



Australian Government  
Department of Education,  
Skills and Employment



# 2020–21 Annual Report

National leadership on education, skills and employment



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**Department of Education,  
Skills and Employment**

# **2020–21 Annual Report**

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## Acknowledgment of Country

The Department of Education, Skills and Employment acknowledges the traditional owners and custodians of country throughout Australia and acknowledges their continuing connection to land, water and community. We pay our respects to the people, the cultures and the Elders past, present and emerging.

The Department of Education, Skills and Employment acknowledges diversity and respectfully uses both the terms 'Indigenous' and 'Aboriginal and Torres Strait Islander peoples' interchangeably throughout this document.

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**Australian Government**  
**Department of Education,  
Skills and Employment**

Secretary  
Dr Michele Bruniges AM

The Hon Stuart Robert MP  
Minister for Employment,  
Workforce, Skills, Small and  
Family Business  
Parliament House  
CANBERRA ACT 2600

The Hon Alan Tudge MP  
Minister for Education and Youth  
Parliament House  
CANBERRA ACT 2600

Senator the Hon Bridget McKenzie  
Minister for Regionalisation,  
Regional Communications  
and Regional Education  
Parliament House  
CANBERRA ACT 2600

Dear Ministers

It is my pleasure to submit to you the Department of Education, Skills and Employment Annual Report 2020–21 for presentation to the Parliament as required by subsection 46(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The report has been prepared in accordance with section 46 of the PGPA Act. It further meets the requirement of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) in relation to annual reports for non-corporate Commonwealth entities and includes the department's annual performance statements.

Also included in the report are the department's audited financial statements, prepared in accordance with the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.

As required by section 17AG(2)(b) of the PGPA Rule, I certify that I am satisfied that the department:

- prepared fraud risk assessment and fraud control plans
- had in place appropriate fraud prevention, detection, investigation, recording and reporting mechanisms that met the needs of the department
- took all reasonable measures to appropriately deal with fraud relating to the department.

The appendices also provide the following:

- Tuition Protection Service 2020–21 annual report, as required under section 170B of the *Education Services for Overseas Students Act 2000*
- Trade Support Loans Program 2020–21 annual report, as required under section 103 of the *Trade Support Loans Act 2014*
- Student Identifier Register 2020–21 annual report, as required under section 51 of the *Student Identifiers Act 2014*
- information required under section 20 of the *National Skills Commissioner Act 2020* on the performance of the National Skills Commissioner's functions and exercise of powers.

Yours sincerely

*Michele Bruniges*

Dr Michele Bruniges AM  
9 September 2021

# The year in review

## Our 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.

### Outcomes

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.

2

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

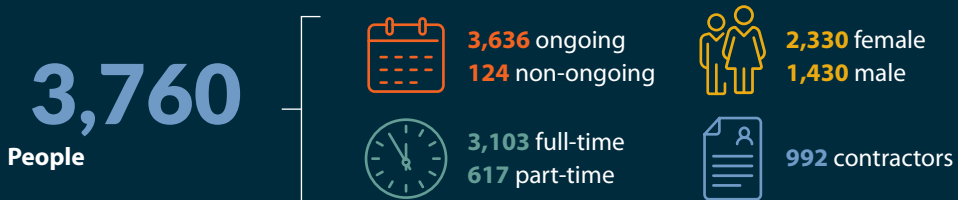
3

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

4

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

# Our people



## Five employee-led networks

Ability and Carers Network | Aboriginal and Torres Strait Islander Network  
Culturally and Linguistically Diverse (CALD) Network | Pride Network | Gender Equity Network

# Our priorities

During 2020–21, the department administered 15 programs on behalf of government with expenses of

**\$48.7 billion**

## Including:



**\$33.7 billion**

Schools national support and higher education institutions



**\$8.7 billion**

Child care personal benefits



**\$1.8 billion**

Employment services transformation (including jobactive)



**\$2.3 billion**

Supporting apprenticeships in Australia

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# 01

## Overview

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## Secretary's review



I respectfully acknowledge Traditional Owners and Custodians of country across Australia and their continuing connection to land, waters and community. I pay my respects to them and their cultures and Elders past, present and emerging.

I am pleased to present the Department of Education, Skills and Employment Annual Report 2020–21.

This year we continued to deliver policies and programs that supported the Australian community – from child care and early childhood education to schools, higher education, youth, skills, employment and workforce – and continued

to contribute to the Australian Government's response to the COVID-19 pandemic and Australia's economic recovery.

The department continues to be responsive and agile, demonstrating our strong commitment to public service in supporting our ministers and the Australian people.

### Improving outcomes for all

In July 2020 the new National Agreement on Closing the Gap was signed by the Australian Government, committing governments to work in partnership with Aboriginal and Torres Strait Islander peoples to improve outcomes. The department has been a major contributor to the Commonwealth's first Closing the Gap Implementation Plan and is responsible for 6 of the socio-economic targets across early learning, schools, higher education, skills and employment.

In March 2021 the final report of the department's review of the Disability Standards for Education 2005 was released, which seeks to ensure that students with disability can access and participate in education on the same basis as students without disability. Due to the pandemic, the review was conducted online through questionnaires, webinars, face-to-face discussions with Indigenous communities, and written submissions. It achieved more than 2,500 interactions. We will continue to build on our work with states and territories to implement the recommendations.

In addition, from 2021 the department took responsibility for whole-of-government coordination of youth policy. We progressed the development of the National Youth Policy Framework to reflect the priorities and concerns of young Australians and outline the range of government programs available to them, including those that support further education, training or employment.

## Delivering strong early childhood education and care

In 2020–21, early childhood education and care services continued to be affected by the pandemic. To ensure access to care was maintained where possible, and to respond to changing needs, the department worked with the sector to provide government support. This access was critical for many parents and carers, including frontline workers who were providing essential services to Australians.

Engagement in preschool is a key learning opportunity for children and helps to prepare them for school. A new national agreement is being developed to support the states and territories to continue to provide high-quality preschool education. Reforms aim to improve attendance at preschool and develop a nationally consistent way of measuring the impact of the preschool year on a child's development.

## Supporting high-quality learning in schools

Schools experienced a year of disruption due to shutdowns during the pandemic, to varying degrees in different states and territories. This resulted in the pausing of the National Assessment Program – Literacy and Numeracy (NAPLAN) in 2020. The program resumed this year, and the results showed no significant decline since 2019, a testament to the hard work of teachers, families and students in supporting and adapting to new ways of learning.

Two national reform initiatives under the National School Reform Agreement were also completed this year, in partnership with the states and territories. First, the Australian Education Research Organisation was launched in December 2020, providing teachers with evidence to support effective classroom practices and help drive improvements in student outcomes. Second, *Looking to the future: Report of the review of senior secondary pathways into work, further education and training* was published, and education ministers have agreed areas for reform.

## Assisting higher education to diversify and reform

The higher education sector continued to experience a reduction in international students due to border closures. Assistance was delivered to education providers most affected by the decline in international enrolments, along with support to universities to help maintain their research programs. This included an extra 5,000 short course places to assist non-university higher education providers to pivot towards domestic delivery, and innovation funding for providers to grow their offshore and online delivery capabilities.

The Job-ready Graduates reforms commenced on 1 January 2021, providing new university places in qualifications of expected future job demand and additional support for students in regional and remote Australia, and strengthening student protections.



## Investing in our skills to create a strong future Australian workforce

As part of the Australian Government's response to the pandemic, significant funding is being invested in skills development to help rebuild Australia's economy. The JobTrainer Fund, established with states and territories, rapidly made free and low fee training places available to help fill critical skills gaps.

To support the continued employment and training of apprentices and trainees during the pandemic, the department implemented 2 significant wage subsidy measures. The Boosting Apprenticeship Commencements program supported over 168,000 placements, while the Supporting Apprentices and Trainees program supported more than 136,000 existing apprentices and trainees to stay in work.

In August 2020 the Australian Government and the states and territories committed to reforming the vocational education and training sector and developing a new National Skills Agreement. Priorities for the new agreement include a new funding model that improves national consistency for students and is linked to the efficient price of delivering qualifications and the skills needed by employers. Negotiations with the states and territories are ongoing.

The National Careers Institute continued to help people access accurate, impartial and authoritative careers information and support irrespective of age or career stage. The Your Career website, School Leavers Information Kit and School Leavers Information Service have been early deliverables.

## Tailoring employment support through innovation

The COVID-19 pandemic resulted in a rise in unemployment. We saw the number of people accessing jobactive employment services more than double, peaking at 1.52 million in September 2020. To assist job seekers in these trying times, the department suspended mutual obligation requirements and expanded digital support services to enable employment services providers to focus on those who needed greater support.

The department continued preparations to roll out the New Employment Services Model from 1 July 2022, with trials being conducted in the employment regions of Adelaide South in South Australia and Mid North Coast in New South Wales. The New Employment Services Model will deliver an effective, efficient digital service with enhanced face-to-face servicing for job seekers who need it. It will build on the Online Employment Services platform to support job-ready job seekers to manage their own pathway to employment and allow for increased investment in disadvantaged job seekers.

