start Great Future – Northern Territory Early Years Strategic Plan 2016-2020
- Northern Territory Government School Attendance Strategy 2016-2018
- Ice Action Plan and submission to the 'Ice' Select Committee
- Alcohol Action Plan.

Other key bodies through which the Department has worked with other agencies at the national and Northern Territory level include the:

- National Framework for Protecting Australia's Children (Third Action Plan) officials group
- Children and Families Secretaries coordinators group
- NT Suicide Prevention Coordination Committee
- Office of Aboriginal Affairs – Senior Officers Working Group
- Senior Officers Alcohol and Illicit Drugs Working Group
- Working with Children Check Improvements Interagency Working Group
- National Working Group on Inter-jurisdictional Carer Information Sharing System
- Youth Justice Advisory Group
- Youth Detention Review Advisory Group
- Cross-agency Sexual Assault Prevention and Response Strategy Working Group
- Crime Victims Advisory Committee
- Cross-agency Domestic and Family Violence Reduction Strategy Working Group
- NDIS Mainstream Interface Working Group
- Social Responsibility Standing Committee of the Northern Territory Government Coordination Committee
- Territory Emergency Management Group
- Countering Violent Extremism Cross Government Working Group.

## CASE STUDY - Partner with the Commonwealth

Throughout the majority of 2015-16, the Department of Children and Families participated in negotiations between the Australian and Northern Territory governments regarding a new National Partnership Agreement to replace the former 'Stronger Futures in the Northern Territory'.

The Northern Territory Remote Aboriginal Investment National Partnership Agreement was signed in May 2016 and builds on an established partnership between the Commonwealth and Department in relation to vulnerable children.

The new agreement provides funding for the development and delivery of a Remote Family

Support Service (RFSS) across selected remote communities throughout the NT. The aim of the agreement is to improve the delivery and coordination of child protection and family support services in remote areas.

The development of the Remote Family Support Service has been influenced by experiential learning from a number of previous remote programs; Remote Aboriginal Family and Community Program, Community Child Safety and Wellbeing Teams and the Mobile Outreach Service Plus.

## FORM STRONGER PARTNERSHIPS IN TIMES OF EMERGENCY

The Department of Children and Families leads the Northern Territory's Welfare Group. The Welfare Group is enacted at times of emergency to provide for the victims of, and those impacted by disasters and emergencies. Membership of the Welfare Group includes:

- Australian Government – Department of Human Services
- Australian Red Cross
- St Vincent de Paul
- the Salvation Army Northern Territory
- Foodbank Northern Territory
- the Royal Agricultural Society of the Northern Territory
- Northern Territory Emergency Services
- Department of Housing
- Department of Correctional Services
- Employee Assistance Services Australia.

The Department of Children and Families played a key role in the Northern Territory Government's response to flooding of the Daly River. As leader of the Welfare Group, the Department established an evacuation centre at the Darwin Showgrounds to enable the evacuation of the Nauiyu Community on 26 December 2015.

The set up of the evacuation centre on Boxing Day and the coordination of accommodation care for over 400 people for 18 days was a significant logistical achievement. The Department recognises the importance of our government and non-government partner agencies and volunteers who assisted and supported the Department in our emergency operations centres and recovery coordination. Contributions from Welfare Group members, including the Northern Territory departments of Housing and Correctional Services, Australian Red Cross, Australian Government Department of Human Services, various non-profit agencies and other Northern Territory Government departments, were sustained throughout the entire evacuation period.

During this emergency the Department coordinated a range of outreach support services as well as personal hardship and distress assistance to residents impacted by the flood under Natural Disaster Relief and Recovery Arrangements. These payments assisted residents impacted by the Daly River Flood for the replacement of essential household goods. Through effective partnerships the Department was able to institute a process that enabled residents to submit their applications while residing in the evacuation centre. Over 330 applications for more than \$300,000 in immediate relief payments and essential household goods replacement submissions were assessed by Department staff and processed to coincide with their return home.

# Outcome 4: Continuous Improvement to Enable Contemporary Practice

To achieve its commitment to continuous improvement to enable contemporary practice the Department endeavours to:

1. foster a culture of innovation and effective governance
2. use evidence to improve services and decisions
3. value and enhance transparency and accountability
4. invest in technology to enable best practice and connected services.

## FOSTER A CULTURE OF INNOVATION AND EFFECTIVE GOVERNANCE

In 2015-16, the Department of Children and Families completed a number of key reforms designed to improve the effectiveness of our decision making and service delivery. This included:

- establishing new management meeting structures that clarified decision pathways
- adopting five clear outcome statements, and developing these into a cultural framework aligned to clear Vision, Mission and Values statements
- aligning performance data to outcome measurements focused on clients
- introducing new Budget Paper 3 key performance indicators to more transparently demonstrate our outcomes
- implementing a structural realignment to clarify the disciplines and functions of each area of the Department, including the establishment of two general manager roles and the creation of a Knowledge Management Branch and a Program Management Office
- updating the Strategic Risk Register using a methodology that changes the focus from risk avoidance to risk management
- establishing a standardised business plan for Divisions and Units, including linked outcome and risk priorities that emphasised shared responsibility.

In 2015-16 the Department initiated a program of Senior Leaders Forums, through which all senior staff came together every six months for professional development and to shape the business of the Department. The first Senior Leaders Forum was held on the 19 August 2015 and focused on leadership, and what it means to be a leader, particularly in a human services environment. There was a significant focus on the behaviours required from leaders to transform the culture and performance of a Department. The second Senior Leaders Forum in March 2016 built upon the success of the first forum to refresh our Vision, Mission and Values statements.

## USE EVIDENCE TO IMPROVE SERVICES AND DECISIONS

The design and introduction of the Family Intervention Framework, and the initial Intensive Family Preservation Service stream was a key body of service improvement conducted by the Department based on evidence based research. The implementation of the Family Intervention Framework involved significant consultation in 2015-16. This included online submissions, a series of workshops in Alice Springs and Darwin, and discussions with non-government service providers and key stakeholders. The consultations occurred between July and September 2015, and enabled the detailed design of the Intensive Family Preservation Service tender process.

In 2015-16 the Department examined options to improve advocacy and service coordination so that children who have been affected by serious and criminal abuse, are not further harmed during the investigation (for example by being exposed to trauma as a result of repeated questioning). The research



highlighted that supporting children who have experienced child sexual abuse or criminal neglect is complex and requires services and support from multiple agencies. In response the Department produced a public discussion paper titled *'Through the Eyes of a Child: Improving Responses to Victims of Child Sexual Abuse and Criminal Neglect'*. The paper was publicly released in late 2015, and submissions invited from key stakeholders and community members. Eighteen submissions were received and collectively they indicated strong support for integrated service delivery models to address the challenges identified.

Internally the Department continued to develop and review its suite of policy and procedure documents to ensure they remain contemporary. In 2015-16 the Department revised more than 40 policies covering family and parent support services, post child protection investigation support services, permanent care orders and placement decision making. Revision activity also extended to the Department's suite of procedures, forms and templates including the in-home case plan and family preservation plan.

## VALUE AND ENHANCE TRANSPARENCY AND ACCOUNTABILITY

The Department is committed to open and transparent governance and seeks and responds to the views of clients and external experts who can assist us to improve our services.

### FREEDOM OF INFORMATION

The Department manages formal applications received under the Freedom of Information provision of the *Information Act* and has a small team who assist members of the public and other organisations to access government and personal information. In 2015-16, 31 Freedom of Information applications were lodged and accepted by the Department. One was withdrawn before a decision could be made and the remaining applications were processed.

The Department was also served with 65 court orders for production of material on Subpoena, Summons and Section 69ZW (Family Court) matters in 2015-16. Section 69ZW requests are those sent directly by a Family Court Justice, requesting copies of notifications, assessments and investigation reports to be produced prior to a set court date. In addition, there were three Coroner's Warrants received by the Department.

### COMPLAINTS

Complaints are a valued component of the Department's continuous improvement processes and allow staff to understand client and stakeholder views. Responding to, and resolving, complaints demonstrates that the Department is accountable to service users, partners and the community. In 2015-16, 256 complaints were received. Of these, 252 were resolved and four were ongoing at the end of the year.

**TABLE 5: Complaints Over Three Years**

	2013-14	2014-15	2015-16
Complaints Received	145	203	256
Complaints Resolved	141	192	252
Average days taken to resolve complaint	21	13	28
Complaints Ongoing	4	11	4

### AUDIT AND RISK

In 2015-16 the Department's Audit and Risk Committee met on three occasions (15 October 2016, 24 February 2016 and 31 May 2016). The Committee considered a number of reviews conducted by Department staff and the Auditor General including finance, compliance and performance audits.

The Committee recommended that the Chief Executive Officer endorse the audit and review plan prepared for 2016-17. The plan was revised during 2015-16 to specifically bring together the corporate and practice reviews conducted across the Department into one consolidated plan.

## THE NORTHERN TERRITORY CHILDREN'S COMMISSIONER

The Northern Territory Children's Commissioner monitors and reports on the Department's services to vulnerable children through the roles set out in the *Children's Commissioner Act*. The Children's Commissioner may investigate complaints about services provided by the Department or refer complaints to the Department for investigation and resolution. The Department collaborates with the Office of the Children's Commissioner to resolve any concerns about service delivery to vulnerable children.

In 2015-16 the Children's Commissioner:

- referred 41 complaints to the Department for investigation and resolution, of which 40 were resolved and one was in the process of resolution at 30 June 2016
- commenced five investigations of complaints relating to services provided by the Department and completed five investigations.

Of the five completed investigations the complaint was upheld in four matters, and each recommendation made by the Children's Commissioner was accepted by the Department.

## CORONIAL INQUIRIES

In 2015-16 there were two coronial inquests held relating to the death of a child in the care of the Chief Executive Officer. The first inquest, held in April 2016, found that compliance with policy and legislation required improvement, and that changes have been made since the child's death and continue to be made. The Coroner made two recommendations in relation to documenting case transfers, and that the Minister for Children and Families consider possible changes to improve mental health systems and procedures. The second inquest, held in June 2016, found that the child's care was appropriate and no recommendations were made.

## ROYAL COMMISSION INTO INSTITUTIONAL RESPONSES TO CHILD SEXUAL ABUSE

The Royal Commission into Institutional Responses to Child Sexual Abuse commenced in January 2013. In 2015-16, the Department of Children and Families has continued to work cooperatively with the Royal Commission to provide information on current and historical policies, procedures and actions taken in response to allegations of sexual abuse.

In March 2016, the Royal Commission released the '*Institutional Responses to Child Sexual Abuse in Out of Home Care: Consultation Paper*'. The Department provided a detailed response to the paper in April 2016 and also made staff available for liaison with the Royal Commission's research area.

During the year, the Department responded to one Royal Commissioner Notice to Produce.

## INVEST IN TECHNOLOGY TO ENABLE BEST PRACTICE AND CONNECTED SERVICES

In 2015-16 the Department implemented genealogy software to map and present family trees and genograms. A genogram is an extension of a family tree that uses symbols to describe family patterns and relationships across generations, the nature of the emotional relationships between individuals, and health and lifestyle characteristics, including potential risk factors. The software was tailored to the Northern Territory environment including complex cultural kinship systems, enabling Department staff to identify, understand and draw on the strengths in family groups and identify potential kinship carers within the child's family structure. As part of the implementation genopro training was delivered to 116 staff across all offices.

In June 2016, video conference facilities were installed in all regional offices. This technology has enabled clearer, more effective and efficient communication with staff across the Department. It has also reduced the amount of staff travel required between regional centres for operational and administrative purposes. The anticipated gains to be realised over time include reducing the Department's carbon footprint through less vehicle and air travel, more efficient use of departmental resources and better support for the wellbeing and safety of staff.

