



Budget

2021–22

Portfolio Budget Statements 2021–22 **Budget Related Paper No. 1.4**

Education, Skills and Employment Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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ISSN: 2652-8371 (Print)

ISSN: 2652-838x (Online)

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The Hon Stuart Robert MP
Minister for Employment, Workforce, Skills,
Small and Family Business

The Hon Alan Tudge MP
Minister for Education and Youth

Senator the Hon Scott Ryan
President of the Senate
Parliament House
CANBERRA ACT 2600

The Hon Tony Smith MP
Speaker
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

We hereby submit Portfolio Budget Statements in support of the 2021-22 Budget for the Education, Skills and Employment portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

We present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Stuart Robert', written in a cursive style.

Stuart Robert

A handwritten signature in blue ink, appearing to be 'Alan Tudge', written in a cursive style.

Alan Tudge

Parliament House, Canberra ACT 2600

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer in the Department of Education, Skills and Employment on 1300 566 046.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

**User Guide
To The
Portfolio Budget Statements**

User guide

The purpose of the 2021-22 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2021-22 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2021-22 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth performance framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Commonwealth performance framework Key components of relevant publications

Portfolio Budget Statements (May) *Portfolio based*

Supports Annual Appropriations. Informs Senators and Members of Parliament of the proposed allocation of other resources to **government outcomes and programs**.

Provides links to **relevant programs** undertaken by other Commonwealth entities.

Provides high level performance information for current, ongoing programs, particularly a **forecast of performance for the current year**.

Provides **detailed** prospective performance information for proposed new budget measures that require a **new program** or **significantly change an existing program**.

Corporate Plan (August) *Entity based*

Primary planning document of a Commonwealth entity.

Sets out the **purposes** of the entity, the **activities** it will undertake to achieve its purposes and the **results** it expects to achieve over a minimum four year period.

Describes the **environment** in which the entity **operates**, the **capability** it requires to undertake **activities** and a discussion of **risk**.

Explains how the entity's **performance** will be **measured** and **assessed**.



Annual Performance Statement (October following year) *Entity based*

Included in the Commonwealth entity's Annual Report. Focuses on **recent performance**.

Reports on the **actual performance results** for the year against the **forecasts** made in the **corporate plan** and **Portfolio Budget Statements**, and provides other performance information relevant to the entity.

Provides an **analysis** of the factors that **contributed** to the **entity's performance results**.

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Portfolio Overview

Education, Skills and Employment Portfolio overview

Ministers and portfolio responsibilities

The Education, Skills and Employment portfolio's purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people through education, skills and employment pathways.

The Education, Skills and Employment portfolio comprises the Department of Education, Skills and Employment (the department) and the following entities (see Figure 1 on page 3).

- Australian Curriculum, Assessment and Reporting Authority
- Australian Institute of Teaching and School Leadership
- Australian Research Council
- Australian Skills Quality Authority
- Tertiary Education Quality and Standards Agency
- Australian National University.¹

The department and portfolio entities work with state and territory governments, other Australian Government entities and a range of service providers to provide high quality policy advice and service for the benefit of all Australians.

Following the Administrative Arrangements Order of 18 March 2021, the department has gained responsibility for the coordination of youth affairs and programs, including youth transitions.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

¹ The Australian National University is not part of the general government sector or included in the Commonwealth general government sector fiscal estimates and does not have a chapter in the PB Statements.

Figure 1: Education, Skills and Employment portfolio structure and outcomes

<p>The Hon Stuart Robert MP Minister for Employment, Workforce, Skills, Small and Family Business</p>	<p>The Hon Alan Tudge MP Minister for Education and Youth</p>
<p>Department of Education, Skills and Employment Dr Michele Bruniges AM—Secretary</p> <p>Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.</p> <p>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</p> <p>Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.</p> <p>Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.</p>	
<p>Australian Curriculum, Assessment and Reporting Authority David de Carvalho—Chief Executive Officer</p> <p>Outcome: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</p>	
<p>Australian Institute for Teaching and School Leadership Mark Grant—Chief Executive Officer</p> <p>Outcome: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities, and supporting the teaching profession.</p>	
<p>Australian Research Council Professor Sue Thomas—Chief Executive Officer</p> <p>Outcome: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>	
<p>Australian Skills Quality Authority Saxon Rice—Chief Executive Officer</p> <p>Outcome: Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.</p>	
<p>Tertiary Education Quality and Standards Agency Alistair Maclean—Chief Executive Officer</p> <p>Outcome: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.</p>	
<p>Australian National University Professor Brian P. Schmidt AC—Vice-Chancellor, President and Chief Executive Officer</p>	

Entity resources and planned performance

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**Department of Education,
Skills and Employment**

**Entity resources and planned
performance**

Department of Education, Skills and Employment

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Department of Education, Skills and Employment

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Department of Education, Skills and Employment's (the department) purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways. The department provides advice to its Ministers and effectively implements Government policies and programs. In doing this, the department draws on the best available research, evidence and data and works collaboratively across Government and with industry, stakeholders, and state and territory governments.

Following the Administrative Arrangements Order of 18 March 2021, the department has gained responsibility for the coordination of youth affairs and programs, including youth transitions.

The department continues to play an essential role in supporting the formulation and delivery of targeted education, skills and employment initiatives through the next phase of the Government's Economic Recovery Plan. Measures in the 2021–22 Budget to be delivered by the department reflect the Government's commitment to securing Australia's economic recovery and future prosperity through supporting Australians into jobs by investing in skills and higher education and helping job seekers to reconnect with employment. The department also continues to support the provision of essential services on which Australians rely, including early childhood education and care, schooling, skills and training, higher education, and employment services.

Improving affordability and access to child care

The Government will provide \$1.7 billion over five years to increase support for families with children in child care. From 11 July 2022, the Government will increase the Child Care Subsidy (CCS) by 30 percentage points, up to a maximum CCS rate of 95 per cent, for the second child and subsequent children aged five and under in centre-based child care, family day care, and outside school hours care. In addition, from 1 July 2022 the Government will remove the annual cap on the CCS, currently \$10,560 for each child. These measures will reduce out-of-pocket costs and support parental choice for families with children in child care, as well as help to reduce the workforce disincentives faced by these families.

These measures build on the 2018 *Jobs for Families* Child Care Package, with the Government investing record and growing funding in child care.

Investing in early childhood education

The 2021–22 Budget will invest in Australian families, including supporting quality early childhood education and care, better preparing children for school and helping students to achieve their best.

Building on its longstanding commitment to supporting access to preschool, the Government will make an ongoing contribution to preschool nationally by providing \$1.6 billion over four years and then \$589.0 million each year ongoing from 2025–26. The Australian Government will offer states and territories \$2.0 billion for a new preschool national partnership, covering the 2022 to 2025 preschool years. The new agreement will continue support for universal access to 15 hours of preschool each week (600 hours each year) for children attending preschool in the year before they start school, while improving participation and better preparing children for school.

The Government will also provide \$28.7 million over four years from 2021–22 to improve preschool data collection and develop a new performance framework to support this reform.

Reducing red tape in child care

As part of its Deregulation Agenda, the Government will provide \$12.6 million over four years to reduce red tape in the child care sector. The Government will establish a central child care service website, consolidating two existing sites to reduce the administrative burden on providers. This will make it easier for families to get accurate information about local child care services, quality, fees and vacancies. In addition, the Government will pilot joint monitoring, data sharing, and compliance operations with two state jurisdictions. This will target high-risk child care providers and step up efforts to prevent and detect fraud within the child care system without increasing the impost on services that strive to do the right thing.

This builds on the 2020–21 Budget measure: *JobMaker Plan – Deregulation Package*.

Record recurrent funding for schools

The Government remains committed to supporting improved education outcomes for school students, particularly vulnerable and disadvantaged students, Aboriginal and Torres Strait Islander students, and students in regional and remote areas. The Government will provide a record of \$24.1 billion in 2021–22, and \$315.2 billion from 2018 to 2029, under the Government’s Quality Schools Package for recurrent funding to Australian schools distributed on the basis of need.

Supporting students’ personal and professional development

The Government will provide \$8.1 million over four years from 2021–22 for Together for Humanity to deliver a mainly school-based, student- and teacher-driven, face-to-face program to educate students, teachers and parents so they are equipped for diversity and to foster greater inter-cultural understanding and a sense of belonging.

The Government will also provide \$3.0 million in 2021–22 to enable people aged 14 to 24 years who require additional assistance to participate in the Duke of Edinburgh International Award. This measure will provide additional support to young people with disability, young Aboriginal and Torres Strait Islander people, disadvantaged young people from refugee backgrounds, regional and remote communities, and marginalised youth to participate in the Duke of Edinburgh Awards.

The 2021-22 Budget will provide \$1.0 million to engage youth through a range of initiatives including additional opportunities to learn about civics and citizenship through the annual National Schools Constitution Convention. The Government will also provide \$1.2 million over four years to co-sponsor the Young Australian of the Year award.

Supporting Aboriginal and Torres Strait Islander students

The Government will support Aboriginal and Torres Strait Islander boarding students from predominantly remote and very remote areas to access school education and enable boarding providers to best support the wellbeing and engagement of students. Funding of \$16.6 million in 2021–22 will be provided through the National Indigenous Australians Agency to assist boarding providers with a high proportion of Aboriginal and Torres Strait Islander students during the COVID-19 recovery period.

Supporting Australia’s teacher workforce

The Government will invest \$9.8 million over four years to improve the quality of teaching to lift school and student performance, with a focus on current and emerging areas of need. This includes \$5.8 million for the Australian Teacher Workforce Data collection and \$4.0 million over four years to continue the Literacy and Numeracy Test for Initial Teacher Education Students. Ongoing investment for these programs will contribute to building a quality teaching evidence base and help to improve teacher workforce planning and outcomes.

Supporting students with disability

The Government will invest \$20.0 million to continue its Nationally Consistent Collection of Data (NCCD) Continuous Quality Improvement Measure to better support students with disability. Ongoing support for the program will ensure that appropriate funding continues to build the capacity of schools to implement the NCCD and deliver better educational outcomes for students with disability. This will also contribute to the Australian Government’s response to the National School Resourcing Board’s review of the loading for students with disability and the Review of the Disability Standards for Education 2005.

This builds on the 2017–18 Budget measure: *Quality Schools – true needs-based funding for Australia’s schools*.

Support for Australia's international education sector

The Government will provide \$74.0 million to support Australia's international education sector, which continues to be disrupted by the COVID-19 pandemic.

This includes: extending regulatory fee relief for education providers beyond that provided in last year's Higher Education Relief Support Package; innovation funding for eligible independent English language and higher education providers to pivot to online and offshore education delivery; an extension of the FEE-HELP loan fee exemption to support non-university higher education providers; and an extra 5,000 short course places to be available in 2021–22 to non-university higher education providers.

Further support for this sector will also include revised cost recovery arrangements for registrations on the Commonwealth Register of Institutions and Courses for Overseas Students, previously scheduled for introduction from 1 July 2021 which will now commence from 1 January 2022.

Cost recovery for the Tertiary Education Quality and Standards Agency (TEQSA) and Australian Skills Quality Authority (ASQA) will also be deferred by six months to 1 January 2022.

TEQSA's cost recovery will be phased in over three years and will include reductions to course accreditation fees for providers with less than 5,000 enrolled students (equivalent full-time student load).

There will be further consultation with higher education and skills and training providers on TEQSA and ASQA's revised cost recovery models.

These measures provide a platform for the most affected education providers to broaden their business models and contribute to a strengthened and more sustainable sector.

This builds on the 2020–21 Budget measure: *JobMaker Plan – Deregulation Package* and the July 2020 Economic and Fiscal Update measure: *COVID-19 Response Package – higher education*.

Encouraging university-industry links

The Government will boost financial incentives for universities to enrol students in 'Industry PhDs'. This will build new employment pathways for PhD graduates and increase collaboration between universities and industry. This measure will introduce a new weighting for students that graduate, having undertaken an industry placement within the first 18 months of the PhD, worth approximately \$30,000 to the university per PhD graduate upon completion under the Research Training Program.

Boosting skills development across Australia

Under the Heads of Agreement for Skills Reform, to support the future growth and prosperity of the nation the Australian, state, and territory governments have committed to work collaboratively on improvements to the vocational education and training (VET) system. A strong skills system is critical for Australia's long-term economic recovery.

In line with this commitment, the Australian Government will continue to negotiate a new National Skills Agreement with the states and territories to replace the National Agreement on Skills and Workforce Development.

The key priorities for the Government for a new National Skills Agreement include: increasing investment and transparency under a new funding model; improving access to and support for Foundation Skills; improving VET data collection, use and analysis; and harmonising and modernising apprenticeships to boost completion rates, support businesses, and improve labour mobility.

As part of the Australian Government's commitments under the Heads of Agreement for Skills Reform, the Government will provide \$149.2 million over four years from 2021-22 to enhance the role of industry in the VET system through the establishment of new Industry Clusters. The clusters will ensure a strong, strategic industry voice, drive collaboration across sectors by breaking down silos, address strategic workforce challenges, and improve the speed to market of qualifications to meet evolving industry needs. Strengthening the role of industry in the VET system will mean qualifications are aligned to the skills that are in demand by employers, increase workforce productivity, and get more learners into jobs.

The Government will also provide \$30.9 million over four years from 2021-22 to deliver a new National Training Register by rebuilding the training.gov.au platform, to support work with the states and territories to reform qualifications design.

The Government will provide \$12.1 million to deliver a more consistent approach to apprenticeships and traineeships and improve mobility of the skilled workforce. The measure will also support the development and implementation of systems to better connect individuals, businesses and industry to wage subsidy and apprenticeship incentives information.

These reforms will ensure VET is high quality and accessible and meets the current and future skills needs of employers and learners.

Extending and expanding the JobTrainer Fund

The Government will extend and expand the successful \$1.0 billion JobTrainer Fund, signed up to by all jurisdictions under the Heads of Agreement for Skills Reform, by providing an additional \$500.0 million in funding, to be matched by state and territory governments. The enrolment period will be extended to 31 December 2022, and eligibility will be expanded to include additional select cohorts, including aged care

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workers. This measure will deliver around 163,000 additional free or low-fee training places in areas of skills need, with around 33,800 of these places to support aged care skills needs and around 10,000 places for digital skills courses.

This builds on the July 2020 Economic and Fiscal Update measure: *COVID-19 Response Package – JobTrainer Fund – establishment*.

Increasing apprenticeship commencements

The Boosting Apprenticeship Commencements (BAC) program, announced in the 2020–21 Budget, provided a 50 per cent wage subsidy to support 100,000 new apprenticeships. Reflecting its success in supporting school leavers and job seekers, especially women, looking to upskill or reskill from across Australia, the BAC program was fully subscribed within its first five months.

Building on this success, the Government will provide an additional \$2.7 billion over four years from 2020–21: \$1.2 billion to uncap the program and extend the wage subsidy period to 12 months from the date of commencement, as announced on 9 March 2021; and \$1.5 billion to further extend the BAC wage subsidy commencement period for an additional six months from 1 October 2021 to 31 March 2022 and support an evaluation of the program. The measure will support apprenticeship and traineeship commencements as the economy continues to recover.

The Government will also provide \$2.6 million for the Australian Apprenticeship Support Network to deliver 5,000 additional Gateway Services to women and provide in-training support services for women commencing in non-traditional trade occupations. These services ensure that prospective apprentices are matched with apprenticeships or traineeship pathways suited to their skills and are supported to undertake their training.

This builds on the 2020–21 Budget measure: *JobMaker Plan – boosting apprenticeships wage subsidy*.

Boosting foundational and digital skills

As part of the Australian Government's commitment to providing stronger support for foundation skills under the Heads of Agreement for Skills Reform, the Government will provide \$16.6 million to expand eligibility for, and uncap the number of hours job seekers are able to access within, the Skills for Education and Employment (SEE) program. The Government will also provide \$3.0 million to expand the outreach role of the Reading Writing Hotline. The Government is also providing \$4.0 million over two years from 2021–22 to support projects to better incorporate digital skills training for job seekers in the SEE program. The measure will support more job seekers to improve their language, reading, writing, mathematics and digital skills to boost their employment prospects.

The Government will provide \$10.7 million over three years from 2021–22 to support up to four industry-led trials to develop new and innovative pathways to increase the number of Australians with high level digital skills through cadetships. The cadetships will be in emerging and high technology digital fields, comprising formal and on-the-job training, and will be targeted at cohorts seeking to upskill or cross-skill to adapt to new digitally-advanced employment opportunities.

Supporting women's skills, training and career development

The Government will provide \$12.2 million over two years to extend and expand the National Careers Institute's Partnership Grants Program to provide partnership grants for innovative projects that support women's workforce participation. The measure will support women to make informed decisions about education and career pathways and enhance partnerships between industry, employers, schools, and tertiary providers to assist women into further learning and career opportunities.

The Government will also reform the Mid-Career Checkpoint program to extend support to a larger target cohort, provide a capped \$3,000 grant to participants, and extend the pilot to Victoria. The pilot period will also be extended by 12 months to 30 June 2022. The program provides free professional skills and career advice to Australians returning to work after a break to undertake caring responsibilities, with a strong focus on women aged 30 to 45 years, and is expected to support local labour market needs.

Boosting youth skills

The Government will expand the Commonwealth Scholarships Program for Young Australians. This funding will enable an additional scholarship round providing up to 240 scholarships that will support young people aged 15 to 24 years in ten disadvantaged regions across Australia to improve their skills and employment opportunities.

Better careers information for youth

The Government will provide \$7.6 million over two years to extend the National Careers Institute's (NCI) 1800 CAREER Information Service, which supports young people aged 15 to 24, to 30 June 2023. Government funding will also extend and expand the NCI's Partnership Grants Program to provide partnership grants for projects that target the needs of young people. The NCI provides careers information to support informed decisions about education, training and career pathways.

Supporting skilled migrants to fill gaps in the workforce

The Government will provide \$4.6 million to make the remaining three Trades Recognition Australia (TRA) skills assessment pathway programs demand-driven and move to full cost recovery of TRA's services. This approach will ensure the Government is well placed to respond to skills shortages once the borders reopen. TRA provides skills assessment services for migrants seeking to work in

technical and trade occupations so they can fully participate in the labour market and fill employment gaps in a timely manner.

Attracting people to modern agriculture

The Government is committed to addressing workforce gaps in agriculture. This Budget provides \$2.7 million over four years from 2021–22 to improve understanding of the breadth and depth of Agrifood opportunities and improve perceptions of the Agrifood industry to attract people to modern agriculture.

This forms part of an initiative led by the Department of Agriculture, Water and the Environment.

Supporting job seekers to return to employment

The Government is supporting economic recovery and jobs growth by fostering a stronger, more competitive and resilient economy. A key element of the plan is supporting Australians back into jobs.

The Government will deliver the New Employment Services Model from 1 July 2022. This model will create a modern and sophisticated service, replacing jobactive, and deliver an effective, efficient digital service supported by enhanced face-to-face servicing by providers where needed.

The new model will allow job-ready job seekers to self-manage their job search efforts and pathway to employment, allowing for increased investment in disadvantaged job seekers who need extra help to find a job through providing personal, tailored assistance delivered by providers. Safeguards will ensure job seekers are receiving servicing based on their needs.

The new model supports Government priority areas, such as Closing the Gap for Indigenous job seekers and improving employment services to refugees and people with a disability, by increasing the investment in disadvantaged job seekers, who are over-represented in the long-term unemployed.

For employers, the new model will provide better applicant matching and servicing based on employer needs, and will focus provider efforts on working with employers to support job seekers who need additional support to find and sustain employment. The Government is committed to delivering tailored support to meet the workforce needs of identified key industries and large employers, helping them connect to suitable job seekers.

The Government will invest \$80.8 million in the Digital Services Contact Centre as part of the new model. The Digital Services Contact Centre will continue to support job seekers in Digital Services to self-manage their way back to employment by providing information, technical support and case management support, and access to person-to-person support where needed.

The Government will also redesign and streamline self-employment and small business support under the new model. The Government will continue to provide free self-employment and small business support programs to job seekers, micro business owners and veterans, including those in regional Australia. Self-employment and small business support will be simplified, and eligibility and places expanded to support the Government's priority to get Australians back into work through a business-led economic recovery.

In addition, the Government will provide \$15.6 million in 2021–22 to increase all wage subsidies available through jobactive, Transition to Work and ParentsNext to \$10,000. This will increase the incentives for employers to hire eligible disadvantaged job seekers registered with employment services. Streamlining wage subsidies to \$10,000 will simplify arrangements for employers and help disadvantaged job seekers into jobs as the economy recovers.

This builds on the 2019–20 Budget measure: *New Employment Services Model – pilot and transitional arrangements*.

Supporting youth employment

The Government is committed to providing targeted support to improve youth employment outcomes. The youth unemployment rate is higher than for the general population, including in the regions.

The Government is providing an additional \$481.2 million over four years to expand and strengthen the successful youth employment services program, Transition to Work, to be the dedicated youth employment service in the New Employment Services Model. Transition to Work will provide intensive, time-limited assistance to young people aged 15 to 24 years who are at risk of not transitioning into employment or further education. The service will continue to help disadvantaged young people to make positive transitions from school to work by promoting work experience and training participation and providing intensive assistance to young people experiencing multiple barriers to achieving successful labour market participation.

This builds on the 2020–21 Budget measure: *Employment Services*.

Providing additional support to job seekers

The Government will provide \$23.4 million over three years from 2020–21 to modify existing employment services to further increase support for job seekers.

The Budget includes \$15.5 million over two years from 2020–21 to provide more people the opportunity to explore and start their own small business by providing an additional 1,000 places under the *New Business Assistance with the New Enterprise Incentive Scheme* program and an additional 350 places under the *Exploring Being My Own Boss Workshop* program. This will assist people to consider whether self-employment is the right path for them and provide additional small business assistance, training and mentoring.

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The Government will also amend jobactive provider eligibility for outcome payments and provide \$7.9 million over three years to incentivise jobactive providers to service job seekers referred from Online Employment Services and assist them into work as quickly as possible, minimising the risk of long-term unemployment.

This builds on the 2020–21 Budget measure: *Employment Services*.

Supporting workforce participation

The Government is providing a further \$2.6 million over three years to extend the Career Revive program until 2023–24 and expand the program to support women’s workforce participation. The measure will support an additional 60 metropolitan and regional businesses to develop action plans to attract and retain women returning to work after a career break.

Australians in all regions will benefit from the \$213.5 million investment in this Budget to expand the Local Jobs Program to all 51 Employment Regions around Australia and extend the program until 30 June 2025. The Local Jobs Program is currently in place for 25 of the 51 Employment Regions and supports regions to coordinate employment and training solutions at a local level with a focus on reskilling, upskilling and employment. This measure will assist job seekers in the additional regions to return to work more quickly.

To further support job seekers prepare for and find employment as part of Australia’s economic recovery, the Government is providing \$6.2 million to extend the Jobs Fairs program and deliver a combination of up to 26 physical and virtual Jobs Fairs across Australia between June 2021 and June 2022. Jobs Fairs help connect job seekers with employers, employment service providers and recruitment agencies, and provide an opportunity for job seekers to learn about jobs, training and career options in their area.

The Budget also includes \$1.6 million over two years from 2020–21 to support the delivery of AgMove (Relocation Assistance to Take Up a Job for short-term agricultural work). The Government has also extended eligibility to 17 year-old school leavers and modified eligibility requirements to accommodate shorter harvest seasons and encourage more job seekers to give agricultural work a try.

Strengthening mutual obligations

The Government will support the entry of job seekers into employment and reduce the likelihood of long-term reliance on unemployment benefits. In the 2021–22 Budget, the Government will provide \$213.0 million to strengthen the mutual obligation requirements of job seekers in receipt of unemployment payments, improve detection of non-compliance with requirements, and improve jobactive provider performance in supporting job seekers to find employment.

The Government will also extend the temporary Earn and/or Learn measure for 6 months from 31 December 2021 to 30 June 2022 to align with the commencement of the New Employment Services Model. Earn and/or Learn was introduced on 28 September 2020 as part of the Government's response to COVID-19 and provides job seekers with more flexibility to count study or training towards their mutual obligations, helping them to become more competitive as the economy recovers.

2021-22 Budget measures for the department are presented in Table 1.2.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Department of Education, Skills and Employment resource statement
— Budget estimates for 2021–22 as at Budget May 2021**

	2020-21 <i>Estimated actual (a)</i> \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available	178,482	214,817
Departmental appropriation (c)	847,025	882,062
s74 External Revenue (d)	52,620	39,321
Departmental capital budget (e)	76,009	61,816
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available	31,679	-
Equity injection	123,050	102,851
Total departmental annual appropriations	1,308,865	1,300,867
Special accounts (g)		
Opening balance	4,307	4,307
Appropriation receipts (h)	3,165	-
Non-appropriation receipts	5,607	5,523
Total special accounts	13,079	9,830
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(3,165)	-
Total departmental resourcing	1,318,779	1,310,697
Administered		
Annual appropriations - ordinary annual services (b)		
Prior year appropriations available		
Outcome 1	392,846	460,237
Outcome 2	316,924	344,861
Outcome 3	3,786,656	3,462,754
Outcome 4	2,076,029	2,445,226
Annual appropriations - other services - specific payments to States, ACT, NT and local government (f)		
Outcome 1 (i)	219,993	165,613
Total administered annual appropriations	6,792,448	6,878,691
Total administered special appropriations	50,470,694	52,493,917
Special accounts (g)		
Opening balance	83,824	90,101
Appropriation receipts (h)	9,480	2,265
Non-appropriation receipts	10,200	12,293
Total special account receipts	103,504	104,659
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(15,087)	(7,788)
Total administered resourcing	57,351,559	59,469,479
Total resourcing for Department of Education, Skills and Employment	58,670,338	60,780,176
	2020-21	2021-22
Average staffing level (number)	3,573	3,655

Third party payments from and on behalf of other entities

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Payments made by other entities on behalf of Education, Skills and Employment		
Services Australia	9,503,319	9,459,007
Payments made to other entities for the provision of services (disclosed above)		
Department of Social Services	4,942	4,942
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	39,540	27,171
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority	12,941	14,058
Australian Institute for Teaching and School Leadership	13,529	12,723

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

- (a) Excludes \$111.5 million subject to administrative quarantine by the Department of Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and amounts in Appropriation Bills (No. 3 & 4) which are yet to receive Royal Assent — for further information, please refer to the 2020–21 Education, Skills and Employment Portfolio Additional Estimates Statements.
- (b) Appropriation Bill (No. 1) 2021–22.
- (c) Excludes Departmental Capital Budget (DCB).
- (d) Estimated External Revenue receipts under section 74 of the PGPA Act.
- (e) Departmental Capital Budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (f) Appropriation Bill (No. 2) 2021–22.
- (g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 — Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (h) Amounts credited to special accounts from Department of Education, Skills and Employment annual and special appropriations.
- (i) Relates to appropriations sought for payment to the States, ACT, NT and local governments in Appropriation Bill (No. 2) 2021–22. The Government continues to grow its investment in Australian Schools. This includes \$165.6 million for payments to states and territories in Appropriation Bill (No. 2), for Program 1.3 - Additional Support for Northern Territory Schools (\$14.2 million), for Program 1.4 — Adjustment Assistance (\$1.7 million); Choice and Affordability Fund (\$107.7 million); Non-Government Representative Bodies (\$40.0 million); and for Program 1.5 — Literacy Support for Tasmanian Students (\$2.0 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. The distribution of the funding under the Non-Government Representative Bodies program is based on advice from Independent Schools Australia and the National Catholic Education Commission. The distribution of the Adjustment Assistance program will be determined following consideration of applications from eligible schools for national adjustment assistance funding and based on advice from the ACT Catholic system and ACT Association of Independent Schools for assistance to the ACT non-government sector. Funding under the Literacy Support for Tasmanian Students is for Tasmania only. Terms and conditions are made under the authority from the *Australian Education Act 2013* and the Australian Education Regulation. Administered capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.10 for further details. For accounting purposes, this amount is designated as a 'contribution by owner'.