Regional areas experienced greater difficulty with workforce shortages this year due to the pandemic. To assist with agricultural workforce shortages, the department expanded the Harvest Trail Services program and offered greater financial incentives for providers to place Australian job seekers in harvest work. The Seasonal Worker Programme also resumed in August 2020, allowing Pacific and Timorese workers to enter in a targeted and controlled way.

In addition, the Local Jobs Program was implemented in 25 employment regions, supporting tailored approaches to reskilling, upskilling and employment to assist with economic recovery and meet local workforce needs.

## **Strength in diversity, inclusion and capability**

The department's commitment to diversity and inclusion embraces the unique skills and qualities of all our people, and our commitment to reconciliation and Indigenous business being everyone's business remains strong.

We have highly engaged diversity networks with Senior Executive Service level champions for each network. We continue to celebrate days of significance and maintain memberships with external partners – the Australian Network on Disability, Diversity Council Australia, and Pride in Diversity.

Over the year the department has supported capability development activities aligned to our vision, Corporate Plan, and leadership development priorities. We have offered a range of professional and personal development activities to staff, with an increased focus on online and virtual activities, including developing programs to further build core policy, data and project management skills.

The department has also focused this year on developing our internal management capabilities, including the development of a new performance framework and the 2021–2023 People Strategy.

We supported our people over the year to balance work demands with periods of rapid change during the COVID-19 pandemic. This has allowed us to maintain our strong productivity and continue supporting our ministers and the Australian people.

### **Dr Michele Bruniges AM**

Secretary

Department of Education, Skills and Employment

## Our portfolio

### Ministers as at 30 June 2021



**The Hon  
Stuart Robert MP**

Minister for Employment,  
Workforce, Skills, Small  
and Family Business  
(from 30 March 2021)



**The Hon  
Alan Tudge MP**

Minister for Education  
and Youth  
(from 22 December 2020)



**The Hon  
Andrew Gee MP**

Minister for  
Decentralisation and  
Regional Education  
(6 February 2020 to  
2 July 2021)\*



**The Hon  
Luke Howarth MP**

Assistant Minister  
for Youth and  
Employment Services  
(from 22 December 2020)

### Former ministers



**The Hon  
Dan Tehan MP**

former Minister  
for Education  
(28 August 2018 to  
22 December 2020)



**Senator the Hon  
Michaelia Cash**

former Minister for  
Employment, Skills, Small  
and Family Business  
(29 May 2019 to  
30 March 2021)



**The Hon  
Steve Irons MP**

former Assistant  
Minister for Vocational  
Education, Training and  
Apprenticeships  
(29 May 2019 to  
22 December 2020)

\* Senator the Hon Bridget McKenzie became the Minister for Regionalisation, Regional Communications and Regional Education on 2 July 2021.

## Department of Education, Skills and Employment

The department'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.

We deliver on this purpose by providing advice to our ministers and effectively implementing government policies and programs. In doing this, we draw on the best available research, evidence and data and we work collaboratively with industry, stakeholders and state and territory governments. The department achieves its purpose through the delivery of the following outcomes.

**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.

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

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

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

## Accountable authority

Dr Michele Bruniges AM, Secretary of the Department of Education, Skills and Employment, was the department's accountable authority throughout the 2020–21 financial year.

## Portfolio responsibilities

In accordance with the Administrative Arrangements Order of 18 March 2021, the Prime Minister, the Hon Scott Morrison MP, announced changes to the structure of the Australian Public Service. Under the order, the coordination of youth affairs was transferred to the department.



## Portfolio entities – as at 30 June 2021



### Australian Curriculum, Assessment and Reporting Authority

**Mr David de Carvalho, Chief Executive Officer**

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



### Australian Institute for Teaching and School Leadership Limited

**Mr Mark Grant PSM, Chief Executive Officer**

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



**Australian Government**  
**Australian Research Council**

### Australian Research Council

**Professor Sue Thomas, Chief Executive Officer**

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



**Australian Government**  
**Australian Skills Quality Authority**

### Australian Skills Quality Authority

**Ms Saxon Rice, Chief Commissioner and Chief Executive Officer**

**Outcome:** Contribute to a high-quality vocational education and training sector, including through streamlined and nationally consistent regulation of training providers and courses, and the communication of advice to the sector on improvements to the quality of vocational education and training.



**Australian Government**  
**Tertiary Education Quality  
 and Standards Agency**

**Tertiary Education Quality and Standards Agency**

**Emeritus Professor Peter Coaldrake AO,  
 Chief Commissioner**

**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.



**Australian  
 National  
 University**

**Australian National University**

**Professor Brian P Schmidt AC, Vice Chancellor,  
 President and Chief Executive Officer**

The Australian National University (ANU) is a research-intensive educational institute, established by the *Australian National University Act 1991*. The Australian National University is not part of the general government sector. It is not included in the Commonwealth general government sector fiscal estimates and is exempt from the Portfolio Budget Statements.



# Our departmental structure

as at 30 June 2021

Dr Michele Bruniges AM, Secretary



**EARLY CHILDHOOD AND CHILD CARE**  
Dr Ros Baxter PSM,  
Deputy Secretary

- Provider Analytics and Integrity
- Programs, Payments and Early Learning



**SCHOOLS AND YOUTH**  
Alex Gordon,  
Deputy Secretary

- Funding and Data Collection
- Unique Student Identifier
- National System and Performance
- Improving Student Outcomes



**HIGHER EDUCATION, RESEARCH AND INTERNATIONAL**  
Rob Heferen,  
Deputy Secretary

- International
- Higher Education
- Analysis and Data



**SKILLS AND TRAINING**  
Nadine Williams,  
Deputy Secretary

- VET Quality and Policy
- VSL, VET Compliance and TRA
- Apprenticeships and Workforce Skills
- National Careers Institute
- Skills Reform Taskforce
- Apprenticeship Data Management System
- Supporting Apprentices and Trainees/Boosting Apprenticeships Commencements



**EMPLOYMENT AND WORKFORCE**  
Nathan Smyth,  
Deputy Secretary

- TRANSFORMATION OFFICE  
John Dardo,  
Senior Responsible Officer
- Employment Programs and Activation
- Procurement, Quality and Deeds
- Labour Market and Workforce Policy
- Workforce and Engagement
- NESM Program and Implementation



**CORPORATE AND ENABLING SERVICES**  
Marcus Markovic,  
Deputy Secretary  
Chief Operating Officer

- People, Parliamentary, Communication and Assurance
- Financial Management
- Technology and Services
- Strategic Policy
- Digital Solutions
- Legal

Statutory officers

National Skills Commissioner

Tuition Protection Service Director

Student Identifiers Registrar





# 02

## Performance statements

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## Statement by the accountable authority

### Statement by the accountable authority

I, as the accountable authority of the Department of Education, Skills and Employment, present the 2020–21 annual performance statements of the department, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013*.

In my opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the *Public Governance, Performance and Accountability Act 2013*.

*Michele Bruniges*

Dr Michele Bruniges AM

Secretary

9 September 2021

## Our purpose, outcomes and programs

The purpose of the Department of Education, Skills and Employment is to create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development.

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.

Outcome  
**01**

The following programs support the delivery of this outcome:

- Program 1.1 Support for the Child Care System
- Program 1.2 Child Care Subsidy
- Program 1.3 Government Schools National Support
- Program 1.4 Non-Government Schools National Support
- Program 1.5 Early Learning and Schools Support

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

Outcome  
**02**

The following programs support the delivery of this outcome:

- Program 2.1 Commonwealth Grant Scheme
- Program 2.2 Higher Education Superannuation Program
- Program 2.3 Higher Education Support
- Program 2.4 Higher Education Loan Program
- Program 2.5 Investment in Higher Education Research
- Program 2.6 Research Capacity
- Program 2.7 International Education Support

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

The following programs support the delivery of this outcome:

- Program 3.1 Building Skills and Capability
- Program 3.2 VET Student Loans

**Outcome  
03**

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

The following program supports the delivery of this outcome:

- Program 4.1 Employment Services

**Outcome  
04**

Note:

After the publication of the 2020–21 Corporate Plan the department changed its purpose statement. The new purpose statement 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.



## Analysis

During 2020–21 the Department of Education, Skills and Employment (the department) continued to support the Australian Government’s response to the COVID-19 pandemic and economic recovery. The department’s operating environment experienced rapid change and we adjusted the way in which we delivered programs and services to the Australian community.

The department supports its ministers through policy advice and implementation of a range of programs that deliver benefits to Australians, including those living in regional and rural communities.

The following pages discuss the major deliverables for the department in early childhood education and care, schools and youth, higher education, skills, employment and workforce, and present the results of each of our performance measures as published in the 2020–21 Corporate Plan.

### Closing the Gap

The new National Agreement on Closing the Gap (the National Agreement) was signed in July 2020 by all Australian governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations. The National Agreement commits governments to work in partnership with Aboriginal and Torres Strait Islander representatives to improve outcomes for Aboriginal and Torres Strait Islander children and families. It recognises that achieving the aspirations of Aboriginal and Torres Strait Islander peoples can only be done when there is genuine partnership and shared decision-making on policies and programs that affect them.

The department is responsible for 6 socio-economic targets in the National Agreement:

- children are engaged in high-quality, culturally appropriate early childhood education in their early years (outcome 3)
- children thrive in their early years (outcome 4)
- students achieve their full learning potential (outcome 5)
- students reach their full potential through further education pathways (outcome 6)
- youth are engaged in employment or education (outcome 7)
- strong economic participation and development of people and their communities (outcome 8).