The major development to the Department's Client Management System in 2015-16 involved implementation of Permanent Care Orders functionality and reporting capability. Other maintenance and minor system enhancements included the implementation of:

- revised Primary Child Protection Substantiated Harm Types
- additional Child Protection Report Context Code Table Items and the Deactivation of Code Table Options
- the ability to Revoke Intake Events
- the development and extraction of data for Structured Decision Making Risk Validation.

The Department also improved the call queue system used by the Central Intake Team to include a call-back feature, call-recording for quality assurance, and changes to the electronic roster system to improve staff capacity after business hours.

Throughout the course of 2015-16 the Department explored the use of mobile devices to aid child protection practice. This followed the successful use of tablets to engage children for the national survey of children in care, and culminated in the presentation of software that enables staff to access the client case management system through a portal when there is sufficient bandwidth.

Scoping assessments were produced on the feasibility of geo-location reporting from the current client management system, and an operational and executive dashboard report that focuses on exceptions and performance associated with protecting children from harm. The Department also undertook an information consultancy to investigate and make recommendations on the structure and build of an electronic records system for the Department.

At the close of 2015-16 the Department was in the process of conducting a business requirements document intended to articulate the information and system requirements of the Department into the future.

# Outcome 5: A Workplace that Values and Invests in Staff

The Department of Children and Families values and invests in its workforce. To do this the Department must:

1. build capacity by having the right staff in the right roles
2. build capability by supporting staff to grow and develop
3. ensure a safe, supportive, and professional work environment.

## BUILD CAPACITY BY HAVING THE RIGHT STAFF IN THE RIGHT ROLES

The Department continues to invest in strategies to support the delivery of high quality child protection services by attracting, recruiting and retaining staff. Overall in 2015-16 the total number of staff employed by the Department increased by 15 full time equivalents.

**TABLE 6: Employee Snapshot Summary 2014-15 and 2015-16**

Employees	2014-15	2015-16	Change
Full-time equivalent	607	622	15
Part-time	76	75	-1
Ongoing (permanent)	565	596	31
Fixed period (temporary/contract)	114	99	-15
Casual	37	21	-16

**TABLE 7: Staff by Classification at 30 June 2015 and 2016**

Employee Classification	2014-15	2015-16	Change
Administrative Officer 2	14	13	-1
Administrative Officer 3	56	62	6
Administrative Officer 4	76	75	-1
Administrative Officer 5	18	20	2
Administrative Officer 6	50	48	-2
Administrative Officer 7	27	29	2
Senior Administrative Officer 1	17	24	7
Senior Administrative Officer 2	12	13	1
Physical 4	59	46	-13
Professional 1	68	76	8
Professional 2	87	93	6
Professional 3	72	77	5
Senior Professional 1	31	29	-2
Senior Professional 2	6	4	-2
Executive Contract Officer 1	6	3	-3



Employee Classification	2014-15	2015-16	Change
Executive Contract Officer 2	6	7	1
Executive Contract Officer 3	1	2	1
Executive Contract Officer 5	1	1	0
<b>Total</b>	<b>607</b>	<b>622</b>	<b>15</b>

The Department is committed to prioritising employment for direct frontline service delivery with continuous recruitment activities, the use of recruitment agencies and improved recruitment practices. Throughout 2015-16 there were 119 commencements of employees in direct service delivery roles, with 70 of these being professional stream Child Protection practitioners. Overall the Department was successful in increasing the number of professional stream staff employed by the Department across the financial year.

The implementation of new recruitment practices has seen an improvement in employment stability with an increase in ongoing (permanent) employment and a reduction in both contract and fixed period (temporary/contract) employment.

Staff retention remains a priority area to ensure that staff develop a breadth of expertise and have both the confidence and the judgement to work with the most vulnerable and challenging families. As at 30 June 2016, 22 per cent of the workforce had between 5 to 10 years of service with the Northern Territory Government and 83 per cent of the workforce were employed in ongoing positions.

In 2015-16, the Department implemented an operational restructure to strengthen its frontline capacity. To better reflect the geographic considerations of case management, the Katherine and Northern Region serving the Katherine (Big Rivers), Nhulunbuy (Arnhem) and Northern Remote (Arafura) areas was replaced when the Department formed the Southern and Northern Divisions. The restructure also enabled the Department to establish defined teams within its larger child protection offices. This enabled staff to specialise in investigation and assessment, strengthening families, reunification or long term care work.

## BUILD CAPABILITY BY SUPPORTING STAFF TO GROW AND DEVELOP

The Department has a Professional Development Framework to ensure that all staff, regardless of their role within the organisation, have the knowledge and skills required to keep children safe. The Department's Professional Development Framework is structured to include:

- new employee induction/orientation processes
- a full suite of mandatory, face to face training tailored for frontline, specified staff and managers
- mandatory and non-mandatory online eLearning courses
- a post-training capability review, which is a tool for staff, team leaders and managers to evaluate the knowledge and skills gained through mandatory training
- external training assessed as relevant to the employee's position
- coordinated external, brokered training
- attendance at relevant conferences and events.

Since 2011, the Department has maintained and delivered the successful Learning Pathways Strategy which seeks to grow and retain a local Northern Territory workforce and places a major focus on developing the remote Aboriginal workforce. The Department has worked in partnership with a consortium of Registered Training Organisations, including Charles Darwin University, the Batchelor Institute, the Australian Centre for Aboriginal Knowledge's and Education, the Australian Childhood Foundation and BCA National to develop vocational courses as a base level qualification for staff. This provides staff with an 'earn as you learn' career pathway aligned to nationally recognised qualifications that meet their career aspirations.

In 2015-16:

- 15 staff progressed to the professional stream
- four staff completed a social work degree
- 15 remote staff from the Women's Safe House program graduated from Batchelor Institute
- 3 staff completed the Lookrukin program.

To ensure quality service delivery, the Department requires new frontline staff to undertake a suite of training programs to inform and standardise their contact and practice with children and families. An understanding of culture is a key aspect of all training offered. Key mandatory, face to face training supports new and developing staff to deliver child protection services in accordance with legislation, the Structured Decision Making model, policy and practice guidelines. All practicing child protection staff are required to complete the mandatory training including:

- critical pre-service training
- case management – children in care training
- Aboriginal cultural practice in child protection
- engaging and interviewing children and youth
- court and legal training
- supervision policy and practice.

In 2015-16 the Department offered additional courses for child protection practitioners on:

- the strengths approach to practice
- therapeutic crisis intervention
- applied suicide intervention skills
- mental health first aid
- methamphetamine use in the context of child protection.

The Department aims to not only increase Aboriginal representation in the workforce, but to support existing Aboriginal staff to progress to senior decision-making roles within child protection practice. Since the commencement of the Learning Pathways Strategy, more than 81 Aboriginal staff have completed one or more accredited courses in a community services discipline, ranging from certificate level to graduate certificate level.

The Department has implemented a number of processes to seek staff feedback. All employees were encouraged to participate in the Northern Territory Government 2016 People Matter Survey, to provide them with an opportunity to have their say on a broad range of workplace issues. The response rate achieved for the 2016 survey was 4 per cent higher than the 2014 survey rate and once the results are available the Department will work to develop a survey response plan to address all feedback received.

## ENSURE A SAFE, SUPPORTIVE, PROFESSIONAL, ADAPTIVE AND DYNAMIC WORKPLACE

The Department of Children and Families is committed to providing a healthy and safe workplace for all our staff, clients, contractors, volunteers and visitors. The Department continues to work within the requirements of the *Work Health and Safety (National Uniform Legislation) Act*.

In 2015-16 Work Health and Safety Initiatives included:

- consultation with staff about workplace health and safety policies and procedures
- mental health first aid training courses
- applied suicide intervention skills training courses
- first aid training courses
- ergonomics assessments and procurement of stand up desks for staff
- free flu vaccinations offered to all employees as a preventative measure.

To support the mental health and wellbeing of our workforce, all Department of Children and Families staff and foster and kinship carers are able to access the Northern Territory Public Sector Employee Assistance Program. The program offers employees, carers and their direct family members free confidential counselling sessions for each identified issue, to assist with work-related or personal concerns. In 2015-16 employees and foster carers across the Northern Territory continued to utilise these services through a choice of six service providers. A total of 362 Employee Assistance Program sessions were undertaken.

Overall in 2015-16 there were 88 work health and safety incidents reported, which is an increase of eight on the prior year. The category of "being hit by objects" constituted the largest overall category and the one that represented the largest increase.

When a worker is injured the Department of Children and Families supports the safe return of the employee to work. During 2015-16, 16 claims for workers' compensation were resolved and 9 new claims were received. At 30 June 2016 there were 12 open compensation claims.

**TABLE 8: Work Health and Safety Incidents Reported**

Incident Type	2014-15	2015-16	Change
Being Hit by Objects	29	35	+6
Biological Factors	2	1	-1
Body Stressing	3	2	-1
Chemicals and Substances	0	2	+2
Environmental Factors	3	3	-
Hazard	11	14	+3
Hitting Objects	4	2	-2
Mental Factors	10	10	-
Slips, Trips and Falls	10	12	+2
Vehicle Incidents and Other	8	7	-1
<b>Total</b>	<b>80</b>	<b>88</b>	<b>+8</b>

### CASE STUDY - Building the capacity and capability of our remote Aboriginal workforce

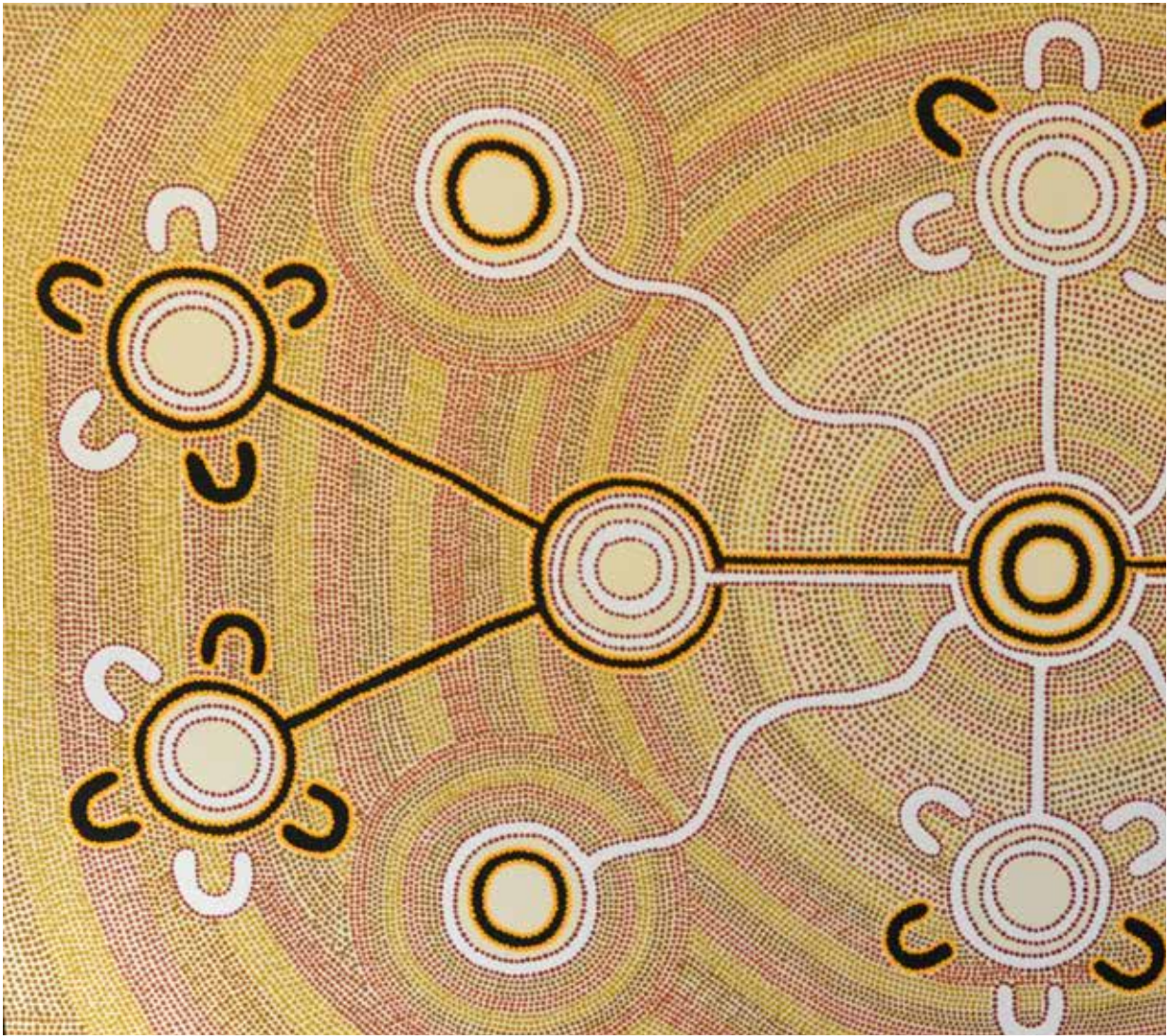
The Remote Family Support Service works alongside other teams from the Department of Children and Families, to provide 'hands on', culturally safe support to vulnerable Aboriginal children and families in 18 remote communities across the Northern Territory. The service aims to strengthen families, assist them to stay together and prevent children from entering or re-entering the child protection system.

