

National Mental Health Commission

Annual Report 2011-2012



Australian Government

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Contact us

This Annual Report is available online at www.mentalhealthcommission.gov.au.

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The Hon Julia Gillard MP
Prime Minister
Parliament House
CANBERRA ACT 2600

Dear Prime Minister

It is my pleasure to present the Annual Report of the National Mental Health Commission for the period ending 30 June 2012. The report covers the Commission's first six months of operation and has been prepared in accordance with the requirements of section 70 of the *Public Service Act 1999* and the *Requirements for Annual Reports for Departments, Executive Agencies and FMA Act Bodies*.

I certify that the Commission has met its requirements under the *Commonwealth Fraud Control Guidelines*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robyn Kruk', with a stylized flourish at the end.

Robyn Kruk AM
Chief Executive Officer
National Mental Health Commission
2 October 2012

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Chief Executive Officer's statement

We are Australia's first national mental health commission.

As advocates for cross-sectoral system improvement, the Commission has been tasked by the Prime Minister to independently report and advise on what's working and what's not in relation to supporting mental health and preventing suicide in Australia.

It's a challenge and a responsibility we are deeply committed to. The Chair and Commissioners bring to the table a depth and breadth of experience and expertise, and a fiercely independent commitment to influence change. We work across all areas that promote mental health and wellbeing, and prevent mental illness and suicide – not just government and not just health services.

We know that people can – with the right support at the right time – recover from or manage mental health difficulties. To that end, we will identify how the system is failing some people and influence positive change through our reports and advice.

Since the Commission was established on 1 January 2012, our small team has made great strides in setting up our own operating structure, and supporting the Commissioners to produce their first key documents. This includes our three-year *Strategies and Actions 2012-15* document, which outlines the Commission's vision, role and initial tasks, and the ways in which we will work with key partners.

At the same time, we have focused on consultation and engagement with a particular focus on people with a lived experience of mental health difficulties, their families, friends and support people. Commissioners and staff have met with hundreds of individuals and groups so far, and formed alliances with partners who share our will to ensure that lived experience genuinely remains at the core of all we do.

In addition to the three formal meetings and a planning day of the Commission, we have held a series of roundtables and forums and sought input and views through online and paper-based surveys and other research and studies we've commissioned.

We've also met with Ministers, members of the Opposition, cross benchers and administrators in mental health services in six states and territories, and I'm heartened by the bipartisan support for the Commission's work and our commitment to ongoing improvement in services.

Our main priority, though, has been starting work on delivering the first annual National Report Card on Mental Health and Suicide Prevention – a world first. This work is our core responsibility and the inaugural report will be produced by the end of 2012.

I am privileged to lead the Commission's team and excited by the opportunity we have to influence Australia's understanding and attitudes towards mental health and mental illness and bring about positive change. I thank our staff and Commissioners for their tireless efforts during our incredibly busy first six months.

Robyn Kruk AM
Chief Executive Officer

About the Commission

The establishment of the National Mental Health Commission on 1 January 2012 represented an enormous shift in the way mental health and suicide prevention are viewed. Promoting good mental health and wellbeing helps people, families and communities, as well as the achievement of wider economic and social prosperity. Mental health difficulties or suicide risk need to be treated in the same way as a physical illness – as something that can happen to anyone at any time.

The Commission is the first body of its kind in Australia to have a national and independent whole-of-government scope and a whole-of-life view. It reports to the Prime Minister and looks across sectors to the range of things that promote mental health, prevent mental health difficulties and aid recovery: a home, a decent education, a job, family, friends and healthy relationships, good treatment and rights.

The Commission was established by order of the Governor-General as an executive agency under the *Public Service Act 1999* and operates in accordance with the *Financial Management and Accountability Act 1997*. The Prime Minister is the Commission's agency minister and the Minister Assisting the Prime Minister on Mental Health Reform has day-to-day oversight of its work.

The Commission is committed to giving an independent view of system performance and a voice to the experiences of people living with mental health difficulties or at risk of suicide. As detailed in its *Strategies and Actions 2012-2015* document, it works in three ways:

Reporting: It will publish an annual National Report Card on Mental Health and Suicide Prevention ('the Report Card') which shows how all sectors are contributing to mental health and wellbeing. This will provide a better idea of where Australia is doing well and where we need to do better. As well as looking at the facts and figures, the Report Card will tell the real and everyday experiences of Australians. The first Report Card will be released in late 2012. The Commission will also work to benchmark Australia's performance and publish other spotlight reports that identify key priorities and data gaps.

Advising: The Commission will give honest and independent advice on where and how Australia can improve outcomes for people with a lived experience of mental health difficulties, their families and support people, as well as the effectiveness of current investment, need, success stories and gaps.

Collaborating: It will work with and be in purposeful conversation with others across all sectors and governments, to influence positive change and help align policy and programs. It will also encourage more collaborative ways of working, by helping bring people who have the same goals and same vision together.

The Commission does not get involved in individual cases or advocate for individuals or groups. It is not a fund-holding body, nor will it duplicate or take on the work of service delivery or program and policy implementation.

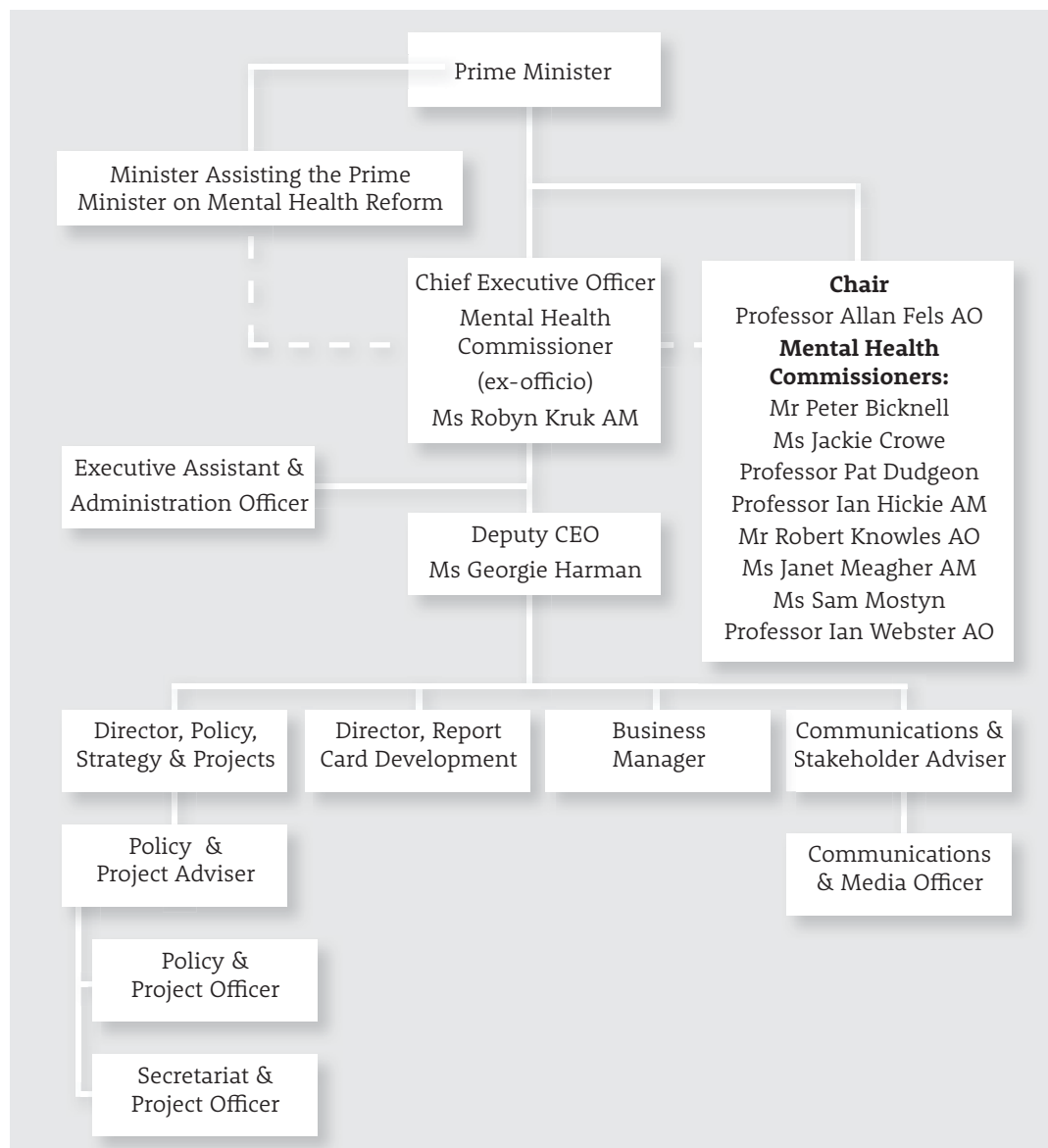
Our people and structure

The Commission is chaired by Professor Allan Fels AO. Ms Robyn Kruk AM is its Chief Executive Officer and an ex-officio Commissioner. Eight other Commissioners have a wide variety of experience across different sectors and are appointed on the basis of their relevant expertise. The Chair and Commissioners do not act as representatives of particular sectors, groups or organisations.

The Chair and Commissioners are appointed for a term of up to three years. Appointment dates have been staggered to avoid the potential loss of expertise associated with a complete turnover of Commissioners at any one time. Reappointments are limited to one reappointment term, or a maximum term of six years.

The Chief Executive Officer works alongside the Chair and Commissioners to draw together a range of perspectives and ensure constructive and practical advice is delivered. The Chief Executive Officer is responsible for the efficient and effective running of the agency and ensuring that the Commission delivers on its objectives. A small team based in Sydney supports the Commission and manages day-to-day business. In accordance with the *Public Service Act 1999*, staff members are accountable to the Chief Executive Officer.