The department was a major contributor to the Commonwealth’s first annual Closing the Gap Implementation Plan, working with other agencies and Aboriginal and Torres Strait Islander partners to develop the plan.

## Review of the Disability Standards for Education 2005

The Disability Standards for Education 2005 (the Disability Standards) seek to ensure students with disability can access and participate in education on the same basis as students without disability. In 2020 the department undertook a review of the effectiveness of the Disability Standards. There was a focus on interacting directly with students with disability, including Aboriginal and Torres Strait Islander students with disability, as well as students' families, to learn about their experiences.

Due to COVID-19 the consultation was conducted online. It achieved more than 2,500 interactions, including questionnaires, webinars, face-to-face discussions with Indigenous communities, 179 written submissions, and engagement with state and territory officials, non-government education providers, peak bodies and academics. The final report was released on 12 March 2021 and the department is working with education authorities to implement its recommendations.

## Early childhood and child care

### COVID-19 response

Since the COVID-19 pandemic began in early 2020, the department has provided significant support for early childhood education and care (ECEC) services. In addition to the initial relief package, this support has included:

For child care service providers:

- \$708 million Transition Payment Package for all early childhood and child care services across Australia (from July to September 2020) to help child care services across the country remain viable during lockdown, and as the economy began to reopen.
- \$60 million in assistance for service providers in Victoria as it experienced the second wave of COVID-19.
- \$305 million Recovery Package from September 2020 to January 2021, mainly targeted towards helping Victorian services to return to regular business.
- Ongoing support in the first half of 2021 for services in areas with localised outbreaks, such as enabling them to waive gap fees for families in certain circumstances.

For parents and families:

- Relaxation of the activity test to support eligible families whose employment had been impacted by COVID-19 to retain child care places and help them return to work, study or training.
- Additional allowable absences for families in certain circumstances to give families more confidence in retaining enrolments when their child was unable to attend child care.
- A streamlined application process for Additional Child Care Subsidy (ACCS) (temporary financial hardship) to make it easier for families to access additional support.

## Child Care Safety Net

In addition to the support provided to help the ECEC sector through COVID-19, the programs that are part of the Child Care Safety Net continued over the past year to support families and children to access quality care and early learning. The Inclusion Support Program – supporting ECEC services to improve their capability and capacity to provide quality inclusive practices for all children – has assisted eligible ECEC services to support children's mental health and wellbeing in relation to issues associated with COVID-19.

The Community Child Care Fund (CCCF) program is delivering grants over 4 years (2020–21 to 2024–25) to around 970 services in vulnerable and disadvantaged communities and in regional and remote locations. In 2020–21 assessment and selection of applicants from a third round of CCCF open competitive grants was completed.

## Improving outcomes for Aboriginal and Torres Strait Islander children and families

The Connected Beginnings Program expanded from 16 to 22 sites across Australia in 2020–21. Connected Beginnings is a place-based, collective impact initiative to provide Indigenous children and their families with holistic support and timely access to existing early childhood, maternal and child health, and family support services. The program works with communities to identify and work towards key early childhood priorities, helping children aged up to 5 years to meet learning and development milestones. The program employs over 90 local people in Connected Beginnings communities and supports over 5,000 children.

The program has improved outcomes in communities since it commenced in 2017 by:

- increasing the number of children (aged 60 to 72 months) who are fully immunised by 8 percentage points, from 79% in 2017 to 87% in 2020
- increasing average child care attendance of Aboriginal and Torres Strait Islander children from 202 hours per year in 2018 to 214 hours per year in 2020
- outperforming the national average, with 45% of Aboriginal and Torres Strait Islander women in Connected Beginnings communities receiving their first early antenatal care visit at 13 weeks, compared to 33% nationally.

### **Implementing key changes**

In the 2021–22 Budget, the Australian Government announced a new Multiple Child Subsidy, and the removal of the income-based annual cap on Child Care Subsidy (CCS) payments. This measure is designed to reduce child care costs to families with multiple children aged 5 and under in care. The department has been preparing for implementation of the measure, including through the introduction of legislation. It is expected that 250,000 families will benefit in 2022–23 from these changes to the CCS.

In addition to continuing to support preschools through the administration of the Universal Access National Partnership, the department has been developing a new preschool reform agreement with the states and territories to support early learning in the year before full-time school, improving participation and better preparing children for school.

## **Schools and youth**

### **COVID-19 response**

It was a challenging year for schools, with many teachers, school leaders, students and families experiencing disruptions due to the COVID-19 pandemic, including periods of remote learning.

Following its cancellation in 2020, the National Assessment Program – Literacy and Numeracy (NAPLAN) recommenced in 2021. Close to 9,000 schools participated, with over 3.5 million NAPLAN tests completed during the test window by students in Years 3, 5, 7 and 9. The results will provide important insights into the impacts of the disrupted 2020 school year on student achievement.

### **Funding for schools**

In the 2020 calendar year, the department delivered recurrent funding to support school education of:

- \$8.7 billion to the states and territories for government schools
- \$13.2 billion to non-government education authorities for non-government schools.

Funding arrangements are informed by the Schooling Resource Standard, which includes a base amount for every primary and secondary school student, with additional funding to target priority equity cohorts, small schools, and regional and remote areas.

In 2020 the department commenced implementation of the Direct Measure of Income to determine the capacity of a school's community to financially contribute towards the school's operating costs and vary the funding accordingly. This is a shift from previous arrangements which used socio-economic status to determine capacity to contribute.

## National reform

The department worked closely with states and territories throughout the year to progress reforms under the National School Reform Agreement, underpinned by a shared commitment to the goals for schooling articulated in the 2019 Alice Springs (Mparntwe) Education Declaration.

The National School Reform Agreement, which commenced in January 2019 and continues until December 2023, features 3 reform directions:

- supporting students, student learning and achievement
- supporting teaching, school leadership and school improvement
- enhancing the national evidence base.

Each of the reform directions is being progressed through 8 national policy initiatives, together with a suite of state or territory specific activities outlined in agreements between the Commonwealth and each state and territory. These agreements are available at: [www.dese.gov.au/quality-schools-package/national-school-reform-agreement](http://www.dese.gov.au/quality-schools-package/national-school-reform-agreement).

While the COVID-19 pandemic presented significant challenges for the delivery of schooling, governments continued to make progress against agreed national policy initiative milestones, with 3 notable achievements:

- The review of senior secondary pathways was completed as scheduled in June 2020 and its report, *Looking to the future: Report of the review of senior secondary pathways into work, further education and training*, was published in July 2020. In December 2020, education ministers agreed on areas of focus to progress this reform agenda.
- The national evidence institute was launched in December 2020 as the Australian Education Research Organisation (AERO). Established to drive improvements in student outcomes, AERO delivers against a key recommendation of *Through Growth to Achievement Report of the Review to Achieve Educational Excellence in Australian Schools* (2018) by supporting teachers' access to evidence about what works in the classroom.
- In July 2021, education ministers agreed to develop a pilot approach of the Unique Student Identifier in schools. The department will work with a range of stakeholders, including state and territory education departments, the non-government sector, schools, parents and peak bodies, to design and implement the pilot.

In addition, in April 2021 the Minister for Education and Youth announced a review of initial teacher education to explore how best to attract and select high-quality candidates into initial teacher education and prepare them to become effective teachers. The Quality Initial Teacher Education Review is being conducted by an expert panel, including Ms Lisa Paul AO PSM (Chair), Emeritus Professor Bill Loudon AM, Mr Derek Scott and Mr Malcolm Elliott, and is being assisted by the department. The expert panel is due to report to the Australian Government in October 2021.

## Higher education, research and international education

In 2020–21 the department implemented policies focused on enabling the higher education and international education sectors to continue their teaching and research activities during the COVID-19 pandemic and beyond.

### Research

A significant level of investment in research funding was committed in the 2020–21 Budget, including a one-off \$1 billion injection to the Research Support Program to help address the financial pressures on universities caused by COVID-19. This brought total research block grant funding for universities in 2021 to \$3 billion.

In addition, the Australian Government commissioned a scoping study to develop a University Research Commercialisation Scheme that will enhance the translation and commercialisation of research at Australian universities. The goal of the scheme is to see that Australia remains at the cutting edge of innovation and productivity through translational research and supporting partnerships between universities and businesses.

### Job-ready Graduates

The Job-ready Graduates reform package for higher education was implemented on 1 January 2021. Under the package, Australian Government funding for universities will grow from \$18 billion in 2020 to \$20 billion by 2024. The package provides funding for new university places, additional support for students in regional and remote Australia, and new short course places that were delivered in 2021.

Student protection and provider integrity measures are being strengthened and extended through the package to all higher education providers, supporting the quality of Australia's higher education sector.

### Support for Australia's international education sector

Working with states and territories and other Commonwealth agencies, the department progressed planning for international student arrivals when conditions allow, including the development of a support package for international education providers most affected by COVID-19 border closures.

The department also implemented a pause of regulatory fees and charges and extended the exemption of the FEE-HELP loan fee for existing and prospective students until 31 December 2021.