A significant aspect of the program is the employment of local Aboriginal people who are fluent in both culture and language and are considered by communities to be a credible source of information. Of 26 employees delivering front line family support services within the Remote Family Support Service, 25 are Aboriginal people working in their own community.

The 25 Family Support Workers are connected to country, are part of the community, speak many local languages, and have local knowledge of families, clan groups and Aboriginal lore and culture. As respected community people, they also understand local protocols and culture, and are accepted by the community as positive role models who can communicate with families, agencies and service providers.

This local workforce is critical to achieving positive outcomes for vulnerable children and the families who reside in remote communities. Workers are able to assist child protection staff with cultural advice and provide ongoing support with the implementation of case plans, identify kinship placements and support placements for children in care.





## PART 3: FINANCIAL PERFORMANCE





## THE BUDGET

In 2015-16 the Department operated to a budget of \$182.7 million, with expenditure of \$185.5 million. This equated to an overspend of \$2.8 million or two per cent.

The 2015-16 original published budget was \$172.4 million however this increased across the year to \$182.8 million. The \$10.4 million increase was due to:

- an additional \$13.3 million constituting:
  - \$10 million ongoing for out of home care demand pressures
  - \$2.0 million one-off for extra ordinary events, including
    - \$0.9 million for the settlement of long term workers compensation claims
    - \$0.9 million for declared emergencies
    - \$0.2 million for the costs of response to a Coronial Inquiry.
  - \$1 million one-off for building related adjustments
  - \$0.3 million ongoing for notional charges for goods and services received free of charge delivered by the Department of Corporate and Information Services (non-cash).
- a reduction of \$2.9 million constituting:
  - \$0.9 million ongoing transferred to other agencies and for minor variations
  - \$2.0 million one-off transfer of Australian Government funding to future years.

**TABLE 9: Agency Budget Performance by Output 2015-16**

Output Group/ Sub Output	2015-16 Final Budget \$000 <sup>1</sup>	2015-16 Actual \$000	Variation \$000	Variation %
<b>Children and Families</b>	<b>170,114</b>	<b>172,798</b>	<b>(2,684)</b>	<b>(1.6%)</b>
Child Protection Services	28,269	26,733	1,536	5.4%
Out of Home Care Services	100,145	106,645	(6,500)	(6.5%)
Family and Parent Support Services	41,700	39,420	2,280	5.5%
<b>Corporate and Governance</b>	<b>12,655</b>	<b>12,721</b>	<b>(66)</b>	<b>(0.5%)</b>
Corporate and Governance	10,825	10,891	(66)	(0.6%)
Shared Services Received	1,830	1,830	-	0.0%
<b>TOTAL</b>	<b>182,769</b>	<b>185,519</b>	<b>(2,750)</b>	<b>(1.5%)</b>

1. The Final Budget includes an additional \$2 million than the 2015-16 Estimate published in 2016 Budget Paper 3. This relates to a Treasurer's Advance provided after the publish date, provided for extraordinary events. This funding was distributed across all sub-outputs.

The budget was distributed across outputs groups and sub-outputs.

Children and Families:

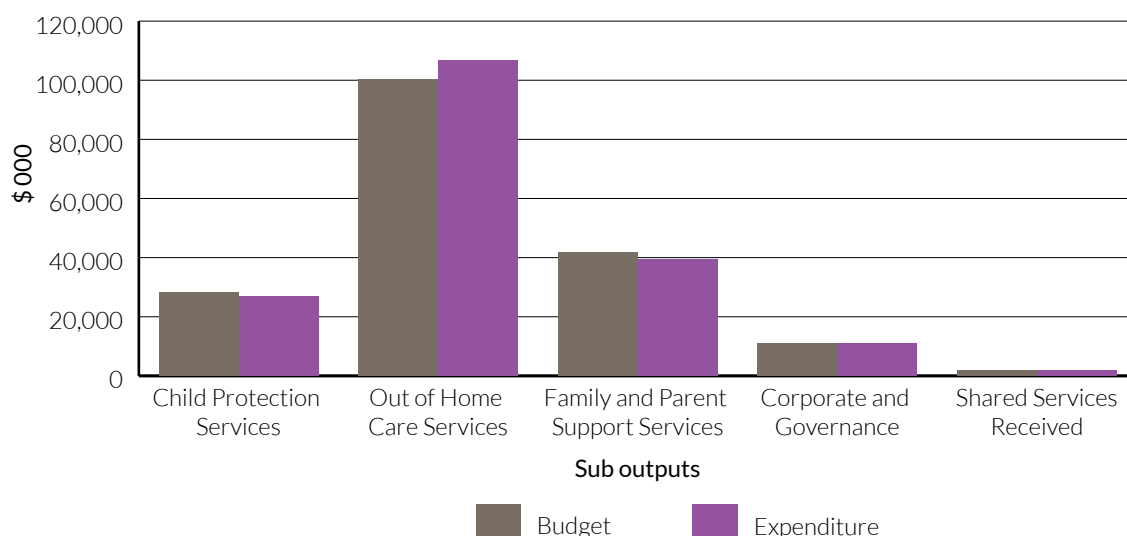
- Child Protection Services
- Out of Home Care Services
- Family and Parent Support Services.

Corporate and Governance:

- Corporate and Governance
- Shared Services Received.

The Corporate and Governance output includes functions such as shared services received from Department of Health, human resources, finance and procurement, corporate support and audit and internal review. All other operational and administrative costs are allocated across sub-outputs based on the relationship those costs have to the output.

**CHART 10: 2015-16 Budget and Expenditure by Sub Output**



## BUDGET CHALLENGES

The Department has limited capacity to control demand for services or the cost of care services, because these are primarily driven by the number and individual needs of children in the care. In 2015-16 an increase of residential care placements and an increase in the cost of Family Day Care services (one of the purchased home-based care service options) resulted in additional unbudgeted expenditure in Grants and Subsidies Expenses.

In 2015-16, over 54 per cent of the Department's budget was allocated to the delivery of out of home care services, with an expenditure result of \$6.5 million over budget. This comprised \$8.1 million of Grants and Subsidies Expense, offset by underspends in employees and administrative expense of \$1.6 million. Offsetting the out of home care services overspend of \$6.5 million were underspends of \$3.75 million across all other outputs, predominately related to Employee Expenses. In 2015-16 the Department allocated budget for an average of 711 full-time equivalent employees, with an actual average result of 616 employees.

In 2015-16 the Department received an additional \$10 million in Grants and Subsidies Expense budget which partially addressed the out of home cares services overspend. The Department also utilised the \$0.5 million, provided each year for a recruitment, attraction and retention campaign to increase the number of foster and kinship carers. Evidence shows that children thrive when in a home-based care environment, with foster and kinship care being both the most stable and lowest cost options.

Notwithstanding the demand pressures for services, the Department keeps downward pressure on operating costs by increasing productivity and finding efficiencies in corporate expenditure to ensure funding is available to deliver core services. This is achieved through improved procurement practice to source the most appropriate and competitive suppliers of goods and services and by continuously reviewing internal processes to improve efficiency and increase the use of technology.

# FINANCIAL STATEMENTS

A summary of observations and key variations is provided to assist in reading the financial statements and notes to and forming part of the financial statements.

## COMPREHENSIVE OPERATING STATEMENT (FINANCIAL PERFORMANCE)

The Department's financial performance resulted in an operating deficit of \$1.6 million, an improvement on the recorded deficit of \$6.3 million in 2014-15. The 2015-16 deficit is primarily a result of \$5 million in Commonwealth funding received ahead of requirement, offset by an overspend of Output Appropriation (NTG) of \$6.5 million.

### Income

The Department's principal revenue source, representing \$158.3 million or 86 per cent of 2015-16 revenue, is Northern Territory Government output appropriation. Commonwealth Government appropriation totals \$18.5 million or 10 per cent related to the National Partnership on Northern Territory Remote Aboriginal Investment.

The remaining \$7.3 million or 4 per cent is related to goods and service received free of charge received from Department of Corporate and Information Services (non-cash), Grants and Subsidies being payments from other departments, Sale of Goods and Services for Adoptions processing fees and Other Income which is repayment of funding to the department paid in prior years.

**TABLE 10: Comparison Between Years of Income by Category**

Income Category	2015-16	2014-15	Variation	
	\$000	\$000	\$000	%
Output Appropriation <sup>(1)</sup>	158,251	147,426	10,825	7.3
Commonwealth Appropriation <sup>(2)</sup>	18,451	15,800	2,651	16.8
Grants and Subsidies <sup>(3)</sup>	443	4,650	(4,207)	(90.5)
Goods and Services Received Free of Charge	6,608	6,139	469	7.6
Other Income <sup>(4)</sup>	203	561	(358)	(63.8)
<b>Total Income</b>	<b>183,956</b>	<b>174,576</b>	<b>9,380</b>	<b>5.4</b>

Key Variations:

1. \$10 million additional revenue provided to partially address expenditure overspends for out of home care services.
2. \$2.7 million additional revenue received from the National Partnership Agreement on Northern Territory Remote Aboriginal Investment (replacing the National Partnership on Stronger Futures in the Northern Territory). \$5 million has been paid in advance of expenditure requirements and has been budgeted for expenditure in the appropriate future year.
3. \$4.2 million reduction related to ceasing Alice Springs Transformation project grants paid by Department of the Chief Minister. Remaining revenue relates to the Integrated Response to Family Violence project which operates in Alice Springs.
4. \$0.4 million reduction related to one-off tax refunds received in 2014-15.

## EXPENSES

In 2015-16 the Department expended \$185.5 million, an increase of 2.6 per cent on 2014-15. Increases were predominantly attributable to the rising cost of out of home care services and annual wage increases for staff.