Figure 1. Organisational structure on 30 June 2012



Our Commissioners

The Chair and Commissioners set the strategic direction and work agenda of the Commission and provide independent advice and reports to the Government.

Ms Robyn Kruk AM - Chief Executive Officer and ex-officio Commissioner

Ms Kruk has almost 30 years significant public sector experience, including as Secretary of the Commonwealth Department of the Environment, Water, Heritage and the Arts, Director General of NSW Health and Director General of the NSW Department of Premier and Cabinet.

Ms Kruk was appointed a Member of the Order of Australia for service to public administration in NSW, particularly in the areas of executive functions of government, Commonwealth-state relations and functions which align closely with those of the Commission. She has a proven history in service reform at the head of Australia's biggest health system in NSW and experience playing a central role in Commonwealth-state negotiations.

Ms Kruk has participated in major health reform negotiations and played a central role in improving the interface between federal and state government agencies.

Professor Allan Fels AO - Chair

Professor Fels is Dean of the Australia and New Zealand School of Government. He is also Chairman of the Haven Foundation, which seeks to provide accommodation and support for the long-term mentally ill.

Professor Fels was Chairman of the Australian Competition and Consumer Commission from 1995 to 2003 and before that Chairman of the Trade Practices Commission and Chairman of the Prices Surveillance Authority.

In the field of mental health Professor Fels serves or has served on a number of government advisory boards, including: the Taskforce to Establish the NSW Mental Health Commission; Chair of the Mental Health National Standards Implementation Steering Committee; the Australian Government's Better Access Evaluation Steering Committee; the National Advisory Committee for Mental Health; the Australian Government's Disability Investment Group, and Chair of the Victorian Government's Stronger Community Organisations Project.

He is patron of the Mental Health Council of Australia, SANE, Private Mental Health Consumer Carer Network, the Victorian Mental Health Carers Network, the Mental Health Illness Fellowship Victoria, the Burnet Institute, St Vincent De Paul Society's Compeer Program, Association of Relatives and Friends of the Mentally Ill (ARAFMI), and the Psychology Centre at Swinburne University.

Professor Fels is a long-term advocate of mental health policy reform and is a carer for his daughter Isabella, who has schizophrenia.

Mr Peter Bicknell

Mr Bicknell has an extensive background in human services policy development and leadership – both government and non-government – in areas including community mental health, housing, employment, children's services, health, aged care, social inclusion and the environment. He chairs UnitingCare Australia's National Committee, UnitingCare Wesley Port Adelaide (following 10 years as CEO), Portway Housing Association, Wesley Social Enterprises and several environmental liaison groups. He is a member of the SA Energy Industry Ombudsman Board as well.

Ms Jackie Crowe

Jackie Crowe has worked for many years in mental health at a local, state, national and international level campaigning for social justice, empowerment, mental wellbeing, enhanced quality of life and improved services for those affected by mental health issues and their families.

Ms Crowe works with Ballarat Health Services Area Mental Health Service as a carer consultant and is a carer member of the National Register of Mental Health Consumer and Carer Representatives. As a Commissioner, her interest is in ensuring that family/carer perspectives critically inform and enhance decision-making in service provision, policy, and evaluation at local, state and national levels.

Professor Pat Dudgeon

Professor Dudgeon is Chair of the Australian Indigenous Psychologists Association (AIPA) and the Aboriginal and Torres Strait Islander Mental Health Advisory Group, a member of the Indigenous Strategies Working Group, and a Research Fellow and Associate Professor at the University of Western Australia.

Professor Dudgeon is from the Bardi people of the Kimberley. She is a psychologist and known for her leadership in Indigenous higher education and is currently the head of the Centre for Aboriginal Studies at Curtin University. Professor Dudgeon has also had significant involvement in psychology and Indigenous issues for many years. She was the first convener of the Australian Psychological Society Interest Group: Aboriginal Issues, Aboriginal People and Psychology, and has been instrumental in convening many conferences and discussion groups at national levels to ensure that Indigenous issues are part of the agenda in the discipline. In 2008 she was the first Aboriginal psychologist to be awarded the grade of Fellow in the Australian Psychological Society.

Professor Ian Hickie AM

Professor Hickie is the Executive Director of the Brain and Mind Research Institute at the University of Sydney, a position he has held since 2003 when the Institute was established. He is recognised for his extensive knowledge and experience in early detection and treatment of depressive disorders.

Professor Hickie is one of the first round of National Health and Medical Research Council Australian Fellows; recognising excellence in Australian Medical Research, appointed for the period from 2008 to 2013. He has published more than 220 peer-reviewed journal articles, 20 book chapters and 30 educational materials.

From 2000 to 2003 he was the inaugural CEO of beyondblue: the national depression initiative and from 2003 to 2006 served as the organisation's clinical advisor. Professor Hickie's research, clinical and health services development work focuses on expanding population-based mental health research and developing international mental health strategies. In July 2008 Professor Hickie was appointed to the Federal Health Minister's National Advisory Council on Mental Health, and also served on the Mental Health Expert Working Group.

Mr Rob Knowles AO

Mr Knowles is a farmer and company director. He has been Chair of the Mental Health Council of Australia since April 2006. He is a member of the National Health and Hospital Reform Commission, Chair of the Mental Illness Fellowship of Australia, Chair of the Royal Children's Hospital Campus Council and a member of the Board of the Brotherhood of St Lawrence. He is also a former Victorian Minister of Health, Housing and Aged Care and has a strong interest in services for consumers and their families and carers.

Ms Janet Meagher AM

Ms Meagher is the Divisional Manager of Inclusion for Psychiatric Rehabilitation Australia. She is a representative of the Consumers' Health Forum of Australia and a founding member of the NSW Consumer Advisory Group.

Ms Meagher has been a mental health consumer activist and advocate for almost 30 years. She has lived with schizophrenia since the early 1970s. She was a Churchill Fellow in 1994, investigating "consumer empowerment and self-advocacy...in Great Britain, USA and Canada" and was made a Member of the Order of Australia in 1996 for her work as an advocate on behalf of people with mental illnesses and psychiatric disabilities. Ms Meagher has broad experience in national and international consumer involvements. She is a former secretary of the World Federation for Mental Health and holds appointments on both the National People with Disabilities and Carer Council and the Australian Suicide Prevention Advisory Council.

Ms Sam Mostyn

Ms Mostyn has enjoyed a diverse career across business, politics, science and the arts, the not for profit sector and sport. She now serves as a non-executive director on the boards of Virgin Australia, Transurban and Citigroup Australia. In 2005 she was appointed to the Australian Football League Commission and her other roles encompass a broad range of interests. She is a board member of Australian Volunteers International and the Sydney Theatre Company and a community representative on the board of the Australia Council for the Arts. She is the Chair of the Stakeholder Advisory Council of the CSIRO's Climate Adaptation Flagship, a member of the NSW Climate Change Council and serves on the advisory board of ClimateWorks Australia. She is a member of the women's advisory panel of the Australian Chief of the Defence Force, and Deputy Chair of the Diversity Council of Australia. She also serves on the Review of the Treatment of Women in the Australian Defence Force led by the Australian Sex Discrimination Commissioner. For the past three years Sam has been co-rapporteur at the Blank Page Summit on Suicide Prevention at the Billard Aboriginal Learning Community in Beagle Bay, WA.

Professor Ian Webster AO

Professor Webster is a physician and Emeritus Professor of Public Health and Community Medicine at the University of New South Wales and Patron of the Alcohol and Other Drugs Council of Australia. He has held senior appointments in the Faculty of Medicine at the University of New South Wales and appointments at Monash, Sheffield and Sydney Universities. He is Chair of the Alcohol Education and Rehabilitation Foundation, the Governing Council of the Ted Noffs Foundation and the Centres for Primary Health Care and Equity at the University of New South Wales.

Professor Webster is a member of the National Advisory Council on Suicide Prevention, the NSW Expert Advisory Group on Drugs and Alcohol and the Australian National Council on Drugs. He has held appointments as a physician at Liverpool Hospital, St George and Royal Prince Alfred Hospitals, as a Director of Population Health in the South Western Sydney Area Health Service and as a Board Director of the Illawarra, Southern Sydney and South Western Sydney Area Health Services.

Professor Webster was a member of the Review of Health Services in NSW in from 1999 to 2000. Since 1976 he has been honorary visiting physician to St Vincent de Paul Society's Matthew Talbot Hostel for the Homeless in Woolloomooloo. He is also a consultant physician in the South Western Sydney and Shoalhaven areas.

Our functions

The Commission was established to perform the following functions:

- manage and administer the annual National Report Card on Mental Health and Suicide Prevention
- monitor and report on the performance of the mental health system including through ongoing evaluation of the Ten Year Roadmap for Mental Health Reform which is currently being developed
- develop, collate and analyse data and reports from other sources including Commonwealth agencies reporting on progress – with a particular focus on ensuring a cross sectoral perspective is taken to mental health reform
- provide mental health policy advice to Government in consultation with relevant agencies
- engage consumers and carers in mental health policy and service improvements.

The Commission will meet at least six times per year. At least half of its meetings will be in rural or remote areas, with one dedicated to Aboriginal and Torres Strait Islander issues. The Commission's Operating Principles can be found on its website.

Our vision and mission

The Commission's vision is that all people in Australia achieve the best possible mental health and wellbeing.

Its mission is to give mental health and suicide prevention national attention, to influence reform and to help people live contributing lives by reporting, advising and collaborating.