Consultations to develop a new Australian Strategy for International Education 2021–2030 have begun. The strategy outlines Australia's approach to international education over the next 10 years. It is intended to guide the recovery of the sector and enable us to respond to emerging opportunities and changes in student demands, while maintaining our reputation as a trusted partner in international education.

## More opportunities for regional students

In 2020–21 the department worked to implement measures announced in response to the National Regional, Rural and Remote Tertiary Education Strategy (the Napthine Review).

Regional university campuses will see increased Commonwealth Grant Scheme funding, and non-medical bachelor-level Commonwealth-supported places will be demand driven for Indigenous students from regional and remote areas.

Changes to regional payments were also introduced, with regional and remote students able to apply for a Tertiary Access Payment to assist with relocation costs, in addition to improvements to Fares Allowance administered through Services Australia.

The Regional University Centres program was enhanced, with funding provided to establish a centralised support network for all centres and for other key projects. These include the first stage of a 2-stage program evaluation, and a scoping study to inform the establishment of up to 8 new Regional University Centres, adding to the 26 already in place.

Work has been undertaken to support the appointment of a Regional Education Commissioner in the second half of 2021. The Commissioner will coordinate and monitor the implementation of recommendations from the Napthine Review, oversee and coordinate various research projects, and provide a national focus for regional, rural and remote education. The Commissioner will have a central goal of at least halving the disparity in tertiary education outcomes between regional and metropolitan students by 2030.

The department has also progressed work to support Indigenous students, students from low socio-economic status (SES) households, and students from regional and remote areas:

- The Indigenous, Regional and Low SES Attainment Fund was introduced to allow universities to use their funding more flexibly to best serve the needs of their local communities.
- The Higher Education Participation and Partnerships Program (HEPPP) was expanded to include students from regional and remote areas and Indigenous students, in addition to students from low SES backgrounds.
- Round 1 of the Regional Research Collaboration Program is underway. The program aims to establish new partnerships between regional universities and other higher education providers and local industry, creating more postgraduate opportunities in regional Australia and strengthening rural research.

### **Improving the collection of student information**

In December 2020 the department released the Tertiary Collection of Student Information (TCSI) reporting system for higher education and vocational education providers. Providers have gradually transitioned from the legacy system – the Higher Education Provider Client Assistance Tool – to the TCSI system, and most had commenced student-level reporting using TCSI by 30 June 2021. Full transition is expected to be completed by the end of 2021.

Using the TCSI system, providers report in near real time through Services Australia to the department and on to the Australian Taxation Office. The TCSI system replaces systems at both Services Australia and the department.

### **Skills and training**

The vocational education and training (VET) system continued to play an important role in supporting Australia's growth and prosperity. Ensuring Australia's VET sector is responsive to dynamic labour market conditions is critical to strengthening the economy and helping prepare Australians for the workforce opportunities of today and the future.

### **COVID-19 response**

As part of the Australian Government's response to the COVID-19 pandemic, significant funding was invested to deliver targeted skills initiatives to rebuild Australia's economy and develop the skills needed for the nation's future. Collaboration between all governments, as well as engagement with industry and training providers, was critical in addressing the challenges and planning a way forward.

The department administered 2 significant wage subsidy measures that supported the continued employment and training of apprentices and trainees throughout 2020–21:

- The \$1.2 billion Boosting Apprenticeship Commencements wage subsidy supported over 62,000 employers and group training organisations to take on over 168,000 new apprentices and trainees.
- The Supporting Apprentices and Trainees (SAT) wage subsidy was a retention measure designed to shield apprentices and trainees from the economic impacts of the COVID-19 pandemic. Over \$1.4 billion was provided to over 68,000 employers to help keep over 136,000 apprentices and trainees in work.

The Australian Government also partnered with state and territory governments to establish the \$1 billion JobTrainer Fund, announced in July 2020. In the first year of the fund more than 162,000 young people and job seekers were supported to enrol in free or low-fee training to help them obtain skills for in-demand jobs. In response to COVID-19 more than 55,000 participants have also commenced or enrolled in units of infection control training, and more than 33,000 have already completed these units.



## Skills reform

During 2020–21 the department continued to progress key future skills reform priorities for the VET system through:

- establishing the National Careers Institute (NCI) to enable people to have access to accurate, impartial and authoritative careers information and support irrespective of their age or career stage. The NCI has delivered the Your Career website, School Leavers Information Kit and School Leavers Information Service to assist with career pathway choices
- implementing recommendations of the rapid review, completed in March 2020, of the regulatory practices and processes of the Australian Skills and Quality Authority (ASQA). These reforms aim to guide ASQA's regulatory approach by regulatory necessity and risk
- transforming VET activity data collection through the VET Data Streamlining program, which is building a national cloud-based ICT system that is scalable, flexible, efficient and stable.

These changes are occurring as part of the wider skills reform agenda guided by the Heads of Agreement for Skills Reform signed by the National Cabinet. Under the heads of agreement all state and territory governments committed to immediate reforms to support excellence in the VET sector and an approach to and priorities for a new National Skills Agreement (NSA).

Implementation of the immediate reform priorities has included:

- providing funding to establish and support a new industry engagement model for workforce planning and training product development, to reflect the shared responsibility of industry and governments in growing a skilled economy
- qualification reform trials, implemented through the Skills Organisations Pilots, to build the evidence base required to inform future national training products necessary to support a strong and adaptable national training system
- agreement by all governments to build registered training organisation (RTO) capability and capacity for continuous improvement and develop a VET Workforce Quality Strategy.

The NSA, which is still being negotiated, will enhance transparency and accountability, will ensure that real investment in the VET system is maintained and increased over time, and will be supported by a new funding model that improves national consistency for students, integrates subsidies and loans and is linked with efficient pricing and the skills needed by employers.

Over 2020–21 the department also worked closely with the states and territories on a range of Commonwealth–state agreements:

- The Revitalising TAFE Campuses Across Australia initiative commenced on 1 July 2020, with 14 high-quality infrastructure projects.
- Energising Tasmania drove the rollout of fee-free training in priority skills areas.
- Under the National Partnership for the Skilling Australians Fund the department worked with states and territories on adjustments to bilateral schedules to account for the ongoing impacts associated with the COVID-19 pandemic.

### Foundation skills

The department is also supporting Australians to have the language, literacy, numeracy and digital literacy skills they need to access further education, training or employment, which is vital for improving economic participation. We are doing this through programs such as:

- the Skills for Education and Employment (SEE) program, which supports job seekers to access the training and support they need to get the job they want. In 2020–21 SEE helped more than 25,000 job seekers with basic foundational training to improve their language, literacy, numeracy and digital literacy skills.
- the Foundation Skills for Your Future program, which has 58 projects delivering training. The program engages with employers to provide employed or recently unemployed Australians with training to develop their language, literacy, numeracy and digital skills. More than 2,000 participants have received this training as at 30 June 2021.
- Remote Community Pilots, which are testing community co-designed and place-based delivery of language, literacy, numeracy and digital skills assessment and training in 4 remote communities in the Northern Territory, Western Australia, northern Queensland and South Australia. These pilots will operate until 2023 to deliver tailored and flexible assessment and training to meet local community needs.

The department has also begun developing the Apprenticeships Data Management System (ADMS), which is expected to replace the Training and Youth Internet Management System in 2023. The ADMS project aims to provide a central location where every Australian Apprenticeship can be registered, and all Australian Government apprenticeship programs can be delivered.

### Employment and workforce

The Australian Government's employment and pre-employment programs help people prepare for work, find and take up work, or create their own employment. The Australian Government's mainstream employment service, jobactive, is backed by a range of specialist services and complementary programs to better support specific cohorts of job seekers.

In 2020–21 the department continued managing, adapting and improving these programs and introducing new initiatives to assist job seekers and participants to access the support they need to enter or rejoin the workforce.

### COVID-19 response

The COVID-19 pandemic significantly increased the number of job seekers accessing employment services. The number of people seeking support through jobactive more than doubled to peak at 1.52 million in September 2020. In response, the department worked closely with stakeholders to adapt and implement policies and programs to provide better support for job seekers, employees, and employers.

This included:

- streamlining job seeker assessments and referrals, providing faster connection to employment services
- making ongoing adjustments to mutual obligations and service delivery arrangements, including
  - suspending mutual obligation requirements in response to COVID-19 lockdowns and natural disasters
  - using different employment services delivery methods (phone or online)
  - increased auditing of the quality of job searches and the performance of providers, to identify areas for improvement
  - giving the most job-ready job seekers access to additional tools and support through online employment services that enable them to self-manage their requirements
  - expanding the Digital Service Contact Centre to assist the increased number of job-ready job seekers
  - increasing the frequency of reviews of Transition to Work (TtW) placements.

## Employment services

### Online Employment Services

With the large influx of job-ready job seekers as a result of COVID-19, the department enhanced and fast-tracked the Online Employment Services (OES) platform and expanded the digital support services available for these job seekers. This allowed employment services providers to focus their efforts on job seekers who are identified as more at risk of becoming long-term unemployed and needing more support.