1.3 Budget measures

Budget measures in Part 1 relating to the Department of Education, Skills and Employment are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Entity 2021–22 Budget measures
Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Receipt measures					
Higher Education — additional support for tertiary and international education providers	2.1, 2.3, 2.7				
Administered receipt	-	(3,998)	(2,832)	(2,748)	(2,676)
Departmental receipt	-	-	-	-	-
Total	-	(3,998)	(2,832)	(2,748)	(2,676)
Trades Recognition Australia — full cost recovery	3.1				
Administered receipt	-	7,773	10,012	12,251	14,490
Departmental receipt	-	(1,500)	(1,500)	(1,500)	(1,500)
Total	-	6,273	8,512	10,751	12,990
Total receipt measures					
Administered	-	3,775	7,180	9,503	11,814
Departmental	-	(1,500)	(1,500)	(1,500)	(1,500)
Total	-	2,275	5,680	8,003	10,314
Payment measures					
Commonwealth's Deregulation Agenda (a)	1.1, 1.2				
Administered payment	-	1,654	2,460	1,081	449
Departmental payment	-	2,815	3,226	451	453
Total	-	4,469	5,686	1,532	902
Migration Program — 2021-22 planning levels (b)	1.2, 1.3, 1.4				
Administered payment	-	110	1,433	(957)	(3,540)
Departmental payment	-	-	-	-	-
Total	-	110	1,433	(957)	(3,540)
Women's Economic Security Package (a)	1.2, 3.1, 4.1				
Administered payment	(20,870)	(8,663)	506,505	624,412	626,618
Departmental payment	-	2,481	902	-	-
Total	(20,870)	(6,182)	507,407	624,412	626,618
Schools and Youth — supporting students, teachers and young Australians (a)	1.5, 3.1				
Administered payment	(2,934)	14,404	8,422	9,732	11,241
Departmental payment	-	-	-	-	-
Total	(2,934)	14,404	8,422	9,732	11,241
Guaranteeing Universal Access to Preschool	1.1, 1.5				
Administered payment	(16,000)	17,850	10,249	5,813	844
Departmental payment	-	2,465	2,670	1,900	2,764
Total	(16,000)	20,315	12,919	7,713	3,608

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Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Payment measures (continued)						
Higher Education — additional support for tertiary and international education providers	2.1, 2.3, 2.4, 2.5, 2.7					
Administered payment		(2,362)	32,284	(3,162)	(2,826)	(839)
Departmental payment		-	583	-	-	-
Total		(2,362)	32,867	(3,162)	(2,826)	(839)
Addressing Workforce Shortages in Key Areas — JobTrainer Fund — extension	3.1					
Administered payment		-	6,270	-	-	-
Departmental payment		-	-	-	-	-
Total		-	6,270	-	-	-
Agriculture 2030 (c)	3.1					
Administered payment		-	740	102	-	-
Departmental payment		-	320	1,568	-	-
Total		-	1,060	1,670	-	-
Building Skills for the Future — Boosting Apprenticeship Commencements wage subsidy — expansion	3.1					
Administered payment		139,675	1,505,260	1,029,734	1,026	(2,022)
Departmental payment		-	1,448	3,446	72	-
Total		139,675	1,506,708	1,033,180	1,098	(2,022)
Digital Economy Strategy (a)	3.1, 4.1					
Administered payment		-	-	-	-	-
Departmental payment		-	6,855	4,808	1,223	-
Total		-	6,855	4,808	1,223	-
New Employment Services Model (d)	3.1, 4.1					
Administered payment		-	(51,797)	(298,818)	100,507	75,871
Departmental payment		(1,771)	66,901	66,577	34,830	31,964
Total		(1,771)	15,104	(232,241)	135,337	107,835
Stronger Support for Skills Reform	3.1					
Administered payment		-	9,537	63,678	68,927	78,342
Departmental payment		-	1,283	(1,230)	(2,324)	(2,348)
Total		-	10,820	62,448	66,603	75,994
Trades Recognition Australia — full cost recovery	3.1					
Administered payment		-	9,140	5,808	7,159	8,534
Departmental payment		-	3,433	3,350	2,540	3,133
Total		-	12,573	9,158	9,699	11,667
Getting Vulnerable Australians Back into Work — additional support for job seekers	4.1					
Administered payment		7,190	61,709	50,514	49,072	48,975
Departmental payment		153	8,386	10,949	10,818	10,859
Total		7,343	70,095	61,463	59,890	59,834

Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO) (continued)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Payment measures (continued)						
Increased support for unemployed Australians (e)	4.1					
Administered payment		3,491	122,950	74,797	41,102	33,421
Departmental payment		893	7,065	-	-	-
Total		4,384	130,015	74,797	41,102	33,421
New Remote Jobs Program (f)	4.1					
Administered payment		-	-	-	-	-
Departmental payment		-	1,812	593	-	-
Total		-	1,812	593	-	-
Total payment measures						
Administered		108,190	1,721,448	1,451,722	905,048	877,894
Departmental		(725)	105,847	96,859	49,510	46,825
Total		107,465	1,827,295	1,548,581	954,558	924,719

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The full measure description and package details appear in *Budget Paper No. 2 — Budget Measures* under Cross Portfolio.
- (b) The lead entity for the measure is the Department of Home Affairs. The full measure description and package details appear in *Budget Paper No. 2 — Budget Measures* under the Home Affairs portfolio.
- (c) The lead entity for the measure is the Department of Agriculture, Water and the Environment. The full measure description and package details appear in *Budget Paper No. 2 — Budget Measures* under the Agriculture, Water and the Environment portfolio.
- (d) The measure includes changes to the Disability Employment Services program which is the responsibility of the Department of Social Services.
- (e) The lead entity for this measure is the Department of Social Services. The full measure description and package details appear in *Budget Paper No. 2 — Budget Measures* under the Social Services Portfolio.
- (f) The lead entity for this measure is the National Indigenous Australians Agency. The full measure description and package details appear in *Budget Paper No. 2 — Budget Measures* under the Prime Minister and Cabinet Portfolio.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in DESE's Budget Statements will be read with broader information provided in DESE's corporate plans and annual performance statements - included in Annual Reports - to provide DESE's complete performance story.

The most recent corporate plan for DESE can be found at: www.dese.gov.au

The most recent annual performance statement can be found in the Annual Report at: www.dese.gov.au

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.

Linked programs

Services Australia
Programs
<ul style="list-style-type: none"> • Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 1 made by linked programs
The linked program contributes to Outcome 1 by administering child care payments to eligible families.
National Indigenous Australians Agency
Programs
<ul style="list-style-type: none"> • Program 1.1 - Jobs, Land and Economy • Program 1.2 - Children and Schooling
Contribution to Outcome 1 made by linked programs
The linked programs contribute to Outcome 1 by supporting school attendance, improved educational outcomes and access to further education, training and employment for Indigenous students.
Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9 - National Partnership Payments to the states
Contribution to Outcome 1 made by linked programs
The linked program contributes to Outcome 1 by making National Partnership Payments to the states.

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Budgeted expenses for Outcome 1

This table shows how much DESE intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.					
Program 1.1: Support for the Child Care System					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	261,338	274,867	277,994	272,732	273,560
Special appropriations <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	1,074,175	4,000	4,000	4,000	4,000
Total expenses for program 1.1	1,335,513	278,867	281,994	276,732	277,560
Program 1.2: Child Care Subsidy					
Administered expenses					
Special appropriations <i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	8,968,183	9,491,616	10,644,486	11,180,039	11,969,947
Total expenses for program 1.2	8,968,183	9,491,616	10,644,486	11,180,039	11,969,947
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	12,804	14,242	12,263	10,035	7,536
Special appropriations <i>Australian Education Act 2013</i>	9,038,811	9,712,514	10,411,123	10,992,250	11,439,159
Total expenses for program 1.3	9,051,615	9,726,756	10,423,386	11,002,285	11,446,695
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	205,189	149,371	125,407	114,240	117,667
Special appropriations <i>Australian Education Act 2013</i>	12,804,610	14,560,971	15,383,946	16,085,732	16,634,577
Total expenses for program 1.4	13,009,799	14,710,342	15,509,353	16,199,972	16,752,244
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	118,051	154,058	122,450	127,492	88,951
Other services (Appropriation Bill No. 2)	2,000	2,000	2,000	2,000	2,000
Total expenses for program 1.5	120,051	156,058	124,450	129,492	90,951

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	379,389	428,925	400,444	400,224	362,511
Other services (Appropriation Bill No. 2)	219,993	165,613	139,670	126,275	127,203
Special appropriations Special accounts	31,885,779	33,769,101	36,443,555	38,262,021	40,047,683
Administered total	32,485,161	34,363,639	36,983,669	38,788,520	40,537,397
Departmental expenses					
Departmental appropriations s74 External Revenue (a)	164,006 2,789	166,050 2,589	158,036 2,625	147,121 2,625	148,432 2,625
Expenses not requiring appropriation in the Budget year (b)	9,067	7,950	8,025	8,011	8,011
Departmental total	175,862	176,589	168,686	157,757	159,068
Total expenses for Outcome 1	32,661,023	34,540,228	37,152,355	38,946,277	40,696,465
Movement of administered funds between years (c)					
Outcome 1:					
Universal Access to Pre-School	(3,979)	2,429	1,550	-	-
Community Child Care Fund	(5,564)	3,200	2,364	-	-
Total movement of administered funds	(9,543)	5,629	3,914	-	-
Average staffing level (number)					
	2020-21 922	2021-22 930			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation / amortisation expenses, make good expenses, audit fees.
 (c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school, through access to quality child care, support, parent engagement, quality teaching and learning environments.

Program 1.1 Support for the Child Care System

Objective	The program helps families to participate in the social and economic life of the community by promoting and supporting quality and affordable child care, and assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p>Provide targeted support to families, children and child care centres who need it</p> <ul style="list-style-type: none"> • Provide support to vulnerable and disadvantaged families and communities through the Community Child Care Fund and Inclusion Support Programs. • Continue to work with states, territories and stakeholders to maintain and improve the quality and safety of early learning and care, through the National Quality Framework, the Australian Children's Education and Care Quality Authority, Australian Early Development Census, and development of a national workforce strategy.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
<p>Measures impacting program 1.1:</p> <ul style="list-style-type: none"> • Commonwealth's Deregulation Agenda • Guaranteeing Universal Access to Preschool 	

Performance information 1.1 Support for the Child Care System

Year	Performance criteria	Expected achievement/target
2020–21	Child care support is targeted to vulnerable and disadvantaged families and communities	
	Proportion of Child Care Safety Net that supports vulnerable and disadvantaged families and communities.	Target: 100% Program and payment design, including assessment and eligibility criteria, is designed to ensure that all funding and assistance is allocated to vulnerable and disadvantaged families and communities. The department has been unable to make an assessment and identified this measure to be replaced for future reporting.
	COVID-19 measure — Weekly average of the proportion of early childhood education and care services that are open.	Target: At least 90% On track
	COVID-19 measure — Proportion of accurate Relief Package and Transition Payments.	Target: At least 90% Data not yet available An assessment is planned for later in the financial year and the results will be published in the department's 2020–21 Annual Report.
Year	Performance criteria	Target
2021–22	Provide targeted support to families, children and child care centres who need it	
	The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program support granted to socio-economically vulnerable and disadvantaged communities.	Increase on previous year
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

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Program expenses 1.1 Support for the Child Care System

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support	261,338	274,867	277,994	272,732	273,560
Special appropriations:					
A New Tax System (Family Assistance) (Administration) Act 1999 (a)	1,074,175	4,000	4,000	4,000	4,000
Total program expenses	1,335,513	278,867	281,994	276,732	277,560

- (a) 2020-21 includes the Additional Child Care Subsidy (ACCS) and the Community Child Care Fund – Special Circumstances (CCCF-Special Circumstances).
From 1 July 2021, the ACCS is reported under the Child Care Subsidy (CCS) following administrative changes to improve the way ACCS is administered, resulting from the 2021-22 Budget measure: *Commonwealth's Deregulation Agenda*.
CCCF-Special Circumstances includes payments made in relation to the July 2020 Economic and Fiscal Update measure *COVID-19 Response Package — child care*, and 2020–21 Budget measure *COVID-19 Response Package — child care — Victorian recovery payments and other support measures*.

Program 1.2 Child Care Subsidy

Objective	The Child Care Subsidy (CCS) aims to improve access to quality child care by providing assistance to meet the cost of child care for families engaged in work, training, study or other recognised activity.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p>Support to families who rely on subsidised child care to work, train, study or volunteer</p> <ul style="list-style-type: none"> • Provide families with access to subsidised child care to support parents to work, train, study or volunteer. • Provide support to vulnerable and disadvantaged families and communities through the Child Care Safety Net. • Through our monitoring and compliance frameworks, ensure the accuracy and integrity of CCS, transition and other program payments. • Remove unnecessary barriers and ensure Early Childhood Education and Care sector regulation is appropriate and fit for purpose. • Develop, maintain and improve early learning and child care policy frameworks, with a focus on improving outcomes for vulnerable, disadvantaged and Indigenous children.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
<p>Measures impacting program 1.2:</p> <ul style="list-style-type: none"> • Commonwealth's Deregulation Agenda • Migration Program — 2021–22 planning levels • Women's Economic Security Package 	

Performance information 1.2 Child Care Subsidy

Year	Performance criteria	Expected achievement/target
2020–21	Ensuring accurate child care payments	
	Proportion of accurate child care payments to all services.	Target: At least 90% ¹ On track
	COVID-19 measure—Weekly average of the proportion of early childhood education and care services that are open.	Target: At least 90% On track
	COVID-19 measure—Proportion of accurate Relief Package and Transition Payments.	Target: At least 90% Data not yet available An assessment is planned for later in the financial year and the results will be published in the department's 2020–21 Annual Report.
Year	Performance criteria	Target
2021–22	Support to families who rely on subsidised child care to work, train, study or volunteer	
	Proportion of accurate child care payments to all services.	At least 90% ¹
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 1.2 Child Care Subsidy

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999 (a) (b)</i>	8,968,183	9,491,616	10,644,486	11,180,039	11,969,947
Total program expenses	8,968,183	9,491,616	10,644,486	11,180,039	11,969,947

(a) From 1 July 2021, the ACCS is reported under the CCS following administrative changes to improve the way ACCS is administered, resulting from the 2021–22 Budget measure: *Commonwealth's Deregulation Agenda*.

(b) Legacy programs Child Care Benefit and Child Care Rebate are reported under the CCS.

¹ Payment accuracy is a defined measure based on independent actuarial assessment.

Program 1.3 Government Schools National Support

Objective	The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p>Provide consistent, transparent and needs-based funding to government schools</p> <ul style="list-style-type: none"> • Administer recurrent funding entitlements under the <i>Australian Education Act 2013</i> (the Act) based on the Schooling Resourcing Standard that provides a base amount for every student and loadings to target disadvantage • Support the National School Resourcing Board in undertaking reviews of the Australian Government's school funding model under the Act and implement the Australian Government's response to the board's reviews of the loading for students with a disability, reporting of section 22A obligations and the review of needs-based funding requirements.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
Measures impacting program 1.3:	
<ul style="list-style-type: none"> • Migration Program — 2021–22 planning levels 	

Performance information 1.3 Government Schools National Support

Year	Performance criteria	Expected achievement/target
2020–21	Lifting outcomes in Australian schools – student attainment	
	Increase the Year 12 (or equivalent) or Certificate Level III attainment rate by 2020.	<p>Target: Increased to 90% by 2020 and maintained²</p> <p>Not achieved</p> <p>The 2020 result of 89.4% indicates this target was very close to being achieved. This reflects a very good result in the context of school education attainment as it is the highest rate ever achieved.</p> <p>The data comes from an Australian Bureau of Statistics (ABS) sample survey and the result for 2020 was within the survey's margin of error. The ABS data shows that there was a 95% chance the true value was in the range 88.2% to 90.6%.</p> <p>This target had a starting point of 84.6% in 2012 and there has been a steady increase in attainment levels over time.</p>

² Target Source: ABS Education and Work Australia 6227.0.

Performance information 1.3 Government Schools National Support (continued)

Year	Performance criteria	Expected achievement/target
2020–21 (continued)	Closing the Gap for Aboriginal and Torres Strait Islander students in schools	
	By 2031, increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent qualification to 96%.	Target: Increase proportion to 96% by 2031 ³ Data not yet available Annual data from 2020 calendar year will be published in the department's 2020–21 Annual Report.
Year	Performance criteria	Target
2021–22	Provide consistent, transparent and needs-based funding to government schools	
	Lower the proportion of students in the bottom two bands in National Assessment Program – Literacy And Numeracy (NAPLAN) for reading for Year 3 students.	Lower than 2018 (8.6%) by the end of 2023
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students.	Lower than 2018 (11.5%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students.	Higher than 2018 (53.2%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students.	Higher than 2018 (39.2%) by the end of 2023
	Increase the proportion of students attending school 90 per cent or more of the time.	Higher than 2018 (75.2%) by the end of 2023
	Increase the proportion of people (age 20–24) who have completed year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ⁴ (from 89.4% in 2020)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ⁵ (from 63.2% in 2016)
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

³ This target reflects Outcome 5 of the National Agreement on Closing the Gap.

⁴ This target reflects the National School Reform Agreement.

⁵ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Program expenses 1.3 Government Schools National Support

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory	12,804	14,242	12,263	10,035	7,536
Special appropriations:					
<i>Australian Education Act 2013</i>	9,038,811	9,712,514	10,411,123	10,992,250	11,439,159
Total program expenses	9,051,615	9,726,756	10,423,386	11,002,285	11,446,695

Program 1.4 Non-Government Schools National Support

Objective	The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.
Delivery	<p>This program will be delivered through the following key activity and delivery strategies:</p> <p>Provide consistent, transparent and needs-based funding to non-government schools</p> <ul style="list-style-type: none"> • Provide funding under the Choice and Affordability Fund for non-government representative bodies as a flexible means of driving government priorities including supporting parental choice and affordability of schools and assisting schools in regional, remote and drought-affected areas. • Provide funding for capital infrastructure for non-government schools, particularly for the most disadvantaged. • Administer recurrent funding entitlements under the <i>Australian Education Act 2013</i> (the Act) based on the Schooling Resourcing Standard that provides a base amount for every student and loadings to target disadvantage. • Continue to implement the new direct measure of capacity to contribute, including a process to review individual school scores and a program of further refinement work. • Support the National School Resourcing Board in undertaking reviews of the Australian Government's school funding model under the Act and implement the Australian Government's response to the board's reviews of the loading for students with a disability, reporting of section 22A obligations and the review of needs-based funding requirements.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
Measures impacting program 1.4:	
<ul style="list-style-type: none"> • Migration Program — 2021–22 planning levels 	

Performance information 1.4 Non-Government Schools National Support

Year	Performance criteria	Expected achievement/target
2020–21	Lifting outcomes in Australian schools – student attainment	
	Increase the Year 12 (or equivalent) or Certificate Level III attainment rate by 2020.	<p>Target: Increased to 90% by 2020 and maintained⁶</p> <p>Not achieved</p> <p>The 2020 result of 89.4% indicates this target was very close to being achieved. This reflects a very good result in the context of school education attainment as it is the highest rate ever achieved.</p> <p>The data comes from an ABS sample survey and the result for 2020 was within the survey's margin of error. The ABS data shows that there was a 95% chance the true value was in the range 88.2% to 90.6%.</p> <p>This target had a starting point of 84.6% in 2012 and there has been a steady increase in attainment levels over time.</p>
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools	
	By 2031, increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent qualification to 96%.	<p>Target: Increase proportion to 96% by 2031⁷</p> <p>Data not yet available</p> <p>Annual data from 2020 calendar year will be published in the department's 2020–21 Annual Report.</p>
Year	Performance criteria	Target
2021–22	Provide consistent, transparent and needs-based funding to non-government schools	
	Lower the proportion of students in the bottom two bands in National Assessment Program – Literacy And Numeracy (NAPLAN) for reading for Year 3 students.	Lower than 2018 (8.6%) by the end of 2023
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students.	Lower than 2018 (11.5%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students.	Higher than 2018 (53.2%) by the end of 2023

⁶ Target Source: ABS Education and Work Australia 6227.0.

⁷ This target reflects Outcome 5 of the National Agreement on Closing the Gap.

**Performance information 1.4 Non-Government Schools National Support
(continued)**

Year	Performance criteria	Target
2021–22 (continued)	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students.	Higher than 2018 (39.2%) by the end of 2023.
	Increase the proportion of students attending school 90 per cent or more of the time.	Higher than 2018 (75.2%) by the end of 2023.
	Increase the proportion of people (age 20–24) who have completed year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ⁸ (from 89.4% in 2020)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ⁹ (from 63.2% in 2016)
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 1.4 Non-Government Schools National Support

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	40,013	40,013	14,004	-	-
Adjustment Assistance	9,131	1,676	491	-	-
Choice and Affordability Fund	156,045	107,682	110,912	114,240	117,667
Special appropriations:					
<i>Australian Education Act 2013</i>	12,804,610	14,560,971	15,383,946	16,085,732	16,634,577
Total program expenses	13,009,799	14,710,342	15,509,353	16,199,972	16,752,244

⁸ This target reflects the National School Reform Agreement.

⁹ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Program 1.5 Early Learning and Schools Support

Objective	This program supports initiatives that contribute to improved access to high quality teaching and learning in early learning and school education for all Australian students.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p>Support children to have access to quality early learning, particularly in the year before reaching school</p> <ul style="list-style-type: none"> • Work with states, territories and stakeholders to support early learning in the year before full-time school (i.e. preschool), including implementing the new Preschool Reform Funding Agreement focused on improving attendance and school readiness outcomes. <p>Provide support for a range of curriculum, assessment, teaching and wellbeing programs</p> <ul style="list-style-type: none"> • Improve national data quality, consistency and collection to support the national evidence base and inform policy development. • Contribute to enhancing the Australian Curriculum to support teacher assessment of student attainment and growth. • Assist states and territories to support teachers to monitor individual student progress and identify student learning needs through use of technologies and expanding online access to resources. • Provide funding and support to implement national and international assessments including the Programme for International Student Assessment and the transition to online delivery of the National Assessment Program – Literacy and Numeracy. • Deliver programs that supplement the Australian Curriculum and support teachers and school leaders to improve student learning, through the delivery of literacy and numeracy initiatives, science, technology, engineering and maths (STEM) initiatives, civics and citizenship and music and arts programs. • Deliver programs centred on teaching practice, teacher and principal wellbeing and that support alternative pathways into teaching. • Deliver programs supporting student participation, parent and community engagement and student wellbeing with focus areas that include mental health, students with disability, school education for Indigenous Australians, and regional, rural and remote initiatives. <p>Provide national leadership and work with states on national policy reform</p> <ul style="list-style-type: none"> • Work in partnership with state and territory governments, non-government education authorities, national education agencies and other key stakeholders to develop and implement national policy initiatives.
Purpose	To contribute to Australia’s economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
<p>Measures impacting program 1.5:</p> <ul style="list-style-type: none"> • Guaranteeing Universal Access to Preschools • Schools and Youth — supporting students, teachers and young Australians 	

Performance information 1.5 Early Learning and Schools Support

Year	Performance criteria	Expected achievement/target
2020–21	Universal access to quality early childhood education	
	Proportion of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year.	Target: 95% On track
	Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year.	Target: 95% On track
	Lifting outcomes in Australian schools – student attainment	
	Increase the Year 12 (or equivalent) or Certificate Level III attainment rate by 2020.	Target: Increased to 90% by 2020 and maintained ¹⁰ Not achieved The 2020 result of 89.4% indicates this target was very close to being achieved. This reflects a very good result in the context of school education attainment as it is the highest rate ever achieved. The data comes from an ABS sample survey and the result for 2020 was within the survey's margin of error. The ABS data shows that there was a 95% chance the true value was in the range 88.2% to 90.6%. This target had a starting point of 84.6% in 2012 and there has been a steady increase in attainment levels over time.
	Closing the Gap for Aboriginal and Torres Strait Islander students in schools	
By 2031, increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent qualification to 96%.	Target: Increase proportion to 96% by 2031 ¹¹ Data not yet available Annual data from 2020 calendar year will be published in the department's 2020–21 Annual Report.	
Year	Performance criteria	Target
2021–22	Support children to have access to quality early learning, particularly in the year before reaching school	
	Proportion of Indigenous children enrolled in early childhood education in the year before full-time school are enrolled for 600 hours per year.	95%
	Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year.	95%

¹⁰ Target Source: ABS Education and Work Australia 6227.0.

¹¹ This target reflects Outcome 5 of the National Agreement on Closing the Gap.

Performance information 1.5 Early Learning and Schools Support (continued)

Year	Performance criteria	Target
2021–22 (continued)	Provide support for a range of curriculum, assessment, teaching and wellbeing programs and Provide national leadership and work with states on national policy reform	
	Lower the proportion of students in the bottom two bands in National Assessment Program – Literacy And Numeracy (NAPLAN) for reading for Year 3 students.	Lower than 2018 (8.6%) by the end of 2023.
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students.	Lower than 2018 (11.5%) by the end of 2023.
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students.	Higher than 2018 (53.2%) by the end of 2023.
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students.	Higher than 2018 (39.2%) by the end of 2023.
	Increase the proportion of students attending school 90 per cent or more of the time.	Higher than 2018 (75.2%) by the end of 2023.
	Increase the proportion of people (age 20–24) who have completed year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ¹² (from 89.4% in 2020)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Increase proportion to 96% by 2031 ¹³ (from 63.2% in 2016)
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

¹² This target reflects the National School Reform Agreement.