Our values

We value people

- We care about people, the experiences they have and the way they are treated.
- We value the rights, roles and contributions of people with a lived experience, their families, support people and the community.
- We listen in ways that are authentic, responsive and purposeful.
- We are clear about the links between mental health difficulties, access, justice, social exclusion and poverty and are inclusive of those who are particularly vulnerable, who live in rural and remote Australia, and who come from varying backgrounds and their heritage. In particular we are mindful of the particular challenges for Aboriginal and Torres Strait Islander peoples and those with other cultural backgrounds living with high levels of socio-economic disadvantage, and seek to learn from them.

We value leadership that makes a difference

- Through our reports, advice and collaborations we strive to fundamentally change and improve the performance of the systems and supports for people living with mental health difficulties or suicide risk and their families and support people.
- While we are impatient for change, we assume our leadership role with humility.
- We communicate frequently and clearly so that everyone knows what we are saying and our reporting and advice is useful.

We value truth, accountability and independence

- We look across all systems and supports and with a person-centered, whole-of-life perspective.
- We say what's working and what's not by reporting what we hear from people with lived experience and what we learn from the data and practice.
- We hold ourselves and others accountable for achieving the goals we set.
- We are frank and fearless in our advice, and do not walk away from tough issues.
- We publish our reports and advice.
- We act independently, for the benefit of people with a lived experience, their families, support people and the community.

We value collaboration

- We work in spirited partnership with others within and across sectors to influence and co-produce initiatives, reports and advice that will bring about and measure transformation.
- We seek to apply existing resources, skills, capabilities and networks collaboratively to create change.
- We work with government and the community as equals.
- We add our voice to those who champion the rights and roles of people with a lived experience, their families and support people.

The year in review

Highlights

Highlights of the Commission's first six months of operation included:

- the launch of the Commission on 23 January 2012 by the Minister Assisting the Prime Minister on Mental Health Reform, the Hon. Mark Butler MP. Significantly, the event was opened with the personal accounts of a person with lived experience of mental health difficulties and a family member
- establishing a functioning organisation by recruiting staff, setting up an office and systems and putting in place key governance arrangements including Operating Principles and the CEO's Statement of Intent
- meeting with more than 400 stakeholders across Australia, including those with a lived experience of mental health issues, their family members and support people, as well as service providers, professional bodies, governments, academics and advocacy bodies
- three formal Commission meetings – including visits to services and discussion with local communities – as well as a strategic planning day
- visits to six states and territories across Australia, including opportunities to see first-hand a range of community, peer-run and public services
- four Roundtable discussions on 26-27 April 2012 which were attended by around 130 people from a range of backgrounds
- an online snapshot survey to seek general input from stakeholders and the public and inform our thinking on the Report Card
- consulting on and developing *Strategies and Actions 2012-15* which sets out how the Commission will do its work in the first three years
- entering into Memoranda of Understanding with the Mental Health Council of Australia, the Australian Institute of Health and Welfare, the Australian Bureau of Statistics and the Australian Commission on Safety and Quality in Health Care
- releasing a *Paid Participation Policy* that received very positive feedback, recognising the specialised and expert contributions made by people who have a first-hand experience of a mental health difficulty, their family members or support people
- partnering with community organisation BATYR and the Young and Well Cooperative Research Centre to produce a report on young people and mental health
- supporting the WA Youth Roundtable in partnership with the WA Mental Health Commission and the Child and Adolescent Mental Health Services (CAMHS) Youth Mental Health Project Implementation Steering Group.

Establishing the Commission

While the Commission began formal operations on 1 January 2012, the first steps towards its establishment were announced in June 2011, when Robyn Kruk was appointed as Chief Executive Officer-designate.

A National Mental Health Commission workshop was held in Canberra in September 2011, bringing together representatives of government, service providers and people with lived experience of mental health issues and their support people, from around Australia to discuss the Commission's establishment and priority areas of focus. A report on the workshop is available on the website of the Mental Health Council of Australia.

The Commission's first months of operation involved an intensive workload, and a strategic planning day was held on 8 March 2012 prioritise the work agenda in order to begin work on key deliverables.

The Commission is supported by a small core of secretariat and policy staff engaged by the Chief Executive Officer. The staff is responsible for a range of support functions, including undertaking policy, research and data analysis, coordinating of meetings, and ensuring the Commission's activities align with the Prime Minister's Letter of Expectations, adhere to guidelines established through the Remuneration Tribunal, and that the agency operates within its agreed budget and in accordance with the requirements of the *Financial Management and Accountability Act 1997* and the *Public Service Act 1999*.

The Commission consulted on and developed *Strategies and Actions 2012-2015* and submitted a draft to the Prime Minister and Minister Butler at the end of March 2012, and the final to the Government on 29 June 2012, thereby meeting the first requirement set out in the Prime Minister's Letter of Expectations to the Chief Executive Officer.

Engaging with others

Australia has long been a leader in progressive mental health policy and services, but there are still too many for whom the 'system' fails. Engaging with people who have lived experience, as well those who support them, is at the centre of the Commission's work. At times, these conversations can be tough – but challenging ourselves to think hard about how we, as a society, can better support each other to live contributing, fulfilling lives is a very worthwhile goal.

The Commission established a meeting program that includes formal meetings and interstate visits to allow for engagement with people with lived experience, families and other stakeholders, including visits to various mental health-related services.

Formal meetings

The Commission held its inaugural meeting in Sydney on 24 January 2012. At the invitation of the Commissioners, attendees included representatives of consumer and carer organisations, the Minister Assisting the Prime Minister on Mental Health Reform, the Hon. Mark Butler MP, the NSW Minister for Mental Health, the Hon. Kevin Humphries MP, the Mental Health Council of Australia, the Brain and Mind Research Institute, the Department of Health and Ageing, the Department of Families, Housing, Community Services and Indigenous Affairs and the Australian Institute of Health and Welfare.

The meeting was opened with presentations from a person with lived experience, and a mother of someone with mental health difficulties, highlighting the value of learning from personal accounts as well demonstrating people's expectations and aspirations for the Commission. The Commissioners committed to involving consumers and carers in the core of its business.

The Commission's second formal meeting was held on 8 and 9 May 2012 in Brisbane. At the invitation of the Commissioners, attendees included the Director-General as well as other representatives of Queensland Health and the New South Wales Ministry of Health, who presented on the development of a National Mental Health Service Planning Framework. Commissioners spoke and answered questions at an open community forum, attended by more than 50 stakeholders from across Queensland's mental health sector as well as the Queensland Minister for Health, the Hon. Lawrence Springborg MP. Commissioners also travelled to the Brook RED service in Brisbane East to meet with members of the Brook RED community and board of directors and learn about their innovative approach to peer support.

The Commission's third formal meeting was held in Melbourne and Geelong on 19 and 20 June 2012. At the invitation of the Commissioners, attendees included staff from the Australian Institute of Health and Welfare and the Australian Bureau of Statistics. Mr Gregor Henderson, independent adviser to the UK Government on public mental health and wellbeing, also attended to share his expertise regarding public mental health and wellbeing.

The Commissioners met staff and directors from the MadCap Café in Geelong to learn more about how the business was supporting people with a lived experience of mental health difficulties through employment and training opportunities. Commissioners also visited two Geelong-based services: Prevention and Recovery Centre (PARC) and *headspace* Geelong, hearing first-hand about the impact these services were having on the Geelong community. They also noted the significance of these visits being their first as a group to a non-metropolitan area. The Commissioners spoke and answered questions at an open community forum in Geelong, attended by more than 30 people with lived experience, family members, service providers and workers from across the Barwon region.

Minutes and communiques of meetings are published on the Commission's website.

Other meetings and visits

In addition to the formal meetings described above, Commissioners and staff have met with hundreds of individuals and members of organisations who work within the realm of mental health and suicide prevention in Australia.

In addition to ongoing teleconferences and face to face meetings with various organisations, the Commission has committed to engaging with every state and territory within its first full year of operation.

On 14 and 15 February 2012 the Commission visited South Australia to meet with the South Australian Minister for Mental Health and Substance Abuse, the Hon. John Hill MP, senior government officials, employment and housing services and several non-government service providers.

On 1 and 2 March 2012, the Commission visited Western Australia to meet with the Western Australian Minister for Mental Health, the Hon. Helen Morton MLC, the Western Australian Mental Health Commissioner, Mr Eddie Bartnik, government officials, Aboriginal and Torres Strait Islander mental health services, the Western Australian Ministerial Council on Suicide Prevention and other representatives from across the sector.

Progress towards the first annual National Report Card on Mental Health and Suicide Prevention

The National Report Card on Mental Health and Suicide Prevention was a 2010 election commitment by the Australian Government, and during the 2011-12 Budget process it was set down as the Commission's primary focus.

The Report Card aims to influence positive change by providing an independent account of how a broad range of sectors - housing, employment, health, community, justice to name a few - are contributing to the mental health and wellbeing of people in Australia. Initially working with existing data, it will provide a better idea of what is being done well and what needs to improve. As well as looking at the facts and figures, it will tell the everyday experiences of Australians.

The Report Card has been an important agenda item at each of the Commission's formal meetings. This has included discussion of its aims and intended audience, and how it can be developed in a way that resonates with people with a lived experience of mental health issues, their families, carers and other support people, as well as being accessible to the Australian public, and credible and useful for policymakers, planners and services. With the first Report Card due by the end of 2012, Commissioners were strongly of the view that the primary focus during the first year of operation should be on consultation, design and production of the Report Card. Time constraints in the first iteration place a greater reliance on the use of existing data.