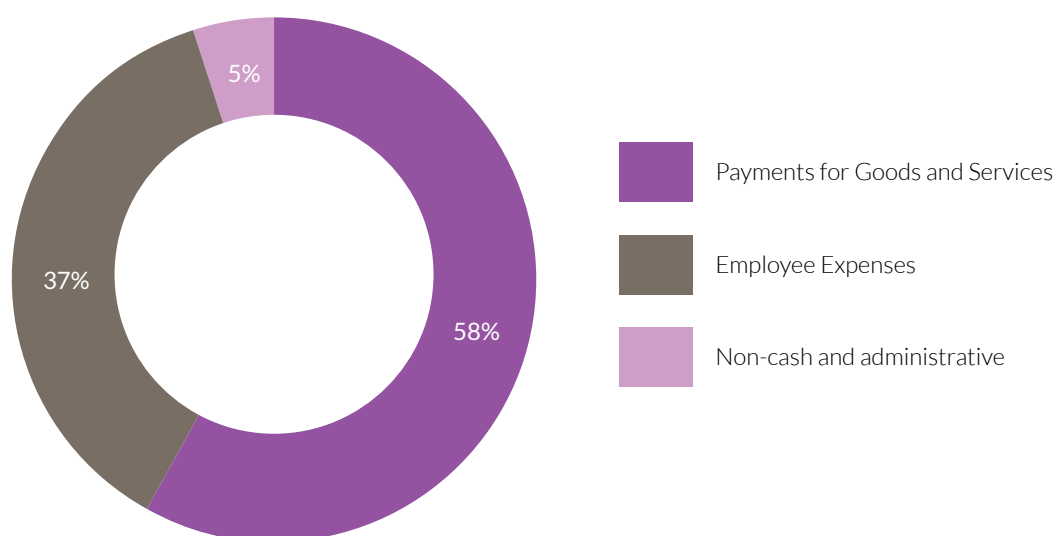
**TABLE 11: Comparison Between Years of Expenses by Category**

Expense Category	2015-16	2014-15	Variation	
	\$000	\$000	\$000	%
Employee <sup>(1)</sup>	68,751	67,213	1,538	2.3
Administrative				
Purchase of Goods and Services	14,620	15,172	(552)	(3.6)
Repairs and Maintenance <sup>(2)</sup>	472	367	105	28.6
Property Management <sup>(3)</sup>	1,777	2,168	(391)	(18.0)
Depreciation <sup>(4)</sup>	1,080	1,473	(393)	(26.7)
Goods and Services Free of Charge <sup>(5)</sup>	6,608	6,139	469	7.6
Other Administrative <sup>(6)</sup>	938	235	703	299.1
Grants and Subsidies <sup>(7)</sup>	91,273	88,065	3,208	3.6
<b>Total Expenses</b>	<b>185,519</b>	<b>180,832</b>	<b>4,687</b>	<b>2.6</b>

Key Variations:

1. \$1.5 million increase due to a 3 per cent pay rise in accordance with the Northern Territory Public Sector 2013-2017 Enterprise Agreement. There has been no increase in the number of staff paid between years.
2. \$0.1 million increase due to an improved maintenance program for residential care facilities.
3. \$0.4 million decrease due to the transfer of a building to Department of Education and savings achieved through changed car park arrangements.
4. \$0.4 million decrease due to transfer of building to Department of Education.
5. \$0.5 million increase for additional lease space at Darwin Plaza (level 2).
6. \$0.7 million increase for recognition of prior year building repairs not capitalised.
7. \$3.2 million increase due to rising cost of out of home care (purchased residential and Family Day Care providers).

The Department's expenditure profile, included \$108 million or 58 per cent of expenditure related to payments to external providers for goods and services, \$69 million or 37 per cent related to payments to employees and \$10 million or 5 per cent related to non-cash items and administrative expenditure such as depreciation, building repairs and goods and services received free of charge from Department of Corporate and Information Services.

**CHART 11: Department Expenditure Profile**

## STATEMENT OF FINANCIAL POSITION (FINANCIAL POSITION)

The Statement of Financial Position presents the balances for assets, liabilities and equity (net of assets and liabilities). Equity is the net worth of the Department and represents financial health.

The Department's assets comprise cash, receivables (future income), prepayments and property (land, buildings and equipment). The majority of cash has been received from the Commonwealth for delivery of the National Partnership Agreement on Remote Aboriginal Investment (\$5 million). Agency assets are mainly land and buildings used as residential care facilities.

The Department's liabilities comprise payables (payments to creditors) and provisions related predominantly to employee benefits.

**TABLE 12: Comparison Between Years of Assets, Liabilities and Equity**

Category	2015-16 \$000	2014-15 \$000	Variation \$000	%
Assets <sup>(1)</sup>	18,623	21,759	(3,136)	(14.4)
Liabilities <sup>(2)</sup>	15,031	14,511	520	3.6
<b>Equity<sup>(3)</sup></b>	<b>3,592</b>	<b>7,248</b>	<b>(3,656)</b>	<b>(50.4)</b>

Key Variations:

1. \$3.1 million decrease from the transfer of building to Department of Education.
2. \$0.5 million increase related to recreation leave liability.
3. \$3.7 million decrease in equity as a result of reduced assets (item 1) and increased liabilities (item 2).



**DEPARTMENT OF CHILDREN AND FAMILIES  
FINANCIAL REPORT**

**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the attached financial statements for the Department of Children and Families have been prepared from proper accounts and records in accordance with the prescribed format, the *Financial Management Act* and Treasurer's Directions.

We further state that the information set out in the Comprehensive Operating Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2016 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



ANNE BRADFORD  
CHIEF EXECUTIVE OFFICER

30 August 2016



KIM CHARLES  
CHIEF FINANCIAL OFFICER

30 August 2016

# COMPREHENSIVE OPERATING STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
<b>INCOME</b>			
Grants and subsidies revenue			
Current		443	4,650
Appropriation			
Output		158,251	147,426
Commonwealth		18,451	15,800
Sales of goods and services		41	43
Goods and services received free of charge	4	6,608	6,139
Other income		162	518
<b>TOTAL INCOME</b>		<b>183,956</b>	<b>174,576</b>
<b>EXPENSES</b>			
Employee expenses		68,751	67,213
Administrative expenses			
Purchases of goods and services	5	14,620	15,172
Repairs and maintenance		472	367
Property management		1,777	2,168
Depreciation expense	8	1,080	1,473
Goods and services received free of charge		6,608	6,139
Other administrative expenses		938	235
Grants and subsidies expenses			
Current		91,273	88,065
<b>TOTAL EXPENSES</b>		<b>185,519</b>	<b>180,832</b>
<b>NET DEFICIT</b>		<b>(1,563)</b>	<b>(6,256)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Items that will not be reclassified to net surplus/deficit			
Changes in asset revaluation surplus		(38)	468
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>(38)</b>	<b>468</b>
<b>COMPREHENSIVE RESULT</b>	3	<b>(1,601)</b>	<b>(5,788)</b>

The Comprehensive Operating Statement is to be read in conjunction with the notes to the financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2016

	Note	2016 \$000	2015 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and deposits	6	6,733	6,086
Receivables	7	1,260	1,064
Prepayments		159	164
<b>Total Current Assets</b>		<b>8,152</b>	<b>7,314</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8,9,10	10,471	14,445
<b>Total Non-Current Assets</b>		<b>10,471</b>	<b>14,445</b>
<b>TOTAL ASSETS</b>		<b>18,623</b>	<b>21,759</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	7,266	7,189
Provisions	12	6,126	5,835
<b>Total Current Liabilities</b>		<b>13,392</b>	<b>13,024</b>
<b>Non-Current Liabilities</b>			
Provisions	12	1,639	1,487
<b>Total Non-Current Liabilities</b>		<b>1,639</b>	<b>1,487</b>
<b>TOTAL LIABILITIES</b>		<b>15,031</b>	<b>14,511</b>
<b>NET ASSETS</b>		<b>3,592</b>	<b>7,248</b>
<b>EQUITY</b>			
Capital		26,883	28,938
Asset Revaluation Reserve (Land)	13	430	468
Accumulated funds		(23,721)	(22,158)
<b>TOTAL EQUITY</b>		<b>3,592</b>	<b>7,248</b>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 JUNE 2016

	Note	Equity at 1 July \$000	Comprehensive result \$000	Transactions with owners in their capacity as owners \$000	Equity at 30 June \$000
<b>2015-16</b>					
<b>Capital – Transactions with Owners</b>					
Equity injections					
Equity transfers in		19,655	-	1,385	21,040
Other equity injections		18,364	-	-	18,364
Equity withdrawals					
Capital withdrawal		(8,292)	-	-	(8,292)
Equity transfers out		(789)	-	(3,440)	(4,229)
		28,938		(2,055)	26,883
<b>Asset Revaluation Reserve (Land)</b>	13	468	(38)	-	430
<b>Accumulated Funds</b>		(22,158)	(1,563)	-	(23,721)
		(22,158)	(1,563)	-	(23,721)
<b>Total Equity at End of Financial Year</b>		<b>7,248</b>	<b>(1,601)</b>	<b>(2,055)</b>	<b>3,592</b>
<b>2014-15</b>					
<b>Capital – Transactions with Owners</b>					
Equity injections					
Equity transfers in		19,437	-	218	19,655
Other equity injections		18,364	-	-	18,364
Equity withdrawals					
Capital withdrawal		(8,292)	-	-	(8,292)
Equity transfers out		(704)	-	(85)	(789)
		28,805	-	133	28,938
<b>Asset Revaluation Reserve (Land)</b>	13	-	468	-	468
<b>Accumulated Funds</b>		(15,902)	(6,256)	-	(22,158)
		(15,902)	(6,256)	-	(22,158)
<b>Total Equity at End of Financial Year</b>		<b>12,903</b>	<b>(5,788)</b>	<b>133</b>	<b>7,248</b>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$000	2015 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating Receipts</b>			
Grants and subsidies received			
Current		443	4,650
Appropriation			
Output		158,251	147,426
Commonwealth		18,451	15,800
Receipts from sales of goods and services		6,165	6,531
<b>Total Operating Receipts</b>		<b>183,310</b>	<b>174,407</b>
<b>Operating Payments</b>			
Payments to employees		(70,058)	(67,527)
Payments for goods and services		(21,166)	(22,847)
Grants and subsidies paid			
Current		(91,273)	(88,065)
<b>Total Operating Payments</b>		<b>(182,497)</b>	<b>(178,439)</b>
<b>Net Cash From/(Used in) Operating Activities</b>	14	<b>813</b>	<b>(4,032)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Investing Receipts</b>			
Proceeds from sale of minor assets		4	-
<b>Total Investing Receipts</b>		<b>4</b>	<b>-</b>
<b>Investing Payments</b>			
Purchases of non-current assets	8	(170)	-
<b>Total Investing Payments</b>		<b>(170)</b>	<b>-</b>
<b>Net Cash From/(Used in) Investing Activities</b>		<b>(166)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase/(decrease) in cash held		647	(4,032)
Cash at beginning of financial year		6,086	10,118
<b>CASH AT END OF FINANCIAL YEAR</b>	6	<b>6,733</b>	<b>6,086</b>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.



# INDEX OF NOTES TO THE FINANCIAL STATEMENTS

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# 1. OBJECTIVES AND FUNDING

The Northern Territory Government is continuing to improve services and deliver new initiatives to support families and children across the Northern Territory.

Additional information in relation to Department of Children and Families ("the Department") and its principal activities is found in parts 1 and 2 of this report.

The Department is predominantly funded by, and is dependent on, the receipt of Parliamentary appropriations. The financial statements encompass all funds through which the agency controls resources to carry on its functions and deliver outputs.

For reporting purposes, outputs delivered by the agency are summarised into several output groups. Note 3 provides summary financial information in the form of a Comprehensive Operating Statement by output group.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### A. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the requirements of the *Financial Management Act* and related Treasurer's Directions. The *Financial Management Act* requires the Department to prepare financial statements for the year ended 30 June based on the form determined by the Treasurer. The form of agency financial statements is to include:

- i. a Certification of the Financial Statements;
- ii. a Comprehensive Operating Statement;
- iii. a Statement of Financial Position;
- iv. a Statement of Changes in Equity;
- v. a Statement of Cash Flows; and
- vi. applicable explanatory notes to the financial statements.

### B. BASIS OF ACCOUNTING

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur, rather than when cash is paid out or received.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention.

The form of the agency financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

The following new and revised accounting standards and interpretations were effective for the first time in 2015-16:

**AASB 1048 Interpretation of Standards** This reflects amended versions of Interpretations arising in relation to amendments to AASB 9 Financial Instruments and consequential amendments arising from the issuance of AASB 15 Revenue from Contracts with Customers. The standard does not impact the financial statements.