¹³ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Program expenses 1.5 Early Learning and Schools Support

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Early Development Census	12,196	12,315	4,493	12,500	10,553
Early Learning Languages Australia (ELLA)	1,470	-	-	-	-
English Language Learning for Indigenous Children (ELLIC)	-	1,084	-	-	-
Flexible Literacy Learning for Remote Primary Schools	750	-	-	-	-
Grants and Awards	1,393	1,408	1,428	1,448	1,468
Helping Children with Autism	6,072	6,139	6,225	6,312	6,400
High Achieving Teachers Program and Future Leaders Program	9,650	15,900	2,250	-	-
National Assessment Reform	2,200	2,200	2,200	2,200	2,200
National Schools Reform	16,099	19,485	4,206	5,456	6,906
Australian Education Research Organisation	5,043	10,000	10,000	10,000	10,000
National School Resourcing Board	1,374	960	975	989	1,002
Quality Outcomes	35,452	39,090	35,907	35,950	36,305
Science, Technology, Engineering and Mathematics (STEM)	617	550	550	700	-
Students Support Package	11,345	24,060	41,383	43,312	7,450
Teach for Australia	2,145	-	-	-	-
Universal Access	1,101	2,679	1,000	-	-
Preschools Data Framework	-	5,250	6,299	6,413	4,444
Delivering Respect Matters	1,637	500	-	-	-
Life Education - Being Healthy, Being Active	1,200	700	-	-	-
Attendance Strategies For Early Learning	275	-	-	-	-
Online Teaching and Learning Courses to Support Mathematics	1,732	2,825	2,824	-	-
Rural Inspire Initiative	1,000	500	-	-	-
National Phonics Check	4,300	4,300	-	-	-
Respectful Interfaith School Education	1,000	1,000	500	-	-
Supporting Australia's teacher workforce	-	3,113	2,210	2,212	2,223
Other services (Appropriation Bill No. 2)					
Literacy Support for Tasmanian Students	2,000	2,000	2,000	2,000	2,000
Total program expenses	120,051	156,058	124,450	129,492	90,951

2.2 Budgeted expenses and performance for Outcome 2

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education and international quality research.

Linked programs

Australian Trade and Investment Commission (Austrade)
Programs
<ul style="list-style-type: none"> Program 1.1 - Promotion of Australia's export and other international economic interests
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by promoting the Australian education sector in international markets.
Department of Foreign Affairs and Trade
Programs
<ul style="list-style-type: none"> Program 1.1 - Foreign Affairs and Trade Operations Program 1.5 - New Colombo Plan - Transforming Regional Relationships
Contribution to Outcome 2 made by linked programs
The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.
Department of Home Affairs
Programs
<ul style="list-style-type: none"> Program 2.2 - Visas
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.
Services Australia
Programs
<ul style="list-style-type: none"> Program 1.1 - Services to the Community - Social Security and Welfare
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by making payments to eligible job seekers.
Department of Social Services
Programs
<ul style="list-style-type: none"> Program 1.6 - Student Payments
Contribution to Outcome 2 made by linked programs
The linked program contributes to Outcome 2 by providing financial support to individuals and families to undertake further education. This also includes enhancing educational outcomes for Australian Indigenous students by increasing their access and participation in further education.

Linked programs (continued)

National Indigenous Australians Agency
Programs <ul style="list-style-type: none">• Program 1.1 - Jobs, Land and Economy• Program 1.2 - Children and Schooling
Contribution to Outcome 2 made by linked programs <p>The linked programs contribute to Outcome 2 by supporting school attendance, improved educational outcomes and access to further education and employment for Indigenous students.</p>

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Budgeted expenses for Outcome 2

This table shows how much DESE intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.					
Program 2.1: Commonwealth Grant Scheme					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	7,548,753	7,559,816	7,225,291	7,167,232	7,276,971
Total expenses for program 2.1	7,548,753	7,559,816	7,225,291	7,167,232	7,276,971
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	96,271	92,111	87,517	82,878	78,199
Total expenses for program 2.2	96,271	92,111	87,517	82,878	78,199
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	31,549	33,160	21,946	17,687	17,946
Special appropriations					
Higher Education Support Act 2003	666,921	873,600	823,968	816,462	816,653
Total expenses for program 2.3	698,470	906,760	845,914	834,149	834,599
Program 2.4: Higher Education Loan Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	1,059,225	1,793,236	1,689,820	1,903,947	2,081,477
Higher Education Tuition Protection Fund (a)	2,571	2,679	2,783	2,892	3,008
Total expenses for program 2.4	1,061,796	1,795,915	1,692,603	1,906,839	2,084,485

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	2,973,279	1,999,841	2,025,875	2,059,293	2,093,280
Total expenses for program 2.5	2,973,279	1,999,841	2,025,875	2,059,293	2,093,280
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	256,350	273,565	283,922	391,092	491,265
Special appropriations					
<i>Higher Education Support Act 2003</i>	28,774	31,015	36,216	39,278	25,929
Total expenses for program 2.6	285,124	304,580	320,138	430,370	517,194
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	24,805	36,902	23,501	23,154	23,173
Special accounts					
Overseas Student Tuition Fund	8,438	8,859	9,302	9,767	10,256
SOETM - Cheung Kong	550	1,538	982	980	979
Total expenses for program 2.7	33,793	47,299	33,785	33,901	34,408
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	312,704	343,627	329,369	431,933	532,384
Special appropriations	12,373,223	12,349,619	11,888,687	12,069,090	12,372,509
Special accounts	11,559	13,076	13,067	13,639	14,243
Administered total	12,697,486	12,706,322	12,231,123	12,514,662	12,919,136
Departmental expenses					
Departmental appropriations	105,492	106,181	100,493	99,429	97,858
s74 External Revenue (b)	14,968	4,707	4,770	4,769	4,770
Expenses not requiring appropriation in the Budget year (c)	11,834	11,281	11,597	11,603	11,603
Departmental total	132,294	122,169	116,860	115,801	114,231
Total expenses for Outcome 2	12,829,780	12,828,491	12,347,983	12,630,463	13,033,367

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Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Movement of administered (d) funds between years					
Outcome 2:					
International Education Support	(2,290)	2,290	-	-	-
Total movement of administered funds	(2,290)	2,290	-	-	-
	2020-21	2021-22			
Average staffing level (number)	507	507			

(a) Formerly known as the HELP Tuition Protection Fund, renamed due to changes outlined in the *Education Legislation Amendment (Up-front Payments Tuition Protection) Act 2020*.

(b) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.

(c) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

(d) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 2

This section details the performance criteria for each program associated with Outcome 2. It summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education and international quality research.

Program 2.1 Commonwealth Grant Scheme

Objective	<p>A highly skilled workforce and educated community is important for economic productivity and social wellbeing. The Commonwealth Grant Scheme (CGS) contributes to achieving this objective through:</p> <ul style="list-style-type: none"> • making a direct contribution to the cost of educating Commonwealth-supported students enrolled in undergraduate and postgraduate degrees • increasing the number of regional students participating in higher education by providing additional funding to regional universities to meet the higher costs associated with delivery of higher education in regional locations • supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for enabling courses • meeting medical workforce training needs through the provision of targeted support for initial-entry medical programs.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p>Support students' access to higher education and transition to employment</p> <ul style="list-style-type: none"> • Provide grants, through the CGS, to subsidise costs for students enrolled in undergraduate and postgraduate courses at public universities. • Support student places in priority areas and short courses at non-university higher education providers. <p>Enhance the quality of the higher education system</p> <ul style="list-style-type: none"> • Implement performance and funding reforms through the National Priorities and Industry Linkages Fund and Indigenous, Regional, Low SES Attainment Fund to drive greater focus on economic and social outcomes in the higher education sector. • Monitor enrolment patterns following the implementation of the Job-ready Graduates reform package and review impact of new funding incentives on choices by students and higher education providers. • Monitor if funding has incentivised students and universities to focus on work-relevant qualifications and alignment with the national interest. • Support universities to embed a Model Code upholding freedom of speech and academic freedom in their institutional regulations or policies.
Purpose	<p>To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.</p>
<p>Measures impacting program 2.1:</p> <ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 	

Performance information 2.1 Commonwealth Grant Scheme

Year	Performance criteria	Expected achievement/target
2020–21	Creating a highly skilled workforce and educated community	
	The proportion of the 25 to 34 year old population with a tertiary qualification.	Target: Increase from previous year Achieved
	The rate of attrition for domestic Bachelor students.	Target: Lower than 15% Data not yet available Annual data from 2020 calendar year will be published in the department's 2020–21 Annual Report.
	Proportion of undergraduates who are employed within four months of completing a degree.	Target: Equal to or higher than 85% Achieved
Year	Performance criteria	Target
2021–22	Support students' access to higher education and transition to employment	
	The proportion of the 25 to 34 year old population with a tertiary qualification.	Increase from previous year
	Enhance the quality of the higher education system	
	The rate of attrition for domestic Bachelor students.	Lower than 15%
	Proportion of undergraduates who are employed within four months of completing a degree.	Equal to or higher than 85%
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 2.1 Commonwealth Grant Scheme

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	7,338,409	7,309,436	7,128,454	7,147,976	7,276,971
Regional Loading	37,545	-	-	-	-
Transition Fund Loading	172,799	250,380	96,837	19,256	-
Total program expenses	7,548,753	7,559,816	7,225,291	7,167,232	7,276,971

Program 2.2 Higher Education Superannuation Program

Objective	<p>The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes.</p> <p>Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education.</p> <p>These schemes have been closed to new members for some time but are still active for existing members.</p>
Delivery	<p>This program will be delivered through the following key activity and delivery strategy:</p> <p>Support eligible current and former university employees for certain superannuation expenses</p> <ul style="list-style-type: none"> Administer in accordance with the <i>Higher Education Support Act 2003</i> and Other Grants Guidelines (Education) 2012.
Purpose	<p>To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.</p>

Performance information 2.2 Higher Education Superannuation Program

Year	Performance criteria	Expected achievement/target
2020–21	Eligible current and former university employees receive support for certain superannuation expenses	
	Proportion of eligible universities able to meet specified superannuation expenses.	Target: 100% On track
Year	Performance criteria	Target
2021–22	Eligible current and former university employees receive support for certain superannuation expenses	
	Proportion of eligible universities able to meet specified superannuation expenses.	100%
2022–23 and beyond	As per 2021–22	As per 2021–22

Program expenses 2.2 Higher Education Superannuation Program

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Superannuation Program	96,271	92,111	87,517	82,878	78,199
Total program expenses	96,271	92,111	87,517	82,878	78,199

Program 2.3 Higher Education Support

Objective	The program aims to ensure the quality of our higher education system is maintained and improved, including improving the quality of training for teachers of mathematics and science. The program also aims to improve access to, and education outcomes for, students from disadvantaged backgrounds.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p>Enhance the quality of the higher education system</p> <ul style="list-style-type: none"> • Publish nationally consistent provider performance data through the Quality Indicators for Learning and Teaching. • Provide grants to support the quality teaching of mathematics and science; and fund research-based industry internships in STEM fields. <p>Support students' access to higher education and transition to employment</p> <ul style="list-style-type: none"> • Work with the higher education sector to combine the Higher Education Participation and Partnerships Program, National Priorities Pool, the Regional Partnerships Project Pool, Regional Loading and Enabling Loading, and relevant elements of the National Institutes Grant, into the Indigenous, Regional and Low SES Attainment Fund (IRLSAF) funding model for implementation in 2024. • Assist people with disability to access and participate in tertiary education and subsequent employment through the National Disability Coordination Officer Program. • Support students in regional and remote Australia to access higher education through the Rural and Regional Enterprise Scholarships Program as well as other regional and remote programs under the Job-ready Graduates package, including Regional University Centres, the Tertiary Access Payment and establishing a Regional Education Commissioner. • Establish education facilities and programs that build links with local industry, address skills needs and improve student employment outcomes through the National Priorities and Industry Linkage Fund, Women in STEM Cadetships and Advanced Apprenticeships and Industry 4.0 Advanced Apprenticeship Pilot.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people through education, skills and employment pathways.
<p>Measures impacting program 2.3:</p> <ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 	

Performance information 2.3 Higher Education Support

Year	Performance criteria	Expected achievement/target
2020–21	Improving participation in higher education for students from previously disadvantaged groups	
	Proportion of domestic undergraduates who are from a low socio-economic background (based on postcode).	Target: Equal to or higher than 18% Data not yet available Annual data from the 2020 calendar year will be published in the department's 2020–21 Annual Report.
	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1).	Target: Equal to or higher than 16% Data not yet available Annual data from the 2020 calendar year will be published in the department's 2020–21 Annual Report.
	Proportion of higher education students who are Indigenous.	Target: 2% Data not yet available Annual data from the 2020 calendar year will be published in the department's 2020–21 Annual Report.
	Maintaining the quality of higher education	
	Proportion of undergraduate students who rate the teaching quality at their institution positively.	Target: At least 80% Not achieved Restrictions in response to the COVID-19 pandemic had a major impact on teaching and learning methods at higher education institutions, impacting negatively on student ratings of teaching quality for 2020.
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills).	Target: 85% Achieved

Performance information 2.3 Higher Education Support (continued)

Year	Performance criteria	Target
2021–22	Support students' access to higher education and transition to employment	
	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1).	Equal to or higher than 16%
	Proportion of higher education students who are Indigenous.	2%
	Enhance the quality of the higher education system	
	Proportion of undergraduate students who rate the teaching quality at their institution positively.	At least 80%
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills).	85%
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 2.3 Higher Education Support

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Creative Arts Scholarships	1,000	-	-	-	-
National Disability Coordination Officer	4,431	4,480	4,542	4,606	4,666
National Microcredentials Marketplace	530	1,060	530	-	-
Quality Indicators for Learning and Teaching	7,026	7,126	7,253	7,883	8,005
Rural and Regional Enterprise Scholarships	15,562	15,449	4,500	-	-
Tertiary Access Payment	3,000	5,045	5,121	5,198	5,275
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct					
	2,500	2,500	2,500	750	-
Central Queensland School of Mining and Manufacturing					
	13,500	14,911	1,479	-	-
Collaboration Pilots - Naval Shipbuilding	520	521	-	-	-
Collaboration Pilots - Industry 4.0	1,907	3,560	1,752	-	-
Disability Support Program	7,926	7,957	8,060	8,193	8,328
Improved Support for Regional Universities	12,731	10,637	10,402	8,502	10,782
Indigenous, Regional and Low SES Attainment Fund	221,904	261,673	261,908	266,340	271,207
Jobs and Growth in Tasmania	30,000	65,000	25,000	12,000	-
National Institutes	230,789	233,895	236,940	240,849	244,824
National Priorities and Industry Linkage Fund	112,625	226,264	229,210	232,991	236,836
Quality Initiatives	521	528	535	544	553
Supporting more women into STEM					
Careers (AMSI Intern)	2,985	-	-	-	-
Teaching Awards - Universities Australia	600	-	-	-	-
Tertiary Access Payment	25,060	39,755	40,350	40,957	41,574
Women in STEM	3,353	6,399	5,832	5,336	2,549
Total program expenses	698,470	906,760	845,914	834,149	834,599

Program 2.4 Higher Education Loan Program

Objective	The program aims to remove the up-front cost barriers to tertiary education in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking higher education courses.
Delivery	This program will be delivered through the following key activity and delivery strategy: Support students' access to higher education and transition to employment <ul style="list-style-type: none"> • Provide financial assistance to students through income-contingent loans under the Higher Education Loan Program.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
Measures impacting program 2.4: <ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 	

Performance information 2.4 Higher Education Loan Program

Year	Performance criteria	Expected achievement/target
2020–21	Tertiary education is affordable for students and the community	
	The proportion of HELP debt not expected to be repaid.	Target: Equal to or lower than 2019–20 (14.69%) Data not yet available Actuarial assessment of debt not expected to be repaid is calculated in retrospect of the financial year and will be published in the department's 2020–21 Annual Report.
Year	Performance criteria	Target
2021–22	Support students' access to higher education and transition to employment	
	The proportion of HELP debt not expected to be repaid.	Equal to or lower than 2019–20 (14.69%)
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 2.4 Higher Education Loan Program

Program 2.4: Higher Education Loan Program					
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	1,059,225	1,793,236	1,689,820	1,903,947	2,081,477
Special account expenses:					
Higher Education Tuition Protection Fund (a)	2,571	2,679	2,783	2,892	3,008
Total program expenses	1,061,796	1,795,915	1,692,603	1,906,839	2,084,485

(a) This program is funded by Appropriation Bill (No.1) 2021–22 and receipts from independent sources.

Program 2.5 Investment in Higher Education Research

Objective	The Australian Government is committed to a world-class research system, that encourages innovation and economic growth. Quality collaboration, engagement, diversity, impact and sustainability are the key priorities for the Government and drive its investment in Australian research and research capacity.
Delivery	This program will be delivered through the following key activity and delivery strategy: Support the research sector, research training and national research infrastructure <ul style="list-style-type: none"> • Provide Research Block Grants to eligible universities to incentivise providers to attract research income and to support the successful completion of postgraduate research degrees by their students.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
Measures impacting program 2.5:	
<ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 	

Performance information 2.5 Investment in Higher Education Research

Year	Performance criteria	Expected achievement/target
2020–21	Australian universities continue to rank highly in research excellence	
	Australia's share of the world's top 10% most highly cited research publications.	Target: Above the OECD average On track
	Research postgraduates continue to have high employability	
	Proportion of research postgraduates who are employed within four months of completing their degree.	Target: 90% or higher Achieved
	More Indigenous Australians attain higher degrees by research	
	Indigenous Higher Degree by Research (HDR) completions.	Target: Increase from previous year Data not yet available Annual data for the 2020 calendar year will be published in the department's 2020–21 Annual Report.
Year	Performance criteria	Target
2021–22	Support the research sector, research training and national research infrastructure	
	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals.	Above the OECD average
	Proportion of research postgraduates who are employed within four months of completing their degree.	90% or higher
	Indigenous Higher Degree by Research completions.	Increase from previous year
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 2.5 Investment in Higher Education Research

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Special appropriations:					
Higher Education Support Act 2003					
Research Support Program	1,918,298	930,659	942,775	958,326	974,143
Research Training Program	1,054,981	1,069,182	1,083,100	1,100,967	1,119,137
Total program expenses	2,973,279	1,999,841	2,025,875	2,059,293	2,093,280

Program 2.6 Research Capacity

Objective	Research advances our knowledge and drives our potential for innovation, economic competitiveness and social change. The program aims to increase the production, use and awareness of research knowledge and to improve collaboration between government, industry and the research sector in the production of research knowledge.
Delivery	This program will be delivered through the following key activity and delivery strategy: Support the research sector, research training and national research infrastructure <ul style="list-style-type: none"> Provide infrastructure project grants through the National Collaborative Research Infrastructure Strategy (NCRIS) to support quality research to drive innovation in the Australian research sector and the economy more broadly.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.

Performance information 2.6 Research Capacity

Year	Performance criteria	Expected achievement/target
2020–21	Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research	
	Proportion of research conducted by Australian universities and related to priority investment areas is rated as world standard or above.	Target: 85% or higher On track
	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs.	Target: 90% or higher On track
Year	Performance criteria	Target
2021–22	Support the research sector, research training and national research infrastructure	
	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs.	90% or higher
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Program expenses 2.6 Research Capacity

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Collaborative Research Infrastructure Strategy	256,350	273,565	283,922	391,092	491,265
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Centre for Augmented Reasoning Collaboration Pilots - Warnambool	5,000	5,045	5,100	5,115	-
Hydrogen Transition Centre Collaboration Pilots - Nowra	1,500	-	-	-	-
Agribusiness Innovation Hub Enhance Research Capacity of Regional Universities	1,500	-	-	-	-
Higher Education Research Promotion	3,075	10,180	15,120	18,046	19,944
Stawell Underground Physics Laboratory	5,649	5,700	5,796	5,886	5,985
Strategic University Reform Fund	2,050	-	-	-	-
Total program expenses	285,124	304,580	320,138	430,370	517,194

Program 2.7 International Education Support

Objective	International education is increasingly important to Australia's prosperity and our engagement with the world. The program aims to support the sustainable growth of Australia's high-quality international education, training and research through strong government-to-government engagement, international mobility, strategic policy and legislation.
Delivery	This program will be delivered through the following key activity and delivery strategies: Support a high-quality and sustainable international education sector <ul style="list-style-type: none"> • Continue to build bilateral and multilateral partnerships through engagement with foreign governments to advance Australia's education sector and reputation. • Implement Government programs and priorities, including a refresh of the National Strategy for International Education to be undertaken in 2021, to achieve a high-quality, sustainable sector.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.
Measures impacting program 2.7:	
<ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 	

Performance information 2.7 International Education Support

Year	Performance criteria	Expected achievement/target
2020–21	Sustainably grow Australia’s international education sector by maintaining quality and increasing diversity	
	Average annual growth rate in international education export earnings.	Target: 3% to 5% annual growth Not on track The COVID-19 pandemic prevented many students from entering Australia, reducing spending in the Australian economy.
	Proportion of international students who are satisfied or very satisfied with studying and living in Australia.	Target: 85% or higher Not achieved Restrictions in response to the COVID-19 pandemic had a major impact on teaching and learning methods at higher education institutions, impacting negatively on student ratings of overall educational experience for 2020.
	Proportion of international students employed or enrolled in further study after graduation.	Target: 60% Achieved
	Growth in number of students enrolled in offshore and transnational education and training delivered by Australian providers.	Target: Numbers stabilised. Data not yet available Data to be drawn from Higher Education Statistics Collection expected to be available quarter 4, 2021.
Year	Performance criteria	Target
2021–22	Support a high-quality and sustainable international education sector	
	Proportion of international students employed or enrolled in further study after graduation.	85%
	Number of students enrolled in offshore and transnational education and training delivered by Australian providers.	Numbers stabilised
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

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Program expenses 2.7 International Education Support

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
International Education Support	24,805	36,902	23,501	23,154	23,173
Special account expenses:					
Overseas Student Tuition Fund	8,438	8,859	9,302	9,767	10,256
SOETM - Cheung Kong	550	1,538	982	980	979
Total program expenses	33,793	47,299	33,785	33,901	34,408

2.3 Budgeted expenses and performance for Outcome 3

Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.

Linked programs

Department of Home Affairs
Programs
<ul style="list-style-type: none"> • Program 2.2 – Visas
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by supporting a sustainable international education sector through administering student visas.
Services Australia
Programs
<ul style="list-style-type: none"> • Program 1.1 – Services to the Community – Social Security and Welfare
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by making payments to eligible job seekers participating in foundation skills programs.
Department of the Treasury
Programs
<ul style="list-style-type: none"> • Program 1.9 – National Partnership Payments to the states
Contribution to Outcome 3 made by linked programs
The linked program contributes to Outcome 3 by making National Partnership Payments to the states.

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Budgeted expenses for Outcome 3

This table shows how much DESE intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.3.1: Budgeted expenses for Outcome 3

Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.					
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 3.1: Building Skills and Capability					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	2,792,669	3,461,113	2,177,887	1,133,700	1,122,961
Special appropriations <i>Trade Support Loans Act 2014</i>	43,714	61,512	59,741	63,410	64,529
Total expenses for program 1.1	2,836,383	3,522,625	2,237,628	1,197,110	1,187,490
Program 3.2: VET Student Loans					
Administered expenses					
Special appropriations <i>VET Student Loans Act 2016</i>	170,859	196,071	195,400	211,762	224,923
Special accounts VSL Tuition Protection Fund Special Account	2,290	2,381	2,478	2,580	2,687
Total expenses for program 3.2	173,149	198,452	197,878	214,342	227,610

Table 2.3.1: Budgeted expenses for Outcome 3 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	2,792,669	3,461,113	2,177,887	1,133,700	1,122,961
Special appropriations	214,573	257,583	255,141	275,172	289,452
Special accounts	2,290	2,381	2,478	2,580	2,687
Administered total	3,009,532	3,721,077	2,435,506	1,411,452	1,415,100
Departmental expenses					
Departmental appropriation	166,270	191,656	164,899	146,560	140,458
s74 External Revenue (a)	7,414	5,527	5,360	5,359	5,359
Special accounts					
Unique Student Identifiers Special Account - s80 PGPA Act 2013	5,607	5,523	5,601	5,682	5,753
Expenses not requiring appropriation in the Budget year (b)	15,717	15,958	16,972	17,053	17,053
Departmental total	195,008	218,664	192,832	174,654	168,623
Total expenses for Outcome 3	3,204,540	3,939,741	2,628,338	1,586,106	1,583,723
	2020-21	2021-22			
Average staffing level (number)	809	863			

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation / amortisation expenses, make good expenses, audit fees.
 (c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.
- Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 3

This section details the performance criteria for each program associated with Outcome 3. It summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.

Program 3.1 Building Skills and Capability

Objective	The Australian Government is working to create an effective and efficient skills and training system that is industry-led and delivers the skills Australian employers need. Building skills and capabilities is central to Australia’s economic growth, competitiveness, and business productivity. The national training system provides employees or potential employees with the skills and capabilities required for a job or pathway into a job.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p>Enhance the quality of vocational education and training</p> <ul style="list-style-type: none"> • Through the National Skills Commission (NSC), help ensure the pricing of vocational education and training (VET) qualifications reflects the quality of training, and develop nationally efficient prices for high volume of VET qualifications. • Work with states and territories and the Australian Skills Quality Authority (ASQA) to move the system of regulation to focus on excellence in training. • Transform current VET activity data collection processes by building a national cloud-based ICT system that is scalable, flexible, efficient and stable. • Work with states and territories to streamline and simplify existing national qualifications and support the Australian Industry Skills Committee and its network to design industry-relevant training products. <p>Respond to national future skills needs through access to VET graduates with the required skills</p> <ul style="list-style-type: none"> • Negotiate a new skills agreement with the states and territories to replace the National Agreement on Skills and Workforce Development. • Through the NSC, identify current and emerging skills needs and develop the capability to understand the state of the labour market in almost real-time. • Through the National Careers Institute (NCI), assist people at all career stages to navigate the changing labour market and connect with training and work pathways. • Establish new Industry Clusters to drive collaboration across sectors by breaking down silos, address strategic workforce challenges and improve the speed to market of qualifications to meet evolving industry needs. • Manage the Australian Apprenticeships Incentives Program to encourage the continued training and development of a highly skilled Australian workforce.