Using an open tender process established by the Department of Health and Ageing, the Commission engaged an external consultant to develop a blueprint for the Report Card and to consult with stakeholders on the options for content, data sources, structure and design. This consultancy allowed the Commission to get an early start on the Report Card's development while it was in its first months of set up. This was in addition to consultation managed by the Mental Health Council of Australia, as well as a series of high-level policy Roundtables run by the Commission in April 2012.

The Commission also entered into a partnership with BATYR and the Young and Well Cooperative Research Centre to capture the perspectives of young people across Australia on the development of the Report Card. This partnership is also an example of how we want to build capacity and leadership within the community sector.

People and performance

Working at the Commission

The Commission complies with the *Disability Discrimination Act 1992*, the *Equal Employment Opportunity Act 1987*, the *Commonwealth Disability Strategy* and the *Occupational Health and Safety (Commonwealth Employment) Act 1991*. It seeks to implement good practice as an employer which is responsive to the needs of employees experiencing a mental health issue.

One of the challenges facing the agency is delivering a significant work program and adequately supporting the Commissioners – while meeting the standard compliance requirements of any government agency – with a small staff and a limited budget. Supporting and developing staff in this environment will be something we need to be vigilant about.

The Commission is also committed to providing a safe and healthy workplace and to meeting its obligations under the *Occupational Health and Safety Act 1991* and the *Safety, Rehabilitation and Compensation Act 1988*.

As at 30 June 2012 there were 11 staff members (10.4 FTE) who were employed under the *Public Service Act 1999*. The Commission put in place a determination under section 24(1) of the Act that applied from 2 February 2012 and sets out the remuneration and other employment terms and conditions of non-SES staff.

Recognising the contribution of people with lived experience

The Commission has developed a Paid Participation Policy which sets a benchmark in recognising the contribution to its work of people with lived experience of mental health difficulties, their families and other support people. It offers a daily or pro-rata payment for an individual's time when they are personally nominated or invited to give expert advice and share their experiences to inform the Commission's work; to pay for travel and accommodation costs to allow these individuals to give their time; and to reimburse any reasonable associated out of pocket expenses.

Management accountability and corporate governance

The Chief Executive Officer was responsible for leading the Commission in accordance with the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*. She was also responsible for corporate governance and internal communications. The Commission's Operating Principles provide governance to the Commissioners and Secretariat, including Commissioners operating under a code of conduct and managing any perceived or real conflicts of interest.

Agencies subject to the *Freedom of Information Act 1982 (FOI Act)* are required to publish information as part of the Information Publication Scheme (IPS). This requirement is in Part II of

the *FOI Act* and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The Commission complies with this requirement.

Report on performance

The Commission was established to give mental health prominence at a national level. Its planned performance was based on the following outcome:

Outcome 1: Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers.

The National Mental Health Commission was established on 1 January 2012 and as such did not have in place Key Performance Indicators (KPIs) for 2011–12. The following KPIs have since been established and were published in the *Portfolio Budget Statements 2012–13*. The Commission will report against them in future annual reports:

- high level of satisfaction of the Prime Minister with the timeliness and quality of the NMHC's products, policy advice and support on issues relating to mental health
- by the end of the 2012 calendar year publication of the first annual National Report Card on Mental Health and Suicide Prevention
- publication, following stakeholder consultation, of a Three Year Strategic Plan and related 12–24 month operational Work Plan by 1 July 2012 that sets key priority areas
- publication of a Communications Strategy and leadership shown in national mental health communications activity
- high level of community and sector engagement in and satisfaction with the NMHC's work, including through the development of a Participation and Engagement Framework in partnership with relevant organisations and peak bodies
- fully staffed and effectively operating Commission, as reflected in an Annual Report.

In April 2012 the Chief Executive Officer sent a Letter of Intent to the Prime Minister providing a formal response to the Prime Minister's Statement of Expectations of December 2011. The Letter of Intent advised the Prime Minister that the agency was operational from 1 January 2012, having been successfully established within a short timeframe, and outlined how the Commission would meet its responsibilities, including its intention to hold a minimum of six formal meetings each year. It has published both letters on its website in keeping with its policy of transparency and accountability.

The Commission will conduct an internal review of its performance against objectives after its first 12 months of operation. A formal, external review of the Commission will be within 24 months of operation to be completed by the end of the 2014–15 financial year. The outcomes of the external review will be reported publicly to ensure that the Commission is achieving its strategies and making progress towards its goals.

Financial performance

The Commission had a small operating loss of \$2,810 in 2011–12, amounting to 0.4% of its departmental budget.

Further detail is provided in the Financial Statements.

The Commission made all purchases in line with relevant procurement policies and principles including Regulation 9 of the Financial Management and Accountability Regulations 1997. Performance pay is not used by the Commission.



INDEPENDENT AUDITOR'S REPORT

To the Prime Minister

I have audited the accompanying financial statements of the National Mental Health Commission for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Statement of Cash Flows; Schedule of Departmental Commitments; Schedule of Contingencies; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; Schedule of Administered Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies comprising a Summary of significant accounting policies.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive of the National Mental Health Commission is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the National Mental Health Commission's preparation of the financial statements that give a true and fair view in order to design audit procedures

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that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the National Mental Health Commission's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive of the National Mental Health Commission, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

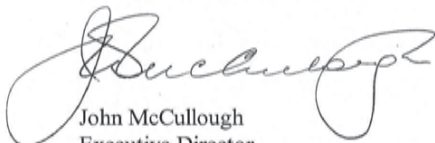
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the National Mental Health Commission:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Mental Health Commission financial position as at 30 June 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



John McCullough
Executive Director
Delegate of the Auditor-General

Canberra
3 October 2012

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STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2012 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

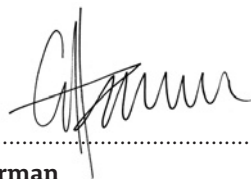


Signed

Robyn Kruk

Chief Executive

02 October 2012



Signed

Georgie Harman

Chief Financial Officer

02 October 2012

STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2012

			2012
	Notes		\$
EXPENSES			
Employee benefits	3A		481,067
Suppliers	3B		333,035
Depreciation	3C		1,267
Total expenses			815,369
LESS:			
OWN-SOURCE INCOME			
Gains			
Resources received free of charge	4A		25,000
Total gains			25,000
Total own-source income			25,000
Net cost of services			790,369
Revenue from Government	4B		787,559
Deficit attributable to the Australian Government			(2,810)
Total comprehensive loss attributable to the Australian Government			(2,810)

The above statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

as at 30 June 2012

			2012
	Notes		\$
ASSETS			
Financial assets			
Cash and cash equivalents	5A		10,000
Trade and other receivables	5B		791,272
Accrued revenue	5C		58,673
Total financial assets			859,945
Non-financial assets			
Property, plant and equipment	6A/6B		32,220
Total non-financial assets			32,220
Total assets			892,165
LIABILITIES			
Payables			
Suppliers	7A		438,764
Other payables	7B		36,189
Total payables			474,953
Provisions			
Employee provisions	8A		237,789
Total provisions			237,789
Total liabilities			712,742
Net assets			179,423
EQUITY			
Contributed equity			182,233
Accumulated deficit			(2,810)
Total equity			179,423

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2012

	Retained surplus (deficit)	Contributed equity	Total equity
	2012	2012	2012
	\$	\$	\$
Opening balance	-	-	-
Comprehensive Income			
Deficit for the period	(2,810)	-	(2,810)
Total comprehensive income	(2,810)	-	(2,810)
Transactions with owners			
Contributions by owners			
Restructuring (Note 9)	-	182,233	182,233
Sub-total transactions with owners	-	182,233	182,233
Closing balance at 30 June	(2,810)	182,233	179,423

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the six months ended 30 June 2012

			2012
	Notes		\$
OPERATING ACTIVITIES			
Cash received			
Appropriations			182,215
Total cash received			182,215
Cash used			
Employees			55,762
Suppliers			106,030
Net GST paid			10,424
Total cash used			172,215
Net cash from operating activities	10		10,000
Net increase in cash held			10,000
Cash and cash equivalents at the beginning of the reporting period			-
Cash received - restructuring			-
Cash and cash equivalents at the end of the reporting period	5A		10,000

The above statement should be read in conjunction with the accompanying notes.

SCHEDULE OF DEPARTMENTAL COMMITMENTS

as at 30 June 2012

		2012
BY TYPE		\$
Commitments payable		
Other commitments		
Operating leases		1,989,433
Contractors and consultants		429,738
Total other commitments		2,419,171
Net commitments by type		2,419,171
BY MATURITY		
Commitments payable		
Other commitments		
One year or less		713,898
From one to five years		1,262,647
Over five years		442,626
Total other commitments		2,419,171
Net commitments by maturity		2,419,171

Note: Commitments are GST inclusive where relevant.

The operating lease commitment is comprised of a lease of office accommodation for the National Mental Health Commission office in Sydney.

SCHEDULE OF CONTINGENCIES

as at 30 June 2012

Contingent assets and liabilities

The National Mental Health Commission (the Commission) is not aware of any departmental contingent liabilities or assets as at signing date that would require disclosure in the financial statements.

The above statement should be read in conjunction with the accompanying notes.

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME

for the six months ended 30 June 2012

			2012
	Notes		\$
EXPENSES			
Suppliers	16		1,847,125
<i>Total expenses administered on behalf of Government</i>			1,847,125
<i>Net cost of services</i>			1,847,125
<i>Total comprehensive loss attributable to the Australian Government</i>			(1,847,125)

The above statement should be read in conjunction with the accompanying notes.