### Youth

The department also focused on increasing support for young people through the TtW program by helping early school leavers connect to services more quickly and providing specialist assistance to young job seekers in OES. This assistance included:

- allowing participants to take part in TtW services for up to 18 months (increased from 12 months) from 1 July 2020
- reducing the waiting period for early school leavers who are not receiving income support to gain access to TtW from 1 January 2021
- providing young people using OES access to up to 3 advisory sessions with a TtW provider from 8 March 2021
- delivering online learning modules to young people to help them develop job-ready skills and succeed in the labour market.

To further support youth employment, the department launched the PaTH Business Placement Partnerships program, which aims to create more employment pathways to real jobs for young people. This program is trialling a co-design approach (working with industry) using elements of the Youth Jobs PaTH (Prepare, Trial, Hire) program and other existing programs and training services. The panel of providers comprises industry associations that have a national footprint and represent businesses with a strong demand for labour.

### **Local assistance**

The department provided targeted assistance to regions, helping workers to find jobs and helping businesses to meet their workforce needs.

In 2020–21 the first phase of the Local Jobs Program was implemented in 25 employment regions to support tailored approaches to accelerate reskilling, upskilling and employment pathways necessary for Australia's economic recovery. The program expanded the existing Employment Facilitator network from 11 to 25 facilitators, connecting more stakeholders to existing programs, services and resources. Employment Facilitators chair a local jobs and skills taskforce, which develops a local jobs plan identifying projects to address barriers to employment in the local labour market. These projects will be funded through a local recovery fund. In the 2021–22 Budget the Australian Government announced the expansion of the Local Jobs Program across the remaining 26 of Australia's 51 employment regions, with additional support through the National Priority Fund.

The department continues to increase the number of jobs fairs across Australia. Jobs fairs connect job seekers with local employers, with skills and training providers and with professional support services and provide access to practical advice on how to target the local labour market.

### **Agricultural sector workforce**

The agriculture sector felt the impact from borders being closed to new arrivals from overseas.

To fill critical vacancies and encourage more Australian job seekers to take up seasonal work, the department implemented modifications to the Relocation Assistance to Take Up a Job program, waiving the mandatory waiting period and expanding eligibility to support people to temporarily relocate for short-term agricultural work.

To assist with the agricultural workforce shortages the department also expanded the Harvest Trail Services program to 16 harvest areas (from 11), offering greater financial incentives for providers to place Australian job seekers into harvest work. After a pause due to COVID-19, the Seasonal Worker Programme restarted in August 2020, allowing Pacific and Timorese workers to come to Australia in a targeted and controlled way, with appropriate health and quarantine arrangements.

## **Self-employment**

In response to the impact of COVID-19 on the labour market, the department expanded eligibility for the New Enterprise Incentive Scheme (NEIS), which helps people create their own jobs by starting a business. NEIS now includes people with part-time work, study or caring responsibilities, veterans (and their families) transitioning out of the Australian Defence Force, and existing micro-business owners. Additional NEIS and Exploring Being My Own Boss Workshop places were made available in 2020–21 to help more job seekers create their own job.

## **The future of employment services**

The department remained focused on the future of employment services, including preparing delivery of the New Employment Services Model, and expanding the TtW service. We continued to test elements of the new model through the New Employment Services Trial (NEST) in 2 employment regions: Adelaide South in South Australia and Mid North Coast in New South Wales. This included:

- trialling the Points Based Activation System for job seekers to engage in a range of employment-related tasks and activities, including job search
- reducing the risk of long-term unemployment by referring participants to a NEST Enhanced Services provider for access to more intensive, tailored assistance.

# Results

## List of measures

The following section reports on measures that we published in the department's 2020–21 Corporate Plan and in the Education Skills and Employment 2020–21 Portfolio Budget Statements (PBS). There are 53 performance measures across the department's 4 outcomes.

Outcome 1		
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<b>Programs</b>	<b>Measure reference</b>	<b>Page</b>
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Outcome 4		
Programs	Measure reference	Page
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Notes:

For PM001, the department has been unable to make an assessment and has identified that the methodologies that underpin measurement and reporting for this measure should change for future reporting periods. The department published a revised measure in the 2021–22 Corporate Plan at: [www.dese.gov.au/about-us/resources/2021-22-corporate-plan](http://www.dese.gov.au/about-us/resources/2021-22-corporate-plan). The 2021–22 Annual Report will report against the new measure.

Since publication of the Education, Skills and Employment 2021–22 PBS the department has updated its approach to consistently consider measures in the context of their confidence intervals and difference from the target. Where a result falls within a confidence interval of the target, the department’s approach is to report this as achieved. In the 2021–22 PBS, PM007 was rated as ‘not achieved’; it is now reported as ‘achieved’.



## Outcome 1

### Activity – Child care support is targeted to vulnerable and disadvantaged families and communities

#### PM001

<b>Measure</b>	<b>Proportion of Child Care Safety Net that supports vulnerable and disadvantaged families and communities</b>
<b>Target</b>	100%
<b>Result</b>	<p><b>Unable to make an assessment</b></p> <p>Program and payment design, including assessment and eligibility criteria, is intended to make sure that all funding and assistance is allocated to vulnerable and disadvantaged families and communities.</p> <p>The department has been unable to make an assessment and has identified that the methodologies that underpin measurement and reporting for this measure should change for future reporting periods. The department published a revised measure in the 2021–22 Corporate Plan. The 2021–22 Annual Report will report against the new measure.</p>
<b>Analysis</b>	<p>The Child Care Safety Net includes:</p> <p><b>Additional Child Care Subsidy</b></p> <p>Overall ACCS child participation numbers have increased around 30% in Quarter 2 2020–21 to 44,200, compared to 33,970 for the same quarter in 2019–20.</p> <p>The ACCS can be granted under multiple criteria:</p> <p><b>Child wellbeing</b></p> <p>In Quarter 2 of 2020–21, 24,090 children received ACCS (child wellbeing) payments, an increase of 29% compared to the same quarter in 2019.</p> <p><b>Temporary financial hardship</b></p> <p>ACCS (temporary financial hardship) payments supported families affected by the bushfires and floods and those who lost income due to COVID-19. In Quarter 2 of 2020–21, children in receipt of this support significantly increased, by approximately 535% compared to the same quarter of the previous year.</p>

**PM001 (continued)**

<b>Measure</b>	<b>Proportion of Child Care Safety Net that supports vulnerable and disadvantaged families and communities</b>
<b>Analysis (continued)</b>	<p><b>Transition to Work</b></p> <p>The number of families accessing this payment has steadily fallen since July 2019. There are no apparent policy or environmental reasons for this.</p> <p><b>Grandparent</b></p> <p>Child participation numbers decreased 6% in Quarter 2 2020–21 compared to the same quarter in 2019–20.</p> <p><b>Community Child Care Fund</b></p> <p>The CCCF program is delivering \$450 million, excluding special circumstances funding, over 4 years (2020–21 to 2024–25), through the CCCF Open program and the CCCF Restricted program. CCCF Round 3 grants totalling \$100.3 million over 3 years to 30 June 2024 will commence in August 2021.</p> <p><b>Inclusion Support Program</b></p> <p>The Inclusion Support Program (ISP) provided more than \$128 million to support CCS approved, eligible mainstream early childhood education and care services. Under the program, 7 Inclusion Agencies and one Inclusion Development Fund Manager are contracted to deliver inclusion support services for the operation of ISP.</p> <p>Following the expansion of the ISP Guidelines in March 2020 to include children with trauma and challenging behaviours, the demand for Inclusion Development Fund support through the ISP has significantly increased.</p>
<b>Methodology</b>	The department has identified that the methodologies that underpin measurement and reporting can be enhanced.
<b>Source</b>	DESE, program administrative data and other data sources relevant to determining disadvantage.
<b>Contributing program</b>	1.1 Support for the Child Care System

## Activity – Ensuring accurate child care payments

### PM002

Measure	Proportion of accurate child care payments to all services
<b>Target</b>	90% or higher
<b>Result</b>	<b>Achieved (94.8%)</b>
<b>Analysis</b>	<p>In 2020–21, the COVID-19 pandemic had a significant impact on the child care sector and on families utilising child care. Nationally the CCS was temporarily replaced by the Early Childhood Education and Care Relief Package for the period 6 April to 12 July 2020. Following this, rolling lockdowns continued to have an impact on the sector and the distribution of CCS over the year. Despite the impact of the COVID-19 pandemic, payment accuracy figures for the year remain above the target threshold at 94.8%.</p> <p>A total of 121 services had compliance action taken against them during 2020–21. This included cancelling 13 services, suspending 6 services and imposing conditions on 11 services.</p> <p>Latest actuarial estimates show the department prevented around \$3.144 billion from being inappropriately paid to non-compliant and fraudulent child care providers between January 2014 and June 2021. These results are in line with expected performance, despite 2020–21 being impacted by COVID-19.</p>
<b>Methodology</b>	<p>The result is determined by comparing CCS payment data against the information provided by families in random sample parent check interviews.</p> <p>The child care attendance times reported by parents (primary data source) were compared with the session times reported by child care services via the CCS System (secondary data source).</p>
<b>Source</b>	DESE, program administrative data: Random Sample Parent Check interviews, an online survey and the CCS System.
<b>Contributing program</b>	1.2 Child Care Subsidy