Program 3.1 Building Skills and Capability (continued)

<p>Delivery (continued)</p>	<p>Reduce barriers to undertaking quality VET training</p> <ul style="list-style-type: none"> • Support eligible carers and mature-aged workers to stay connected to, or to re-enter, employment through the provision of highly customised upskilling and training advice. • Provide additional free or low-fee training places to support Australians to gain skills, reskill or upskill in areas of identified skills need and/or employment growth through the JobTrainer Fund. • Support unemployed people and employed workers to gain foundation skills through the Skills for Education and Employment and Foundation Skills for Your Future programs. • Continue and expand the Boosting Apprenticeship Commencements wage subsidy to support apprentices and trainees, helping to build a pipeline of skilled workers and supporting sustained economic recovery. • Deliver the Apprenticeships Data Management System, a critical part of the department's post-COVID-19 recovery, enabling smooth new policy implementation, ease of use for employers and apprentices and ensuring payments continue without interruption.
<p>Purpose</p>	<p>To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.</p>
<p>Measures impacting program 3.1:</p> <ul style="list-style-type: none"> • Addressing Workforce Shortages in Key Areas — JobTrainer Fund — extension • Agriculture 2030 • Building Skills for the Future — Boosting Apprenticeship Commencements wage subsidy — expansion • Digital Economy Strategy • New Employment Services Model • Stronger Support for Skills Reform • Schools and Youth — students, teachers and young Australians • Trades Recognition Australia — full cost recovery • Women's Economic Security Package 	

Performance information 3.1 Building Skills and Capability

Year	Performance criteria	Expected achievement/target
2020–21	Maintaining the quality of vocational education and training (VET)	
	Proportion of employers that report use of the VET system.	Target: 50% Data not yet available The results from the next cycle of the Survey of Employers' Use and Views of the VET System will be published in the department's 2020–21 Annual Report. It is not known at this stage to what extent COVID-19 will have impacted on employers use of the VET system in 2020–21.
	Proportion of graduates who are satisfied with the overall quality of the training.	Target: 85% Achieved
	Proportion of VET graduates who are employed or enrolled in further study after training.	Target: 80% Achieved
	Responding to industry and employers through access to VET graduates with required skills	
	Maintain the number of apprenticeship commencements.	Target: Maintain numbers from 2019–20 On track While the National Centre for Vocational Education Research (NCVER) data shows a decline in the July to September quarter 2020, internal program data shows commencements from October 2020 have increased and are on track to meet this target.
	Proportion of eligible apprentices that employers lodge claims for under the Supporting Apprentices and Trainees measure.	Target: 70%. This target is only applicable for the 2020–21 year. On track
	Improving language, literacy and numeracy for target groups	
Proportion of participants assessed in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF).	Target: 80% On track	

Performance information 3.1 Building Skills and Capability (continued)

Year	Performance criteria	Target
2021–22	Enhance the quality of vocational education and training	
	Proportion of graduates who are satisfied with the overall quality of the training.	85%
	Proportion of VET graduates who are employed or enrolled in further study after training.	80%
	Respond to national future skills needs through access to VET graduates with the required skills	
	Maintain the number of apprenticeship commencements.	Maintain numbers from 2019–20
	Proportion of employers that report use of the VET system.	50%
	Reduce barriers to undertaking quality VET training	
	Proportion of participants assessed in targeted programs that increase one or more levels on the Australian Core Skills Framework (ACSF) or the Digital Literacy Skills Framework (DLSF).	80%
2022–23 and beyond	As per 2021–22	As per 2021–22

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020–21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

DESE Budget Statements

Program expenses 3.1 Building Skills and Capability

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Sub-program 3.1.1 - Skills Development					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Australian Apprenticeship Support Network	271,724	310,362	257,752	194,651	193,896
Australian Apprenticeships Incentives Program	2,188,123	2,769,192	1,485,984	547,705	574,375
Commonwealth Scholarships Program for South Australia	1,179	100	-	-	-
Commonwealth Scholarships Program for Young Australians	3,868	5,582	-	-	-
Mid-Career Checkpoint	1,500	12,150	24,747	36,473	-
Skills Checkpoint for Older Workers Program	3,984	4,024	4,081	4,138	4,193
Trades Recognition Australia	31,344	44,491	41,159	42,510	43,885
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans	43,714	61,512	59,741	63,410	64,529
Total component 3.1.1 expenses	2,545,436	3,207,413	1,873,464	888,887	880,878
Sub-program 3.1.2 - Access to Training					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Skills for Education and Employment	116,976	116,715	125,048	131,574	139,155
Foundation Skills for Your Future Program	14,283	14,283	14,283	7,139	-
Foundation Skills for Your Future - Remote Community Pilots	1,622	3,284	3,323	-	-
Total component 3.1.2 expenses	132,881	134,282	142,654	138,713	139,155

Program expenses 3.1 Building Skills and Capability (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Sub-program 3.1.3 - Support for the National Training System					
Annual administered expenses:					
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)					
Australian Industry and Skills Committee	1,532	1,550	785	-	-
Industry Training Hubs	15,469	14,722	16,735	-	-
Industry Workforce Training	50,498	40,025	29,008	9,109	8,733
Integrated Information Service	1,799	1,820	845	872	896
Licensing of International Vocational Education and Training (VET) Courses	1,193	1,193	1,193	1,193	1,193
My Skills Website	577	585	592	601	608
National Careers Institute and Ambassador	6,312	13,348	13,037	1,039	-
National Centre for Vocational Education Research	706	715	724	734	743
National Skills Commission	7,804	5,100	2,365	2,400	1,900
National Training System COPE	38,591	46,980	53,708	37,642	37,896
Skills Communication Campaign	15,935	11,270	-	-	-
Skills Organisation Pilots	13,641	15,195	9,839	-	-
VET Data Streamlining	2,418	16,111	12,994	8,965	6,632
VET Information Strategy	1,591	943	851	557	569
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	-	4,329	4,926	1,547	1,547
Industry Clusters	-	7,044	73,908	104,851	106,740
Total component 3.1.3 expenses	158,066	180,930	221,510	169,510	167,457
Total program expenses	2,836,383	3,522,625	2,237,628	1,197,110	1,187,490

Program 3.2 VET Student Loans

Objective	The program aims to remove the up-front cost barriers to training to increase access and participation. This is achieved through the provision of income-contingent loans for students undertaking certain higher level vocational education and training (VET) courses.
Delivery	This program will be delivered through the following key activity and delivery strategy: Reduce barriers to undertaking quality VET training <ul style="list-style-type: none"> • Increase access to quality VET training through the VET Student Loans program.
Purpose	To contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.

Performance information 3.2 VET Student Loans

Year	Performance criteria	Expected achievement/target
2020–21	Reduce financial student barriers to undertaking quality higher-level VET training	
	Proportion of VET student loans students who are satisfied with the quality of their training provider.	Target: 80% Achieved
	Proportion of VET student loans students who complete units of study.	Target: 70% Achieved
Year	Performance criteria	Target
2021–22	Reduce barriers to undertaking quality VET training	
	Proportion of VET student loans students who are satisfied with the quality of their training provider.	80%
	Proportion of VET student loans students who complete units of study.	70%
2022–23 and beyond	As per 2021–22	As per 2021–22

Program expenses 3.2 VET Student Loans

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>VET Student Loans Act 2016</i>					
VET Student Loans	170,859	196,071	195,400	211,762	224,923
Special account expenses:					
VSL Tuition Protection Fund Special Account (a)	2,290	2,381	2,478	2,580	2,687
Total program expenses	173,149	198,452	197,878	214,342	227,610

(a) This special account is funded by Annual Appropriation Bill No.1 and receipts from independent sources.

2.4 Budgeted expenses and performance for Outcome 4

Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.

Linked programs

Services Australia
Programs
<ul style="list-style-type: none"> • Program 1.1 – Services to the Community – Social Security and Welfare
Contribution to Outcome 4 made by linked programs
The linked program contributes to Outcome 4 by making payments on behalf of the department.
Department of Social Services
Programs
<ul style="list-style-type: none"> • Program 1.5 – Working Age Payments
Contribution to Outcome 4 made by linked programs
The linked program contributes to Outcome 4 by providing support to job seekers while they find work.
Department of Home Affairs
Programs
<ul style="list-style-type: none"> • Program 2.2 – Visas
Contribution to Outcome 4 made by linked programs
The linked program contributes to Outcome 4 by supporting the Seasonal Worker Programme administering temporary entry programs.

Budgeted expenses for Outcome 4

This table shows how much DESE intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.4.1: Budgeted expenses for Outcome 4

Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.					
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 4.1: Employment Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
jobactive	1,863,198	2,003,915	2,768	-	-
New Employment Services Model	-	8,456	1,467,079	1,765,816	1,690,059
Seasonal Worker Programme	250	500	250	-	-
Transition to Work	244,168	255,599	309,762	343,924	320,089
Time to Work	3,401	3,422	-	-	-
ParentsNext	100,062	107,255	114,046	94,989	95,917
Skills and Training Incentive	6,530	6,379	-	-	-
Entrepreneurship Facilitators	5,027	4,927	-	-	-
Regional Employment Trials	3,097	-	-	-	-
Career Revive Initiative	500	937	1,073	1,073	-
Local Jobs - COVID-19 Recovery	8,652	53,836	49,072	49,072	48,975
Administered total	2,234,885	2,445,226	1,944,050	2,254,874	2,155,040
Total expenses for program 4.1	2,234,885	2,445,226	1,944,050	2,254,874	2,155,040
Outcome 4 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,234,885	2,445,226	1,944,050	2,254,874	2,155,040
Administered total	2,234,885	2,445,226	1,944,050	2,254,874	2,155,040
Departmental expenses					
Departmental appropriation	386,788	422,614	349,043	316,939	317,341
s74 External Revenue (a)	27,448	26,498	26,566	26,565	26,567
Expenses not requiring appropriation in the Budget year (b)	49,722	63,097	66,454	61,027	61,027
Departmental total	463,958	512,209	442,063	404,531	404,935
Total expenses for Outcome 4	2,698,843	2,957,435	2,386,113	2,659,405	2,559,975

Table 2.4.1: Budgeted expenses for Outcome 4 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Movement of administered funds between years (c)					
Outcome 4:					
Employment Services	(8,048)	8,048	-	-	-
Total movement of administered funds	(8,048)	8,048	-	-	-

	2020-21	2021-22
Average staffing level (number)	1,335	1,355

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
 (b) Expenses not requiring appropriation in the Budget year are made up of depreciation / amortisation expenses, make good expenses, audit fees.
 (c) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 4

This section details the performance criteria for each program associated with Outcome 4. It summarises how each program is delivered and where 2021-22 Budget measures have created new programs or materially changed existing programs.

Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs.

Program 4.1 Employment Services

Objective	The Employment Services system has the following key objectives: to help job seekers find and keep a job; deliver high quality and efficient employment services; and to support target groups to improve their work readiness and find employment.
Delivery	<p>This program will be delivered through the following key activities and delivery strategies:</p> <p>Help job seekers find and keep a job</p> <ul style="list-style-type: none"> • Deliver the tools and support to assist the most job ready to self-manage using online employment services. • Provide tools, supports and frameworks to assist job seekers enter into individual job plans and report on their mutual obligation requirements. • Provide a Targeted Compliance Framework that focuses penalties on the small number of job seekers who persistently do not comply with their requirements, while ensuring that requirements take into account each individual's circumstances. • Provide payments to providers that incentivise the achievement of sustainable outcomes, particularly for the most disadvantaged job seekers. • Work closely with the National Indigenous Australians Agency (responsible for the Community Development Program which operates in remote areas of Australia) and the Department of Social Services (responsible for Disability Employment Services) to ensure Government employment services across Australia are complementary.

Program 4.1 Employment Services (continued)

<p>Delivery (continued)</p>	<p>Deliver high-quality and efficient services</p> <ul style="list-style-type: none"> • Use the provider performance framework to emphasise the achievement of sustainable outcomes for job seekers. • Monitor delivery of services, including service delivery commitments, by providers. • Monitor the sustainability of job placements to ensure job seekers are placed in appropriate roles and employer needs are met. • Fund providers to connect job seekers to employment, including providing tools (such as wage subsidies and the Employment Fund), providing access to complementary programs and offering a range of services and support to employers. • Provide program settings that are flexible and responsive and allow providers to tailor servicing to individual needs. • Monitor program and provider performance and efficiency (including achievement of education and employment outcomes) and make changes to program settings as required. <p>Support target groups to improve their work readiness and find employment</p> <ul style="list-style-type: none"> • Provide funding to New Business Assistance with the New Enterprise Incentive Scheme (NEIS) providers to help people create their own job through self-employment. • Provide funding to Transition to Work providers to improve the work readiness of young people and help them into work, training or education. • Provide funding to ParentsNext providers to deliver personalised assistance to help parents at risk of long-term welfare dependency identify and achieve their education goals and pre-employment goals.
<p>Purpose</p>	<p>To contribute to Australia’s economic prosperity and social wellbeing by creating opportunities and driving better outcomes for people, through education, skills and employment pathways.</p>
<p>Measures impacting program 4.1:</p> <ul style="list-style-type: none"> • Women’s Economic Security Package • Digital Economy Strategy • New Employment Services Model • Getting Vulnerable Australians Back into Work — additional support for job seekers • Increased support for unemployed Australians • New Remote Jobs Program 	

Performance information 4.1 Employment Services

Year	Performance criteria	Expected achievement/target
2020–21	Help job seekers find and keep a job	
	Proportion of job placements sustained to 26 weeks.	<p>Targets: Overall: 30%, Indigenous: 30%</p> <p>Not on track</p> <p>The trend decline in performance against this measure means that it is not on track to meet the target in 2020–21. This is driven by the labour market conditions experienced over the year due to the COVID-19 pandemic.</p>
	Proportion of job seekers employed three months following participation in employment services.	<p>Targets: Overall: 45%, Stream A: 55%, Stream B: 40%, Stream C: 25%</p> <p>Not on track</p> <p>The trend decline in performance against this measure means that it is not on track to meet the target in 2020–21. This is driven by the labour market conditions experienced over the year due to the COVID-19 pandemic.</p>
	Help job seekers move from welfare to work	
	Proportion of job seekers moving off income support, or with reduced reliance on income support, six months after participation in jobactive.	<p>Target: 40%</p> <p>Data not available</p> <p>This performance measure cannot be reported for 2020–21 due to external factors impacting on the calculation of this measure, including policy settings governing participation in employment services and income support that have been changed or been temporarily suspended over the year in response to the COVID-19 pandemic.</p>
	Help job seekers meet their mutual obligation requirements	
	Proportion of Work for the Dole participants who report increased motivation to find a job.	<p>Target: 75%</p> <p>Data not available</p> <p>Due to the suspension of mutual obligations over periods of 2020–21 and fewer numbers of participants in Work for the Dole, this measure cannot be reported for 2020–21.</p>
	Proportion of provider appointments attended by activity-tested job seekers.	<p>Target: 90%</p> <p>Not on track</p> <p>The 90% target for this measure is unlikely to be achieved by end 2020–21, based on year to date results.</p> <p>Attendance rates at provider appointments have been consistent for more than a decade at levels below the department’s aspirational target of 90%.</p> <p>The achievement of this target for 2020–21 will likely remain volatile due to lifting mutual obligations for COVID-19 hotspots and natural disasters in quarter 4.</p>

Performance information 4.1 Employment Services (continued)

Year	Performance criteria	Expected achievement/target
2020–21 (continued)	Proportion of job seekers (with mutual obligation requirements) who are actively looking for work.	Target: 90% Not on track The 90% target for this measure is unlikely to be achieved by end of 2020–21, based on year to date results. Calculation of this measure for 2020–21 remains volatile based on the possibility of future COVID-19 and natural disaster related lifting of mutual obligation requirements.
	jobactive organisations deliver quality services	
	Proportion of employers satisfied with the assistance provided by a jobactive organisation.	Target: 80% Data not available Due to the suspension of the employer survey used to source the data for this measure it cannot be reported against for 2020–21.
	Proportion of jobactive organisations that meet their service delivery commitments.	Target: 80% On track
	jobactive – overall program measure	
	Cost per employment outcome.	Target: \$2,500 On track
	New Enterprise Incentive Scheme (NEIS) — help people to create their own job through self-employment	
	Proportion of NEIS participants off income support or working 20 hours per week three months after participating in and then exiting NEIS.	Target: 68% Not on track The 68% target for this measure is unlikely to be achieved by the end of 2020-21. Performance against this measure has been impacted by COVID-19, which has led to a larger number of NEIS participants remaining on income support and not meeting the requirements for the outcome.
	ParentsNext — Support parents to build their work readiness	
	Proportion of ParentsNext participants who increase their work readiness.	Targets: Overall: 75%, Indigenous: 75% On track
	ParentsNext – Support parents on a pathway to education or work	
	Number of participants who improve their education (completion of an education course higher than the participant's previous education level) or find employment.	Targets: Overall: 5,000, Indigenous: 1,000 Achieved
	Proportion of early school leavers who are in or have completed education or training.	Target: 25% On track

Performance information 4.1 Employment Services (continued)

Year	Performance criteria	Expected achievement/target	
2020–21 (continued)	Time to Work Employment Service — Support Indigenous prisoners prepare to find employment and reintegrate back into the community		
	Proportion of eligible prisoners who participate in the service.	Target: 50% Not on track Performance against this measure for the Time to Work Employment Service (the service) has been affected by delays in making the service fully operational in all states and territories and, more recently, COVID-19 restrictions in prisons, resulting in most prisons throughout Australia restricting or cancelling visits for employment services providers for extended periods. Where possible, providers delivered the service by phone, but were unable to promote the service when visits were not possible. Prison restrictions have returned as flare-ups of COVID-19 cases occur in each state or territory.	
	Proportion of participants who exit the service with an approved transition plan.	Target: 25% On track	
	Transition to Work – Help young people move into work or education		
	Proportion of placements sustained to a 12 week employment outcome or hybrid outcome, or an education outcome.	Target: 65% On track	
	Proportion of placements that are converted to sustainability outcomes.	Target: 40% Not on track The trend decline in performance against this measure means that it is not on track to meet the target in 2020–21. This is driven by labour market conditions experienced over the year due to the COVID-19 pandemic.	
	Proportion of Transition to Work participants moving off income support, reducing their reliance on income support, or moving on to Youth Allowance (student) six months after participating in the service.	Target: 30% Data not available This performance measure cannot be reported for 2020–21 due to external factors impacting on the calculation of this measure, including policy settings governing participation in employment services and income support that have been changed or been temporarily suspended over the year in response to the COVID-19 pandemic.	

Performance information 4.1 Employment Services (continued)

Year	Performance criteria	Target
2021–22	Help job seekers find and keep a job	
	Proportion of job placements sustained to 26 weeks.	30%
	Proportion of job seekers employed three months following participation in employment services.	45%
	Proportion of Work for the Dole participants who report increased motivation to find a job.	75%
	Proportion of job seekers (with mutual obligation requirements) who are actively looking for work.	90%
	Deliver high quality and efficient service	
	Proportion of jobactive organisations that meet their service delivery commitments.	80%
	Cost per employment outcome.	\$2,500
	Support target groups to improve their work readiness and find employment	
	Proportion of ParentsNext participants who increase their work readiness.	75%
	Number of participants who improve their education (completion of an education course higher than the participant's previous education level) or find employment.	5,000
	Transition to Work - Proportion of placements that are converted to sustainability outcomes.	40%
	2022–23 and beyond	From 2022–23, the New Employment Services Model will replace jobactive. As a result, performance measures will be reviewed and updated to reflect the new employment services operating environment.

Note: The department has undertaken a suite of assessment and assurance activities regarding performance measures since 2020-21 Budget. As a result, several measures have been added, removed, or amended in the 2021–22 Portfolio Budget Statements. Further details will be provided in the Department of Education, Skills and Employment Corporate Plan 2021–22.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021–22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The difference between the entity resources table and the budgeted financial statements is due to amounts in Appropriation Bill (No.3) 2020-21 and Appropriation Bill (No. 4) 2020-21 being excluded from the resource table, as they have not yet received Royal Assent.

3.1.2 Explanatory notes and analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental statements and administered schedules, is provided below. The 2020-21 estimated actual is used as the comparative year.

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are attributed to depreciation and amortisation expenses, including the application of the lease accounting standard, AASB16.

Excluding the impact of depreciation and amortisation expenses, the department's income statement reflects surpluses. The 2020-21 estimated surplus is predominantly due to timing differences in funding. Expenses for 2021-22 are estimated to be \$1.030 billion. This reflects an increase of \$62.5 million from the estimated actual expense for 2020-21.

Budgeted departmental balance sheet

The budgeted net asset position of \$520.9 million for 2021-22 represents an increase of \$66.6 million from the 2020-21 estimated actual. The accumulated deficit apparent in the balance sheet predominately represents the accounting treatment applicable to depreciation expense and AASB 16 Leases.

The structure of the balance sheet reflects the nature of the organisation. Key assets are office fit-out (included in land and buildings), computer software (included in intangibles) and computer and office machines (included in property, plant and equipment). The most significant liability relates to leases as a consequence of AASB 16 Leases, the other significant liability relates to employees and the leave provisions that are accrued as a result of their employment.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule reflects the revenues / gains and expenses relating to the programs administered by the department on behalf of Government.

The administered revenue estimates predominately relate to the loan programs administered by the department, including Higher Education Loan Program (HELP), VET Student Loans and Trade Support Loans.

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase from \$57.5 billion to \$62.0 billion over the period 2020-21 to 2024-25, mainly attributable to HELP. The total administered liabilities predominately relate to the unfunded superannuation provision for Australian Universities.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	423,697	429,898	427,217	423,673	420,703
Suppliers	399,374	443,103	330,291	271,517	268,601
Depreciation and amortisation (a)	137,096	150,201	156,498	151,119	151,119
Finance costs	6,421	6,430	6,434	6,434	6,434
Other expenses	534	-	-	-	-
Total expenses	967,122	1,029,632	920,440	852,743	846,857
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	36,034	34,358	34,742	34,570	34,573
Rental income	6,685	4,963	4,579	4,748	4,748
Other	20,714	10,730	10,808	10,889	10,960
Total own-source revenue	63,433	50,051	50,129	50,207	50,281
Total own-source income	63,433	50,051	50,129	50,207	50,281
Net (cost of)/contribution by services	(903,689)	(979,581)	(870,311)	(802,536)	(796,576)
Revenue from Government - Agreed	852,037	882,062	768,287	705,891	699,931
Revenue from Government - Provisional	534	(534)	-	-	-
Surplus/(deficit) attributable to the Australian Government	(51,118)	(98,053)	(102,024)	(96,645)	(96,645)
Total comprehensive income/(loss)	(51,118)	(98,053)	(102,024)	(96,645)	(96,645)
Total comprehensive income/(loss) attributable to the Australian Government	(51,118)	(98,053)	(102,024)	(96,645)	(96,645)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	36,335	355	355	355	355
less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	81,133	93,079	97,841	92,487	92,487
less: depreciation/amortisation expenses for ROU (b)	55,963	57,122	58,657	58,632	58,632
plus: principal repayments on leased assets (b)	49,643	51,793	54,119	54,119	54,119
Total comprehensive income/(loss) - as per the statement of comprehensive income	(51,118)	(98,053)	(102,024)	(96,645)	(96,645)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced the net cash appropriation arrangement that provided non-corporate Commonwealth entities with a separate Departmental Capital Budget (DCB) under Appropriation Act (No.1) or Bill (No. 3). This replaced revenue appropriations provided under Appropriation Act (No.1) or Bill (No.3) used for depreciation/amortisation expenses. For information regarding DCB, refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies leases under AASB 16 Leases.