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES

as at 30 June 2012

			2012
	Notes		\$
ASSETS			
Financial assets			
Cash and cash equivalents*	17A		-
GST receivable	17B		88,851
Total financial assets			88,851
Total assets administered on behalf of Government			88,851
LIABILITIES			
Payables			
Suppliers	18		916,267
Total payables			916,267
Total liabilities administered on behalf of Government			916,267
Net liabilities			(827,416)

* The Commission maintains a nil cash balance in its administered bank accounts.

The above schedule should be read in conjunction with the accompanying notes.

ADMINISTERED RECONCILIATION SCHEDULE

for the six months ended 30 June 2012

		2012
		\$
Opening administered assets less administered liabilities as at 1 July		
Surplus (deficit) items:		-
Plus: Administered income		-
Less: Administered expenses		(1,847,125)
Administered transfers to/from Australian Government		
Appropriation transfers from Official Public Account (OPA):		
Annual appropriation for administered expenses		1,019,709
Transfers to OPA		-
Closing administered assets less administered liabilities as at 30 June		(827,416)

The above schedule should be read in conjunction with the accompanying notes.

ADMINISTERED CASH FLOW STATEMENT

for the six months ended 30 June 2012

			2012
	Notes		\$
OPERATING ACTIVITIES			
Cash used			
Suppliers			930,858
Net GST paid			88,851
Total cash used			1,019,709
Net cash used by operating activities	19		(1,019,709)
Net decrease in cash held			(1,019,709)
Cash and cash equivalents at the beginning of the reporting period			-
Cash from Official Public Account for:			
Appropriations			1,019,709
			1,019,709
Cash and cash equivalents at the end of the reporting period	17A		-

The above schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED COMMITMENTS

as at 30 June 2012

	2012
	\$
BY TYPE	
Commitments receivable	
GST recoverable on commitments	(13,171)
Total commitments receivable	(13,171)
Commitments payable	
Other commitments	
Consultancies and contractors	316,894
Total other commitments	316,894
Net commitments by type	303,723
BY MATURITY	
Commitments receivable	
One year or less	(13,171)
From one to five years	-
Over five years	-
Total commitments receivable	(13,171)
Commitments payable	
Other commitments	
One year or less	316,894
From one to five years	-
Over five years	-
Total other commitments	316,894
Net commitments by maturity	303,723

Commitments are GST inclusive where relevant.

Other commitments includes contracts entered into for the provision of contracting and consultancy services.

The above schedule should be read in conjunction with the accompanying notes.

SCHEDULE OF ADMINISTERED CONTINGENCIES

as at 30 June 2012

Contingent assets and liabilities

The Commission is not aware of any administered contingent liabilities or assets as at signing date that would require disclosure in the financial statements.

The above schedule should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

as at 30 June 2012

Note 1. Summary of significant accounting policies

1.1 Objectives of the Commission

The National Mental Health Commission (the Commission) is a not-for profit Australian Government executive agency established on 1 January 2012 under the *Public Service Act 1999* within the Prime Minister and Cabinet Portfolio. Ten Commissioners, including the Chair and Chief Executive Officer, comprise Australia's first National Mental Health Commission. The objective of the Commission is to contribute to the Government's agenda to improve outcomes for people with a lived experience of mental health issues, their families, carers and other support people. The Commission reports annually on its progress to the Prime Minister.

The Commission is structured to meet the following outcome:

Outcome 1: Provide expert advice to the Australian Government and cross-sectoral leadership on the policy, programs, services and systems that support mental health in Australia, including through administering the annual National Report Card on Mental Health and Suicide Prevention, undertaking performance monitoring and reporting, and engaging consumers and carers.

The continued existence of the Commission in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for the Commission's administration and programs.

The Commission's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Commission in its own right. Administered activities involve the management or oversight by the Commission, on behalf of the Government, of items controlled or incurred by the Government.

1.2 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except where certain assets and liabilities are recorded at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in whole Australian dollars unless otherwise specified.

The financial statements present the activities of the Commission from establishment on 1 January 2012 through to 30 June 2012. As a result, there is no comparative information for previous years.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the Commission, or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the Commission has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The provision for employee entitlements is based on the actuarial assessment determined by the Australian Government Actuary.

The Commission made no other assumptions or estimates identified as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian accounting standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following revised standards and interpretations were issued prior to the sign-off date, were applicable to the current reporting period and had a financial impact on the Commission:

- AASB 7 - Financial Instruments: Disclosures - November 2010 (Compilation)
- AASB 101 - Presentation of Financial Statements - May 2011 (Compilation)
- AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors - May 2011 (Compilation)
- AASB 110 - Events after the Reporting Period - December 2009 (Compilation)
- AASB 118 - Revenue - October 2010 (Compilation)
- AASB 119 - Employee Benefits - October 2010 (Compilation)
- AASB 132 - Financial Instruments: Presentation - May 2011 (Compilation)
- AASB 137 - Provisions, Contingent Liabilities and Contingent Assets - October 2010 (Compilation)
- AASB 139 - Financial Instruments: Recognition and Measurement - October 2010 (Compilation)
- Interp. 132 - Intangible Assets – Web Site Costs - October 2010 (Compilation)

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the Commission.

Future Australian Accounting Standard requirements

The following new or reissued standards were issued by the Australian Accounting Standards Board prior to the sign-off date, which are expected to have a financial impact on the Commission for future reporting periods:

- AASB 9 - Financial Instruments - December 2010 (Principal)
- AASB 13 - Fair Value Measurement - September 2011 (Principal)
- AASB 119 - Employee Benefits - September 2011 (Principal)

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the future reporting period are not expected to have a future financial impact on the Commission.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer
- the Commission retains no managerial involvement or effective control over the goods
- the revenue and transaction costs incurred can be reliably measured and
- it is probable that the economic benefits associated with the transaction will flow to the Commission.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

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

The stage of completion of contracts at the reporting date is determined by reference to the proportion of costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue from Government when the Commission gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements.

Sale of assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Australian Government as owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

Restructuring of administrative arrangements

Net assets received from or relinquished to another government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

1.8 Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets out of which the obligations are to be settled directly

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Commission is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Commission's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined at 30 June 2012 by reference to the work of an actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. The Commission recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The Commission's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or another fund of their choice.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The Commission makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Commission accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 Borrowing costs

All borrowing costs are expensed as incurred.

1.11 Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and cash in special accounts.

1.12 Financial assets

The Commission classifies its financial assets as loans and receivables. Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period. If there is objective evidence that an impairment loss has been incurred for loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

1.13 Financial liabilities

All financial liabilities are classified as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. Other financial liabilities, including borrowings, are initially

measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor’s accounts immediately prior to the restructuring.

1.16 Infrastructure, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to ‘make good’ provisions in property leases taken up by the Commission where there exists an obligation to restore the lease to its original condition. These costs are included in the value of the Commission’s property, plant and equipment with a corresponding provision for the ‘make good’ recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measurement
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are to be conducted in 2012-13 to ensure that the carrying amounts of assets does not differ materially from the assets' fair values. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Commission using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2012
Infrastructure, plant and equipment	1 to 4 years

Impairment

All assets were assessed for impairment during 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Commission were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Taxation

The Commission is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office
- for receivables and payables and
- commitments payable and receivable.

1.18 Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered cash transfers to and from the Official Public Account

Revenue collected by the Commission for use by the Government rather than the Commission is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the Commission on behalf of the Government and reported as such in the schedule of administered cash flows and in the Administered Reconciliation Schedule.

Revenue

All administered revenues are revenues relating to ordinary activities performed by the Commission on behalf of the Australian Government. As such, administered appropriations are not revenues of the individual entity that oversees distribution or expenditure of the funds as directed.

Loans and receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through the schedule of administered comprehensive income.

Note 2. Events after the reporting period

Departmental

There are no known events occurring after the reporting period that could impact on the financial statements.

Administered

There are no known events occurring after the reporting period that could impact on the financial statements.

Note 3. Expenses

		2012
		\$
NOTE 3A: EMPLOYEE BENEFITS		
Wages and salaries		412,297
Superannuation:		
Defined contribution plans		21,054
Defined benefit plans		38,474
Leave and other entitlements		8,549
Other		693
Total employee benefits		481,067

		2012
		\$
NOTE 3B: SUPPLIERS		
Goods and services		
Office accommodation, facility management and security		139,164
Travel		88,471
Staff relocation and agency fees		42,421
Audit Fees		25,000
Office equipment and requisites		8,281
Contractors and Consultants		11,653
Information technology and communications		9,744
Other expenses		8,301
Total goods and services		333,035
Goods and services are made up of:		
Provision of goods – related entities		-
Provision of goods – external parties		8,281
Rendering of services – related entities		207,722
Rendering of services – external parties		117,032
Total goods and services		333,035
Total supplier expenses		333,035

		2012
		\$
NOTE 3C: DEPRECIATION		
Property, plant and equipment		1,267
Total depreciation		1,267

Note 4. Own-source income

GAINS		2012
		\$
NOTE 4A: RESOURCES RECEIVED FREE OF CHARGE		
Financial statement audit services provided free of charge by the Australian National Audit Office		25,000
<i>Total resources received free of charge</i>		25,000

REVENUE FROM GOVERNMENT		2012
		\$
NOTE 4B: REVENUE FROM GOVERNMENT		
Appropriations		
Departmental appropriations		787,559
<i>Total revenue from Government</i>		787,559

Note 5. Financial assets

		2012
		\$
NOTE 5A: CASH AND CASH EQUIVALENTS		
Cash on hand or on deposit		10,000
<i>Total cash and cash equivalents</i>		10,000

		2012
		\$
NOTE 5B: TRADE AND OTHER RECEIVABLES		
Goods and services receivable:		
Goods and services – related entities		14,984
<i>Total goods and services receivable</i>		14,984

		2012
		\$
NOTE 5B: TRADE AND OTHER RECEIVABLES CONTINUED		
Appropriations receivable:		
For existing programs		765,864
Total appropriations receivable		765,864
Other receivables:		
GST receivable from the Australian Taxation Office		10,424
Total other receivables		10,424
Total trade and other receivables (gross)		791,272
Less impairment allowance account:		
Goods and services		-
Total impairment allowance account		-
Total trade and other receivables (net)		791,272
Receivables are expected to be recovered in:		
No more than 12 months		791,272
More than 12 months		-
Total trade and other receivables (net)		791,272

Note: No receivables are overdue. Credit terms are within 30 days.