**AASB 2013-9 Amendments to Australian Accounting Standards [Part C Financial Instruments]**

Part C of this Standard amends AASB 9 Financial Instruments to add Chapter 6 Hedge accounting and makes consequential amendments to AASB 9 and numerous other Standards. The standard does not impact the financial statements.

**AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9**

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010). These amendments arise from the issuance of AASB 9 Financial Instruments in December 2014. The standard does not impact the financial statements.

**AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality**

The standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing the standard to effectively be withdrawn. The standard does not impact the financial statements.

**AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent**

Amendments are made to AASB 128 Investments in Associates and Joint ventures to require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities. The standard does not impact the financial statements.

**AASB 2014-1 Amendments to Australian Accounting Standards (Part E - Financial Instruments)**

Part E of this Standard defers the application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. The standard does not impact the financial statements.

The following standards and interpretations are likely to have an insignificant impact on the financial statements for future reporting periods, but the exact impact is yet to be determined:

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018
AASB 1056 Superannuation Entities	1 July 2016
AASB 14 Regulatory Deferral Accounts	1 January 2016
AASB 1057 Application of Accounting Standards	1 January 2016
AASB 2014-1 Amendments to Australian Accounting Standards [Part D Consequential arising from AASB 14 Regulatory Deferral Accounts]	1 January 2016
AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]	1 January 2016
AASB 2014-16 Amendments to Australian Accounting Standards - Agriculture: Bearer Plants [AASB 101, 116, 117, 123, 136, 140 and 141]	1 January 2016
AASB 2015-5 Amendments to Australian Accounting Standards - Investment Entities: Applying the Consolidation Exception [AASB 10, 12 and 128]	1 January 2016

Standard/Interpretation	Effective for annual reporting periods beginning on or after
AASB 2015-9 Amendments to Australian Accounting Standards - Scope and Application Paragraphs [AASB 8, 133 and 1057]	1 January 2016
AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128	1 January 2016
AASB 2016-1 Amendments to Australian Accounting Standards- Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	1 January 2017

The following standards and interpretations are expected to have a potential impact on the financial statements for future reporting periods:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 and 1049]	1 July 2016	New note disclosure to include remuneration of Key Management Personnel (KMP) and related party transactions.
2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	New disclosure on the reconciliation of the changes in liabilities arising from financing activities
AASB 16 Leases	1 January 2019	Reclassification of operating leases greater than 12 months to finance lease reporting requirements
AASB 9 Financial Instruments	1 January 2018	Simplified requirements for classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier as opposed to only when incurred
AASB 15 Revenue from Contracts with Customers	1 January 2018	Requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	1 January 2018	Amends various AAS's to reflect the deferral of the mandatory application date of AASB 9
AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 and AASB 138]	1 January 2016	Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated and clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Impact
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	Amends the measurement of trade receivables and the recognition of dividends.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018	Amends various AAS's to reflect the changes as a result of AASB 9
AASB 2014-9 Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements [AASB 1, 127 and 128]	1 January 2016	Allows an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statement at cost or using the equity method.
AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-14 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 and 140]	1 January 2016	The amendments include AASB 5 change in methods of disposal; AASB 7 Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 Discount rate: regional market issue and AASB 134 Disclosure of information 'elsewhere in the interim financial reports.

## C. REPORTING ENTITY

The financial statements cover the Department as an individual reporting entity. The Department of Children and Families ("the Department") is a Northern Territory department established under the *Interpretation Act Administrative Arrangements Order*.

The principal place of business of the Department is Darwin Plaza, 41 Smith Street, Darwin 0800, Northern Territory.

## D. AGENCY AND TERRITORY ITEMS

The financial statements of the Department include income, expenses, assets, liabilities and equity over which the Department has control (Agency items). Certain items, while managed by the agency, are controlled and recorded by the Territory rather than the agency (Territory items).

## E. COMPARATIVES

Where necessary, comparative information for the 2014-15 financial year has been reclassified to provide consistency with current year disclosures.

## F. PRESENTATION AND ROUNDING OF AMOUNTS

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. Figures in the financial statements and notes may not equate due to rounding.

## G. CHANGES IN ACCOUNTING POLICIES

There have been no changes to accounting policies adopted in 2015-16 as a result of management decisions.



## H. ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial report requires the making of judgments and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates that have significant effects on the financial statements are disclosed in the relevant notes to the financial statements. Notes that include significant judgments and estimates are:

- Employee Benefits – Note 2(t) and Note 12: Non-current liabilities in respect of employee benefits are measured as the present value of estimated future cash outflows based on the appropriate Government bond rate, estimates of future salary and wage levels and employee periods of service.
- Property, Plant and Equipment – Note 2(p) and Note 10: Fair Value Measurement of Non-Financial Assets: The fair value of land and buildings are determined on significant assumptions of the exit price and risks in the perspective market participant, using the best information available.
- Allowance for Impairment Losses – Note 2(n), Note 7: Receivables and Note 15: Financial Instruments. The allowance represents debts that are likely to be uncollectible and are considered doubtful. Debtors are grouped according to their aging profile and history of previous financial difficulties.
- Depreciation – Note 2(l) and Note 8: Property, Plant and Equipment.

## I. GOODS AND SERVICES TAX

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

## J. INCOME RECOGNITION

Income encompasses both revenue and gains.

Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

## GRANTS AND OTHER CONTRIBUTIONS

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the agency obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

## APPROPRIATION

Output appropriation is the operating payment to each agency for the outputs they provide and is calculated as the net cost of agency outputs after taking into account funding from agency income. It does not include any allowance for major non-cash costs such as depreciation.

Commonwealth appropriation follows from the Intergovernmental Agreement on Federal Financial Relations, resulting in Specific Purpose Payments (SPPs) and National Partnership (NP) payments being made by the Commonwealth Treasury to state treasuries, in a manner similar to arrangements for GST payments. These payments are received by the Department of Treasury and Finance on behalf of the Central Holding Authority and then onpassed to the relevant agencies as Commonwealth appropriation.

Revenue in respect of appropriations is recognised in the period in which the agency gains control of the funds.

## SALE OF GOODS

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be reliably measured;
- it is probable that the economic benefits associated with the transaction will flow to the agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## RENDERING OF SERVICES

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

## GOODS AND SERVICES RECEIVED FREE OF CHARGE

Goods and services received free of charge are recognised as revenue when a fair value can be reliably determined and the resource would have been purchased if it had not been donated. Use of the resource is recognised as an expense.

## DISPOSAL OF ASSETS

A gain or loss on disposal of assets is included as a gain or loss on the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

## K. REPAIRS AND MAINTENANCE EXPENSE

Funding is received for repairs and maintenance works associated with agency assets as part of output appropriation. Costs associated with repairs and maintenance works on agency assets are expensed as incurred.

## L. DEPRECIATION EXPENSE

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated using the straight-line method over their estimated useful lives.

The estimated useful lives for each class of asset are in accordance with the Treasurer's Directions and are determined as follows:

	2016	2015
Buildings	50 years	50 years
Demountables	20 years	20 years
Computer Hardware	10 years	10 years
Transport Equipment	2 years	2 years
Plant and Equipment	1-15 years	1-15 years

Assets are depreciated from the date of acquisition or from the time an asset is completed and held ready for use.

## M. CASH AND DEPOSITS

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

## N. RECEIVABLES

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the agency estimates are likely to be uncollectible and are considered doubtful. Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 15 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable and other receivables are generally settled within 30 days and other receivables within 30 days.

## O. PREPAYMENTS

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## P. PROPERTY, PLANT AND EQUIPMENT

### ACQUISITIONS

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labor, and an appropriate proportion of fixed and variable overheads.

## COMPLEX ASSETS

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

## SUBSEQUENT ADDITIONAL COSTS

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the agency in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

## CONSTRUCTION (WORK IN PROGRESS)

As part of the financial management framework, the Department of Infrastructure is responsible for managing general government capital works projects on a whole of Government basis. Therefore appropriation for Department capital works is provided directly to the Department of Infrastructure and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the agency.

## Q. REVALUATIONS AND IMPAIRMENT

### REVALUATION OF ASSETS

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land;
- buildings;

Plant and equipment, computer hardware and transport equipment are stated at historical cost less depreciation, which is deemed to equate to fair value.

### IMPAIRMENT OF ASSETS

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical agency assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the agency determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive

Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation surplus. Note 13 provide additional information in relation to the asset revaluation surplus.

## R. LEASED ASSETS

Leases under which the agency assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

### FINANCE LEASES

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised.

Lease payments are allocated between the principal component of the lease liability and the interest expense.

### OPERATING LEASES

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

## S. PAYABLES

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the agency. Accounts payable are normally settled within 30 days.

## T. EMPLOYEE BENEFITS

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries and recreation leave. Liabilities arising in respect of wages and salaries, recreation leave and other employee benefit liabilities that fall due within twelve months of reporting date are classified as current liabilities and are measured at amounts expected to be paid. Non-current employee benefit liabilities that fall due after twelve months of the reporting date are measured at present value, calculated using the Government long-term bond rate.

No provision is made for sick leave, which is non-vesting, as the anticipated pattern of future sick leave to be taken is less than the entitlement accruing in each reporting period.

Employee benefit expenses are recognised on a net basis in respect of the following categories:

- wages and salaries, non-monetary benefits, recreation leave, sick leave and other leave entitlements; and
- other types of employee benefits.

As part of the financial management framework, the Central Holding Authority assumes the long service leave liabilities of Government agencies, including the Department and as such no long service leave liability is recognised in agency financial statements.



## U. SUPERANNUATION

Employees' superannuation entitlements are provided through the:

- Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS);
- Commonwealth Superannuation Scheme (CSS); or
- non-government employee-nominated schemes for those employees commencing on or after 10 August 1999.

The agency makes superannuation contributions on behalf of its employees to the Central Holding Authority or non-government employee-nominated schemes. Superannuation liabilities related to government superannuation schemes are held by the Central Holding Authority and as such are not recognised in agency financial statements.

## V. CONTRIBUTIONS BY AND DISTRIBUTIONS TO GOVERNMENT

The agency may receive contributions from Government where the Government is acting as owner of the agency. Conversely, the agency may make distributions to Government. In accordance with the *Financial Management Act* and Treasurer's Directions, certain types of contributions and distributions, including those relating to administrative restructures, have been designated as contributions by, and distributions to, Government. These designated contributions and distributions are treated by the agency as adjustments to equity.

The Statement of Changes in Equity provides additional information in relation to contributions by, and distributions to, Government.

## W. COMMITMENTS

Disclosures in relation to capital and other commitments, including lease commitments are shown at Note 16.

Commitments are those contracted as at 30 June where the amount of the future commitment can be reliably measured.

## X. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised on the Statement of Financial Position when the agency becomes a party to the contractual provisions of the financial instrument. The agency's financial instruments include cash and deposits; receivables and payables.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation. These include statutory receivables arising from taxes including GST and penalties.

Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities. The Department's exposure to these risks is minimal.

## CLASSIFICATION OF FINANCIAL INSTRUMENTS

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables; and
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL); and
- financial liabilities at amortised cost.

## FINANCIAL ASSETS OR FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit; or
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.

The Department does not have any financial assets or liabilities classified as FVTPL.

## LOANS AND RECEIVABLES

For details refer to Note 2(n), but exclude statutory receivables.

## FINANCIAL LIABILITIES AT AMORTISED COST

Financial instrument liabilities measured at amortised cost include accounts payable and accrued expenses. Amortised cost is calculated using the effective interest method.

## Y. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the agency include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgments that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal agency adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs are unobservable.