DESE Budget Statements

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,230	9,276	9,276	9,276	9,276
Trade and other receivables	237,725	233,090	233,501	233,779	233,776
Other financial assets	2,367	1,833	1,833	1,833	1,833
Total financial assets	248,322	244,199	244,610	244,888	244,885
Non-financial assets					
Land and buildings	448,198	420,562	394,247	368,724	301,373
Property, plant and equipment	32,761	36,748	44,926	45,805	45,086
Intangibles	313,241	394,990	380,593	352,431	320,565
Other non-financial assets	14,500	14,500	14,500	14,500	14,500
Total non-financial assets	808,700	866,800	834,266	781,460	681,524
Total assets	1,057,022	1,110,999	1,078,876	1,026,348	926,409
LIABILITIES					
Payables					
Suppliers	41,838	41,838	41,838	41,838	41,838
Other payables	10,237	10,390	10,353	10,350	10,349
Total payables	52,075	52,228	52,191	52,188	52,187
Interest bearing liabilities					
Leases	390,342	376,983	364,676	352,357	298,238
Total interest bearing liabilities	390,342	376,983	364,676	352,357	298,238
Provisions					
Employee provisions	160,274	160,843	161,290	161,572	161,570
Total provisions	160,274	160,843	161,290	161,572	161,570
Total liabilities	602,691	590,054	578,157	566,117	511,995
Net assets	454,331	520,945	500,719	460,231	414,414
EQUITY*					
Parent entity interest					
Contributed equity	708,807	873,474	955,271	1,011,429	1,062,257
Reserves	1,911	1,911	1,911	1,911	1,911
Retained surplus (accumulated deficit)	(256,387)	(354,440)	(456,463)	(553,109)	(649,754)
Total parent entity interest	454,331	520,945	500,719	460,231	414,414
Total equity	454,331	520,945	500,719	460,231	414,414

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021–22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	(256,387)	1,911	-	708,807	454,331
Adjusted opening balance	(256,387)	1,911	-	708,807	454,331
Comprehensive income					
Surplus/(deficit) for the period	(98,053)	-	-	-	(98,053)
Total comprehensive income	(98,053)	-	-	-	(98,053)
of which:					
Attributable to the Australian Government	(98,053)	-	-	-	(98,053)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	102,851	102,851
Departmental Capital Budget (DCB)	-	-	-	61,816	61,816
Sub-total transactions with owners	-	-	-	164,667	164,667
Estimated closing balance as at 30 June 2022	(354,440)	1,911	-	873,474	520,945
Closing balance attributable to the Australian Government	(354,440)	1,911	-	873,474	520,945

Prepared on Australian Accounting Standards basis

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Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	831,075	886,697	767,951	705,613	699,934
Sale of goods and rendering of services	42,719	39,321	39,321	39,318	39,321
Other	15,508	5,523	5,526	5,682	5,753
Total cash received	889,302	931,541	812,798	750,613	745,008
Cash used					
Employees	422,672	429,176	426,881	423,396	420,706
Suppliers	394,702	437,896	325,009	266,309	263,394
Interest payments on lease liability	6,421	6,430	6,434	6,434	6,434
Total cash used	823,795	873,502	758,324	696,139	690,534
Net cash from/(used by) operating activities	65,507	58,039	54,474	54,474	54,474
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	215,635	169,867	74,760	56,513	51,183
Total cash used	215,635	169,867	74,760	56,513	51,183
Net cash from/(used by) investing activities	(215,635)	(169,867)	(74,760)	(56,513)	(51,183)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	199,040	164,667	74,405	56,158	50,828
Total cash received	199,040	164,667	74,405	56,158	50,828
Cash used					
Principal payments on lease liability	49,643	51,793	54,119	54,119	54,119
Total cash used	49,643	51,793	54,119	54,119	54,119
Net cash from/(used by) financing activities	149,397	112,874	20,286	2,039	(3,291)
Net increase/(decrease) in cash held	(731)	1,046	-	-	-
Cash and cash equivalents at the beginning of the reporting period	8,961	8,230	9,276	9,276	9,276
Cash and cash equivalents at the end of the reporting period	8,230	9,276	9,276	9,276	9,276

Prepared on Australian Accounting Standards basis

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	75,160	61,816	50,919	49,544	49,735
Equity injections - Bill 2	123,208	102,851	23,486	6,614	1,093
Total new capital appropriations	198,368	164,667	74,405	56,158	50,828
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>198,368</i>	<i>164,667</i>	<i>74,405</i>	<i>56,158</i>	<i>50,828</i>
Total items	198,368	164,667	74,405	56,158	50,828
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	128,756	108,208	23,486	6,614	1,093
Funded by capital appropriation - DCB (b)	76,645	61,304	50,919	49,544	49,735
Funded internally from departmental resources (c)	10,234	355	355	355	355
TOTAL	215,635	169,867	74,760	56,513	51,183
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	215,635	169,867	74,760	56,513	51,183
Total cash used to acquire assets	215,635	169,867	74,760	56,513	51,183

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets;
- s74 External Revenue; and
- proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget year 2021–22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	93,382	61,005	579,056	733,443
Gross book value - ROU assets	490,979	360	-	491,339
Accumulated depreciation/ amortisation and impairment	(23,253)	(28,458)	(265,815)	(317,526)
Accumulated depreciation/amortisation and impairment - ROU assets	(112,910)	(146)	-	(113,056)
Opening net book balance	448,198	32,761	313,241	794,200
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	108,208	108,208
By purchase - appropriation ordinary annual services (b)	8,022	11,735	41,547	61,304
By purchase - other	-	-	355	355
By purchase - other - ROU assets	38,427	7	-	38,434
Total additions	46,449	11,742	150,110	208,301
Other movements				
Depreciation/amortisation expense	(17,066)	(7,652)	(68,361)	(93,079)
Depreciation/amortisation on ROU assets	(57,019)	(103)	-	(57,122)
Total other movements	(74,085)	(7,755)	(68,361)	(150,201)
As at 30 June 2022				
Gross book value	139,831	72,747	729,166	941,744
Gross book value - ROU assets	490,979	360	-	491,339
Accumulated depreciation/ amortisation and impairment	(40,319)	(36,110)	(334,176)	(410,605)
Accumulated depreciation/amortisation and impairment - ROU assets	(169,929)	(249)	-	(170,178)
Closing net book balance	420,562	36,748	394,990	852,300

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021–22.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2021–22 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	2,703,624	2,864,690	2,401,878	2,594,420	2,456,443
Subsidies	2,230,602	2,929,747	1,514,245	570,717	596,125
Personal benefits	9,254,942	9,715,138	10,857,892	11,417,384	12,209,352
Grants	34,914,862	35,658,649	36,866,251	38,206,901	39,399,756
Depreciation and amortisation	92	92	92	92	92
Finance costs	96,296	92,136	87,542	82,903	254,393
Write-down and impairment of assets	1,226,646	1,975,812	1,866,447	2,097,092	2,110,513
Total expenses administered on behalf of Government	50,427,064	53,236,264	53,594,347	54,969,509	57,026,674
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	10,200	11,543	12,205	12,967	13,769
Total taxation revenue	10,200	11,543	12,205	12,967	13,769
Non-taxation revenue					
Interest	461,805	1,129,337	890,381	1,028,601	1,160,577
Other revenue	74,381	182,749	242,688	253,071	263,792
Total non-taxation revenue	536,186	1,312,086	1,133,069	1,281,672	1,424,369
Total own-source revenue administered on behalf of Government	546,386	1,323,629	1,145,274	1,294,639	1,438,138
Gains					
Other gains	627,337	462,635	281,548	73,670	19,443
Total gains administered on behalf of Government	627,337	462,635	281,548	73,670	19,443
Total own-sourced income administered on behalf of Government	1,173,723	1,786,264	1,426,822	1,368,309	1,457,581

DESE Budget Statements

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June) (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Net (cost of)/contribution by services	(49,253,341)	(51,450,000)	(52,167,525)	(53,601,200)	(55,569,093)
Surplus/(deficit) before income tax	(49,253,341)	(51,450,000)	(52,167,525)	(53,601,200)	(55,569,093)
Total comprehensive income/(loss)	(49,253,341)	(51,450,000)	(52,167,525)	(53,601,200)	(55,569,093)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	91,527	90,628	90,301	87,273	84,266
Trade and other receivables	53,777,948	55,648,785	57,144,524	58,028,856	58,311,828
Other investments	775,963	775,572	757,264	753,512	759,857
Other financial assets	2,796,499	2,796,499	2,796,499	2,796,499	2,796,499
Total financial assets	57,441,937	59,311,484	60,788,588	61,666,140	61,952,450
Non-financial assets					
Other non-financial assets	1,176	1,164	1,152	1,140	1,128
Prepayments	25,092	25,092	25,092	25,092	25,092
Total non-financial assets	26,268	26,256	26,244	26,232	26,220
Total assets administered on behalf of Government	57,468,205	59,337,740	60,814,832	61,692,372	61,978,670
LIABILITIES					
Payables					
Suppliers	138,827	138,827	138,827	138,827	138,827
Subsidies	24,443	24,443	24,443	24,443	24,443
Personal benefits	267,284	281,338	317,543	174,407	331,156
Grants	9,221	9,221	9,221	9,221	9,221
Other payables	39,918	39,918	39,918	39,918	39,918
Total payables	479,693	493,747	529,952	386,816	543,565
Interest bearing liabilities					
Leases	1,333	1,333	1,333	1,333	1,333
Total interest bearing liabilities	1,333	1,333	1,333	1,333	1,333
Provisions					
Personal benefits provisions	747,171	796,040	860,943	917,953	988,112
Provisions for grants	6,850,319	6,487,420	6,118,893	5,744,869	5,365,667
Total provisions	7,597,490	7,283,460	6,979,836	6,662,822	6,353,779
Total liabilities administered on behalf of Government	8,078,516	7,778,540	7,511,121	7,050,971	6,898,677
Net assets/(liabilities)	49,389,689	51,559,200	53,303,711	54,641,401	55,079,993

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	891,259	1,001,152	1,109,704	1,248,602	1,393,112
Taxes	10,200	11,543	12,205	12,967	13,769
Net GST received	1,422,978	1,574,091	1,665,490	1,602,215	1,657,315
Other	94,882	113,219	118,482	123,093	127,850
Total cash received	2,419,319	2,700,005	2,905,881	2,986,877	3,192,046
Cash used					
Grant	36,608,794	37,584,693	38,873,230	40,283,801	41,532,381
Subsidies paid	2,230,602	2,929,747	1,514,245	570,717	596,125
Personal benefits	8,709,903	9,672,529	10,759,388	11,520,879	12,010,121
Suppliers	2,706,590	2,864,690	2,401,878	2,594,420	2,456,443
Net GST paid	135,467	134,381	134,773	-	-
Interest payments on lease liability	25	25	25	25	25
Total cash used	50,391,381	53,186,065	53,683,539	54,969,842	56,595,095
Net cash from/(used by) operating activities	(47,972,062)	(50,486,060)	(50,777,658)	(51,982,965)	(53,403,049)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	4,039,320	4,607,985	5,041,754	5,642,058	6,260,108
Total cash received	4,039,320	4,607,985	5,041,754	5,642,058	6,260,108
Cash used					
Advances and loans made	7,471,938	7,773,579	8,196,595	8,618,714	8,885,580
Total cash used	7,471,938	7,773,579	8,196,595	8,618,714	8,885,580
Net cash from/(used by) investing activities	(3,432,618)	(3,165,594)	(3,154,841)	(2,976,656)	(2,625,472)
FINANCING ACTIVITIES					
Cash used					
Other	80	80	80	80	80
Total cash used	80	80	80	80	80
Net cash from/(used by) financing activities	(80)	(80)	(80)	(80)	(80)
Net increase/(decrease) in cash held	(51,404,760)	(53,651,734)	(53,932,579)	(54,959,701)	(56,028,601)
Cash and cash equivalents at beginning of reporting period	85,696	91,527	90,628	90,301	87,273
Cash from Official Public Account for:					
- Appropriations	56,571,649	59,506,950	60,336,244	61,970,968	63,805,547
Total cash from Official Public Account	56,571,649	59,506,950	60,336,244	61,970,968	63,805,547
Cash to Official Public Account for:					
- Appropriations	(5,161,058)	(5,856,115)	(6,403,992)	(7,014,295)	(7,779,953)
Total cash to Official Public Account	(5,161,058)	(5,856,115)	(6,403,992)	(7,014,295)	(7,779,953)
Cash and cash equivalents at end of reporting period	91,527	90,628	90,301	87,273	84,266

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

The department has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2021–22)

The department has no administered capital budget therefore Table 3.11 is not presented.

**Australian Curriculum,
Assessment and Reporting
Authority**

**Entity resources and planned
performance**

Australian Curriculum, Assessment and Reporting Authority

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Australian Curriculum, Assessment and Reporting Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* of the Parliament of the Commonwealth of Australia. The legislation was assented to on 8 December 2008.

ACARA's vision is to inspire improvement in the learning of all young Australians through world-class curriculum, assessment, and reporting.

ACARA's strategic directions are set through its Charter, issued by all Education Ministers. The Charter reflects ACARA's role as an independent statutory authority and provides guidance about the nature of the activities ACARA is expected to undertake in fulfilling its functions and executing the policy directions set by Education Ministers.

ACARA's strategic directions outlined in the Charter, endorsed by Education Ministers in November 2016, are:

National Curriculum

- provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by all Education Ministers.
- assemble the evidence base required to review, develop, and refine curriculum.

National Assessment

- provide a quality, comprehensive and cohesive suite of assessments (including National Assessment Program – Literacy and Numeracy (NAPLAN) and National Assessment Program (NAP) Sample).

National Data and Reporting

- provide and apply a comprehensive and reliable national measurement framework.
- facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols.

ACARA Budget Statements

- present detailed, accessible, timely and meaningful school education performance information.

National Collaboration and leadership

- provide effective national leadership in curriculum development, educational assessment, and national reporting.
- closely collaborate with jurisdictions, the non-government education sector, and relevant stakeholders in pursuing the national education agenda.

ACARA's budget is agreed to by all Education Ministers and provided in accordance with Minister's agreed funding formula. ACARA's 2021–22 to 2023–24 work plan and budget was endorsed by Education Ministers in June 2020. ACARA's 2024–25 budget has yet to be endorsed by Education Ministers.

Priorities for ACARA during 2021–22 include completing the review of the Foundation to Year 10 Australian Curriculum in accordance with the agreed terms of reference (agreed to by Education Ministers in June 2020) and working to ensure the successful transition to online assessment in collaboration with Education Services Australia and all Australian governments, with the goal to move the NAPLAN online by 2022 as agreed by Education Ministers in June 2020.

ACARA works collaboratively with a wide range of stakeholders including teachers, principals, government, state and territory education authorities, professional education associations, business and industry, community groups and the broader public in undertaking its work.

The management of risk is fundamental in supporting ACARA to achieve its strategic directions in a complex stakeholder environment. ACARA's Board, Audit, Risk and Finance Committee and executive, as well as staff, are actively involved in risk management for ACARA. This work is supported by an internal audit program that tests ACARA's compliance framework and controls.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to ACARA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for ACARA's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ACARA resource statement — Budget estimates for 2021–22 as at Budget May 2021

	2020-21 <i>Estimated actual</i> \$'000	2021-22 Estimate \$'000
Opening balance/cash reserves at 1 July	11,454	6,568
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	12,941	14,058
Amounts from other entities	-	-
Total amounts received from related entities	12,941	14,058
Total funds from Government	12,941	14,058
Funds from industry sources		
Funds from other sources		
Interest	180	140
Other	20,158	14,021
Total funds from other sources	20,338	14,161
Total net resourcing for Australian Curriculum, Assessment and Reporting Authority	44,733	34,787
	2020-21	2021-22
Average staffing level (number)	97	93

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the CCE (for example, a grant awarded to a CCE from one of its portfolio department's administered programs).

1.3 Budget measures

There are no 2021–22 Budget Measures for the Australian Curriculum, Assessment and Reporting Authority.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for ACARA can be found at: www.acara.edu.au

The most recent annual performance statement can be found at: www.acara.edu.au

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

Budgeted expenses for Outcome 1

This table shows how much ACARA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.					
	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	6,842	3,682	3,079	3,132	-
Revenues from other independent sources	5,720	3,717	3,114	3,167	-
Total expenses for Program 1.1	12,562	7,399	6,193	6,299	-
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	7,610	7,371	7,707	7,838	-
Revenues from other independent sources	8,347	7,406	7,742	7,873	-
Total expenses for Program 1.2	15,957	14,777	15,449	15,711	-
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	2,474	1,996	2,032	2,066	-
Revenues from other independent sources	2,518	2,031	2,067	2,101	-
Total expenses for Program 1.3	4,992	4,027	4,099	4,167	-
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	992	1,009	1,027	1,044	-
Revenues from other independent sources	1,036	1,044	1,062	1,079	-
Total expenses for Program 1.4	2,028	2,053	2,089	2,123	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	17,918	14,058	13,845	14,080	-
Revenues from other independent sources	17,621	14,198	13,985	14,220	-
Total expenses for Outcome 1	35,539	28,256	27,830	28,300	-
	2020-21	2021-22			
Average staffing level (number)	97	93			

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

<p>Program 1.1 – National Curriculum</p> <p>The program aims to improve the quality, equity, and transparency of Australia's education system. A national curriculum ensures that every child in Australia, regardless of where they live or the school they attend, has access to a world-class curriculum.</p>		
Delivery	<ul style="list-style-type: none"> • Delivering the Foundation to Year 10 (F-10) and Senior Secondary Australian Curriculum. • Supporting implementation of the F-10 Australian Curriculum. • Providing authoritative Australian Curriculum advice to stakeholders and facilitating information sharing, collaboration, and support for the Australian Curriculum. • Monitoring the effectiveness of the Australian Curriculum and undertaking research to inform national policy and practice. 	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020–21	<ul style="list-style-type: none"> • Agreed refinements to the F-10 Australian Curriculum undertaken. 	<ul style="list-style-type: none"> • Actions for refinements to the F-10 Australian Curriculum as agreed by Education Ministers in June 2020 undertaken in accordance with agreed Terms of Reference, with the revised curriculum to be completed in early 2022.
2021–22	<ul style="list-style-type: none"> • Agreed refinements to the F-10 Australian Curriculum undertaken. • Refinements to the F-10 Australian Curriculum undertaken in collaboration with jurisdictions and stakeholders. 	<ul style="list-style-type: none"> • Actions for refinements to the F-10 Australian Curriculum undertaken and completed in collaboration with jurisdictions and stakeholders. • F-10 Australian Curriculum reviewed and approved by Education Ministers. • The revised version published on updated Australian Curriculum website as agreed by Education Ministers.
2022–23 and beyond	<ul style="list-style-type: none"> • Activities related to maintaining and enhancing the curriculum support resources available on, and the online functionality of, the Australian Curriculum website completed each year. 	<ul style="list-style-type: none"> • Implementation support activities that have been endorsed by Ministers as part of ACARA's workplan are delivered and accessible through the Australian Curriculum website.
Purposes	<p>The program purposes are to:</p> <ul style="list-style-type: none"> • provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by all Education Ministers. • assemble the evidence base required to review, develop, and refine curriculum. 	

Program 1.2 – National Assessment		
<p>The program aims to provide school education leaders, teachers, and parents with the means to periodically assess students against previous performance, national benchmarks and their peers using an objective measure.</p>		
Delivery	<ul style="list-style-type: none"> • Researching, developing, and supporting activities required for assessment, especially the transition to online. • Managing the planning and development and oversee the delivery and reporting for the National Assessment Program (NAP) – Literacy and Numeracy (NAPLAN), including the transition from pencil and paper to online delivery. • Managing the development and overseeing the delivery of assessments and reporting for the National Assessment Program (NAP) sample assessments. 	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020–21	<ul style="list-style-type: none"> • Advice on NAP enhancements developed. • NAPLAN and NAP sample assessments delivered as agreed by Education Ministers. 	<ul style="list-style-type: none"> • Advice on NAPLAN enhancements considered by Senior Education Officials and Education Ministers in the first half of 2021. • 2021 NAPLAN scheduled to be delivered (approx. 68% online and remainder 32% paper) in May 2021. 2020 NAP ICT was postponed to 2021 due to COVID-19.
2021–22	<ul style="list-style-type: none"> • Transition to NAPLAN online, as agreed by Education Ministers. • An enhanced writing assessment model for NAPLAN implemented on timeframe determined by Education Ministers. • NAPLAN and NAP sample assessments delivered as agreed by Education Ministers. 	<ul style="list-style-type: none"> • Transition to NAPLAN online successful. • An enhanced NAPLAN writing model implemented. • National Reports endorsed by Education Ministers following successful delivery of the National Assessment Program.
2022–23 and beyond	<ul style="list-style-type: none"> • Proficiency standards as agreed by Education Ministers introduced for NAPLAN 2022 reports. • Implementation of approved enhancements to NAP, as agreed by Education Ministers. • NAPLAN and NAP sample assessments delivered as agreed by Education Ministers. 	<ul style="list-style-type: none"> • NAPLAN scale reset and new proficiency standards introduced for NAPLAN 2022 reports. • Enhancements approved and agreed by Education Ministers implemented for NAP from 2024. • National Reports endorsed by Education Ministers following successful delivery of the National Assessment Program.
Purposes	<ul style="list-style-type: none"> • To provide and apply a comprehensive and reliable national measurement framework, to facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols, to present detailed, accessible, timely and meaningful school education performance information. 	

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<p>Program 1.3 – National Data and Reporting</p> <p>The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.</p>		
<p>Delivery</p>	<ul style="list-style-type: none"> Monitoring and where necessary reviewing the existing national key performance measures for schools and produce a comprehensive and authoritative national report on schooling in Australia related to national key performance measures. Managing the collection and quality assurance of data and providing national school information including through the My School website. Managing the sharing and dissemination of data. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Actual Achievement/Targets</p>
<p>2020–21</p>	<ul style="list-style-type: none"> The National Report on Schooling in Australia is published. The Measurement Framework for Schooling in Australia revised to reflect the Alice Springs (Mparntwe) Education Declaration. Advice concerning improvements to the national reports developed. 	<ul style="list-style-type: none"> Publication of the 2019 National Report on Schooling in progress and the National Report on Schooling data portal updated in April 2021. The Measurement Framework for Schooling in Australia 2020 for the reporting years 2020 to 2023 was approved by Education Ministers in December 2020 and published. Advice on improvements to the data portal in progress to be considered by ACARA Board and Senior Education Officials.
<p>2021–22</p>	<ul style="list-style-type: none"> The National Report on Schooling in Australia is published. 	<ul style="list-style-type: none"> Publication of The National Report on Schooling and updated National Report on Schooling data portal.
<p>2022–23 and beyond</p>	<ul style="list-style-type: none"> Level of stakeholder satisfaction with the My School website. The Measurement Framework for Schooling in Australia reviewed and updated, in consultation with stakeholders and advisory groups. The National Report on Schooling in Australia is published. 	<ul style="list-style-type: none"> Strong level of satisfaction with the My School website. Revised Measurement Framework for Schooling in Australia endorsed by Education Ministers. Publication of The National Report on Schooling and updated National Report on Schooling data portal.
<p>Purposes</p>	<ul style="list-style-type: none"> To provide and apply a comprehensive and reliable national measurement framework, to facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols, to present detailed, accessible, timely and meaningful school education performance information. 	

Program 1.4 – National Collaboration and Leadership		
<p>The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education, and government and non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.</p>		
Delivery	<ul style="list-style-type: none"> Communicating information about ACARA’s work and achievements to partners, stakeholders, and the broader community. Providing national leadership in curriculum, assessment, data collection and reporting directly and in collaboration with the Commonwealth, states, territories, non-government sector, AITSL, Education Services Australia and other stakeholder groups and ensure liaison with key stakeholders across all matters relating to curriculum, assessment, and reporting. 	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020–21	<ul style="list-style-type: none"> A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained Research relating to either curriculum, assessment or reporting to advance ACARA’s work in these areas commissioned and published. 	<ul style="list-style-type: none"> ACARA submitted a progress report against its 2020-21 workplan to Education Ministers in December 2020 and to each scheduled meeting of the ACARA Board. Monthly reports were submitted to Education Ministers Increased frequency of engagement through additional curriculum advisory groups convened and increased attendance at key working groups and peak body and education related conference opportunities. All relevant Education Ministers and Education Senior Official’s meetings were attended by ACARA Four pieces of research commissioned or undertaken by ACARA are publicly available: a) Review of the NAPLAN Marking Rubrics b) NAPLAN Writing Rubric Review Final Report c) Findings relating to schools that consistently achieve above average progress in NAPLAN assessments d) the impact of COVID-19 on parents’ understanding of their children’s education.
2021–22	<ul style="list-style-type: none"> An advisory structure that is fit for purpose is in place. A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained. 	<ul style="list-style-type: none"> Strong level of satisfaction received, as measured through surveys in 2021 and 2023 Progress reports against the annual work plan submitted to Education Ministers and/or Senior Education Officials each year and at each meeting of the ACARA Board and all advice provided when requested Increased frequency of engagement through scheduled meetings of ACARA’s key advisory groups, ACARA’s attendance at key working groups and peak body opportunities, and evidence of communication with international education bodies Two pieces of research available through ACARA’s website(s) and availability communicated to stakeholders.
2022–23 & beyond	<ul style="list-style-type: none"> As above 	<ul style="list-style-type: none"> As above
Purposes	<ul style="list-style-type: none"> To provide effective national leadership in curriculum development, educational assessment, and national reporting and to closely collaborate with jurisdictions, the non-government education sector, and relevant stakeholders in pursuing the national education agenda. 	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021–22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements.

There are no material variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACARA's work is undertaken through agreement by all Education Ministers and set through its Charter, its rolling quadrennial plan, and any other written instructions from Education Ministers. ACARA's budget is agreed to by Education Ministers and provided in accordance with Ministers agreed funding formula. ACARA's 2021–22 to 2023–24 work plan and budget was endorsed by Education Ministers in June 2020. ACARA's 2024–25 work plan and budget have yet to be endorsed by Education Ministers.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	21,405	16,611	15,774	16,248	-
Suppliers	12,703	9,754	9,998	9,942	-
Depreciation and amortisation	1,368	1,838	2,035	2,092	-
Finance costs	63	53	23	18	-
Total expenses	35,539	28,256	27,830	28,300	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	180	140	140	140	-
Other	33,789	28,116	27,690	28,160	-
Total own-source revenue	33,969	28,256	27,830	28,300	-
Total gains	-	-	-	-	-
Total own-source income	33,969	28,256	27,830	28,300	-
Net (cost of)/contribution by services	(1,570)	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(1,570)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(1,570)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(1,570)	-	-	-	-

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss)					
less depreciation/amortisation expenses previously funded through revenue appropriations	(1,476)	17	28	(5)	-
less: depreciation/amortisation expenses for ROU (a)	968	968	1,102	1,138	-
plus: principal repayments on leased assets (a)	874	951	1,074	1,143	-
Total comprehensive income/(loss) - as per the Statement of comprehensive income	(1,570)	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,568	6,699	6,994	7,483	7,483
Trade and other receivables	376	160	160	160	160
Other financial assets	18	18	18	18	18
Total financial assets	6,962	6,877	7,172	7,661	7,661
Non-financial assets					
Land and buildings	4,537	3,569	3,620	2,482	2,482
Property, plant and equipment	2,707	2,087	1,404	700	700
Other non-financial assets	543	513	513	513	513
Total non-financial assets	7,787	6,169	5,537	3,695	3,695
Assets held for sale					
Total assets	14,749	13,046	12,709	11,356	11,356
LIABILITIES					
Payables					
Suppliers	3,300	2,966	2,545	2,329	2,329
Grants	253	-	-	-	-
Total payables	3,553	2,966	2,545	2,329	2,329
Interest bearing liabilities					
Leases	4,991	4,040	4,119	2,976	2,976
Total interest bearing liabilities	4,991	4,040	4,119	2,976	2,976
Provisions					
Employee provisions	3,051	2,881	2,881	2,881	2,881
Other provisions	439	444	449	455	455
Total provisions	3,490	3,325	3,330	3,336	3,336
Total liabilities	12,034	10,331	9,994	8,641	8,641
Net assets	2,715	2,715	2,715	2,715	2,715
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	2,715	2,715	2,715	2,715	2,715
Total parent entity interest	2,715	2,715	2,715	2,715	2,715
Total equity	2,715	2,715	2,715	2,715	2,715

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021–22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	2,715	-	-	-	2,715
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	2,715	-	-	-	2,715
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2022	2,715	-	-	-	2,715
Closing balance attributable to the Australian Government	2,715	-	-	-	2,715

Prepared on Australian Accounting Standards basis

* The non-controlling interest disclosure is not required if an entity does not have non-controlling interests.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	33,101	28,079	27,690	28,160	-
Interest	178	140	140	140	-
Total cash received	33,279	28,219	27,830	28,300	-
Cash used					
Employees	21,361	16,781	15,774	16,248	-
Suppliers	13,003	10,058	10,419	10,158	-
Interest payments on lease liability	63	53	23	18	-
Total cash used	34,427	26,892	26,216	26,424	-
Net cash from/(used by) operating activities	(1,148)	1,327	1,614	1,876	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,864	245	245	244	-
Total cash used	2,864	245	245	244	-
Net cash from/(used by) investing activities	(2,864)	(245)	(245)	(244)	-
Cash used					
Principal payments on lease liability	874	951	1,074	1,143	-
Total cash used	874	951	1,074	1,143	-
Net cash from/(used by) financing activities	(874)	(951)	(1,074)	(1,143)	-
Net increase/(decrease) in cash held	(4,886)	131	295	489	-
Cash and cash equivalents at the beginning of the reporting period	11,454	6,568	6,699	6,994	-
Cash and cash equivalents at the end of the reporting period	6,568	6,699	6,994	7,483	-

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

ACARA does not have a departmental capital budget therefore Table 3.5 is not presented.