		2012
		\$
NOTE 5C: ACCRUED REVENUE		
Recovery of departmental costs		58,673
Total accrued revenue		58,673
Accrued revenues are expected to be recovered in:		
No more than 12 months		58,673
More than 12 months		-
Total accrued revenue		58,673

Note 6. Non-financial assets

		2012
		\$
NOTE 6A: PROPERTY, PLANT AND EQUIPMENT		
Other property, plant and equipment:		
Work in progress		16,923
Fair value		16,564
Accumulated depreciation		(1,267)
Total other property, plant and equipment		32,220
Total property, plant and equipment		32,220

No indicators of impairment were found for property, plant and equipment.

No property, plant and equipment is expected to be sold or disposed of within the next 12 months.

	Property, plant & equipment	Total
	\$	\$
NOTE 6B: RECONCILIATION OF OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT		
As at 1 January 2012		
Work in progress	-	-
Gross book value	-	-
Accumulated depreciation/amortisation and impairment	-	-
Net book value 1 January 2012	-	-
Additions		
By purchase or internally developed	16,923	16,923
From acquisition of operations on restructuring	16,564	16,564
Depreciation expense	(1,267)	(1,267)
Net book value 30 June 2012	32,220	32,220
Net book value as of 30 June 2012 represented by:		
Work in progress	16,923	16,923
Gross book value	16,564	16,564
Accumulated depreciation and impairment	(1,267)	(1,267)
Closing net book value at 30 June 2012	32,220	32,220

Note 7. Payables

		2012
		\$
NOTE 7A: SUPPLIERS		
Trade creditors		438,764
<i>Total suppliers payable</i>		438,764
Supplier payables are expected to be settled within 12 months:		
Related entities		406,313
External parties		32,451
<i>Total suppliers payable</i>		438,764

Settlement is usually made within 30 days.

		2012
		\$
NOTE 7B: OTHER PAYABLES		
Salaries and wages		30,751
Superannuation		5,438
<i>Total other payables</i>		36,189
Total other payables are expected to be settled in:		
No more than 12 months		36,189
More than 12 months		-
<i>Total other payables</i>		36,189

Note 8. Provisions

		2012
		\$
NOTE 8: EMPLOYEE PROVISIONS		
Annual leave		125,801
Long service leave		111,988
<i>Total employee provisions</i>		237,789
Employee provisions are expected to be settled in:		
No more than 12 months		161,564
More than 12 months		76,225
<i>Total employee provisions</i>		237,789

Note 9. Restructuring

	2012 National Mental Health PMC ¹
	\$
FUNCTION ASSUMED	
Assets recognised	
Appropriation receivable	303,573
Property, plant and equipment	10,511
Total assets recognised	314,084
Liabilities recognised	
Employee provisions	131,851
Total liabilities recognised	131,851
Net assets assumed²	182,233
Income	
Recognised by the receiving entity	787,559
Recognised by the losing entity	-
Total income	787,559
Expenses	
Recognised by the receiving entity	-
Recognised by the losing entity	469,481
Total expenses	469,481

1. The National Mental Health function was relinquished from the Department of the Prime Minister and Cabinet (PMC) on establishment of the Commission on 1 January 2012.

2. The net assets assumed from all entities were \$182,233.01. In respect of functions assumed, the net book values of assets and liabilities were transferred to the entity for no consideration.

Note 10. Cash flow reconciliation

		2012
		\$
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement		
Cash and cash equivalents as per:		
Cash flow statement		10,000
Balance sheet		10,000
<i>Difference</i>		-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services		(790,369)
Add revenue from Government		787,559
Adjustments for non-cash items		
Depreciation		1,267
Changes in assets/liabilities		
(Increase)/decrease in net receivables		(695,146)
Increase/(decrease) in employee provisions		237,789
Increase/(decrease) in supplier payables		438,764
Increase/(decrease) in other payable		36,189
<i>Net cash received from operating activities</i>		10,000

Note 11. Contingent assets and liabilities

Quantifiable contingencies

The Commission is not aware of any quantifiable contingent liabilities or assets as at signing date that would require disclosure in the financial statements.

Unquantifiable contingencies

The Commission is not aware of any unquantifiable contingent liabilities and assets as at the signing date that would require disclosure in the financial statements.

Significant remote contingencies

The Commission is not aware of any significant remote contingent liabilities and assets as at the signing date that would require disclosure in the financial statements.

Note 12. Senior executive remuneration

		2012
		\$
NOTE 12A: SENIOR EXECUTIVE REMUNERATION EXPENSE FOR THE REPORTING PERIOD		
Short-term employee benefits:		
Salary (including annual leave taken)		186,069
Other*		1,356
Total short-term employee benefits		187,425
Post-employment benefits:		
Superannuation		35,047
Total post-employment benefits		35,047
Other long-term benefits:		
Long service leave		4,655
Total other long-term benefits		4,655
Total		227,127

* Includes motor vehicle, other allowances and reportable fringe benefits.

Notes:

1. Note 12A relates to senior executives employed during the year.
2. Note 12A is prepared on an accrual basis.
3. Note 12A excludes acting arrangements and part-year service where total remuneration expensed during the period of acting at the senior executive level was less than \$150,000.
4. No performance bonuses were expensed during the reporting period.

NOTE 12B: AVERAGE ANNUAL REPORTABLE REMUNERATION PAID TO SUBSTANTIVE SENIOR EXECUTIVES DURING THE REPORTING PERIOD

	2011-2012					
Average annual reportable remuneration ¹	Senior Executives	Reportable Salary ²	Contributed superannuation ³	Reportable allowances ⁴	Bonus paid ⁵	Total
	No.	\$	\$	\$	\$	\$
Total remuneration (including part-time arrangements):						
less than \$150,000	1	99,459	14,413	-	-	113,872
\$150,000 to \$179,999	-	-	-	-	-	-
\$180,000 to \$209,999	1	166,610	33,517	1,356	-	201,483
Total	2	266,069	47,930	1,356	-	315,355

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) exempt foreign employment income
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to staff in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries
5. No performance bonuses were paid during the reporting period in relation to substantive senior executives.
6. Various salary sacrifice arrangements were available to other senior executives including super, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

NOTE 12C: OTHER HIGHLY PAID STAFF

The Commission has no other staff with reportable remuneration of over \$150,000 for the reporting period.

Note 13. Remuneration of auditors

		2012
		\$
Financial statement audit services are provided free of charge by the Australian National Audit Office (ANAO)		
Fair value of services provided:		
Financial statement audit services		25,000
Total fair value of services provided		25,000

No other services were provided by the auditors of the financial statements.

Note 14. Financial instruments

		2012
		\$
NOTE 14A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial assets		
Loans and receivables:		
Cash and cash equivalents		10,000
Goods and services receivable		14,984
Accrued revenue		58,673
Carrying amount of financial assets		83,657
Financial liabilities		
At amortised cost:		
Suppliers		438,764
Carrying amount of financial liabilities		438,764

NOTE 14B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

The Commission had no income or expenses generated by financial assets.

NOTE 14C: FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximate their carrying amounts.

NOTE 14D: CREDIT RISK

The Commission was exposed to minimal credit risk as financial assets were composed of cash, goods and services receivable and accrued revenue. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total of the outstanding receivables, 2012: nil.

The Commission manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship.

The Commission held no collateral to mitigate against credit risk.

The following table illustrates the entity's gross exposure to credit risk.

		2012
		\$
Financial assets		
Cash and cash equivalents		10,000
Goods and services receivable		14,984
Accrued revenue		58,673
Total		83,657

Credit quality of financial instruments not past due or individually determined as impaired.

	Not past due nor impaired	Past due or impaired
	2012	2012
	\$	\$
Cash and cash equivalents	10,000	-
Goods and services receivable	14,984	-
Accrued revenue	58,673	-
Total	83,657	-

NOTE 14E: LIQUIDITY RISK

The Commission's financial liabilities were supplier payables. The exposure to liquidity risk was based on the notion that the Commission would encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely due to appropriation funding mechanisms available to the Commission (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there were appropriate resources to meet its financial obligations.

The Commission was funded by an appropriation from the Australian Government. The Commission managed its funds to ensure it had adequate funds to meet payments as they fell due. The Commission had no experience of default.

The Commission's financial liabilities are due within one year.

The Commission had no derivative financial liabilities in 2012.

Maturities for non-derivative financial liabilities 2012

	On demand	Within 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Other liabilities						
Supplier payables	-	438,764	-	-	-	438,764
Total	-	438,764	-	-	-	438,764

NOTE 14F: MARKET RISK

The Commission held basic financial instruments that did not expose the Commission to any market risk. The Commission was not exposed to currency risk, interest rate risk or other price risk.