**Activity – Universal access to quality early childhood education**

**PM003**

<b>Measure</b>	<b>Proportion of Indigenous children enrolled in early childhood education in the year before full-time school who are enrolled for 600 hours a year</b>
<b>Target</b>	95%
<b>Result</b>	<b>Achieved (96.2%)</b>
<b>Analysis</b>	In 2020, in response to the uncertainty around the impact of COVID-19, the Commonwealth Government acted swiftly to extend existing preschool funding arrangements to provide funding certainty for states and territories until the end of 2021. Despite disruptions caused by COVID-19, performance against this indicator remained strong, and exceeded the target in 2020–21. The 2021–22 Budget included \$2 billion for a new Preschool Reform Agreement from 2022 to 2025 to be negotiated with states and territories. The new agreement will maintain a strong focus on providing Aboriginal and Torres Strait Islander children access to preschool.
<b>Methodology</b>	The result is calculated using the number of Indigenous children receiving 600 hours a year in preschool over the total population of all Indigenous children enrolled in preschool.
<b>Source</b>	Australian Bureau of Statistics (ABS), Preschool Education, Australia, 2020.
<b>Contributing program</b>	1.5 Early Learning and Schools Support

**PM004**

<b>Measure</b>	<b>Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours a year</b>
<b>Target</b>	95%
<b>Result</b>	<b>Achieved (95.4%)</b>
<b>Analysis</b>	Despite disruptions caused by COVID-19, performance against this indicator remained strong, and exceeded the target in 2020–21. The new Universal Access National Partnership agreement will maintain a strong focus on providing vulnerable and disadvantaged children access to preschool.

**PM004 (continued)**

<b>Measure</b>	<b>Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours a year</b>
<b>Methodology</b>	The result is calculated using the number of vulnerable and disadvantaged children receiving 600 hours a year in preschool over the total population of all vulnerable and disadvantaged children enrolled in preschool.
<b>Source</b>	ABS, Preschool Education, Australia, 2020.
<b>Contributing program</b>	1.5 Early Learning and Schools Support

**Activity – COVID-19 measures**

**PM005**

<b>Measure</b>	<b>COVID-19 measure – Weekly average of the proportion of early childhood education and care services that are open</b>
<b>Target</b>	90% or higher
<b>Result</b>	<b>Achieved (99.9%)</b>
<b>Analysis</b>	<p>The current rating exceeds the target. The department has responded and will continue to respond swiftly to localised outbreaks of COVID-19.</p> <p>From 11 February 2021 to 5 May 2021 (12 consecutive weeks), the weekly average of closed services across Australia was 13 out of a total 13,105 (on 4 July 2021). This equates to 0.1% of all services being closed during this period and 99.9% of services remaining open.</p>
<b>Methodology<sup>1</sup></b>	The percentage of total closed services is calculated by dividing the total temporarily closed services by a static total (the number of CCS approved services at 4 July 2021). Subtracting the percentage of closed services from 100 provides the percentage of open services.

<sup>1</sup> The 2020–21 DESE Corporate Plan incorrectly stated the methodology for this measure. The Corporate Plan stated methodology for determining the percentage of closed services, while the target is percentage of services that are open.

**PM005 (continued)**

<b>Measure</b>	<b>COVID-19 measure – Weekly average of the proportion of early childhood education and care services that are open</b>
<b>Source</b>	<ul style="list-style-type: none"> <li>▪ Notifications of temporary closures submitted by providers to the department</li> <li>▪ Notifications of temporary closures submitted by providers to their state regulatory authority</li> <li>▪ State government based notifications on public websites</li> <li>▪ Communications directly with providers through email and/or phone</li> <li>▪ Media notifications, including departmental media briefings</li> <li>▪ Local relationships with peak bodies and coordinating agencies.</li> </ul>
<b>Contributing programs</b>	<p>1.1 Support for the Child Care System</p> <p>1.2 Child Care Subsidy</p>

**PM006**

<b>Measure</b>	<b>COVID-19 measure – Proportion of accurate Relief Package and Transition Payments</b>
<b>Target</b>	90% or higher
<b>Result</b>	<b>Achieved (exceeds 90% accuracy)</b>
<b>Analysis</b>	<p>The Relief Package and Transition and Recovery Payments aimed to help the early childhood education and care sector manage the impact of the COVID-19 pandemic. Identifying the accuracy of these payments makes sure that support is provided to those who need it and the integrity of the system is maintained:</p> <ul style="list-style-type: none"> <li>▪ Relief package payments exceeded 90% accuracy.</li> <li>▪ Transition package payments exceeded 90% accuracy. This rating is based on internal departmental data that is currently undergoing external validation. The final validated result may vary slightly but is still expected to exceed the target.</li> </ul>
<b>Methodology</b>	<p>Using the same reference data and payment rules, a random sample of payments were recalculated and compared to the actual payments that had been made.</p> <p>A similar process will be undertaken for the Transition and Recovery packages.</p>
<b>Source</b>	DESE, program administrative data.
<b>Contributing programs</b>	<p>1.1 Support for the Child Care System</p> <p>1.2 Child Care Subsidy</p>

**Activity – Lifting outcomes in Australian schools – student attainment**

**PM007**

<b>Measure</b>	<b>Increase the Year 12 (or equivalent) or Certificate III attainment rate by 2020</b>
<b>Target</b>	Increased to 90% by 2020 and maintained
<b>Result</b>	<p><b>Achieved (89.4%)</b></p> <p>The ABS sample survey result for 2020 was within the survey’s margin of error of the target. The ABS data shows that there was a 95% chance the true value was in the range 88.2% – 90.6%.</p>
<b>Analysis</b>	<p>The 2020 result of 89.4% of 20–24 year olds having obtained a Year 12 (or equivalent) or Certificate III qualification indicates this target was very close to having been achieved, noting it was within the survey’s margin of error of being achieved. This reflects a very good result in the context of school education attainment as it represents the highest rate achieved so far for this indicator.</p> <p>Educational attainment has been steadily increasing in Australia for several decades. In recognition of the long-term economic and social benefits of obtaining a Year 12 (or equivalent) or Certificate III qualification, all Australian governments have worked to increase student attainment. While obligations vary across states and territories, since the Compact with Young Australians commenced in 2010, young Australians have been required to participate in full-time education, training or employment until at least the age of 17.</p>
<b>Methodology</b>	The result is calculated using the number of 20–24 year olds who have attained Year 12 (or equivalent) or Certificate Level III or above qualification, over the total population aged 20–24 years.
<b>Source</b>	ABS, Education and Work, May 2020.
<b>Contributing programs</b>	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>

**Activity – Closing the Gap for Aboriginal and Torres Strait Islander students in schools**

**PM008**

<b>Measure</b>	<b>By 2031, increase the proportion of Aboriginal and Torres Strait Islander peoples (age 20–24) attaining Year 12 or equivalent qualification to 96%</b>
<b>Target</b>	Increase proportion to 96% by 2031
<b>Result</b>	<b>Data not available</b>
<b>Analysis</b>	<p>This is a new Closing the Gap measure that came into effect in July 2020. Nationally in 2016, 63.2% of Aboriginal and Torres Strait Islander people aged 20–24 years had attained Year 12 (or equivalent) or obtained a non-school qualification at Certificate III or above.</p> <p>From 2001 to 2016, the attainment rate for Indigenous students increased at a greater rate (23.8 percentage points) than for non-Indigenous students (10.9 percentage points), albeit from a lower base.</p> <p>There is no new data since the baseline year of 2016. The 2021 Census of Population and Housing was undertaken on 10 August 2021 and data from this is expected to be released in 2022.</p>
<b>Limitations</b>	The main data source for this measure is the quinquennial ABS Census of Population and Housing. Though the ABS National Aboriginal and Torres Strait Islander Social Survey (NATSIS) and the ABS National Aboriginal and Torres Strait Islander Health Survey (NATSIHS) could be used as supplementary data sources to monitor progress, particularly in intercensal years, NATSIS and NATSIHS data is not directly comparable with Census data, and the Productivity Commission uses only Census data to track the progress against this Closing the Gap target.
<b>Methodology</b>	The result is calculated using the number of Indigenous 20–24 year olds who have attained Year 12 (or equivalent) or Certificate Level III or above, over the total population of Indigenous Australians aged 20–24 years.
<b>Source</b>	ABS Census of Population and Housing, 2016.
<b>Contributing programs</b>	<p>1.3 Government Schools National Support</p> <p>1.4 Non-Government Schools National Support</p> <p>1.5 Early Learning and Schools Support</p>



## Outcome 2

### Activity – Creating a highly skilled workforce and educated community

#### PM009

<b>Measure</b>	<b>The proportion of the 25–34 year old population with a tertiary qualification</b>
<b>Target</b>	Higher than 2019–20 (75.0%)
<b>Result</b>	<b>Achieved (76.2% in 2020–21)</b>
<b>Analysis</b>	<p>In recognition of the economic and social benefits of increasing levels of education, particularly improved labour market outcomes, there are a range of government programs which encourage participation in both vocational and higher education, including the skilled migration program, which favours settlement by migrants with tertiary qualifications.</p> <p>Long-term observations have identified this trend towards higher educational attainment within Australian society in response to the increased skill levels required in the economy. This trend is most apparent within younger age groups who are more likely to be actively participating in non-school education.</p>
<b>Methodology</b>	Number of 25–34 year olds with a tertiary qualification over the total number of 25–34 year olds, compared to previous year.
<b>Source</b>	ABS, Education and Work, Australia, May 2020, Table 24.
<b>Contributing program</b>	2.1 Commonwealth Grant Scheme