Table 3.6: Statement of departmental asset movements (Budget year 2021-22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	-	5,374	8	5,382
Gross book value - ROU assets	6,473	-	-	-
Accumulated depreciation/ amortisation and impairment	-	(2,667)	(8)	(2,675)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,936)	-	-	(1,936)
Opening net book balance	4,537	2,707	-	771
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	250	-	250
Total additions	-	250	-	250
Other movements				
Depreciation/amortisation expense	-	(870)	-	(870)
Depreciation/amortisation on ROU assets	(968)	-	-	(968)
Total other movements	(968)	(870)	-	(1,838)
As at 30 June 2022				
Gross book value	-	5,624	8	5,632
Gross book value - ROU assets	6,473	-	-	6,473
Accumulated depreciation/ amortisation and impairment	-	(3,537)	(8)	(3,545)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,904)	-	-	(2,904)
Closing net book balance	3,569	2,087	-	5,656

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

ACARA has no income and expenses administered on behalf of Government therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

ACARA has no assets and liabilities administered on behalf of Government therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

ACARA has no administered cash flows therefore Table 3.9 is not presented.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

ACARA has no administered capital budget statement therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2021-22)

ACARA has no administered asset movements therefore Table 3.11 is not presented.

**Australian Institute for
Teaching and School
Leadership**

**Entity resources and planned
performance**

Australian Institute for Teaching and School Leadership

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Australian Institute for Teaching and School Leadership

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Institute for Teaching and School Leadership (AITSL) commenced operations on 1 January 2010.

AITSL is a public company limited by guarantee under the *Corporations Act 2001* and is subject to the *Public Governance, Performance and Accountability Act 2013*. The Commonwealth of Australia is the sole member of the company and is represented by the Minister for Education and Youth. AITSL operates under its own constitution, with priorities set through instruction from the Minister. Its mission is to promote excellence so that teachers and leaders have the maximum impact on learning in all Australian schools.

The nine-member Board, appointed by the Minister for Education and Youth for their educational expertise, includes a Chair, a Deputy Chair and seven further Directors.

AITSL plays a key role in leading significant national educational reform so that teachers and school leaders have the maximum impact on student learning in all Australian schools.

AITSL's Corporate Plan identifies seven key focus areas for its work:

- Placing impact of initial teacher education, teaching, and leadership at the centre of its work
- Building, enhancing, and sustaining effective teaching and leadership at every level
- Advocating for quality and rigour in the design and implementation of national policies, tools and resources
- Undertaking and engaging with national and international research and innovation developments in best practice
- Affirming the status of the profession
- Building cultural competency
- Conducting assessments for skilled migration to Australia.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to AITSL for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for AITSL's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: AITSL resource statement — Budget estimates for 2021–22 as at Budget May 2021

	<i>2020-21 Estimated actual \$'000</i>	<i>2021-22 Estimate \$'000</i>
Opening balance/cash reserves at 1 July	7,570	6,451
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	13,529	12,723
Total amounts received from related entities	13,529	12,723
Total funds from Government	13,529	12,723
Funds from other sources		
Interest	67	40
Sale of goods and services	5,476	1,395
Total funds from other sources	5,543	1,435
Total net resourcing for AITSL	26,642	20,609
	<i>2020-21</i>	<i>2021-22</i>
Average staffing level (number)	71	71

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to the corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

1.3 Budget measures

There are no 2021–22 Budget Measures for the Australian Institute for Teaching and School Leadership.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for AITSL can be found at: www.aitsl.edu.au

The most recent annual performance statement can be found at: www.aitsl.edu.au

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.

Budgeted expenses for Outcome 1

This table shows how much AITSL intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	17,428	12,723	-	-	-
Revenues from other independent sources	5,162	1,425	-	-	-
Total expenses for Program 1.1	22,590	14,148	-	-	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	17,428	12,723	-	-	-
Revenues from other independent sources	5,162	1,425	-	-	-
Total expenses for Outcome 1	22,590	14,148	-	-	-
<hr/>					
	2020-21	2021-22			
Average staffing level (number)	71	71			

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.2.2: Performance criteria for Outcome 1

Table 2.2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.		
Program 1.1 – This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.		
Delivery	The program includes a range of targeted initiatives which lead, shape and complement the work of other education agencies, to enhance the quality of initial teacher education, teaching and school leadership.	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020–21	AITSL continues to promote excellence in the profession of teaching and school leadership.	<p>Initial Teacher Education Programs in Australia</p> <p>Implement Education Ministers' decisions on national quality assurance, consistency and transparency of initial teacher education.</p> <p>Monitor and evaluate the implementation of the strengthened approach to the Accreditation of Initial Teacher Education programs.</p> <p>Quality Teaching</p> <p>Improve access to high quality professional learning aligned to the <i>Australian Professional Standards for Teachers</i> (Teacher Standards).</p> <p>Improve consistency in the implementation of the national teacher registration framework and Teacher Standards.</p> <p>Support and promote the National Certification of Highly Accomplished and Lead Teachers.</p> <p>Develop tools for schools to better understand teacher effectiveness.</p>

<p>Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.</p>		
<p>Program 1.1 – This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.</p>		
		<p>School Leadership Support improvements to the quality of preparation and professional learning of school leaders aligned to the <i>Australian Professional Standard for Principals</i>, and promote access to key tools and resources.</p> <p>Undertake and engage with national and international research and innovation developments in best practice Strengthen the evidence base for AITSL's work through enhanced research and involvement with national and international agencies and experts.</p> <p>Assessment for Migration Perform the role of assessing authority under the Migration Regulations 1994 for the purpose of skilled migration to Australia, for relevant teaching occupations successfully fulfilled.</p>
2021–22	As per 2020–21.	As per 2020–21.
2022–23 and beyond	As per 2020–21.	As per 2020–21.
Purposes	AITSL plays a key role in leading significant national educational reform for the Australian, state and territory governments to promote excellence in initial teacher education, teaching and school leadership to achieve maximum impact on student learning in all Australian schools.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AITSL's finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

There are no variances between the entity resources table and the budgeted financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

In February 2019 the Department of Education and Training (now the Department of Education, Skills and Employment) provided AITSL with a funding agreement of \$44.896 million for the financial years 2018-19 to 2021-22. The purpose of the funding is to enable AITSL to continue to pursue its objectives in teaching and school leadership. A variation was made to the agreement in January 2020 which increased the funding by \$2.486 million to a total of \$47.382 million.

The funding for the 2021-22 budget year will be \$12.723 million. The comparative funding in the 2020-21 year is \$13.529 million. In the 2021-22 year the income from Overseas Skills Assessment is budgeted at \$1.285 million. Further income of \$0.140 million is budgeted in the 2021-22 year from third parties. Comparative income from other sources in the 2020-21 year included \$1.200 million to create a longitudinal data set on the teaching workforce, \$2.239 million for contributing to the development of online formative assessment tools for teachers and income from other third parties of \$0.371 million.

AITSL is forecast to report a deficit of \$3.899 million in the financial year 2020-21. The deficit has arisen as a result of revenue recognised in the 2018-19 year that was in regard to work and expenses that would be incurred in subsequent years. The deficit is a technical deficit and does not adversely impact on AITSL's financial position. AITSL is budgeting for a break even result for the financial year 2021-22.

The net asset position at 30 June 2021 is forecast to be \$4.558 million. Total assets are forecast to be \$9.717 million, comprising \$7.145 million of financial assets and \$2.572 million of non-financial assets.

Total liabilities at 30 June 2021 are forecast to be \$5.159 million, of which \$1.074 million is accrued employee provisions, \$1.501 million is supplier payables, \$2.039 million of lease liabilities and \$0.545 million of other provisions and liabilities.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	10,393	9,126	-	-	-
Suppliers	11,107	3,974	-	-	-
Depreciation and amortisation	1,053	1,023	-	-	-
Finance costs	37	25	-	-	-
Total expenses	22,590	14,148	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,095	1,385	-	-	-
Interest	67	40	-	-	-
Other	13,529	12,723	-	-	-
Total own-source revenue	18,691	14,148	-	-	-
Total own-source income	18,691	14,148	-	-	-
Net (cost of)/contribution by services	(3,899)	-	-	-	-
Revenue from Government	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(3,899)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(3,899)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(3,899)	-	-	-	-
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	(3,854)	3	-	-	-
less: depreciation/amortisation expenses for ROU (a)	692	692	-	-	-
plus: principal repayments on leased assets (a)	647	689	-	-	-
Total comprehensive income/(loss) - as per the Statement of comprehensive income	(3,899)	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	6,451	5,964	-	-	-
Trade and other receivables	275	145	-	-	-
Other financial assets	419	419	-	-	-
Total financial assets	7,145	6,528	-	-	-
Non-financial assets					
Property, plant and equipment	2,537	1,549	-	-	-
Intangibles	35	-	-	-	-
Total non-financial assets	2,572	1,549	-	-	-
Total assets	9,717	8,077	-	-	-
LIABILITIES					
Payables					
Suppliers	1,501	658	-	-	-
Other payables	170	170	-	-	-
Total payables	1,671	828	-	-	-
Interest bearing liabilities					
Leases	2,039	1,349	-	-	-
Total interest bearing liabilities	2,039	1,349	-	-	-
Provisions					
Employee provisions	1,074	957	-	-	-
Other provisions	375	385	-	-	-
Total provisions	1,449	1,342	-	-	-
Total liabilities	5,159	3,519	-	-	-
Net assets	4,558	4,558	-	-	-
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	4,558	4,558	-	-	-
Total parent entity interest	4,558	4,558	-	-	-
Total non-controlling interest	-	-	-	-	-
Total equity	4,558	4,558	-	-	-

Prepared on Australian Accounting Standards basis.

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021–22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	4,558	-	-	-	4,558
Adjusted opening balance	4,558	-	-	-	4,558
Comprehensive income					
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2022	4,558	-	-	-	4,558
Less: non-controlling interests	-	-	-	-	-
Closing balance attributable to the Australian Government	4,558	-	-	-	4,558

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	13,529	12,723	-	-	-
Sale of goods and rendering of services	5,476	1,395	-	-	-
Interest	67	40	-	-	-
Net GST received	890	581	-	-	-
Total cash received	19,962	14,739	-	-	-
Cash used					
Employees	10,314	9,233	-	-	-
Suppliers	12,007	5,279	-	-	-
Interest payments on lease liability	37	25	-	-	-
Total cash used	22,358	14,537	-	-	-
Net cash from/(used by) operating activities	(2,396)	202	-	-	-
INVESTING ACTIVITIES					
Cash received					
Investments	2,024	-	-	-	-
Total cash received	2,024	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	100	-	-	-	-
Total cash used	100	-	-	-	-
Net cash from/(used by) investing activities	1,924	-	-	-	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	647	689	-	-	-
Total cash used	647	689	-	-	-
Net cash from/(used by) financing activities	(647)	(689)	-	-	-
Net increase/(decrease) in cash held	(1,119)	(487)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	7,570	6,451	-	-	-
Cash and cash equivalents at the end of the reporting period	6,451	5,964	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)
 AITSL does not have a departmental capital budget therefore Table 3.5 is not presented.

Table 3.6: Statement of departmental asset movements (Budget year 2021–22)

	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021					
Gross book value	-	2,365	12	177	2,554
Gross book value - ROU assets	3,346	-	-	-	3,346
Accumulated depreciation/amortisation and impairment	-	(1,802)	-	(142)	(1,944)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,384)	-	-	-	(1,384)
Opening net book balance	1,962	563	12	35	2,572
Capital asset additions					
Other movements					
Depreciation/amortisation expense	-	(296)	-	(35)	(331)
Depreciation/amortisation on ROU assets	(692)	-	-	-	(692)
Total other movements	(692)	(296)	-	(35)	(1,023)
As at 30 June 2022					
Gross book value	-	2,365	12	177	2,554
Gross book value - ROU assets	3,346	-	-	-	3,346
Accumulated depreciation/amortisation and impairment	-	(2,098)	-	(177)	(2,275)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,076)	-	-	-	(2,076)
Closing net book balance	1,270	267	12	-	1,549

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

AITSL has no income and expenses administered on behalf of Government therefore Table 3.7 is not presented.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

AITSL has no assets and liabilities administered on behalf of Government therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

AITSL has no administered cash flows therefore Table 3.9 is not presented.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

AITSL has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2021–22)

AITSL has no administered asset movements therefore Table 3.11 is not presented.

Australian Research Council

Entity resources and planned performance

Australian Research Council

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Australian Research Council

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Research Council (ARC) is a non-corporate Commonwealth entity established under the *Australian Research Council Act 2001*. The ARC is responsible for administering the National Competitive Grants Program (NCGP), assessing the quality, engagement and impact of research and providing advice and support on research matters.

Through the NCGP, the ARC supports excellent research and research training across all disciplines, awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research collaboration and infrastructure.

The ARC administers Excellence in Research for Australia (ERA), which assesses research quality by research discipline at eligible Australian higher education institutions. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. The ARC is also responsible for administering the Engagement and Impact (EI) assessment, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental, cultural and other impacts.

The ARC's priorities for 2021–22 include:

- delivering the NCGP effectively and efficiently
- continuing to provide high quality advice to the Minister on research matters including in areas of Government focus (for example, strengthening linkages between research and business)
- implementing outcomes of the review of ERA and EI
- working with universities to prepare for the ERA 2023 and EI 2024 rounds
- working with stakeholders in delivering program and policy responsibilities, including through consultations and in raising awareness of research funded by the ARC
- continuing to monitor the performance of selected NCGP schemes through scheduled reviews and evaluations

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- ensuring that the NCGP supports participation by all researchers, including Aboriginal and Torres Strait Islander researchers, women researchers and early and mid-career researchers
- maintaining a strong governance framework to support delivery against legislative requirements as well as the Government's expectations for the agency as articulated in the ARC outcome statement
- providing specialist research-based grants administration services to other Australian Government agencies that is standardised, streamlined and supports Australian Government standards and requirements.

The ARC acknowledges the impact that COVID-19 has had on the university research sector. It will continue to monitor the ongoing impact of COVID-19 on researchers and institutions and make further modifications to its activities as needed.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to ARC for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for ARC's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ARC resource statement — Budget estimates for 2021–22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	18,904	17,463
Departmental appropriation (b)	21,309	20,226
s74 External Revenue (c)	1,139	323
Departmental capital budget (d)	1,234	2,335
Total departmental annual appropriations	42,586	40,347
Total departmental resourcing	42,586	40,347
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (e)	153	-
Outcome 1	8,669	5,896
Total administered annual appropriations	8,822	5,896
Special Appropriation - <i>Australian Research Council Act 2001</i> (f)	803,409	815,271
Total administered special appropriations	803,409	815,271
Special accounts (g)		
Opening balance	1,031	2,801
Appropriation receipts (h)	2,791	-
Non-appropriation receipts	356	-
Total special accounts	4,178	2,801
<i>less administered appropriations drawn from annual appropriations and credited to special accounts</i>	2,791	-
Total administered resourcing	813,618	823,968
Total resourcing for Australian Research Council	856,204	864,315
	2020-21	2021-22
Average staffing level (number)	136	136

All figures shown above are GST exclusive - these may not match figures in the cash flow statement

Prepared on a resourcing (i.e. appropriations available) basis.

- (a) Appropriation Bill (No. 1) and Supply Bill (No. 1).
(b) Excludes Departmental Capital Budget (DCB).
(c) Estimated External Revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act 2013).
(d) Departmental Capital Budgets are not separately identified in Appropriation Bill (No. 1) and Supply Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
(e) Prior year Administered annual appropriations are only available to meet commitments entered into prior to 2020–21. This figure excludes amounts that are subject to or anticipated to be subject to administrative quarantine by Finance or withheld under section 51 of the PGPA Act 2013.
(f) Special Appropriation funded under the *Australian Research Council Act 2001*. Note the figure shown is the appropriation applied in 2020–21. It includes funding reprofiled for the Special Research Initiative for Australian Society, History and Culture from 2019–20.
(g) ARC Research Endowment Account - s80 PGPA Act 2013 (s62 *Australian Research Council Act 2001*). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special account.
(h) Amounts credited to the special account(s) from ARC's annual appropriation.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in ARC Budget Statements will be read with broader information provided in ARC's corporate plans and annual performance statements – included in Annual Reports – to provide ARC's complete performance story.

The most recent corporate plan for ARC can be found at: www.arc.gov.au

The most recent annual performance statement can be found in the ARC Annual Report at: www.arc.gov.au

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Budgeted expenses for Outcome 1

This table shows how much ARC intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,190	1,195	1,215	1,234	1,259
Special appropriations <i>Australian Research Council Act 2001</i>	483,272	489,188	494,922	501,162	509,432
Total expenses for program 1.1	484,462	490,383	496,137	502,396	510,691
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,551	1,555	1,579	1,607	1,641
Special appropriations <i>Australian Research Council Act 2001</i>	323,166	325,454	329,948	334,109	339,622
Special accounts ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	392	-	-	-	-
Total expenses for program 1.2	325,109	327,009	331,527	335,716	341,263
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	3,137	3,146	5,441	3,252	3,319
Total expenses for program 1.3	3,137	3,146	5,441	3,252	3,319
ARC - Departmental					
Departmental expenses					
Departmental appropriation	21,309	20,226	21,421	21,507	21,582
s74 External Revenue (a)	1,139	323	333	236	71
Expenses not requiring appropriation in the Budget year (b)	3,465	3,743	3,627	1,551	1,456
Total expenses for Departmental	25,913	24,292	25,381	23,294	23,109

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	5,878	5,896	8,235	6,093	6,219
Special appropriations	806,438	814,642	824,870	835,271	849,054
Special accounts	392	-	-	-	-
Administered total	812,708	820,538	833,105	841,364	855,273
Departmental expenses					
Departmental appropriation	21,309	20,226	21,421	21,507	21,582
s74 External Revenue (a)	1,139	323	333	236	71
Expenses not requiring appropriation in the Budget year (b)	3,465	3,743	3,627	1,551	1,456
Departmental total	25,913	24,292	25,381	23,294	23,109
Total expenses for Outcome 1	838,621	844,830	858,486	864,658	878,382
	2020-21	2021-22			
Average staffing level (number)	136	136			

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act 2013.
(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses and audit fees.

Performance criteria for Outcome 1

This section details the performance criteria for each program associated with Outcome 1. It summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.

Program 1.1: Discovery – Research and Research Training

Objective	Through the Discovery Program, the ARC aims to build Australia’s research capacity by supporting excellent, internationally competitive research projects, fellowships and awards. This contributes to Outcome 1 by: supporting excellent, internationally-competitive research; providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that will strengthen Australia’s capacity in areas of priority.
Delivery	The Discovery Program is delivered through the following activities: <ul style="list-style-type: none"> • administering the Discovery funding schemes – Australian Laureate Fellowships, Discovery Early Career Researcher Award (DECRA), Discovery Indigenous, Discovery Projects and Future Fellowships – which provide funding to eligible administering organisations for excellent, internationally competitive research projects, fellowships and awards • informing policy on research and research training.
Purposes	The ARC’s purpose is to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

Performance information 1.1 Discovery – Research and Research Training

Year	Performance criteria	Actual Achievements/Targets
2020–21	<p>The Discovery Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent research and researchers • research training and career development • international collaboration • research in areas of priority. <p>Criteria to measure ARC’s performance relate to:</p> <ul style="list-style-type: none"> • running efficient competitive processes which are transparent, fair and equitable • supporting collaboration to enable high quality research • growing Australia’s research knowledge and innovation. 	<p>Final reporting data for all 2020–21 targets will be available at the end of 2020–21 and published in the ARC annual report. To date:</p> <p>NCGP applications and assessment processes are conducted in a timely manner</p> <p>Target: 100% of Discovery Program application recommendations are made to the Minister within eight months of scheme round closing dates.</p> <p>Performance: On track (100% as at March 2021).</p> <p>ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards</p> <p>Target: 100% of Discovery Program grant opportunities and grant awards are published on GrantConnect.</p>

Year	Performance criteria	Actual Achievements/Targets
		<p>Performance: On track (100% as at March 2021).</p> <p>ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines</p> <p>Target: The number of upheld appeals against administrative processes related to Discovery Program applications is <1% of submitted applications.</p> <p>Performance: Performance: On track (0% as at March 2021).</p> <p>Proportion of ARC-funded research projects that involved international collaboration</p> <p>Target: 70% of Discovery Program research projects report involvement in international collaboration.</p> <p>Performance: In progress (reporting information for this target will be in the Annual Report).</p> <p>Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government’s National Science and Research Priority areas</p> <p>Target: 60% of Discovery Program research projects and awards involve research in one of the Australian Government’s National Science and Research Priorities.</p> <p>Performance: On track (62.4% as at March 2021).</p>

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Year	Performance criteria	Actual Achievements/Targets
2021–22	As per 2020–21	<p>NCGP applications and assessment processes are conducted in a timely manner Target: 100% of Discovery Program application recommendations are made to the Minister within eight months of scheme round closing dates.</p> <p>ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards Target: 100% of Discovery Program grant opportunities and grant awards are published on GrantConnect.</p> <p>ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines Target: The number of upheld appeals against administrative processes related to Discovery Program applications is <1% of submitted applications.</p> <p>Proportion of ARC-funded research projects that involved international collaboration Target: 70% of Discovery Program research projects report involvement in international collaboration.</p> <p>Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government’s National Science and Research Priority areas Target: 60% of Discovery Program research projects and awards involve research in one of the Australian Government’s National Science and Research Priorities.</p>
2022–23 and beyond	As per 2021–22	As per 2021–22

Program 1.2: Linkage – Cross Sector Research Partnerships

Objective	<p>Through the Linkage Program, the ARC aims to build Australia's research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, hubs and centres that involve collaboration among researchers within and beyond the research sector.</p> <p>This contributes to Outcome 1 by: supporting excellent collaborative research; providing training and career opportunities for current and emerging researchers; fostering industry and other end-user engagement; supporting international collaboration; and encouraging research that will strengthen Australia's capacity in areas of priority.</p>
Delivery	<p>The Linkage Program is delivered through the following activities:</p> <ul style="list-style-type: none"> • administering the Linkage funding schemes – ARC Centres of Excellence, Industrial Transformation Research Hubs, Industrial Transformation Training Centres, Linkage Infrastructure, Equipment and Facilities, Linkage Learned Academies Special Projects, Linkage Projects and Special Research Initiatives – which provide funding to eligible administering organisations for excellent, collaborative research projects, infrastructure, hubs and centres • informing policy on cross sector research partnerships.
Purposes	<p>The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.</p>

Performance information 1.2 Linkage – Cross Sector Research Partnerships

Year	Performance criteria	Actual Achievements/Targets
2020–21	<p>The Linkage Program contributes to the growth of knowledge and innovation in Australia by funding:</p> <ul style="list-style-type: none"> • excellent collaborative research and researchers • industrial research training and career development • partnerships between universities and research end-users • research in areas of priority. <p>Criteria to measure ARC's performance relate to:</p> <ul style="list-style-type: none"> • running efficient competitive processes which are transparent, fair and equitable • supporting collaboration to enable high quality research • growing Australia's research knowledge and innovation. 	<p>Final reporting data for all 2020–21 targets will be available at the end of 2020–21 and published in the ARC annual report.</p> <p>To date:</p> <p>NCGP applications and assessment processes are conducted in a timely manner</p> <p>Target: 100% of Linkage Program application recommendations are made to the Minister within six months of scheme round closing dates for Linkage Projects and within eight months for all other schemes.</p> <p>Performance: On track (100% as at March 2021).</p> <p>ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards</p> <p>Target: 100% of Linkage Program grant opportunities and grant awards are published on GrantConnect.</p> <p>Performance: On track (100% as at March 2021).</p> <p>ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines</p> <p>Target: The number of upheld appeals against administrative processes related to Linkage</p>

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Year	Performance criteria	Actual Achievements/Targets
		<p>Program applications is <1% of submitted applications. Performance: On track (0% as at March 2021).</p> <p>Proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres (ITTC) scheme Target: Maintain, ±5% of three-year rolling average. Performance: In progress (reporting information for this target will be in the Annual Report).</p> <p>Proportion of ARC-funded research projects that involved international collaboration Target: 70% of Linkage Program research projects report involvement in international collaboration. Performance: In progress (reporting information for this target will be in the Annual Report).</p> <p>Maintain or increase the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) Target: Partner Organisations contribute ≥ \$1 to ARC Linkage Projects for every ARC dollar awarded. Performance: On track (\$1.61 pledged for every ARC dollar as at March 2021).</p> <p>Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (Linkage Projects scheme) Target: 90% of partner organisations who participate on an ARC Linkage Project report satisfaction with the research partnership supported by the grant. Performance: On track (91.8% as at March 2021).</p> <p>Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas Target: 60% of Linkage Program research projects and awards involve research in one of the Australian Government's National Science and Research Priorities. Performance: On track (72.7% as at March 2021).</p>

<p>2021–22</p>	<p>As per 2020–21</p>	<p>NCGP applications and assessment processes are conducted in a timely manner Target: 100% of Linkage Program application recommendations are made to the Minister within six months of scheme round closing dates for Linkage Projects and within eight months for all other schemes.</p> <p>ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards Target: 100% of Linkage Program grant opportunities and grant awards are published on GrantConnect.</p> <p>ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines Target: The number of upheld appeals against administrative processes related to Linkage Program applications is <1% of submitted applications.</p> <p>Proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres (ITTC) scheme Target: Maintain, ±5% of three year rolling average.</p> <p>Proportion of ARC-funded research projects that involved international collaboration Target: 70% of Linkage Program research projects report involvement in international collaboration.</p> <p>Maintain or increase the level of co-funding from partner organisations involved in ARC funded research (Linkage Projects scheme) Target: Partner Organisations contribute ≥ \$1 to ARC Linkage Projects for every ARC dollar awarded.</p> <p>Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (Linkage Projects scheme) Target: 90% of partner organisations who participate on an ARC Linkage Project report satisfaction with the research partnership supported by the grant.</p>
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Year	Performance criteria	Actual Achievements/Targets
		<p>Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas</p> <p>Target: 60% of Linkage Program research projects and awards involve research in one of the Australian Government's National Science and Research Priorities.</p>
2022-23 and beyond	As per 2021-22	As per 2021-22

Program 1.3: Excellence in Research for Australia

Objective	<p>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia's research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality evaluation framework, Excellence in Research for Australia, and the Engagement and Impact (EI) assessment framework, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental, cultural and other impacts.</p> <p>This contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australian government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.</p>
Delivery	<p>The program is delivered through the following activities:</p> <ul style="list-style-type: none"> • administering an evaluation framework to measure and report on the quality of research conducted at Australia's higher education institutions • administering a framework to assess engagement and show how universities are translating their research into economic, social, environmental, cultural and other impacts • informing strategic policy advice on research quality, engagement and impact.
Purposes	The ARC's purpose is to grow knowledge and innovation for the benefit of the Australian community by funding the highest quality research, assessing the quality, engagement and impact of research and providing advice on research matters.