### 3. COMPREHENSIVE OPERATING STATEMENT BY OUTPUT GROUP

		Children and Families		Corporate and Governance		Total	
	Note	2016	2015	2016	2015	2016	2015
		\$000	\$000	\$000	\$000	\$000	\$000
<b>INCOME</b>							
Grants and subsidies revenue							
Current		443	4,650	-	-	443	4,650
Appropriation							
Output		146,949	139,510	11,302	7,916	158,251	147,426
Commonwealth		18,451	15,800	-	-	18,451	15,800
Sales of goods and services		41	45	-	(2)	41	43
Goods and services received free of charge	4	5,970	5,547	638	592	6,608	6,139
Other income		52	175	110	343	162	518
<b>TOTAL INCOME</b>		<b>171,906</b>	<b>165,727</b>	<b>12,050</b>	<b>8,849</b>	<b>183,956</b>	<b>174,576</b>
<b>EXPENSES</b>							
Employee expenses		58,183	59,593	10,568	7,619	68,751	67,212
Administrative expenses							
Purchases of goods and services	5	13,312	14,209	1,308	964	14,620	15,173
Repairs and maintenance		427	332	45	35	472	367
Property management		1,730	2,082	47	87	1,777	2,169
Depreciation and amortisation	8	1,020	1,391	60	81	1,080	1,472
Goods and services received free of charge		5,970	5,547	638	592	6,608	6,139
Other administrative expenses		883	222	55	13	938	235
Grants and subsidies expenses							
Current		91,273	88,065	-	-	91,273	88,065
<b>TOTAL EXPENSES</b>		<b>172,798</b>	<b>171,441</b>	<b>12,721</b>	<b>9,391</b>	<b>185,519</b>	<b>180,832</b>
<b>NET DEFICIT</b>		<b>(892)</b>	<b>(5,714)</b>	<b>(671)</b>	<b>(542)</b>	<b>(1,563)</b>	<b>(6,256)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>							
Changes in asset revaluation surplus		(38)	468	-	-	(38)	468
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>		<b>(38)</b>	<b>468</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>468</b>
<b>COMPREHENSIVE RESULT</b>		<b>(930)</b>	<b>(5,246)</b>	<b>(671)</b>	<b>(542)</b>	<b>(1,601)</b>	<b>(5,788)</b>

\*2015 figures have been restated to align with 2016 output splits.

*This Comprehensive Operating Statement by output group is to be read in conjunction with the notes to the financial statements.*

## 4. GOODS AND SERVICES RECEIVED FREE OF CHARGE

	2016 \$000	2015 \$000
Corporate and information services	6,608	6,139
	<b>6,608</b>	<b>6,139</b>

## 5. PURCHASES OF GOODS AND SERVICES

The net deficit has been arrived at after charging the following expenses:

	2016 \$000	2015 \$000
<b>Goods and services expenses:</b>		
Consultants <sup>(1)</sup>	-	88
Advertising <sup>(2)</sup>	14	10
Marketing and promotion <sup>(3)</sup>	219	110
Document production	171	140
Legal expenses <sup>(4)</sup>	839	1,287
Recruitment <sup>(5)</sup>	443	362
Training and study	1,470	1,353
Official duty fares	1,496	1,871
Travelling allowance	470	537
Agent Service Arrangements	1,882	2,373
Information Technology Charges	2,532	2,464
Motor Vehicle Expenses	1,821	1,984

1. Includes procurement and strategic policy advice.

2. Does not include advertising or marketing relating to recruitment or promotion advertising.

3. Includes advertising for marketing and promotion but excludes marketing and promotion consultants' expenses, which are incorporated in the consultants' category.

4. Includes legal fees, claim and settlement costs.

5. Includes recruitment-related advertising costs.

## 6. CASH AND DEPOSITS

	2016 \$000	2015 \$000
Cash on hand	1	1
Cash at bank	6,732	6,085
	<b>6,733</b>	<b>6,086</b>



## 7. RECEIVABLES

	2016 \$000	2015 \$000
<b>Current</b>		
Accounts receivable	476	573
Less: Allowance for impairment losses	(148)	(374)
	328	199
GST receivables	900	768
Other receivables	32	97
<b>Total Receivables</b>	<b>1,260</b>	<b>1,064</b>

## 8. PROPERTY, PLANT AND EQUIPMENT

	2016 \$000	2015 \$000
<b>Land</b>		
At fair value	<b>2,140</b>	<b>2,140</b>
<b>Buildings</b>		
At fair value	13,924	22,150
Less: Accumulated depreciation	(5,861)	(10,023)
	<b>8,063</b>	<b>12,127</b>
<b>Plant and Equipment</b>		
At fair value	305	283
Less: Accumulated depreciation	(185)	(105)
	<b>120</b>	<b>178</b>
<b>Computer Hardware</b>		
At cost	149	-
Less: Accumulated depreciation	( 1)	-
	<b>148</b>	<b>-</b>
<b>Total Property, Plant and Equipment</b>	<b>10,471</b>	<b>14,445</b>

### PROPERTY, PLANT AND EQUIPMENT VALUATIONS

The latest revaluations as at 30 June 2015 were independently conducted. The Valuer was Territory Property Consulting. Refer to Note 10: Fair Value Measurement of Non-Financial Assets for additional disclosures.

### IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Agency property, plant and equipment assets were assessed for impairment as at 30 June 2016. No impairment adjustments were required as a result of this review.

## 8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 2016 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2015-16 is set out below:

	Land \$000	Buildings \$000	Computer Hardware \$000	Transport Equipment \$000	Plant and Equipment \$000	Total \$000
Carrying Amount as at 1 July 2015	2,140	12,127	-	-	178	14,445
Additions	-	-	149	21	-	170
Disposals	-	-	-	(21)	-	(21)
Depreciation	-	(999)	(1)	-	(80)	(1,080)
Additions/(Disposals) from asset transfers	-	(3,065)	-	-	22	(3,043)
<b>Carrying Amount as at 30 June 2016</b>	<b>2,140</b>	<b>8,063</b>	<b>148</b>	<b>-</b>	<b>120</b>	<b>10,471</b>

### 2015 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2014-15 is set out below:

	Land \$000	Buildings \$000	Computer Hardware \$000	Transport Equipment \$000	Plant and Equipment \$000	Total \$000
Carrying Amount as at 1 July 2014	1,672	13,733	-	-	163	15,568
Additions	-	-	-	-	-	-
Disposals	-	(6)	-	-	(3)	(9)
Depreciation	-	(1,387)	-	-	(87)	(1,473)
Additions/(Disposals) from asset transfers	-	20	-	-	105	125
Revaluation increments/(decrements)	468	(234)	-	-	-	234
<b>Carrying Amount as at 30 June 2015</b>	<b>2,140</b>	<b>12,127</b>	<b>-</b>	<b>-</b>	<b>178</b>	<b>14,445</b>

## 9. HERITAGE AND CULTURAL ASSETS

	2016 \$000	2015 \$000
<b>Carrying amount</b>		
At valuation	-	-
Less: Accumulated depreciation	-	-
<b>Written down value – 30 June</b>	-	-
<b>Reconciliation of movements</b>		
Carrying amount at 1 July	-	5
Disposals	-	(5)
<b>Carrying amount as at 30 June</b>	-	-

## 10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

### A. FAIR VALUE HIERARCHY

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total Fair Value \$000
<b>2015-16</b>				
<b>Asset Classes</b>				
Land (Note 8)	-	460	1,680	2,140
Buildings (Note 8)	-	598	7,465	8,063
Computer Hardware (Note 8)	-	-	148	148
Plant and Equipment (Note 8)	-	-	120	120
Heritage and Cultural Assets (Note 9)	-	-	-	-
<b>Total</b>	-	<b>1,058</b>	<b>9,413</b>	<b>10,471</b>
<b>2014-15</b>				
<b>Asset Classes</b>				
Land (Note 8)	-	460	1,680	2,140
Buildings (Note 8)	-	616	11,511	12,127
Computer Hardware (Note 8)	-	-	-	-
Plant and Equipment (Note 8)	-	-	178	178
Heritage and Cultural Assets (Note 9)	-	-	-	-
<b>Total</b>	-	<b>1,076</b>	<b>13,369</b>	<b>14,445</b>

There were no transfers between levels during 2015-16.

## B. VALUATION TECHNIQUES AND INPUTS

Valuation techniques used to measure fair value in 2015-16 are:

	Level 2 Techniques	Level 3 Techniques
<b>Asset Classes</b>		
Land	Market	Cost
Buildings	Market	Cost
Computer Hardware	-	Cost
Plant and Equipment	-	Cost

There were no changes in valuation techniques from 2014-15 to 2015-16.

Level 2 fair values of land and buildings were based on market evidence of sales price per square metre of comparable land and buildings.

Level 3 fair values of specialised buildings were determined by computing their depreciated replacement costs because an active market does not exist for such facilities. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities, adjusted for contemporary technology and construction approaches. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage, and records of the current condition of the facilities.

## C. ADDITIONAL INFORMATION FOR LEVEL 3 FAIR VALUE MEASUREMENTS

### i. Reconciliation of Recurring Level 3 Fair Value Measurements

	Land \$000	Buildings \$000	Computer Hardware \$000	Plant and Equipment \$000	Heritage and Cultural Assets \$000	Total \$000
<b>2015-16</b>						
Fair value as at 1 July 2015	1,680	11,511	-	178	-	13,369
Additions	-	-	149	-	-	149
Depreciation	-	(981)	(1)	(80)	-	(1,062)
Additions/(Disposals) from asset transfers	-	(3,065)	-	22	-	(3,043)
<b>Fair value as at 30 June 2016</b>	<b>1,680</b>	<b>7,465</b>	<b>148</b>	<b>120</b>	<b>-</b>	<b>9,413</b>
<b>2014-15</b>						
Fair value as at 1 July 2014	-	13,578	-	163	5	13,746
Additions	-	20	-	105	-	125
Disposals	-	(6)	-	(3)	(5)	(14)
Transfers from Level 2	1,180	-	-	-	-	1,180
Depreciation	-	(1,368)	-	(87)	-	(1,455)
Gains/losses recognised in net surplus/deficit	-	(713)	-	-	-	(713)
Gains/losses recognised in other comprehensive income	500	-	-	-	-	500
<b>Fair value as at 30 June 2015</b>	<b>1,680</b>	<b>11,511</b>	<b>-</b>	<b>178</b>	<b>-</b>	<b>13,369</b>

For transfer into Level 3 fair values of specialised buildings and property were determined by computing their depreciated replacement costs because an active market does not exist for such facilities.

### ii. Sensitivity analysis

Buildings – Unobservable inputs used in computing the fair value of buildings include the historical cost and the consumed economic benefit for each building. Given the large number of agency buildings, it is not practical to compute a relevant summary measure for the unobservable inputs. In respect of sensitivity of fair value to changes in input value, a higher historical cost results in a higher fair value and greater consumption of economic benefit lowers fair value.

## 11. PAYABLES

	2016 \$000	2015 \$000
Accounts payable	1,644	1,266
Accrued expenses	5,622	5,923
<b>Total Payables</b>	<b>7,266</b>	<b>7,189</b>

## 12. PROVISIONS

	2016 \$000	2015 \$000
<b>Current</b>		
<i>Employee benefits</i>		
Recreation leave	4,174	3,970
Leave loading	988	874
Other employee benefits	23	15
<i>Other current provisions</i>		
Fringe Benefits Tax	64	64
Payroll Tax – On Cost	388	460
Employer Super Contributions – On Cost	489	452
	<b>6,126</b>	<b>5,835</b>
<b>Non-Current</b>		
<i>Employee benefits</i>		
Recreational leave	1,639	1,487
<b>Total Provisions</b>	<b>7,764</b>	<b>7,322</b>

The Agency employed 622 employees as at 30 June 2016 (607 employees as at 30 June 2015).