**PM010**

<b>Measure</b>	<b>The rate of attrition for domestic Bachelor students</b>
<b>Target</b>	Lower than 15%
<b>Result</b>	<b>Achieved (13.25%)</b>
<b>Analysis</b>	<p>The attrition rate is dependent on general economic and labour market conditions. The COVID-19 pandemic reduced options for students who might otherwise have left their studies, for example to join the labour market or travel overseas. This has resulted in a decline in the attrition rate from the previous year.</p> <p>The inclusion of the attrition rate in the performance-based funding for the Commonwealth Grant Scheme calculations will incentivise universities to focus on teaching and support services to lower the attrition rate.</p>
<b>Methodology</b>	<p>The result is calculated using the number of commencing domestic students who do not complete or who do not return to study in year (x+1) over the total number of commencing domestic students enrolled in year (x).</p> <p>The result is based on students who commenced in 2019 and did not return in the 2020 calendar year. Student enrolment data is collected through the department’s Tertiary Collection of Student Information system.</p>
<b>Source</b>	DESE, program administrative data, Higher Education Statistics Collection.
<b>Contributing program</b>	2.1 Commonwealth Grant Scheme

**PM011**

<b>Measure</b>	<b>Proportion of undergraduates who are employed within four months of completing a degree</b>
<b>Target</b>	Equal to or higher than 85%
<b>Result</b>	<b>Achieved (85.1%)</b>
<b>Analysis</b>	<p>Employment soon after completing tertiary education has a positive impact on a student's future employment opportunities.</p> <p>Graduate employment outcomes are highly dependent on general economic and labour market conditions. While the performance target has been achieved, overall employment of undergraduates declined from 86.8% in 2019 to 85.1% in 2020. Restrictions introduced to combat the COVID-19 pandemic and the resulting downturn in the labour market reduced employment opportunities for recent higher education graduates.</p> <p>The inclusion of graduate employment outcomes in the performance-based funding for the Commonwealth Grant Scheme calculations will further incentivise universities to focus on graduate employment outcomes.</p>
<b>Methodology</b>	Number of undergraduates employed within 4 months of completing a degree over the total number of graduates available for work in that 4 months.
<b>Source</b>	Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey.
<b>Contributing program</b>	2.1 Commonwealth Grant Scheme

**Activity – Eligible current and former university employees receive support for certain superannuation expenses**

**PM012**

<b>Measure</b>	<b>Proportion of eligible universities that are able to meet specific superannuation expenses</b>
<b>Target</b>	100%
<b>Result</b>	<b>Achieved (100%)</b>
<b>Analysis</b>	<p>The department has provided funding based on information reported by the universities and their superannuation funds. This has allowed eligible universities to meet 100% of the payments required to fund specified superannuation expenses.</p> <p>The department made an initial payment determination in December 2020 to provide for funding for the initial part of the 2020 calendar year. The department made final determinations in May and July 2021 to finalise amounts based on actual figures.</p>
<b>Methodology</b>	<p>Number of eligible universities that are able to meet specific superannuation expenses over the total eligible universities.</p> <p>The final payment is acquitted and adjusted (if required) in the following calendar year. All claims are certified by an authorised university officer and are verified by the department against supporting documentation before processing in Unipay.</p>
<b>Source</b>	DESE, program administrative data.
<b>Contributing program</b>	2.2 Higher Education Superannuation Program

**Activity – Improving participation in higher education for students from previously disadvantaged groups**

**PM013**

<b>Measure</b>	<b>Proportion of domestic undergraduates who are from a low socio-economic background (based on postcode)</b>
<b>Target</b>	Equal to or higher than 18%
<b>Result</b>	<b>Achieved (18.1%)</b> This result is for the 2020 calendar year.
<b>Analysis</b>	Low SES students are more responsive to continued strong labour market conditions, and the proportion of higher education students who are from a low SES background (by postcode) decreased slightly in 2020 compared to 2019 (from 18.6% to 18.1%). However, the proportion has remained relatively steady at over 18% since 2016.
<b>Methodology</b>	The result is calculated using the number of undergraduates from a low SES background over the total of domestic undergraduate students registered. Socio-economic background is measured at the postcode level, as defined by the ABS.  The number of undergraduates is based on student enrolment data collected through the department’s Tertiary Collection of Student Information system.
<b>Source</b>	DESE, program administrative data, Higher Education Statistics Collection.
<b>Contributing program</b>	2.3 Higher Education Support

**PM014**

<b>Measure</b>	<b>Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)</b>
<b>Target</b>	Equal to or higher than 16%
<b>Result</b>	<b>Achieved (16.8%)</b>
<b>Analysis</b>	Low SES students are more responsive to continued strong labour market conditions, and while the proportion of higher education students who are from a low SES background (by Statistical Area level 1) has remained stable at 16.8% since 2019, it has fallen in recent years (down from 17.0% in 2018).
<b>Methodology</b>	<p>The result is calculated using the number of undergraduates from a low socio-economic background over the total of domestic undergraduate students registered at the disaggregated survey level of Statistical Area level 1, as defined by the ABS.</p> <p>The number of undergraduates is based on student enrolment data collected through the department’s Tertiary Collection of Student Information system.</p>
<b>Source</b>	DESE, program administrative data, Higher Education Statistics Collection.
<b>Contributing program</b>	2.3 Higher Education Support

**PM015**

<b>Measure</b>	<b>Proportion of higher education students who are Indigenous</b>
<b>Target</b>	2%
<b>Result</b>	<p><b>Achieved (2%)</b></p> <p>This result is for the 2020 calendar year.</p>
<b>Analysis</b>	<p>The proportion of higher education students who are Indigenous increased very slightly from 2019 (from 1.95% to 2.02%). This continues the trend of steady improvement in Indigenous higher education access and participation, albeit at a slower rate.</p> <p>Targeted initiatives that contribute to the participation and retention of Indigenous students include the Indigenous Student Success Program and Away from Base program, managed by the National Indigenous Australians Agency.</p> <p>The Higher Education Participation and Partnerships Program also contributes to this measure, by funding campus support programs for Indigenous students who are also from a low SES background, and outreach activities to widen aspiration and capability to attend university.</p>
<b>Methodology</b>	<p>The result is calculated using the number of students who identify as Indigenous in enrolment data over the total of domestic students registered.</p> <p>The number of undergraduates is based on student enrolment data collected through the department's Tertiary Collection of Student Information system.</p>
<b>Source</b>	DESE, program administration data, Higher Education Statistics Collection.
<b>Contributing program</b>	2.3 Higher Education Support

**Activity – Maintaining the quality of higher education**

**PM016**

<b>Measure</b>	<b>Proportion of undergraduate students who rate the teaching quality at their institution positively</b>
<b>Target</b>	At least 80%
<b>Result</b>	<b>Not achieved (78%)</b>
<b>Analysis</b>	<p>In 2020, 78% of undergraduate students rated the teaching quality at their institution positively, down from 81% in 2019. COVID-19 restrictions had a major impact on teaching and learning methods at higher education institutions, impacting negatively on student ratings of teaching quality for 2020.</p> <p>Inclusion of this metric in the performance-based funding for the Commonwealth Grant Scheme calculations will further incentivise universities in this area.</p>
<b>Methodology</b>	Number of students rating the teaching received as positive over the total number of students with valid survey responses.
<b>Source</b>	Quality Indicators for Learning and Teaching (QILT), Student Experience Survey.
<b>Contributing program</b>	2.3 Higher Education Support

**PM017**

<b>Measure</b>	<b>Proportion of employers who are satisfied with the skills of graduates (overall across all skills)</b>
<b>Target</b>	85%
<b>Result</b>	<b>Achieved (85%)</b>
<b>Analysis</b>	<p>Employer satisfaction is an indicator of the range and quality of higher education performance and provides insights into the work readiness of recent graduates.</p> <p>Since the inception of this survey in 2016, the overall employer satisfaction indicator has been essentially stable, varying only within the bounds of survey error. The survey indicates that in general employers have high levels of satisfaction with graduates produced by the Australian higher education system.</p> <p>The inclusion of graduate employment outcomes in the performance-based funding for Commonwealth Grant Scheme calculations will further incentivise universities to improve their engagement with employers, which should help them to continue to meet the evolving skills needs of employers.</p>



**PM017 (continued)**

<b>Measure</b>	<b>Proportion of employers who are satisfied with the skills of graduates (overall across all skills)</b>
<b>Methodology</b>	Number of employers of graduates satisfied with the skills of the graduate over the number of employers who responded to the survey question.
<b>Source</b>	Quality Indicators for Learning and Teaching (QILT), Employer Satisfaction Survey.
<b>Contributing program</b>	2.3 Higher Education Support