Performance information 1.3 Excellence in Research for Australia

Year	Performance criteria	Actual Achievements/Targets
2020–21	<p>The ERA program, including the research quality evaluation framework and EI assessment framework, contributes to the growth of knowledge and innovation in Australia by:</p> <ul style="list-style-type: none"> • providing assurance of the quality of research in Australia • encouraging excellent, internationally competitive research • encouraging impactful engagement within and beyond the research sector. 	<p>Target: ERA and EI methodology is reviewed.</p> <p>Performance: On track (review outcomes are expected to be published in the second quarter of 2021).</p> <p>Target: Use of ERA program data to assist in the development of Australian Government policies.</p> <p>Performance: In progress (reporting information for this target will be in the Annual Report).</p> <p>Target: Use of ERA program data to inform the strategic planning of Australian universities.</p> <p>Performance: In progress (reporting information for this target will be in the Annual Report).</p>
2021–22	As per 2020–21	<p>Target: Use of ERA program data to assist in the development of Australian Government policies.</p> <p>Target: Use of ERA program data to inform the strategic planning of Australian universities.</p> <p>Target: Review outcomes are implemented through revised ERA methodology, where required.</p>

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Year	Performance criteria	Actual Achievements/Targets
2022–23 and beyond	As per 2021–22	<p>Target: Use of ERA program data to assist in the development of Australian Government policies.</p> <p>Target: Use of ERA program data to inform the strategic planning of Australian universities.</p> <p>Target: Review outcomes are implemented through revised ERA and EI methodology, where required.</p> <p>Target: 2023–24 – Research quality of participating universities is assessed and reported on.</p>

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

There are no material variances between the ARC's resources table and the budgeted financial statements. There are minor variances between resourcing and expenses, which reflects the administered annual appropriation being credited to the ARC Research Endowment Special Account and timing differences between expenses and cash expenditure relating to the National Competitive Grants Program (NCGP).

3.1.2 Explanatory notes and analysis of budgeted financial statements

The ARC has no measures announced since the 2020-21 Portfolio Budget Statements.

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are predominantly attributable to the depreciation and amortisation expense for the year.

Budgeted departmental balance sheet

The budgeted net asset position of \$19.9 million for 2021-22 represents a decrease of \$1.3 million from 2020-21, the majority of which relates to a reduction in non-financial assets and leases liabilities.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses reflects the revenues and expense relating to programs administered by the ARC on behalf of Government.

The majority of the expenditure is on grants as provided under the NCGP.

Schedules of budgeted assets and liabilities administered on behalf of government

The ARC recognises grant liabilities to the extent that the grant eligibility criteria or reporting requirements have been satisfied. The closing liability reflects the estimated remaining commitment, as at 30 June, for the relevant calendar year.

3.2 Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	16,983	17,678	18,024	18,024	18,024
Suppliers	3,616	977	1,790	1,732	1,712
Depreciation and amortisation (a)	5,000	5,384	5,379	3,420	3,325
Finance costs	314	253	188	118	48
Total expenses	25,913	24,292	25,381	23,294	23,109
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,139	323	333	236	71
Other	60	60	60	60	60
Total own-source revenue	1,199	383	393	296	131
Total own-source income	1,199	383	393	296	131
Net (cost of)/contribution by services	(24,714)	(23,909)	(24,988)	(22,998)	(22,978)
Revenue from Government	21,309	20,226	21,421	21,507	21,582
Surplus/(deficit) attributable to the Australian Government	(3,405)	(3,683)	(3,567)	(1,491)	(1,396)
Total comprehensive income/(loss) attributable to the Australian Government	(3,405)	(3,683)	(3,567)	(1,491)	(1,396)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June 2021 (continued)

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	(313)	(264)	(294)	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations (a)	2,942	3,390	3,424	1,466	1,374
less: depreciation/amortisation expenses for ROU assets (b)	2,058	1,994	1,955	1,954	1,951
add: Principal repayments on leased assets (b)	1,908	1,965	2,106	1,929	1,929
Total comprehensive income/(loss) - as per the statement of comprehensive income	(3,405)	(3,683)	(3,567)	(1,491)	(1,396)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies leases under AASB16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	811	811	811	811	811
Trade and other receivables	17,861	17,664	17,370	17,370	17,370
Total financial assets	18,672	18,475	18,181	18,181	18,181
Non-financial assets					
Land and buildings	8,848	6,764	4,719	2,674	631
Property, plant and equipment	1,068	870	738	1,205	1,088
Intangibles	8,722	7,955	5,994	5,398	5,484
Other non-financial assets	209	209	209	209	209
Total non-financial assets	18,847	15,798	11,660	9,486	7,412
Total assets	37,519	34,273	29,841	27,667	25,593
LIABILITIES					
Payables					
Suppliers	543	543	543	543	543
Other payables	330	397	397	397	397
Total payables	873	940	940	940	940
Interest bearing liabilities					
Leases	9,358	7,393	5,287	3,358	1,429
Total interest bearing liabilities	9,358	7,393	5,287	3,358	1,429
Provisions					
Employee provisions	5,605	5,605	5,605	5,605	5,605
Other provisions	387	387	387	387	387
Total provisions	5,992	5,992	5,992	5,992	5,992
Total liabilities	16,223	14,325	12,219	10,290	8,361
Net assets	21,296	19,948	17,622	17,377	17,232
EQUITY*					
Parent entity interest					
Contributed equity	39,974	42,309	43,550	44,796	46,047
Reserves	75	75	75	75	75
Retained surplus (accumulated deficit)	(18,753)	(22,436)	(26,003)	(27,494)	(28,890)
Total parent entity interest	21,296	19,948	17,622	17,377	17,232
Total equity	21,296	19,948	17,622	17,377	17,232

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after the deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021–22)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(18,753)	75	-	39,974	21,296
Adjusted opening balance	(18,753)	75	-	39,974	21,296
Comprehensive income					
Surplus/(deficit) for the period	(3,683)	-	-	-	(3,683)
Total comprehensive income	(3,683)	-	-	-	(3,683)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	2,335	2,335
Sub-total transactions with owners	-	-	-	2,335	2,335
Estimated closing balance as at 30 June 2021	-	-	-	2,335	2,335
Closing balance attributable to the Australian Government	(22,436)	75	-	42,309	19,948

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,999	20,423	21,715	21,507	21,582
Sale of goods and rendering of services	1,139	323	333	236	71
Net GST received	652	593	581	570	570
Total cash received	24,790	21,339	22,629	22,313	22,223
Cash used					
Employees	16,919	17,611	18,024	18,024	18,024
Suppliers	3,556	917	1,730	1,672	1,652
Net GST paid	652	593	581	570	570
Interest payments on lease liability	314	253	188	118	48
Total cash used	21,441	19,374	20,523	20,384	20,294
Net cash from/(used by) operating activities	3,349	1,965	2,106	1,929	1,929
INVESTING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,675	2,335	1,241	1,246	1,251
Total cash used	2,675	2,335	1,241	1,246	1,251
Net cash from/(used by) investing activities	(2,675)	(2,335)	(1,241)	(1,246)	(1,251)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,234	2,335	1,241	1,246	1,251
Total cash received	1,234	2,335	1,241	1,246	1,251
Cash used					
Principal payments on lease liability	1,908	1,965	2,106	1,929	1,929
Total cash used	1,908	1,965	2,106	1,929	1,929
Net cash from/(used by) financing activities	(674)	370	(865)	(683)	(678)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	811	811	811	811	811
Cash and cash equivalents at the end of the reporting period	811	811	811	811	811

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,234	2,335	1,241	1,246	1,251
Total new capital appropriations	1,234	2,335	1,241	1,246	1,251
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,234	2,335	1,241	1,246	1,251
Total items	1,234	2,335	1,241	1,246	1,251
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,234	2,123	1,241	1,246	1,251
Funded internally from departmental resources (b)	1,441	212	-	-	-
TOTAL	2,675	2,335	1,241	1,246	1,251
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,675	2,335	1,241	1,246	1,251
Total cash used to acquire assets	2,675	2,335	1,241	1,246	1,251

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Include purchases from current years' Departmental Capital Budgets (DCBs).

(b) Includes the following sources of funding:

- previous years' DCBs
- internally developed assets.

Table 3.6: Statement of departmental asset movements (Budget year 2021–22)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	689	2,347	18,958	21,994
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(243)	(1,227)	(10,236)	(11,706)
Accumulated depreciation/ amortisation and impairment - ROU assets	(5,417)	(486)	-	(5,903)
Opening net book balance	8,848	1,068	8,722	18,638
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	50	2,285	2,335
Total additions	-	50	2,285	2,335
Other movements				
Depreciation/amortisation expense	(94)	(244)	(3,052)	(3,390)
Depreciation/amortisation on ROU assets	(1,990)	(4)	-	(1,994)
Total other movements	(2,084)	(248)	(3,052)	(5,384)
As at 30 June 2021				
Gross book value	689	2,397	21,243	24,329
Gross book value - ROU assets	13,819	434	-	14,253
Accumulated depreciation/ amortisation and impairment	(337)	(1,471)	(13,288)	(15,096)
Accumulated depreciation/ amortisation and impairment - ROU assets	(7,407)	(490)	-	(7,897)
Closing net book balance	6,764	870	7,955	15,589

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021–22 for depreciation and amortisation expenses, DCBs.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Suppliers	5,878	5,896	8,235	6,093	6,219
Grants	806,830	814,642	824,870	835,271	849,054
Total expenses administered on behalf of Government	812,708	820,538	833,105	841,364	855,273
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	8,500	9,000	9,000	9,000	9,000
Total non-taxation revenue	8,500	9,000	9,000	9,000	9,000
Total own-source revenue administered on behalf of Government	8,500	9,000	9,000	9,000	9,000
Total own-sourced income administered on behalf of Government	8,500	9,000	9,000	9,000	9,000
Net (cost of)/contribution by services	(804,208)	(811,538)	(824,105)	(832,364)	(846,273)
Surplus/(deficit) before income tax	(804,208)	(811,538)	(824,105)	(832,364)	(846,273)
Surplus/(deficit) after income tax	(804,208)	(811,538)	(824,105)	(832,364)	(846,273)
Total comprehensive income/(loss)	(804,208)	(811,538)	(824,105)	(832,364)	(846,273)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,801	2,666	2,666	2,666	2,666
Trade and other receivables	278	278	278	278	278
Total financial assets	3,079	2,944	2,944	2,944	2,944
Non-financial assets					
Other non-financial assets	118	118	118	118	118
Total non-financial assets	118	118	118	118	118
Total assets administered on behalf of Government	3,197	3,062	3,062	3,062	3,062
LIABILITIES					
Payables					
Suppliers	153	153	153	153	153
Grants	197,837	197,745	196,728	195,658	195,658
Total payables	197,990	197,898	196,881	195,811	195,811
Total liabilities administered on behalf of Government	197,990	197,898	196,881	195,811	195,811
Net assets/(liabilities)	(194,793)	(194,836)	(193,819)	(192,749)	(192,749)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	1,846	1,882	1,924	1,956	1,956
Other	8,500	9,000	9,000	9,000	9,000
Total cash received	10,346	10,882	10,924	10,956	10,956
Cash used					
Grant	803,016	814,734	825,887	836,341	849,054
Suppliers	5,878	5,896	8,235	6,093	6,219
Net GST paid	1,846	1,882	1,924	1,956	1,956
Total cash used	810,740	822,512	836,046	844,390	857,229
Net cash from/(used by) operating activities	(800,394)	(811,630)	(825,122)	(833,434)	(846,273)
Net increase/(decrease) in cash held	(800,394)	(811,630)	(825,122)	(833,434)	(846,273)
Cash and cash equivalents at beginning of reporting period	1,031	2,801	2,666	2,666	2,666
Cash from Official Public Account for:					
- Appropriations	809,719	822,377	836,046	844,390	857,229
- Special accounts	2,791	-	-	-	-
Total cash from Official Public Account	812,510	822,377	836,046	844,390	857,229
Cash to Official Public Account for:					
- Appropriations	8,969	10,747	10,924	10,956	10,956
- Special accounts	1,377	135	-	-	-
Total cash to Official Public Account	10,346	10,882	10,924	10,956	10,956
Cash and cash equivalents at end of reporting period	2,801	2,666	2,666	2,666	2,666

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ARC has no administered capital budget therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2021–22)

ARC has no administered asset movements therefore Table 3.11 is not presented.

Australian Skills Quality Authority

Entity resources and planned performance

Australian Skills Quality Authority

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Australian Skills Quality Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Australian Skills Quality Authority's (ASQA) purpose is to ensure quality vocational education and training (VET) so that students, governments and the community can have confidence in the integrity of national qualifications issued by training providers. ASQA plays a key role in ensuring that Australians can experience the social wellbeing and economic benefits that quality VET provides, by regulating the VET sector and partnering with stakeholders to continuously improve regulatory outcomes, consistent with the Government's expectations of ASQA as a best-practice regulator.

Established under the *National Vocational Education and Training Regulator Act 2011* (NVR Act) on 1 July 2021, following referral of powers by the majority of state and territory governments, ASQA is the National VET Regulator. ASQA is accountable for regulation of:

- providers that deliver VET courses to domestic students in Australia or offer Australian qualifications internationally
- providers that deliver VET courses to overseas students (ESOS)
- certain providers that deliver English Language Intensive Courses for Overseas Students (ELICOS).

ASQA provides national accreditation for courses to meet an established industry, enterprise, educational, legislative or community need.

ASQA's stakeholders include:

- the Australian Government and state and territory governments, together with other entities that form Australia's VET regulatory framework
- the VET program, funding and research network
- individual VET providers and the VET provider sector
- industry and employers
- students and the consumer protection network.

ASQA's priorities for the year ahead

Over the coming year, ASQA will model best practice regulator performance, capability and culture, ensuring that we implement and administer the most appropriate regulation while maintaining essential safeguards, and delivering balanced, fair and proportionate regulatory outcomes. ASQA recommits to meeting the Standards for VET

ASQA Budget Statements

Regulators, which provide further accountability and transparency of ASQA's regulatory activities. Through our regulation of VET, we will support the Australian Government's response to the COVID-19 pandemic, and the social and economic recovery. ASQA will also support wider reforms of the VET Sector, which are being led for the Government through the Department of Education, Skills and Employment.

In 2021-22, ASQA will focus on:

- promoting a VET provider culture of self-assurance and continuous quality improvement
- enhancing the engagement, co-design, communication and education components of our integrated regulatory approach, ensuring effective partnerships to improve our data, information and intelligence to identify and respond to risks to the delivery of quality VET
- monitoring the performance of providers and ensuring a proportionate, appropriately targeted regulatory program
- publishing enhanced public information about sector risks, areas of regulatory focus, and sector performance
- establishing an evaluation framework to demonstrate regulatory impact and continuous improvement of sector outcomes over time
- implementing the Australian Government decision to introduce full cost recovery, in consultation with stakeholders.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to ASQA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives), and by administered (on behalf of the Government or the public) and departmental (for ASQA's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: ASQA resource statement — Budget estimates for 2021–22 as at Budget May 2021

	2020-21 <i>Estimated actual \$'000</i>	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	19,262	17,963
Departmental appropriation (b)	40,583	41,892
s74 External Revenue (c)	132	-
Departmental capital budget (d)	1,218	1,219
Annual appropriations - other services - non-operating (e)		
Prior year appropriations available	1,153	1,145
Equity injection	1,759	1,410
Total departmental annual appropriations	<u>64,107</u>	<u>63,629</u>
Total departmental resourcing	64,107	63,629
Administered		
Total administered special appropriations	<u>357</u>	<u>357</u>
Total administered resourcing	357	357
Total resourcing for ASQA	64,464	63,986
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	199	199

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021–22.

(b) Excludes Departmental Capital Budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the PGPA Act 2013.

(d) Departmental Capital Budgets are not separately identified in Appropriation Bill (No.1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Appropriation Bill (No. 2) 2021–22.

1.3 Budget measures

Table 1.2: Entity 2021-22 Budget measures

Part 1: Measures announced since the 2020-21 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Receipt measures						
Higher Education — additional support for tertiary and international education providers (a) (b)						
	1.1					
	Administered receipt	-	(14,772)	-	-	-
	Departmental receipt	-	-	-	-	-
	Total	-	(14,772)	-	-	-
Total receipt measures						
	Administered	-	(14,772)	-	-	-
	Departmental	-	-	-	-	-
	Total	-	(14,772)	-	-	-

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure Higher Education — additional support for tertiary and international education providers is the Department of Education, Skills and Employment. The full measure description and package details appear in Budget Paper No. 2 under the Education, Skills and Employment portfolio. Excludes Departmental Capital Budget (DCB).
- (b) Also includes amounts relating to a Decision taken but not yet announced in the 2020–21 MYEFO, with the following impact: 2021–22 (\$6.158) million. This amount has previously been provisioned for by the Government.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

ASQA's outcome is described below, together with its related programs. The following provides detailed information on ASQA's expenses, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for ASQA can be found at www.asqa.gov.au.

The most recent annual performance statement can be found at www.asqa.gov.au.

2.1 Budgeted expenses and performance for Outcome 1

Outcome 1: Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers.

Budgeted expenses for Outcome 1

This table shows how much ASQA intends to spend (on an accrual basis) on achieving the outcome, broken down by program as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Program 1.1: Regulation and advice					
Departmental expenses					
Departmental appropriation	40,583	41,892	40,946	40,111	38,067
s74 External Revenue (a)	132	-	-	-	-
Expenses not requiring appropriation in the Budget year (b)	6,105	3,843	4,815	5,660	5,009
Departmental total	46,820	45,735	45,761	45,771	43,076
Total expenses for program 1.1	46,820	45,735	45,761	45,771	43,076

	2020-21	2021-22
Average staffing level (number)	199	199

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, make good expenses, audit fees, doubtful debts.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Performance criteria for Outcome 1

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers		
Program 1.1 – Regulation		
Delivery	<p>The regulatory mechanisms through which Program 1.1 is delivered are:</p> <ul style="list-style-type: none"> • education, communication and engagement with provider entities to support continuous improvement of quality outcomes • promoting provider culture and systems for self-assurance of quality outcomes and compliance to build the capacity of VET providers • analysis of data, intelligence and information, to identify and respond to higher concentrations of risk • monitoring provider performance against applicable standards and obligations • proportionate management of non-compliance and enforcement activities • accrediting national courses to meet statutory requirements • partnering with stakeholders to improve the impact and effectiveness of our regulatory activities • publication of information about our regulatory functions, and outputs • engagement with stakeholders to support continuous improvement and broader reform of the VET sector. 	
Performance information		
Year	Performance criteria	Expected Achievement/Targets
2020–21	<p>Identify and develop understanding of the risks to VET and take regulatory action to address the most serious identified risks.</p> <p>Provide support to the sector to build a shared understanding of self-assurance, and improve capability.</p> <p>Effectively manage risk-based registration of quality providers and accreditation of courses that meet Australia’s vocational education needs.</p> <p>Deliver sector monitoring and standards-based performance assessment/auditing based on risk and apply appropriate and proportionate regulatory decisions.</p> <p>Effectively seek information to inform our understanding of risks in the VET sector.</p>	<p>Based on the qualitative and quantitative performance data available 2020-21 ASQA is on track to meet all of its performance criteria.</p> <p>ASQA’s assessment to date does not include provider survey results that will only be available at the end of the financial year.</p>

<p>Outcome 1 – Through our regulation and partnership with stakeholders, ensure quality vocational education and training so that students, employers, the community and governments have confidence in the integrity of national qualifications issued by training providers</p>		
<p>Program 1.1 – Regulation</p>		
2021–21 (continued)	<p>Provide clear, targeted and effective information and support to stakeholders about the VET sector and compliance with standards.</p> <p>Provide input and advice on strategies to improve VET regulation and the VET sector.</p>	
2021–22	<p>ASQA delivers improved provider self-assurance capability and continuous quality improvement.</p> <p>ASQA regulation is best practice, integrated, risk-based, data driven and proportionate.</p> <p>ASQA is transparent in the performance of its regulatory functions and its responsibilities as a regulator, including compliance with the VET Regulator Standards.</p> <p>ASQA's engagement and partnerships provide clarity of the role of the national regulator and improve regulatory impact.</p> <p>ASQA is efficient, effective and continuously improves.</p> <p>ASQA publishes information about the performance of the sector to support transparency and accountability.</p>	<p>TARGET: to achieve the performance targets set out in the ASQA 2021–25 Corporate Plan for each of the performance criteria.</p>
2022–23 and beyond	As per 2021–22	As per 2021–22
Purpose	To ensure quality vocational education and training so that students, employers, governments and the community can have confidence in the integrity of national qualifications issued by training providers.	
<p>Measures impacting program 1.1</p> <ul style="list-style-type: none"> Higher Education — additional support for tertiary and international education providers 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ASQA's finances for the 2021-22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

Expenses for 2021-22 are estimated to be \$45.7 million. This reflects a decrease of \$1.1 million from estimated actual expenses for 2020-21.

ASQA's income statement reflects deficits across the forward estimates. The estimated deficit for 2021-22 is \$3.8 million. These deficits are predominantly attributable to the depreciation and amortisation expense for the year.

Budgeted departmental balance sheet

ASQA's net asset position of \$24.7 million for 2021-22 represents a decrease of \$1.2 million from the 2020-21 estimated actual. The accumulated deficit of \$13.6 million in the balance sheet predominately represents the accounting treatment applicable to depreciation expense.

Capital acquisitions in 2021-22 (as shown in Table 3.6) are planned to be \$3.1 million for enhancement of IT systems, \$0.1 million in leasehold improvements and \$0.3 million for right-of-use assets (property leases).

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses administered on behalf of Government reflects the regulatory fees collected by ASQA.

On 12 April 2020, the Government announced a package of measures designed to mitigate negative impacts of the COVID-19 pandemic on VET providers. Under these measures, it was announced that ASQA would waive fees and charges for some of its activities for the period 1 January 2020 to 30 June 2021, and reimburse payments made for the included fees and charges where invoices were issued on or after 1 January 2020, resulting in revenue estimates for 2020-21 of \$0.9 million.

In April 2021, the Government extended the fee relief budget measure for a further six months to 31 December 2021. This measure reduces ASQA's revenue estimate for 2021-22 by \$14.7 million.

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ASQA was scheduled to move to full cost recovery from 1 July 2021. The Government decided on a measure in March 2021 extending the implementation date for full cost recovery by six months to 1 January 2022. This delay reduces ASQA's revenue estimate for 2021-22 by \$6.2 million.

The budget measures result in a revenue estimate for 2021-22 of \$10.2 million. This is a \$20.2 million reduction from the 2021-22 estimate published in the 2020-21 Education, Skills and Employment Portfolio Budget Statements.

Budgeted assets and liabilities represent net receivables and provisions for refunds of administered receipts.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	25,510	25,227	25,599	25,972	26,494
Suppliers	14,965	14,520	14,149	12,952	11,355
Depreciation and amortisation (a)	6,256	5,865	5,927	6,800	5,180
Finance costs	89	123	86	47	47
Total expenses	46,820	45,735	45,761	45,771	43,076
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	132	-	-	-	-
Total own-source revenue	132	-	-	-	-
Gains					
Other	50	50	50	50	50
Total gains	50	50	50	50	50
Total own-source income	182	50	50	50	50
Net (cost of)/contribution by services	(46,638)	(45,685)	(45,711)	(45,721)	(43,026)
Revenue from Government	40,583	41,892	40,946	40,111	38,067
Surplus/(deficit) attributable to the Australian Government	(6,055)	(3,793)	(4,765)	(5,610)	(4,959)
Total comprehensive income/(loss)	(6,055)	(3,793)	(4,765)	(5,610)	(4,959)
Total comprehensive income/(loss) attributable to the Australian Government	(6,055)	(3,793)	(4,765)	(5,610)	(4,959)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss)					
less depreciation/amortisation expenses previously funded through revenue appropriations	(2,452)	-	-	-	-
less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	3,309	3,371	4,091	5,004	4,986
less: depreciation/amortisation expenses for ROU (b)	2,947	2,494	1,836	1,796	194
plus: principal repayments on leased assets (b)	2,653	2,072	1,162	1,190	221
Total comprehensive income/(loss) - as per the statement of comprehensive income	(6,055)	(3,793)	(4,765)	(5,610)	(4,959)

Prepared on Australian Accounting Standards basis.

- (a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- (b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	287	287	287	287	287
Trade and other receivables	18,287	18,405	19,430	20,082	22,780
Total financial assets	18,574	18,692	19,717	20,369	23,067
Non-financial assets					
Land and buildings	7,151	4,772	2,582	435	165
Property, plant and equipment	886	592	309	594	383
Intangibles	12,204	12,543	12,201	10,778	7,315
Other non-financial assets	407	407	407	407	407
Total non-financial assets	20,648	18,314	15,499	12,214	8,270
Total assets	39,222	37,006	35,216	32,583	31,337
LIABILITIES					
Payables					
Suppliers	1,183	1,866	3,563	5,342	8,040
Total payables	1,183	1,866	3,563	5,342	8,040
Interest bearing liabilities					
Other interest bearing liabilities	6,289	4,554	3,392	2,202	1,981
Total interest bearing liabilities	6,289	4,554	3,392	2,202	1,981
Provisions					
Employee provisions	5,423	5,423	5,423	5,423	5,423
Other provisions	477	477	477	477	477
Total provisions	5,900	5,900	5,900	5,900	5,900
Total liabilities	13,372	12,320	12,855	13,444	15,921
Net assets	25,850	24,686	22,361	19,139	15,416
EQUITY*					
Parent entity interest					
Contributed equity	34,959	37,588	40,028	42,416	43,652
Reserves	1,354	1,354	1,354	1,354	1,354
Retained surplus (accumulated deficit)	(10,463)	(14,256)	(19,021)	(24,631)	(29,590)
Total parent entity interest	25,850	24,686	22,361	19,139	15,416
Total equity	25,850	24,686	22,361	19,139	15,416

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2021				
Balance carried forward from previous period	(10,463)	1,354	34,959	25,850
Adjusted opening balance	(10,463)	1,354	34,959	25,850
Comprehensive income				
Surplus/(deficit) for the period	(3,793)	-	-	(3,793)
Total comprehensive income	(3,793)	-	-	(3,793)
Transactions with owners				
Equity injection - Appropriation	-	-	1,410	1,410
Departmental Capital Budget (DCB)	-	-	1,219	1,219
Sub-total transactions with owners	-	-	2,629	2,629
Estimated closing balance as at 30 June 2022	(14,256)	1,354	37,588	24,686
Closing balance attributable to the Australian Government	(14,256)	1,354	37,588	24,686

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	43,035	41,209	39,249	38,332	35,369
Sale of goods and rendering of services	132	-	-	-	-
Total cash received	43,167	41,209	39,249	38,332	35,369
Cash used					
Employees	25,510	25,227	25,599	25,972	26,494
Suppliers	14,915	13,787	12,402	11,123	8,607
Interest payments on lease liability	89	123	86	47	47
Total cash used	40,514	39,137	38,087	37,142	35,148
Net cash from/(used by) operating activities	2,653	2,072	1,162	1,190	221
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,977	3,194	3,112	3,515	1,236
Total cash used	2,977	3,194	3,112	3,515	1,236
Net cash from/(used by) investing activities	(2,977)	(3,194)	(3,112)	(3,515)	(1,236)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,977	3,194	3,112	3,515	1,236
Total cash received	2,977	3,194	3,112	3,515	1,236
Cash used					
Principal payments on lease liability	2,653	2,072	1,162	1,190	221
Total cash used	2,653	2,072	1,162	1,190	221
Net cash from/(used by) financing activities	324	1,122	1,950	2,325	1,015
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	287	287	287	287	287
Cash and cash equivalents at the end of the reporting period	287	287	287	287	287

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,218	1,219	1,226	1,231	1,236
Equity injections - Bill 2	1,759	1,410	1,214	1,157	-
Total new capital appropriations	2,977	2,629	2,440	2,388	1,236
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	2,977	2,629	2,440	2,388	1,236
Total items	2,977	2,629	2,440	2,388	1,236
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,759	1,686	1,542	1,699	-
Funded by capital appropriation - DCB (b)	1,218	1,508	1,570	1,816	1,236
TOTAL	2,977	3,194	3,112	3,515	1,236
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,977	3,194	3,112	3,515	1,236
Total cash used to acquire assets	2,977	3,194	3,112	3,515	1,236

Prepared on Australian Accounting Standards basis.