Note 15. Financial assets reconciliation

			2012
	Notes		\$
NOTE 15: FINANCIAL ASSETS			
Total financial assets as per balance sheet			859,945
<i>Less: non-financial instrument components</i>			
Appropriation receivable			765,864
GST receivable from the ATO			10,424
Total non-financial instrument components			776,288
Total financial assets as per financial instruments note	14A		83,657

Note 16. Administered expenses

		2012
		\$
NOTE 16: SUPPLIERS		
Goods and services		
Outsourced providers, contractors and consultants		1,563,809
Travel		130,603
Sitting fees		82,618
Subscriptions		40,000
General expenses		30,095
Total goods and services		1,847,125
Goods and services are made up of:		
Rendering of services – related entities		788,592
Rendering of services - external parties		1,058,533
Total goods and services		1,847,125
Total suppliers expense		1,847,125

Note 17. Administered financial assets

		2012
		\$
NOTE 17A: CASH AND CASH EQUIVALENTS		
Cash on hand or on deposit		-
<i>Total cash and cash equivalents</i>		-

		2012
		\$
NOTE 17B: RECEIVABLES		
Other receivables:		
GST receivable from the Australian Taxation Office		88,851
<i>Total other receivables</i>		88,851
<i>Total trade and other receivables (net)</i>		88,851
Receivables are expected to be recovered in:		
No more than 12 months		88,851
More than 12 months		-
<i>Total trade and other receivables (net)</i>		88,851

No receivables are overdue. Credit terms are within 30 days

Note 18. Administered payables

		2012
		\$
NOTE 18: SUPPLIERS		
Trade creditors		916,267
<i>Total suppliers</i>		916,267
Supplier payables expected to be settled within 12 months:		
Related entities		469,425
External parties		446,842
<i>Total suppliers</i>		916,267

Settlement was usually made within 30 days.

Note 19. Administered cash flow reconciliation

		2012
		\$
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Administered Cash Flow Statement		-
Administered Schedule of Assets and Liabilities		-
<i>Difference</i>		-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services		(1,847,125)
Changes in assets / liabilities		
(Increase)/decrease in net receivables		(88,851)
Increase/(decrease) in supplier payables		916,267
<i>Net cash used by operating activities</i>		(1,019,709)

Note 20. Administered contingent assets and liabilities

Quantifiable contingencies

The Commission is not aware of any quantifiable contingent liabilities or assets as at signing date that would require disclosure in the financial statements.

Unquantifiable contingencies

The Commission is not aware of any unquantifiable contingent liabilities and assets as at the signing date that would require disclosure in the financial statements.

Significant remote contingencies

The Commission is not aware of any significant remote contingent liabilities and assets as at the signing date that would require disclosure in the financial statements.

Note 21. Administered financial instruments

		2012
		\$
NOTE 21A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial liabilities		
At amortised cost:		
Trade creditors		916,267
<i>Carrying amount of financial liabilities</i>		916,267

NOTE 21B: NET INCOME AND EXPENSE FROM FINANCIAL ASSETS

There were no income and expenses generated by financial assets and liabilities.

NOTE 21C: FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments approximate their carrying amounts.

NOTE 21D: CREDIT RISK

The Commission had no financial assets that are exposed to credit risk.

NOTE 21E: LIQUIDITY RISK

The Commission's administered financial liabilities were supplier payables. The exposure to liquidity risk was based on the notion that the Commission would encounter difficulty in meeting its obligations associated with administered financial liabilities. This was highly unlikely due to appropriation funding and mechanisms available to the Commission (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there were appropriate resources to meet its financial obligations.

The Commission's financial liabilities are due within one year.

The Commission had no derivative financial liabilities in 2012.

NOTE 21F: MARKET RISK

The Commission held basic financial instruments that do not expose the Commission to certain market risks. The Commission was not exposed to interest risk, currency risk or other price risk.

Note 22. Administered financial assets reconciliation

		2012
		\$
FINANCIAL ASSETS		
Total financial assets per administered schedule of assets and liabilities		88,851
Less: non-financial instrument components		
GST receivable		88,851
<i>Total non-financial instrument components</i>		88,851
<i>Total financial assets as per financial instruments note</i>		-

Note 23. Appropriations

NOTE 23A: ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')

2012 Appropriations									
	Appropriation Act		AFM ^(b) \$	FMA Act			Total Appropriation \$	Appropriation applied in 2012 (current and prior years) \$	Variance \$
	Annual Appropriation \$	Appropriations reduced ^(a) \$		Section 30 \$	Section 31 \$	Section 32 \$			
DEPARTMENTAL									
Ordinary annual services	-	-	-	-	-	920,247	920,247	(326,105)	594,142
Other Services									
Equity	-	-	-	-	-	171,722	171,722	-	171,722
Total departmental	-	-	-	-	-	1,091,969	1,091,969	(326,105)	765,864
ADMINISTERED									
Ordinary annual services									
Administered items	-	(133,875)	-	-	-	1,981,000	1,847,125	(930,858)	916,267
Total administered	-	(133,875)	-	-	-	1,981,000	1,847,125	(930,858)	916,267

Notes:

(a) Appropriation reduced under Acts (No. 1, 3 & 5) 2011-12: sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2, 4 & 6) 2011-12: sections 12, 13, 14 and 17. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2012 there was no reduction in departmental and non-operating departmental appropriations.

As with departmental appropriations, the responsible Minister may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1, 3 & 5) 2011-12 and section 12 of Appropriation Acts (Nos. 2, 4 & 6) 2011-12, the appropriation is taken to be reduced to the required amount specified in Table 23C of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament.

(b) In 2011-12, there was no adjustment that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.

		2012
		\$
NOTE 23B: UNSPENT DEPARTMENTAL ANNUAL APPROPRIATIONS ('RECOVERABLE GST EXCLUSIVE')		
Authority		
DEPARTMENTAL		
Appropriation Act (No. 1) 2011-12		594,142
Appropriation Act (No. 1) 2011-12 – cash held by the Commission		10,000
Appropriation Act (No. 2) 2011-12		171,722
Total		776,864
ADMINISTERED		
Appropriation Act (No. 1) 2011-12		1,050,142
Total		1,050,142

NOTE 23C: REDUCTION IN ADMINISTERED ITEMS ('RECOVERABLE GST EXCLUSIVE')

2011-12	Amount required ¹ - by Appropriation Act	Total amount required ²	Total amount appropriated ³	Total reduction ⁴
Ordinary Annual Services	Act (No.1)			
Outcome 1	1,847,124.86	1,847,124.86	1,981,000.00	133,875.14

Notes:

1. Numbers in this section of the table must be disclosed to the cent.
2. Amount required as per Appropriation Act (Act 1 section 11; Act 2 section 12).
3. Total amount appropriated in 2011-12.
4. Total reduction effective in 2012-13.

Note 24. Compensation and debt relief

Departmental

No 'Act of Grace' expenses were incurred during the reporting period.

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period.

No ex-gratia payments were provided for during the reporting period.

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* during the reporting period.

Administered

No 'Act of Grace' expenses were incurred during the reporting period.

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period.

No ex-gratia payments were provided for during the reporting period.

No payments were provided in special circumstances relating to APS employment pursuant to section 73 of the *Public Service Act 1999* during the reporting period.

Note 25. Reporting of outcomes

The Commission has one outcome as described in Note 1.1.

		Total Outcome 1
		2012
NOTE 25A: NET COST OF OUTCOME DELIVERY		\$
Departmental		
Expenses		(815,369)
Own-source income		25,000
Administered		
Expenses		(1,847,125)
Own-source income		-
<i>Net cost of outcome delivery</i>		(2,637,494)

		Total Outcome 1
		2012
NOTE 25B: MAJOR CLASSES OF DEPARTMENTAL EXPENSE, INCOME, ASSETS AND LIABILITIES BY OUTCOME		\$
Expenses		
Employees		(481,067)
Suppliers		(333,035)
Depreciation		(1,267)
Total		(815,369)
Income		
Resources received free of charge		25,000
Total		25,000
Assets		
Cash and cash equivalents		10,000
Trade and other receivables		791,272
Accrued revenue		58,673
Property, plant and equipment		32,220
Total		892,165
Liabilities		
Suppliers		(438,764)
Other payables		(36,189)
Employee provisions		(237,789)
Total		(712,742)

		Total Outcome 1
		2012
NOTE 25C: MAJOR CLASSES OF ADMINISTERED EXPENSE, INCOME, ASSETS AND LIABILITIES BY OUTCOME		\$
Expenses		
Suppliers		(1,847,125)
Total		(1,847,125)
Assets		
Other receivables		88,851
Total		88,851
Liabilities		
Suppliers		(916,267)
Total		(916,267)

Note 26. Net cash appropriation arrangements

		2012
		\$
<i>Total comprehensive loss less depreciation/amortisation expenses previously funded through revenue appropriations¹</i>		(1,543)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation		(1,267)
<i>Total comprehensive loss - as per the Statement of Comprehensive Income</i>		(2,810)

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate departmental capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Appendices

Appendix 1: Staffing statistics, work health and safety and carer recognition

There were no injuries incurred by employees, nor were there any notifiable incidents recorded.

There were no investigations conducted under Part 10 of the *Work Health Safety Act 2011*.

Changes to disability reporting in annual reports:

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007-08, reporting on the employer role was transferred to the Australian Public Service Commission's *State of the Service Report* and the *APS Statistical Bulletin*. These reports are available at www.apsc.gov.au. From 2010-11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by a new National Disability Strategy which sets out a 10-year national policy framework for improving life for Australians with disability, their families and carers. A high level report to track progress for people with disability at a national level will be produced by the Standing Council on Community, Housing and Disability Services to the Council of Australian Governments and will be available at www.fahcsia.gov.au. The Social Inclusion Measurement and Reporting Strategy agreed by the Government in December 2009 will also include some reporting on disability matters in its regular *How Australia is Faring* report and, if appropriate, in strategic change indicators in agency Annual Reports. More detail on social inclusion matters can be found at www.socialinclusion.gov.au.