## 13. RESERVES

	2016 \$000	2015 \$000
<b>Asset Revaluation Surplus</b>		
<i>(i) Nature and purpose of the asset revaluation surplus</i>		
The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets.		
<i>(ii) Movements in the asset revaluation surplus</i>		
Balance as at 1 July	468	-
Increment - Land	-	468
Adjustment	(38)	-
<b>Balance as at 30 June</b>	<b>430</b>	<b>468</b>



# 14. NOTES TO THE STATEMENT OF CASH FLOWS

## RECONCILIATION OF CASH

The total of agency 'Cash and deposits' of \$6.73 million recorded in the Statement of Financial Position is consistent with that recorded as 'Cash' in the Statement of Cash Flows.

	2016 \$000	2015 \$000
<b>Reconciliation of Net Deficit to Net Cash from Operating Activities</b>		
<b>Net Deficit</b>	(1,563)	(6,256)
<i>Non-cash items:</i>		
Depreciation expense	1,080	1,473
Asset write-offs/write-downs	883	248
Asset donations/gifts – net	17	-
Doubtful debt expense	31	6
Repairs and Maintenance – Minor New Work Non Cash	67	8
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(227)	(503)
Decrease/(Increase) in prepayments	5	6
(Decrease)/Increase in payables	77	1,293
(Decrease)/Increase in provision for employee benefits	478	(378)
(Decrease)/Increase in other provisions	(35)	71
<b>Net Cash from Operating Activities</b>	<b>813</b>	<b>(4,032)</b>

## 15. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments held by the Department include cash and deposits, receivables and payables. The Department has limited exposure to financial risks as discussed below.

### A. CATEGORISATION OF FINANCIAL INSTRUMENTS

The carrying amounts of the agency's financial assets and liabilities by category are disclosed in the table below.

#### 2015-16 CATEGORISATION OF FINANCIAL INSTRUMENTS

	Note	Financial assets - Loans and receivables \$000	Financial Liabilities - amortised cost \$000	Total \$000
<b>Financial Assets</b>				
Cash and deposits	6	6,733	-	6,733
Receivables				
Accounts receivables	7	328	-	328
Other receivables	7	32	-	32
		360	-	360
<b>Total Financial Assets</b>		<b>7,093</b>	<b>-</b>	<b>7,093</b>
<b>Financial Liabilities</b>				
Payables	11	-	7,266	7,266
<b>Total Financial Liabilities</b>		<b>-</b>	<b>7,266</b>	<b>7,266</b>

#### 2014-15 CATEGORISATION OF FINANCIAL INSTRUMENTS

	Note	Financial assets - Loans and receivables \$000	Financial Liabilities - amortised cost \$000	Total \$000
<b>Financial Assets</b>				
Cash and deposits	6	6,086	-	6,086
Receivables				
Accounts receivables	7	199	-	199
Other receivables	7	97	-	97
		296	-	296
<b>Total Financial Assets</b>		<b>6,382</b>	<b>-</b>	<b>6,382</b>
<b>Financial Liabilities</b>				
Payables	11	-	7,189	7,189
<b>Total Financial Liabilities</b>		<b>-</b>	<b>7,189</b>	<b>7,189</b>

## B. CREDIT RISK

The agency has limited credit risk exposure (risk of default). In respect of any dealings with organisations external to Government, the agency has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the agency's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

## RECEIVABLES

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and aging analysis of receivables is presented below.

Internal Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
<b>2015-16</b>			
Not overdue	7	-	7
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
<b>Total</b>	<b>7</b>	<b>-</b>	<b>7</b>
<b>2014-15</b>			
Not overdue	-	-	-
Overdue for less than 30 days	-	-	-
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

External Receivables	Aging of Receivables \$000	Aging of Impaired Receivables \$000	Net Receivables \$000
<b>2015-16</b>			
Not overdue	166	-	166
Overdue for less than 30 days	4	-	4
Overdue for 30 to 60 days	12	-	12
Overdue for more than 60 days	319	(148)	171
<b>Total</b>	<b>501</b>	<b>(148)</b>	<b>353</b>

#### Reconciliation of the Allowance for Impairment Losses

Opening	374
Written off during the year	(256)
Recovered during the year	(1)
Increase/(Decrease) in allowance recognised in profit or loss	31
<b>Total</b>	<b>148</b>

#### 2014-15

Not overdue	27	-	27
Overdue for less than 30 days	49	-	49
Overdue for 30 to 60 days	-	-	-
Overdue for more than 60 days	594	(374)	220
<b>Total</b>	<b>670</b>	<b>(374)</b>	<b>296</b>

#### Reconciliation of the Allowance for Impairment Losses

Opening	394
Written off during the year	(4)
Recovered during the year	-
Increase/(Decrease) in allowance recognised in profit or loss	(16)
<b>Total</b>	<b>374</b>

## C. LIQUIDITY RISK

Liquidity risk is the risk that the agency will not be able to meet its financial obligations as they fall due. The agency's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the agency's remaining contractual maturity for its financial assets and liabilities.

## 2016 MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

	Interest Bearing			Non-Interest Bearing	Total
	Less than a Year	1 to 5 Years	More than 5 Years		
	\$000	\$000	\$000	\$000	\$000
<b>Assets</b>					
Cash and deposits	-	-	-	6,733	6,733
Receivables					
Accounts receivables	-	-	-	328	328
Other receivables	-	-	-	32	32
	-	-	-	<b>360</b>	<b>360</b>
<b>Total Financial Assets</b>	-	-	-	<b>7,093</b>	<b>7,093</b>
<b>Liabilities</b>					
Payables	-	-	-	7,266	7,266
<b>Total Financial Liabilities</b>	-	-	-	<b>7,266</b>	<b>7,266</b>

## 2015 MATURITY ANALYSIS FOR FINANCIAL ASSETS AND LIABILITIES

	Interest Bearing			Non-Interest Bearing	Total
	Less than a Year	1 to 5 Years	More than 5 Years		
	\$000	\$000	\$000	\$000	\$000
<b>Assets</b>					
Cash and deposits	-	-	-	6,086	6,086
Receivables					
Accounts receivables	-	-	-	199	199
Other receivables	-	-	-	97	97
				<b>296</b>	<b>296</b>
<b>Total Financial Assets</b>	-	-	-	<b>6,382</b>	<b>6,382</b>
<b>Liabilities</b>					
Payables	-	-	-	7,189	7,189
<b>Total Financial Liabilities</b>	-	-	-	<b>7,189</b>	<b>7,189</b>

## D. MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk.

### i. Interest Rate Risk

The Department is not exposed to interest rate risk as departmental assets and financial liabilities are non-interest bearing.

### ii. Price Risk

The Department is not exposed to price risk as the Department does not hold units in unit trusts.

### iii. Currency Risk

The Department is not exposed to currency risk as the Department does not hold borrowings denominated in foreign currencies or transactional currency exposures arising from purchases in a foreign currency.

## E. NET FAIR VALUE

The fair value of cash and deposits, receivables and payables approximates their carrying amount, which is also their amortised cost.



## 16. COMMITMENTS

### (i) Capital Expenditure Commitments

Capital expenditure commitments primarily related to the construction of Buildings. Capital expenditure commitments contracted for at balance date but not recognised as liabilities are payable as follows:

	2016		2015	
	Internal	External	Internal	External
	\$000	\$000	\$000	\$000
Within one year	-	11	-	232
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	<b>-</b>	<b>11</b>	<b>-</b>	<b>232</b>

### (ii) Operating Lease Commitments

The agency also leased items of plant and equipment under non-cancellable operating leases. Future operating lease commitments not recognised as liabilities are payable as follows:

Within one year	-	13	-	107
Later than one year and not later than five years	-	4	-	106
Later than five years	-	-	-	-
	<b>-</b>	<b>17</b>	<b>-</b>	<b>213</b>

### (iii) Other Expenditure Commitments

Other non-cancellable expenditure commitments not recognised as liabilities are payable as follows:

Within one year	-	27,158	-	22,421
Later than one year and not later than five years	-	20,007	-	4,117
Later than five years	-	-	-	-
	<b>-</b>	<b>47,165</b>	<b>-</b>	<b>26,538</b>

## 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### A. CONTINGENT LIABILITIES

The Department has no contingent liabilities warranting disclosure as at 30 June 2016. As at 30 June 2015 the Department had 5 contingent liabilities.

### B. CONTINGENT ASSETS

The Department had no contingent assets as at 30 June 2016 or 30 June 2015.

## 18. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.

## 19. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS

	Agency		Agency		Territory Items		Territory Items	
	2016 \$000	No. of Trans.	2015 \$000	No. of Trans.	2016 \$000	No. of Trans.	2015 \$000	No. of Trans.
<b>Write-offs, Postponements and Waivers Under the Financial Management Act</b>								
Represented by:								
Amounts written off, postponed and waived by Delegates								
Irrecoverable amounts payable to the Territory or an agency written off	9	8	4	5	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	14	4	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
<b>Total Written Off, Postponed and Waived by Delegates</b>	<b>9</b>	<b>8</b>	<b>18</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amounts written off, postponed and waived by the Treasurer								
Irrecoverable amounts payable to the Territory or an agency written off	229	1	-	-	-	-	-	-
Losses or deficiencies of money written off	-	-	-	-	-	-	-	-
Public property written off	-	-	-	-	-	-	-	-
Waiver or postponement of right to receive or recover money or property	-	-	-	-	-	-	-	-
<b>Total Written Off, Postponed and Waived by the Treasurer</b>	<b>229</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Write-offs, Postponements and Waivers Authorised Under Other Legislation</b>	-	-	-	-	-	-	-	-
<b>Gifts Under the Financial Management Act</b>	<b>21</b>	<b>2</b>	-	-	-	-	-	-
<b>Gifts Authorised Under Other Legislation</b>	-	-	-	-	-	-	-	-
<b>Ex Gratia Payments Under the Financial Management Act</b>	-	-	<b>42</b>	<b>1</b>	-	-	-	-

## 20. BUDGETARY INFORMATION

Comprehensive Operating Statement	2015-16		2015-16 Original Budget	Variance	Note
	Actual				
	\$000		\$000	\$000	
<b>INCOME</b>					
Grants and subsidies revenue					
Current	443		443	-	
Appropriation					
Output	158,251		147,020	11,231	1
Commonwealth	18,451		16,147	2,304	2
Sales of goods and services	41		44	(3)	
Goods and services received free of charge	6,608		6,140	468	
Other income	162		-	162	3
<b>TOTAL INCOME</b>	<b>183,956</b>		<b>169,794</b>	<b>14,162</b>	
<b>EXPENSES</b>					
Employee expenses	68,751		73,982	(5,231)	4
Administrative expenses					
Purchases of goods and services	14,620		14,291	329	
Repairs and maintenance	472		409	63	5
Property management	1,777		1,736	41	
Depreciation and amortisation	1,080		1,086	(6)	
Goods and services received free of charge	6,608		6,140	468	
Other administrative expenses	938		-	938	6
Grants and subsidies expenses					
Current	91,273		74,707	16,566	7
<b>TOTAL EXPENSES</b>	<b>185,519</b>		<b>172,351</b>	<b>13,168</b>	
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,563)</b>		<b>(2,557)</b>	<b>994</b>	
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
Changes in asset revaluation surplus	(38)		-	(38)	8
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)</b>	<b>(38)</b>		<b>-</b>	<b>(38)</b>	
<b>COMPREHENSIVE RESULT</b>	<b>(1,601)</b>		<b>(2,557)</b>	<b>956</b>	

#### Notes:

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. Increase due to additional funding of \$10 million ongoing from 2015-16 for the Department of Children and Families to address the rising cost of children in Out of Home care and an additional \$2 million for declared emergencies, settlement of long term workers compensation claims and costs of representation at a Coronial Inquiry, offset by minor funding transfers between Northern Territory Government agencies.
2. Increase due to additional funding of \$2.3 million under the National Partnership Agreement on Northern Territory Remote Aboriginal Investment.
3. Other income relates to sub lease of property, recovery of overpayments, insurance claims, revenue relating to the information act and a vehicle donated to the Department.
4. \$5.2 million in budget underspends associated with difficulty to recruit qualified front line child protection workers.
5. Additional budget allocated combined with a minor overspend due to additional repairs and maintenance for Women's Safe Houses and office accommodation.
6. Overspend associated with \$0.67 million in revaluation adjustments for Safe Houses, \$0.22 million in asset impairment loss, \$0.02 million for donated assets and \$0.03 million net impact of bad and doubtful debts expense.
7. Additional \$10 million budget allocated and an overspend of \$8.1 million relating to the rising cost of Children in Out of Home care.
8. Variations associated with the revaluation of land.