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021–22)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2021				
Gross book value	5,122	1,386	24,252	30,760
Gross book value - ROU assets	12,040	-	-	12,040
Accumulated depreciation/ amortisation and impairment	(3,954)	(500)	(12,048)	(16,502)
Accumulated depreciation/amortisation and impairment - ROU assets	(6,057)	-	-	(6,057)
Opening net book balance	7,151	886	12,204	20,241
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	-	1,686	1,686
By purchase - appropriation ordinary annual services (b)	110	-	1,398	1,508
By purchase - other - ROU assets	337	-	-	337
Total additions	447	-	3,084	3,531
Other movements				
Depreciation/amortisation expense	(332)	(294)	(2,745)	(3,371)
Depreciation/amortisation on ROU assets	(2,494)	-	-	(2,494)
Total other movements	(2,826)	(294)	(2,745)	(5,865)
As at 30 June 2022				
Gross book value	5,232	1,386	27,336	33,954
Gross book value - ROU assets	12,377	-	-	12,377
Accumulated depreciation/ amortisation and impairment	(4,286)	(794)	(14,793)	(19,873)
Accumulated depreciation/amortisation and impairment - ROU assets	(8,551)	-	-	(8,551)
Closing net book balance	4,772	592	12,543	17,907

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2021–22.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2021–22 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Sale of goods and rendering of services	916	10,217	31,295	32,227	30,768
Total non-taxation revenue	916	10,217	31,295	32,227	30,768
Total own-sourced income administered on behalf of Government	916	10,217	31,295	32,227	30,768
Net (cost of)/contribution by services	916	10,217	31,295	32,227	30,768
Total comprehensive income/(loss)	916	10,217	31,295	32,227	30,768

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	34	34	34	34	34
Total financial assets	34	34	34	34	34
Total assets administered on behalf of Government	34	34	34	34	34
Provisions					
Other provisions	366	366	366	366	366
Total provisions	366	366	366	366	366
Total liabilities administered on behalf of Government	366	366	366	366	366
Net assets/(liabilities)	(332)	(332)	(332)	(332)	(332)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	916	10,217	31,295	32,227	30,768
Total cash received	916	10,217	31,295	32,227	30,768
Net cash from/(used by) operating activities	916	10,217	31,295	32,227	30,768
Net increase/(decrease) in cash held	916	10,217	31,295	32,227	30,768
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	357	357	357	357	357
Total cash from Official Public Account	357	357	357	357	357
Cash to Official Public Account for:					
- Appropriations	(1,273)	(10,574)	(31,652)	(32,584)	(31,125)
Total cash to Official Public Account	(1,273)	(10,574)	(31,652)	(32,584)	(31,125)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for the period ended 30 June)

ASQA does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2020–21)

ASQA does not have any administered assets, therefore Table 3.11 is not presented.

Tertiary Education Quality and Standards Agency

Entity resources and planned performance

Tertiary Education Quality and Standards Agency

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Tertiary Education Quality and Standards Agency

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent national quality assurance and regulatory agency for higher education.

The *Tertiary Education Quality and Standards Agency Act 2011* (the Act) sets out TEQSA's purpose; this is to protect the interests of students and the reputation of Australia's higher education sector. Under the Act, all providers of higher education qualifications from Australia must be registered by TEQSA. Where a provider does not have authority to accredit its own courses, it must also have courses of study accredited by TEQSA. All providers must demonstrate that they meet the *Higher Education Standards Framework (Threshold Standards) 2015*.

TEQSA also has responsibilities under the *Education Service for Overseas Students Act 2000* regarding all providers of higher education to international students, including Foundation programs and English Language Intensive Courses for Overseas Students.

TEQSA has a number of specific challenges in the year ahead, additional to its standing regulatory and quality assurance practice. The impacts of the COVID-19 pandemic on the sector, including the nature and quality of its products and offerings (such as online learning) will be a focus. The impacts of the pandemic and provider responses on the student experience will also be a priority. TEQSA will be employing the new resources of its Higher Education Integrity Unit to address significant integrity threats such as academic or contract cheating and will collaborate with other agencies in relation to issues such as cybersecurity and foreign interference. TEQSA will be paying close attention to the ongoing financial viability of individual providers as well as the sustainability of financial models across the sector. The agency will also finalise arrangements for the management of students' records in the event of provider closure.

The implementation of changes made by the Minister for Education and Youth to the categorisation of providers in the *Higher Education Standards Framework* will reduce the number of categories from six to four. The regulatory determination for each provider to transition to a new category will be completed by 1 July 2021. During 2021-22, TEQSA will monitor the compliance of providers with the requirements of the new categories. TEQSA will administer ongoing fee relief for the sector ahead of the introduction of full cost recovery of its regulatory services from 1 January 2022. In advance of new cost recovery arrangements, TEQSA will be consulting the sector on the proposed cost recovery model. TEQSA will also need to implement the necessary changes internally to cost and charge for activities subject to cost recovery.

TEQSA Budget Statements

To address the challenges to achieving TEQSA's objectives in 2021-22, strategies are being implemented to improve the timeliness of regulatory decision making, to manage the workload to reflect the level of risk and to manage the impact of the revised cost recovery arrangements. A comprehensive workforce plan will be implemented to attract and retain the required level of qualified, skilled and experienced staff. Early consultation with the sector and other stakeholders will also assist with reviewing the regulatory model used by TEQSA.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to TEQSA for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for TEQSA's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 - Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: TEQSA resource statement — Budget estimates for 2021–22 as at Budget May 2021

	2020-21 Estimated actual \$'000	2021-22 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	8,269	8,577
Departmental appropriation (b)	20,800	20,198
s74 External Revenue (c)	260	881
Departmental capital budget (d)	1,256	1,955
Total departmental annual appropriations	<u>30,585</u>	<u>31,611</u>
Total departmental resourcing	30,585	31,611
Administered		
Total administered special appropriations	200	200
Total administered resourcing	200	200
Total resourcing for TEQSA	30,785	31,811
	<u>2020-21</u>	<u>2021-22</u>
Average staffing level (number)	100	102

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

(a) Appropriation Bill (No. 1) 2021–22.

(b) Excludes Departmental Capital Budget (DCB).

(c) Estimated External Revenue receipts under section 74 of the PGPA Act.

(d) Departmental Capital Budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 Budget measures

Budget measures relating to TEQSA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: TEQSA 2021–22 Budget measures

Part 1: Measures announced since the 2020–21 Mid-Year Economic and Fiscal Outlook (MYEFO)

Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000
Receipt measures (if applicable)					
Higher Education — additional support for tertiary and international education providers (a)(b)					
1.1					
Administered receipt	-	(2,380)	-	-	-
Total	-	(2,380)	-	-	-
Total receipt measures					
Administered	-	(2,380)	-	-	-
Departmental					
Total	-	(2,380)	-	-	-

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

- (a) The lead entity for measure Higher Education — additional support for tertiary and international education providers is Department of Education, Skills and Employment. The full measure description and package details appear in Budget Paper No. 2 under the Education, Skills and Employment portfolio.
- (b) Also includes amounts relating to a Decision taken but not yet announced in the 2020–21 MYEFO and 2020–21 Budget, with the following impact: 2021–22 (\$4.422) million, 2022–23 (\$3.381) million, 2023–24 (\$4.637) million, 2024–25 (\$1.744) million. These amounts have previously been provisioned for by the Government.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in TEQSA's corporate plan and annual performance statement – included in the Annual Report – to provide a complete picture of TEQSA's planned and actual performance.

The most recent corporate plan for TEQSA can be found at: www.teqsa.gov.au

The most recent annual performance statement for TEQSA can be found at: www.teqsa.gov.au

2.1 Budgeted expenses and performance for Outcome

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.					
Program 1.1: Regulatory and Quality Assurance					
Departmental expenses					
Departmental appropriation	15,843	18,836	18,626	18,451	18,320
s74 External Revenue (a)	260	881	700	700	700
Expenses not requiring appropriation in the Budget year (b)	2,087	2,354	2,882	3,015	3,025
Departmental total	18,190	22,071	22,208	22,166	22,045
Total expenses for program 1.1	18,190	22,071	22,208	22,166	22,045
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	15,843	18,836	18,626	18,451	18,320
s74 External Revenue (a)	260	881	700	700	700
Expenses not requiring appropriation in the Budget year (b)	2,087	2,354	2,882	3,015	3,025
Departmental total	18,190	22,071	22,208	22,166	22,045
Total expenses for Outcome 1	18,190	22,071	22,208	22,166	22,045
	2020-21	2021-22			
Average staffing level (number)	100	102			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2021–22 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.		
Program 1.1 – Regulation and quality assurance ensure that quality standards are being met by all higher education providers so that the interests of students and the reputation of Australia’s higher education sector are protected and promoted. This occurs by reference to standards established under the TEQSA and ESOS Acts. A risk-based approach is used for planning and implementing assessments and making decisions about provider compliance with those standards.		
Delivery	The mechanisms through which Program 1.1 will be delivered are: <ul style="list-style-type: none"> • Register regulated entities as registered higher education providers and accredit courses of study • Conduct compliance assessments and quality assessments • Conduct accreditation assessments of courses developed by providers without self-accrediting authority • Provide advice and make recommendations to the Commonwealth Minister responsible for higher education on matters relating to the quality and regulation of higher education providers • Cooperate with similar agencies in other countries • Collect, analyse, interpret and disseminate information relating to quality assurance practice and quality improvement in higher education. 	
Performance information		
Year	Performance criteria	Actual Achievement/Targets
2020–21	Ensure quality and compliance through effective and efficient regulation	As at Q3 2020–21, in comparison to FY2019–20, processing times have or are expected to increase for the majority of assessment types (accreditations, re-accreditations and re-registrations). The increase reflects the ongoing impact of COVID-19 in terms of TEQSA’s priorities (for example, support of extensions to reduce the administrative burden of regulation in 2020 and support for short courses) as well as provider capacity to respond. Additionally, the focus on making category change decisions for the majority of providers in Q3 and Q4 2020–21 will also contribute to increasing timeframes in assessment work.

TEQSA Budget Statements

2021–22	Ensure quality and compliance through effective and efficient regulation	Assessment and compliance activities are streamlined and coordinated. Target: Processing times are better than those in the previous year.
2022–23 and beyond	As per 2021–22	As per 2021–22
Purposes	<p>TEQSA's purpose is to ensure the reputation of the higher education sector in Australia and to protect the interests of students.</p> <p>TEQSA has three strategic objectives in delivering its purpose:</p> <ol style="list-style-type: none"> 1. promote good practice and support effective self-assurance 2. identify, analyse and respond to sector risks 3. ensure quality and compliance through effective and efficient regulation. 	
Measures impacting program 1.1		
<ul style="list-style-type: none"> • Higher Education — additional support for tertiary and international education providers 		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2021–22 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The entity resource statement is prepared on a cash accounting basis and the budgeted financial statements have been prepared on an accrual basis.

Material movements in TEQSA's budgeted financial statements are explained in 3.1.2.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement (Table 3.1)

This statement presents the expected financial result for TEQSA and identifies the expenses and revenue on a full accrual basis.

TEQSA's total operating revenue for 2021–22 is estimated at \$21.079 million while expenditure is estimated to be \$22.071 million, inclusive of unfunded depreciation. Budgeted expenses have increased since 2020–21 mainly due to a fully operational Higher Education Integrity unit, established for the purpose of protecting students and preserving the quality and integrity of higher education in Australia.

Budgeted departmental balance sheet (Table 3.2)

This statement reports the financial position of the agency, its assets, liabilities and equity.

In 2021–22, total departmental assets are expected to increase from \$15.769 million in 2020–21 to \$36.476 million. The movement of \$20.707 million is primarily due to an increase in the Right-of-Use asset and purchases of intangible assets.

Departmental liabilities as at 30 June 2022 is estimated to be \$24.366 million. Liabilities are expected to increase by \$19.691 million from 2020–21 due to an increase in lease liability.

The budgeted departmental balance sheet shows that TEQSA will maintain sufficient financial assets to meet its employee and supplier commitments as and when they fall due.

Budgeted departmental statement of cash flows (Table 3.4)

The budgeted statement of cash flows provides information on cash movement by category including operating activities, investing activities and financing activities.

TEQSA Budget Statements

Departmental capital budget statement (Table 3.5)

Total purchase of non-financial assets in 2021-22 have increased by \$1.4 million since 2020-21 due to development of new management systems and the movement of capital expenditure from 2020-21 to 2021-22.

Schedule of budgeted income and expenses administered on behalf of Government

The schedule of budgeted income and expenses relates to the fees and levies collected from regulatory services by TEQSA on behalf of the Government.

Administered revenue is expected to increase from \$0.382 million in 2020-21 to \$0.891 million in 2021-22. The revenue projection in 2020-21 and 2021-22 reflects the impact of fee waivers and the changed cost recovery arrangements for TEQSA in 2021-22.

3.2. Budgeted financial statements tables

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Employee benefits	11,554	12,727	12,990	13,127	13,222
Suppliers	4,490	6,914	6,234	5,941	5,738
Depreciation and amortisation (a)	2,034	2,301	2,829	2,965	2,965
Finance costs	112	129	155	133	120
Total expenses	18,190	22,071	22,208	22,166	22,045
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	-	700	700	700	700
Rental income	260	181	-	-	-
Total own-source revenue	260	881	700	700	700
Gains					
Other	53	53	53	50	60
Total gains	53	53	53	50	60
Total own-source income	313	934	753	750	760
Net (cost of)/contribution by services	(17,877)	(21,137)	(21,455)	(21,416)	(21,285)
Revenue from Government	20,800	20,198	20,293	20,208	20,170
Surplus/(deficit) attributable to the Australian Government	2,923	(939)	(1,162)	(1,208)	(1,115)
Total comprehensive income/(loss)	2,923	(939)	(1,162)	(1,208)	(1,115)
Total comprehensive income/(loss) attributable to the Australian Government	2,923	(939)	(1,162)	(1,208)	(1,115)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)

Note: Impact of net cash appropriation arrangements

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
Total comprehensive income/(loss)					
less depreciation/amortisation expenses previously funded through revenue appropriations	3,708	-	-	-	-
less: depreciation/amortisation expenses previously funded through revenue appropriations (a)	896	1,003	726	862	862
less: depreciation/amortisation expenses for ROU (b)	1,138	1,298	2,103	2,103	2,103
plus: principal repayments on leased assets (b)	1,249	1,362	1,667	1,757	1,850
Total comprehensive income/(loss) - as per the statement of comprehensive income	2,923	(939)	(1,162)	(1,208)	(1,115)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

(b) Applies leases under AASB 16 Leases.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	207	207	207	207	207
Trade and other receivables	12,090	11,512	11,448	11,448	11,448
Total financial assets	12,297	11,719	11,655	11,655	11,655
Non-financial assets					
Land and buildings	1,170	21,130	19,419	17,281	15,043
Property, plant and equipment	468	874	1,222	1,189	1,285
Intangibles	1,681	2,600	2,747	2,862	2,899
Other non-financial assets	153	153	153	153	153
Total non-financial assets	3,472	24,757	23,541	21,485	19,380
Total assets	15,769	36,476	35,196	33,140	31,035
LIABILITIES					
Payables					
Suppliers	628	603	596	596	596
Other payables	109	113	113	113	113
Total payables	737	716	709	709	709
Interest bearing liabilities					
Leases	982	20,648	18,981	17,224	15,374
Total interest bearing liabilities	982	20,648	18,981	17,224	15,374
Provisions					
Employee provisions	2,428	2,484	2,484	2,484	2,484
Other provisions	528	518	518	518	518
Total provisions	2,956	3,002	3,002	3,002	3,002
Total liabilities	4,675	24,366	22,692	20,935	19,085
Net assets	11,094	12,110	12,504	12,205	11,950
EQUITY*					
Parent entity interest					
Contributed equity	14,543	16,498	18,054	18,963	19,823
Reserves	16	16	16	16	16
Retained surplus (accumulated deficit)	(3,465)	(4,404)	(5,566)	(6,774)	(7,889)
Total parent entity interest	11,094	12,110	12,504	12,205	11,950
Total equity	11,094	12,110	12,504	12,205	11,950

Prepared on Australian Accounting Standards basis.

* Equity is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2021-22)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2021					
Balance carried forward from previous period	(3,465)	16	-	14,543	11,094
Adjusted opening balance	(3,465)	16	-	14,543	11,094
Comprehensive income					
Surplus/(deficit) for the period	(939)	-	-	-	(939)
Total comprehensive income	(939)	-	-	-	(939)
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,955	1,955
Sub-total transactions with owners	-	-	-	1,955	1,955
Estimated closing balance as at 30 June 2022	(4,404)	16	-	16,498	12,110
Less: non-controlling interests*	-	-	-	-	-
Closing balance attributable to the Australian Government	(4,404)	16	-	16,498	12,110

Prepared on Australian Accounting Standards basis

* The non-controlling interest disclosure is not required if an entity does not have non-controlling interests.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	16,985	20,752	20,332	20,208	20,170
Sale of goods and rendering of services	260	881	700	700	700
Net GST received	741	559	516	446	-
Other	65	28	14	-	-
Total cash received	18,051	22,220	21,562	21,354	20,870
Cash used					
Employees	11,668	12,667	12,990	13,127	13,222
Suppliers	4,446	6,906	6,188	5,891	5,678
Net GST paid	679	563	505	446	-
Interest payments on lease liability	16	29	145	133	120
Other	86	90	10	-	-
Total cash used	16,895	20,255	19,838	19,597	19,020
Net cash from/(used by) operating activities	1,156	1,965	1,724	1,757	1,850
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	1,163	2,558	1,613	909	860
Total cash used	1,163	2,558	1,613	909	860
Net cash from/(used by) investing activities	(1,163)	(2,558)	(1,613)	(909)	(860)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,256	1,955	1,556	909	860
Total cash received	1,256	1,955	1,556	909	860
Cash used					
Principal payments on lease liability	1,249	1,362	1,667	1,757	1,850
Total cash used	1,249	1,362	1,667	1,757	1,850
Net cash from/(used by) financing activities	7	593	(111)	(848)	(990)
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	207	207	207	207	207
Cash and cash equivalents at the end of the reporting period	207	207	207	207	207

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,256	1,955	1,556	909	860
Total new capital appropriations	1,256	1,955	1,556	909	860
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,163	1,955	1,556	909	860
<i>Other Items</i>	93	-	-	-	-
Total items	1,256	1,955	1,556	909	860
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	1,163	2,558	1,613	909	860
TOTAL	1,163	2,558	1,613	909	860
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,163	2,558	1,613	909	860
Total cash used to acquire assets	1,163	2,558	1,613	909	860

Prepared on the Australian Accounting Standards basis.

(a) Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

Table 3.6: Statement of departmental asset movements (Budget year 2021–22)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2021				
Gross book value	762	913	4,910	6,585
Gross book value - ROU assets	3,591	-	-	3,591
Accumulated depreciation/amortisation and impairment	(537)	(445)	(3,229)	(4,211)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,646)	-	-	(2,646)
Opening net book balance	1,170	468	1,681	3,319
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity - ROU assets	21,028	-	-	21,028
By purchase - appropriation ordinary annual services (a)	500	660	1,398	2,558
Total additions	21,528	660	1,398	23,586
Other movements				
Depreciation/amortisation expense	(270)	(254)	(479)	(1,003)
Depreciation/amortisation on ROU assets	(1,298)	-	-	(1,298)
Total other movements	(1,568)	(254)	(479)	(2,301)
As at 30 June 2022				
Gross book value	1,262	913	4,910	7,085
Gross book value - ROU assets	24,619	660	1,398	26,677
Accumulated depreciation/amortisation and impairment	(807)	(699)	(3,708)	(5,214)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,944)	-	-	(3,944)
Closing net book balance	21,130	874	2,600	24,604

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2021–22 for depreciation/amortisation expenses, DCBs or other operational expenses.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
<i>Total taxation revenue</i>	-	-	-	-	-
Non-taxation revenue					
Fees and fines	382	891	10,581	15,329	15,922
<i>Total non-taxation revenue</i>	382	891	10,581	15,329	15,922
Total own-source revenue administered on behalf of Government	382	891	10,581	15,329	15,922
Gains					
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	382	891	10,581	15,329	15,922
Net (cost of)/contribution by services	(382)	(891)	(10,581)	(15,329)	(15,922)
Surplus/(deficit) before income tax	(382)	(891)	(10,581)	(15,329)	(15,922)
Income tax expense					
Surplus/(deficit) after income tax	(382)	(891)	(10,581)	(15,329)	(15,922)
OTHER COMPREHENSIVE INCOME					
Items not subject of subsequent reclassification to net cost of services					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(382)	(891)	(10,581)	(15,329)	(15,922)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

TEQSA does not have any administered assets and liabilities, therefore Table 3.8 is not presented.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2020-21 Estimated actual \$'000	2021-22 Budget \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	382	891	10,581	15,329	15,922
Total cash received	382	891	10,581	15,329	15,922
Cash used					
Other	52	-	-	-	-
Total cash used	52	-	-	-	-
Net cash from/(used by) operating activities	330	891	10,581	15,329	15,922
Net increase/(decrease) in cash held	330	891	10,581	15,329	15,922
Cash and cash equivalents at end of reporting period	330	891	10,581	15,329	15,922

Prepared on Australian Accounting Standards basis.

Table 3.10: Schedule of administered capital budget statement (for the period ended 30 June)

TEQSA does not have any administered capital budget, therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2021-22)

TEQSA does not have any administered assets, therefore Table 3.11 is not presented.

Portfolio glossary and acronyms

Portfolio Glossary

Term	Meaning
Accrual accounting	System of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Additional Estimates Bills or Acts	These are Appropriation Bills 3 and 4, and a separate Bill for the Parliamentary Departments [Appropriations (Parliamentary Departments) Bill (No. 2)]. These Bills are introduced into Parliament sometime after the Budget Bills.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Assets	Assets are physical objects and legal rights it is expected will provide benefits in the future or alternatively items of value owned by an agency.

Term	Meaning
Budget measure	A decision by the Cabinet or ministers that has resulted in a cost or savings to outlays.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.

Portfolio glossary and acronyms

Term	Meaning
Forward estimates	A system of rolling three-year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for the next year's budget bid, and another out-year is added to the forward estimates.
Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of an agency's assets.
Net annotated appropriation (Section 74 Receipts)	Section 74 Receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 74 Receipts, reflecting their authority under Section 74 of the PGPA Act 2013.
Official Public Account	The Australian Government maintains a group of bank accounts at the Reserve Bank of Australia, known as the Official Public Account (OPA), the aggregate balance of which represents its daily cash position.
Operating result	Equals revenue less expenses.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Portfolio Budget Statements	Statements prepared by portfolios to explain the budget appropriations in terms of outcomes.
<i>Public Governance, Performance and Accountability Act 2013</i>	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) replaced the <i>Financial Management and Accountability (FMA) Act 1997</i> and the <i>Commonwealth Authorities and Companies (CAC) Act 1997</i> as of 1 July 2014.

Term	Meaning
Receipts	The total or gross amount received by the Australian Government. Each receipt item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and Government Business Enterprise (GBE) dividends received.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Section 74 Receipts	See net annotated appropriation.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (PGPA Act, s78 and s80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s78 of the PGPA Act 2013) or through an Act of Parliament (referred to in s80 of the PGPA Act 2013).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

Portfolio acronyms

Term	Definition
ABS	Australian Bureau of Statistics
AC	Companion of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCS	Additional Child Care Subsidy
ACSF	Australian Core Skills Framework
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMSI	Australian Mathematical Sciences Institute
ARC	Australian Research Council
ASQA	Australian Skills Quality Authority
BAC	Boosting Apprenticeship Commencements
CCCCF	Community Child Care Fund
CCS	Child Care Subsidy
COPE	Commonwealth own-purpose expense
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DESE	Department of Education, Skills and Employment
DLSF	Digital Literacy Skills Framework
ELLA	Early Learning Languages Australia
ELLIC	English Language Learning for Indigenous Children
ERA	Excellence in Research for Australia
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
GST	Goods and Services Tax
HELP	Higher Education Loan Program
low SES	Low socio-economic status
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Assessment Program
NAPLAN	National Assessment Program – Literacy and Numeracy
NCGP	National Competitive Grants Program
NCI	National Careers Institute
NEIS	New Enterprise Incentive Scheme
NSC	National Skills Commission
NUHEP	Non-University Higher Education Provider
OPA	Official Public Account

Term	Definition
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ROU	Right of use
SEE	Skills for Education and Employment
SOETM	Services for Other Entities and Trust Moneys
STEM	Science, technology, engineering and mathematics
TEQSA	Tertiary Education Quality and Standards Agency
TRA	Trades Recognition Australia
TtW	Transition to Work
USI	Unique Student Identifier
VET	Vocational Education and Training
VET FEE-HELP	Former loans scheme for VET students
VSL	VET Student Loans