Although the Commission is not a public service care agency as defined by the *Carer Recognition Act 2010*, the Commission through its core functions and day to day work supports the Statement for Australia's Carers and its 10 key principles that set out how carers should be treated and considered, policy, program and service delivery settings.

The Commission's mission is to give mental health and suicide prevention national attention, to influence reform and to help people with lived experience of mental health issues live contributing lives by reporting, advising and collaborating.

In doing so the Commission places the engagement of not only Australians living with mental health difficulties but their families, friends and other support people at the centre of its work to influence mental health policy and service improvements.

The Chair and a number of National Mental Health Commissioners represent the interests of families and carers and have direct experience of supporting people with mental health issues. These issues feature strongly in the Commission's deliberations on policy and system reform, consultation and engagement approaches and internal policies.

An example of this is found in the Commission's Paid Participation Policy, which recognises the valuable specialised and expert contributions made by people who have a first-hand experience of mental health conditions along with family members and carers who provide support to people living with a mental health condition by offering:

- a daily or pro rata payment for an individual's time when they are personally nominated or invited to give expert advice and share their experiences to inform the Commission's work;
- to pay for travel and accommodation costs to allow these individuals to give their time; and
- to reimburse any reasonable associated out of pocket expenses.

In addition, the Commission's employment provisions include recognition of the role of carers and the need to provide flexibility to enable them to meet their caring obligations. Personal leave and carer's leave may be used when an employee, or a member of their family or household, is ill or injured and is unable to attend for duty. Ongoing employees have a paid personal/carer's leave entitlement of 18 days per year. The Commission will also consider flexible working arrangements (including working part-time) for staff, subject to operational requirements.

Appendix 2: Advertising and market research

In accordance with section 311A of the *Commonwealth Electoral Act 1918*, agencies are required to provide information about advertising and marketing research.

The Commission spent \$429.00 GST inclusive on advertising the Order to Establish the National Mental Health Commission as an Executive Agency in the *Commonwealth of Australia Gazette* No GN 5, 8 February 2012 (p33).

The Commission also spent \$18,981.21 on advertising in major newspapers and online news websites to promote a public online survey seeking input to support development of the Report Card.

The Commission did not undertake any marketing research during the period.

Appendix 3: Ecologically sustainable development and environmental performance

The activities of the National Mental Health Commission support Ecologically Sustainable Development (ESD) in that wherever possible, electronic mediums for communication, engagement and publications are favoured over other methods which have a higher environmental impact.

The Commission does not provide any capital funding, project or grant funding for activities which have a measurable impact on ESD.

As the Commission uses leased office space, there are limits to its ability to introduce environmental performance improvements. However, the Commission is in the process of implementing environmental performance policies and standards as part of its establishment.

The building in which the Commission is located carries a 3.5 star water rating and a 4.5 star water rating, certified by NABERS and based on 12 months of operational energy use. More stars indicate better energy performance and lower emissions of greenhouse gases. NABERS is a national initiative of the Commonwealth, State and Territory Governments. For more information about NABERS ratings visit www.nabers.com.au

Figure 2. Energy efficiency, waste management strategies and water performance

Theme	Steps taken to reduce effect	Measures to review and improve reducing the effect
Energy efficiency	The Commission has a lights out policy, and switches off all lights and computers at the end of each day.	Spot checks are performed in the evening to note compliance with the policy.
Waste	Introduced a recycling station in the office kitchen	A review found that the recycling station was occasionally removed by cleaners, reducing recycling. Steps taken include using a temporary recycling bin and asking building managers to replace the station.
Water	As the Commission leases its office space, it has minimal control on water or grey water usage. The office kitchen uses a water efficient dishwasher.	

Appendix 4: Consultancy services and contracts

Consultants are distinguished from other contractors by the nature of the work they perform. Consultants are defined as an individual, a partnership or a corporation engaged to provide professional, independent and expert advice or services, where those services involve the development of an intellectual output that assists with agency decision-making, and/or the output reflects the independent views of the service provider.

A total of five consultancies invoiced and were paid to a value of \$411,603.22 in 2011-12.

Pursuant to the Senate Order on departmental and agency contracts Figure 3 sets out contracts entered into by the National Mental Health Commission which provide for a consideration to the value of \$100,000 or more and which:

- a. have not been fully performed as at 30 June 2012, or
- b. have been entered into during the 12 months prior to 30 June 2012.

Most of the contracts listed contain confidentiality provisions of a general nature that are designed to protect the confidential information of the parties that may be obtained or generated in carrying out the contract. The reasons for including such clauses include:

- a. ordinary commercial prudence that requires protection of trade secrets, proprietary information and the like, and/or
- b. protection of other Commonwealth material and personal information.

Figure 3. Contracts over \$100,000

Contractor	Healthcare Management Advisors Pty Ltd
Subject Matter	Report Card Development
Amount of Consideration	\$355,018.00
Start Date	18-Apr-12
Anticipated End Date	16-Jun-12
Whether contract contains provisions requiring the parties to maintain confidentiality of any of its provisions (Y/N)	N
Reason(s)	N/A
Whether contract contains other requirements of confidentiality (Y/N)	N

Contractor	Australian Bureau of Statistics
Subject Matter	Data handling, analysis and other support services
Amount of Consideration	\$250,068.00
Start Date	1-Jun-12
Anticipated End Date	30-Jun-13
Whether contract contains provisions requiring the parties to maintain confidentiality of any of its provisions (Y/N)	N
Reason(s)	N/A
Whether contract contains other requirements of confidentiality (Y/N)	N

Contractor	Australian Institute of Health and Welfare
Subject Matter	Data handling, analysis and other support services
Amount of Consideration	\$525,287.00
Start Date	1-Jun-12
Anticipated End Date	1-Jun-13
Whether contract contains provisions requiring the parties to maintain confidentiality of any of its provisions (Y/N)	N
Reason(s)	N/A
Whether contract contains other requirements of confidentiality (Y/N)	N

Contractor	Australian Commission on Safety and Quality in Health Care
Subject Matter	Project related to the implementation of the National Standards for Mental Health Services
Amount of Consideration	\$200,000.00
Start Date	26-Jun-12
Anticipated End Date	30-Jun-14
Whether contract contains provisions requiring the parties to maintain confidentiality of any of its provisions (Y/N)	N
Reason(s)	N/A
Whether contract contains other requirements of confidentiality (Y/N)	N

Estimated cost of complying with this Order: \$275

Basis of method used to estimate the cost: Estimate of time taken to comply with this Order

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website at www.tenders.gov.au. No contracts or consultancies were exempted from AusTender.

Appendix 5: List of requirements

In accordance with the *Requirements for Departmental Annual Reports*, the following compliance index is provided, including a page reference for the location of each item.

Part of report	Description	Requirement
Page 3	Letter of transmittal	Mandatory
Page 4	Table of contents	Mandatory
Page 70	Index of key figures and tables	Mandatory
Page 70	Glossary	Mandatory
Page 2	Contact officer	Mandatory
Page 2	Internet home page address and Internet address for report	Mandatory
Review by Secretary		
Page 5	Review by departmental secretary/agency CEO	Mandatory
Page 13	Summary of significant issues and developments	Suggested
Departmental overview		
Page 6	Role and functions	Mandatory
Page 7	Organisational structure	Mandatory

Page 17	Outcome and program structure	Mandatory
N/A	Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory
Report on Performance		
Page 17	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory
Page 17	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory
N/A	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory
Page 13-17	Narrative discussion and analysis of performance	Mandatory
N/A	Trend information	Mandatory
N/A	Social inclusion outcomes	If applicable, mandatory
N/A	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory
Page 17 and 18-61	Discussion and analysis of the department's financial performance	Mandatory
N/A	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory
Page 59,60	Agency resource statement and summary resource tables by outcomes	Mandatory

Management and Accountability		
Corporate Governance		
Page 3	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory
Page 16	Statement of the main corporate governance practices in place	Mandatory
External Scrutiny		
N/A	Significant developments in external scrutiny	Mandatory
N/A	Judicial decisions and decisions of administrative tribunals	Mandatory
N/A	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory
Management of Human Resources		
Page 16	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory
Page 16	Statistics on staffing	Mandatory
Page 16	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory
Page 17	Performance pay	Mandatory
Page 38, 39	Assets management: Assessment of effectiveness of assets management	If applicable, mandatory
Page 17	Purchasing: Assessment of purchasing against core policies and principles	Mandatory

Page 64-66	Consultants: The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory
N/A	Australian National Audit Office Access Clauses: Absence of provisions in contracts allowing access by the Auditor-General	Mandatory
Page 66	Exempt contracts: Contracts exempt from the AusTender	Mandatory
Pages 20-61	Financial Statements	Mandatory
Other Mandatory Information		
Page 16	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory
Page 63	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory
Page 63,64	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory

Page 62	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory
N/A	Grant programs	Mandatory
Page 62	Disability reporting – explicit and transparent reference to agency-level information available through other reporting mechanisms	Mandatory
Page 16	Information Publication Scheme statement	Mandatory
N/A	Correction of material errors in previous annual report	If applicable, mandatory
Page 66-70	List of Requirements	Mandatory

Glossary

Commission: The Chair, Commissioners and Chief Executive Officer.

Formal meeting: full meetings of the Commission, of which there will be a minimum of six per year in accordance with the Operating Principles. The Commission may also conduct business out-of-session.

Mental health: a state of wellbeing in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her own community (World Health Organization definition).

Secretariat: policy and administrative staff supporting the Commission.

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