Statement of Financial Position	2015-16		Variance \$000	Note
	2015-16	2015-16		
	Actual	Original		
	\$000	Budget	\$000	
ASSETS				
Current assets				
Cash and deposits	6,733	7,200	(467)	1
Receivables	1,260	566	694	2
Prepayments	159	170	(11)	
Total current assets	8,152	7,936	216	
Non-current assets				
Property, Plant and Equipment	10,471	13,694	(3,223)	3
Total non-current assets	10,471	13,694	(3,223)	
TOTAL ASSETS	18,623	21,630	(3,007)	
LIABILITIES				
Current liabilities				
Payables	7,266	5,896	1,370	4
Provisions	6,126	6,026	100	
Total current liabilities	13,392	11,922	1,470	
Non-current liabilities				
Provisions	1,639	1,602	37	
Total non-current liabilities	1,639	1,602	37	
TOTAL LIABILITIES	15,031	13,524	1,507	
NET ASSETS	3,592	8,106	(4,514)	
EQUITY				
Capital	26,883	29,104	(2,221)	5
Reserves	430	-	430	6
Accumulated funds	(23,721)	(20,998)	(2,723)	7
TOTAL EQUITY	3,592	8,106	(4,514)	



Notes:

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. Opening cash balance was \$2.6 million lower than budget, this was offset by a \$2.1 million improvement in cashflows predominately associated with increased revenue for the National Partnership on Remote Aboriginal Investment.
2. A \$0.5 million increase in GST receivables as a result of increased expenditure and a \$0.2 million reduction in allowance for doubtful debts due to bad debts written-off.
3. \$3.2 million decrease due predominately to the \$3.4 million asset transfer of Alice Springs Youth Hub and impairment loss of \$0.2 million offset against a series of smaller assets transferred in.
4. \$1.4 million increase in Accounts Payable due predominantly to \$1.3 million accrued for unpaid and unbilled residential care properties at end of financial year.
5. \$2 million decrease associated with the equity transfers between Northern Territory Government agencies and \$0.2 million decrease associated with a lower opening capital balance than budgeted.
6. This is associated with an unbudgeted asset reserve of \$0.47 million in 2014-15 offset by a \$0.04 million reduction due to land revaluations in 2015-16.
7. \$3.7 million lower than budgeted opening accumulated funds balance funds offset by a \$1 million improvement in the operating result for the 2015-16 financial year.

Statement of Cash Flows	2015-16	2015-16	Variance	Note
	Actual	Original		
	\$000	Budget		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Operating receipts</b>				
Grants and subsidies received				
Current	443	443	-	
Appropriation				
Output	158,251	147,020	11,231	1
Commonwealth	18,451	16,147	2,304	2
Receipts from sales of goods and services	6,165	44	6,121	3
<b>Total operating receipts</b>	<b>183,310</b>	<b>163,654</b>	<b>19,656</b>	
<b>Operating payments</b>				
Payments to employees	(70,058)	(73,982)	3,924	4
Payments for goods and services	(21,166)	(16,436)	(4,730)	5
Grants and subsidies paid				
Current	(91,273)	(74,707)	(16,566)	6
<b>Total operating payments</b>	<b>(182,497)</b>	<b>(165,125)</b>	<b>(17,372)</b>	
<b>Net cash from/(used in) operating activities</b>	<b>813</b>	<b>(1,471)</b>	<b>2,284</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Investing receipts</b>				
Proceeds from sale of minor assets	4	-	4	7
<b>Total investing receipts</b>	<b>4</b>	<b>-</b>	<b>4</b>	
<b>Investing payments</b>				
Purchases of non-current assets	(170)	-	(170)	8
<b>Total investing payments</b>	<b>(170)</b>	<b>-</b>	<b>(170)</b>	
<b>Net cash from/(used in) investing activities</b>	<b>(166)</b>		<b>(166)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net increase/(decrease) in cash held	647	(1,471)	2,118	
Cash at beginning of financial year	6,086	8,671	(2,585)	
<b>CASH AT END OF FINANCIAL YEAR</b>	<b>6,733</b>	<b>7,200</b>	<b>(467)</b>	

Notes:

The following note descriptions relate to variances greater than 10 per cent or \$1 million, or where multiple significant variances have occurred.

1. As per Comprehensive Operating Statement note 1.
2. As per Comprehensive Operating Statement note 2.
3. Predominantly associated unbudgeted GST refund of \$6.1 million.
4. \$5.2 million in budget underspends associated with difficulty to recruit qualified front line child protection workers offset by \$1.3 million predominately for additional employee payments due to an additional pay period in the 2015-16 financial year.
5. \$6.2 million associated with unbudgeted GST payments and a \$0.3 million overspend in administrative expenses offset by a \$1.8 million underspend due to the timing of payments.
6. As per note 7 in Comprehensive Operating Statement.
7. Sold vehicle owned by the Department.
8. Purchase video conferencing equipment \$0.15 million and motor vehicles \$0.02 million donated to carers.

## APPENDIX A: FUNDING TO EXTERNAL PARTNERS

**TABLE 13:** Department of Children and Families Funding to External Service Providers

Provider	Service Name
Akeyulerre Inc	Akeyulerre
Alice Springs Women's Shelter Inc	Victim Support and Advocacy Service
	Alice Springs Women's Shelter Safe House
	Crisis Accommodation
	Domestic and Family Violence Community Education and Development
	Domestic and Family Violence Counselling Service
Anglicare NT (The Synod of the Diocese of the NT Inc.)	General Residential Care
	Individualised Residential Care Service
	Intensive Youth Support Service
	Moving on Program
Australian Childhood Foundation	Deliver and Assessment of Vocational Graduate Certificate Training
	E-Learning Training Post Authorisation
	Develop a Therapeutic Model of Residential Care
Australian Red Cross	Evacuation Centre Training (ECT) in the Northern Territory
	Provision of Support Services for the Emergency Evacuation Centre
Barkly Regional Council	Ali Curung Safe House
	Elliott Safe House
BCA National Training Group Pty Ltd	Delivery and Assessment of Diploma of Child, Youth and Family Intervention
BDO (NT) Chartered Accountants	Provision of Accounting Services for End of Financial Year
Catholiccare NT	Family Strengths
	Katherine Integrated Family Support Service
	Milikapiti Family Safe House
	Naiyu Women and Children's Safe House
	Tennant Creek Family Support Service
Central Australian Aboriginal Congress Aboriginal Corporation	Targeted Family Support Services
Children's Services Support Program (Central Australia) Inc.	Family Support
Children's Services Support Unit (CSSU) Inc	Wadeye Safe House
City Of Darwin	Fun Bus
Community Staffing Solutions	Community Based Children's Care Service
	Individualised Residential Care Services
Create Foundation Ltd	Care Advocacy and Support Services
Crisis Accommodation Gove (Inc.)	Crisis Accommodation Gove

Provider	Service Name
Darwin Aboriginal and Islander Women's Shelter Inc	DAIWS – Women's and Children's Service Magdalene Safe House
Darwin Toy Library Inc	Darwin Toy Library
Dawn House Inc	Dawn House: Women's and Children's Service Domestic Family Violence Counselling Service Domestic Violence Community Education and Development
Deloitte Touche Tohmatsu	Provision of Procurement Strategy - Out of Home Care
Foster Carers Association NT Incorporated	NT Wide Foster and Kinship Carer Advocacy and Representative Body
Good Beginnings Australia Limited	Katherine Intensive Family Support Service
Industry Education Networking Pty Ltd (trading as Safe Pathways)	General Residential Care
Information Pty Ltd	Information Project
Latitude 12 Pty Ltd TBC	Darwin - Review of the Department of Children and Families Functional Record Disposal Schedule
Life Without Barriers	Supported Disability Care Services
Lifestyle Solutions (Aust.) Ltd	Community Based Children's Care General Residential Care Individualised Residential Care Service
Mabunji Aboriginal Resource Association Inc	Borroloola Safe House
Melaleuca Refugee Centre TTRSS Of The Northern Territory Inc	Refugee Parenting Support Programs
Merit Partners Pty Ltd	Darwin - Provision of Probity Advice for the Intensive Family Preservation Service Tender
National Association For Prevention Child Abuse and Neglect	Children Accessing Crisis Accommodation Services NT Child Safe Services and Communities
National Council on Crime and Delinquency t/a NCCD Children's Research Centre	Darwin - Provision of Structured Decision Making (SDM) Project System
Nhulunbuy Community Toy Library Inc	Toy Library Service
Northern Territory Christian Schools Association	Families and Schools Together
Relationships Australia NT Inc	Counselling Services Place-Based Therapeutic Intervention For Children Therapeutic Service for Children
Ruthledge A Pty Ltd	Supply Delivery and Installation of Video Conferencing Equipment plus Ongoing Support and Maintenance
Somerville Community Services Inc	Somerville Child and Family Contact Centre Somerville Targeted Family Support Services

Provider	Service Name
Tangentyere Council Incorporated	Alice Springs Family Support Service (ASFSS)
	Ketyeye Program
	Community Based Children's Care Service
	Tangentyere Women's Group
	Yarrenyty Arltete Learning Centre
Tennant Creek Women's Refuge Incorporated	Crisis Accommodation and Outreach Support
	Domestic and Family Violence Counselling Service and Community Education
The Arnhem Land Progress Aboriginal Corporation	Purchase and distribute essential goods to identified community members and their households. Manage general community enquires, as well as the procurement, distribution and acquittal process associated with the replacement of essential household goods damaged resulting from Cyclone Lam and Nathan
	Replacement of Essential Household Items and Store Credit Resulting from Daly River Flood
The Gathering Incorporated	Child, Youth and Family Support In The Rural Area
The Katherine Women's Crisis Centre Inc	Katherine Women's Crisis Accommodation
The Salvation Army (NT) Property Trust	Catherine Booth House
The Trustee For Leading Teams Business Unit 2 Unit Trust	Alice Springs - Provision of Introductory Performance Improvement
The Viewpoint Organisation Pty Ltd	Supply of Software Licence to Survey the views of Children and Young People in Out-of-Home Care for a Period of 12 Months
Various Providers by Location	Supply and Delivery of Office Furniture – One off
West Arnhem Regional Council	Gunbalanya Safe House
Wurli Wurlinjang Aboriginal Corporation	Katherine Wellbeing Intensive Family Support Service
Young Women's Christian Association Of Darwin Inc	YWCA Domestic and Family Violence Centre
Yourtown	Parent Line
Yuendumu Women's Centre Aboriginal Corporation	Yuendumu Safe House
ZED Business Management	Darwin - Procurement and Project Management, Advisory and Mentoring Service
	Darwin - Provision of Support for the Implementation of the Remote Reform Project
	Procurement and Grant Management Governance and Accountability Framework for the Department of Children and Families
	Tracking and Management Tool for DCF Grant and Procurement Commitments



## DISCLAIMER:

The Department of Children and Families has taken due care and skill in ensuring information contained in this Annual Report was true and correct at the time of publication, however changes in circumstances after the time of publication may impact on its accuracy. The Department of Children and Families disclaims all liability associated with the use of this information.

Aboriginal and Torres Strait Islander readers and viewers should be aware that this material may contain names of deceased persons.

**DEPARTMENT OF CHILDREN AND FAMILIES  
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