**Activity – Tertiary education is affordable for students and the community**

**PM018**

<b>Measure</b>	<b>The proportion of HELP debt not expected to be repaid</b>
<b>Target</b>	Equal to or lower than 2019–20 (14.69%)
<b>Result</b>	<b>Not achieved (15.07%)</b>
<b>Analysis</b>	<p>The HELP ‘debt not expected to be repaid’ (DNER) is an indicator of the affordability of higher education compared to earnings of those with these debts.</p> <p>The proportion of HELP (DNER) for new debt incurred in 2020–21 is 15.07%. The amount of DNER has increased from 2019–20 (14.69%). However, this upwards fluctuation still represents a decrease from the overall DNER estimate of 15.76% calculated for 2018–19, and a significant decrease from the proportion of DNER estimated for 2017–18 of 18%. These reductions are partly due to the introduction of a new schedule of HELP repayment thresholds from 2019–20.</p> <p>There have been no significant changes to policy or the Australian Government Actuary (AGA) income modelling methodology or associated assumptions used to calculate DNER and total HELP debt.</p>
<b>Methodology</b>	<p>The result is calculated by estimating the HELP DNER over the total HELP debt.</p> <p>The actuarial determined DNER and total HELP debt is based on modelling of longitudinal data including loan recipient age, repayment and default history. This estimate only includes debts incurred through higher education.</p>
<b>Source</b>	AGA, Reporting of the HELP Receivable report. Australian Taxation Office, Annual HELP Data Report.
<b>Contributing program</b>	2.4 Higher Education Loan Program

**Activity – Australian universities continue to rank highly in research excellence**

**PM019**

<b>Measure</b>	<b>Australia’s share of the world’s top 10% most highly cited research publications</b>
<b>Target</b>	Above the Organisation for Economic Co-operation and Development (OECD) average (2.8% in 2020)
<b>Result</b>	<b>Achieved (5.3%)</b>
<b>Analysis</b>	<p>This measure reflects the influence Australian research has on the world and reflects the quality of research being conducted.</p> <p>In 2020, the average share of the world’s top 10% most highly cited research publications among OECD countries was 2.8%. Australia’s share is above this average at 5.3%, which ranks Australia fourth behind the United States, the United Kingdom and Germany. Australia’s ranking remains the same as the previous year and has remained relatively stable over the past 5 years.</p>
<b>Methodology</b>	The result is calculated using the number of Australian research publications in the top 10% most cited over the total number of publications, compared to the average share of OECD countries.
<b>Source</b>	SciVal/Scopus (bibliometric abstract and citation database).
<b>Contributing program</b>	2.5 Investment in Higher Education Research

**Activity – Research postgraduates continue to have high employability**

**PM020**

<b>Measure</b>	<b>Proportion of research postgraduates who are employed within four months of completing their degree</b>
<b>Target</b>	90% or higher
<b>Result</b>	<b>Achieved (90%)</b>
<b>Analysis</b>	<p>Employment soon after completing tertiary education has a positive impact on a student’s future employment opportunities.</p> <p>In 2020 the proportion of research postgraduates employed within 4 months of completing their degree was 90%.</p> <p>Research postgraduate employment outcomes are highly dependent on general economic and labour market conditions.</p> <p>Overall employment rates, as measured in this indicator, have been relatively stable in recent years. While the target has been achieved, there has been a small decline from 90.7% in 2019 to 90.0% in 2020. The impact of COVID-19 on the labour market may see a continued fall in employment rates for the 2021–22 reporting year.</p>
<b>Methodology</b>	The result is calculated using the number of research postgraduates employed within 4 months of completing their degree over the total number available for work in that 4 months.
<b>Source</b>	Quality Indicators in Learning and Teaching (QILT), Graduate Outcomes Survey.
<b>Contributing program</b>	2.5 Investment in Higher Education Research

**Activity – Help young people move into work or education**

**PM021**

<b>Measure</b>	<b>Indigenous higher degree by research (HDR) completions</b>
<b>Target</b>	Increase from previous year (72 completions)
<b>Result</b>	<p><b>Not achieved</b></p> <p>Indigenous HDR completions reported in 2020 is 67 compared to 72 Indigenous HDR completions reported in 2019, which represents a decrease of 4 completions.</p>
<b>Analysis</b>	<p>The decrease in Indigenous HDR completions for 2020 is consistent with an overall decrease in all HDR completions from 2019 to 2020.</p> <p>The number of Indigenous HDR completions is small, which can lead to some fluctuation on year-by-year basis reporting. However, the number of Indigenous HDR completions is trending upwards over the longer term, with 43 Indigenous HDR completions reported in 2011 and 54 Indigenous HDR completions reported in 2018. The main reason for this longer-term growth is an increase in Indigenous HDR enrolments over 10 years to 2018 (61.8%). The government’s Research Training Program includes financial incentives for higher education providers with Indigenous HDR completions.</p>
<b>Methodology</b>	A comparison of the number of Indigenous HDR completions to the previous year.
<b>Source</b>	DESE, program administrative data, Selected Higher Education Statistics collection.
<b>Contributing program</b>	2.5 Investment in Higher Education Research

**Activity – Investments are prioritised to ensure researchers have access to the resources needed to undertake world-class research**

**PM022**

<b>Measure</b>	<b>Proportion of research conducted by Australian universities and related to priority investment areas is rated as world standard or above</b>
<b>Target</b>	85% or higher
<b>Result</b>	<b>Achieved (91%)</b>
<b>Analysis</b>	<p>This measures the influence Australian research has on the world and reflects the quality of research being conducted.</p> <p>Across the projects, 8,525 research items were supported by the National Collaborative Research Infrastructure Strategy (NCRIS) during 2019–20. Of those, 91% of the research items were published in the top 2 quartiles of research journals worldwide.</p>
<b>Methodology</b>	<p>Publication data was sourced from the NCRIS Projects through the usual Census data collection mechanism, and 20 of the 21 projects returned full responses by the deadline. One partial response was not included to reduce the potential for bias.</p> <p>A methodology change occurred as the department changed from SciVal to InCites as the supported publication metric platform during this year. The equivalent, but not identical, metric for rating research as world standard or above in InCites was used, i.e. the publication being published in the top 2 quartiles of journals (Q1 and Q2).</p>
<b>Source</b>	Publication data was sourced from the projects through the usual Census data collection mechanism.
<b>Contributing program</b>	2.6 Research Capacity

**PM023**

<b>Measure</b>	<b>Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs</b>
<b>Target</b>	90% or higher
<b>Result</b>	<b>Achieved (95%)</b>
<b>Analysis</b>	The 2020–21 survey results shows that 95% of users who responded to the survey believe NCRIS research infrastructure improved research quality and outputs.
<b>Methodology</b>	An annual survey collects data based on the previous financial year.  The result is calculated using the number of respondents who report that NCRIS has improved research quality and outcome over the total number of survey respondents.
<b>Source</b>	NCRIS user survey.
<b>Contributing program</b>	2.6 Research Capacity

**Activity – Sustainably grow Australia’s international education sector by maintaining quality and increasing diversity**

**PM024**

<b>Measure</b>	<b>Average annual growth rate in international education export earnings</b>
<b>Target</b>	3–5% annual growth
<b>Result</b>	<b>Not achieved (-0.7% decline)</b>
<b>Analysis</b>	The decline in earnings from 2018–19 (\$37.8 billion) to 2019–20 (\$37.5 billion) reflects the effects of COVID-19. Although enrolled student numbers did not decline over this period, up to 20% of enrolled students were unable to enter Australia due to travel restrictions imposed in February and March 2020. Those students remained enrolled and paid tuition fees but did not purchase other goods and services in Australia. Their tuition fees (\$1.4 billion in 2019–20) were also reported by the ABS but under a different category (correspondence courses). This figure cannot be included in the growth calculation as it does not conform to the methodology used to calculate this indicator.

**PM024 (continued)**

<b>Measure</b>	<b>Average annual growth rate in international education export earnings</b>
<b>Methodology</b>	The increase of international education export earnings for the particular year over the international education export earnings from the previous year. The methodology used to calculate international education export earnings is defined by the ABS.
<b>Source</b>	ABS, International Trade in Goods and Services, Australia, June 2021.
<b>Contributing program</b>	2.7 International Education Support

**PM025**

<b>Measure</b>	<b>Proportion of international students who are satisfied or very satisfied with studying and living in Australia</b>
<b>Target</b>	85% or higher
<b>Result</b>	<p><b>Not achieved</b></p> <ul style="list-style-type: none"> <li>▪ Not achieved (63% satisfied with studying)</li> <li>▪ Achieved (90% satisfied with living)</li> </ul>
<b>Analysis</b>	Actions to mitigate the impacts of the COVID-19 pandemic resulted in major disruptions to teaching and learning methods at higher education institutions, negatively affecting student experience and hence ratings of teaching quality for 2020, for both international and domestic students. It is anticipated these student ratings will improve with the resolution of COVID-19 restrictions; however, this indicator will not continue as a performance criterion, as indicated in the department’s 2021–22 Portfolio Budget Statements.
<b>Methodology</b>	Number of students rating the teaching received as positive over the total number of students with valid survey responses and the number of students rating their living experience as positive over the total number of students with valid survey responses. Note the survey cohorts for measuring living experience were those living in Australia only, while the survey cohorts reporting on teaching satisfaction included those in and outside Australia. Hence the measures for studying and living experience cannot be validly combined into one measure.
<b>Source</b>	Quality Indicators for Learning and Teaching (QILT), Student Experience Survey.
<b>Contributing program</b>	2.7 International Education Support

**PM026**

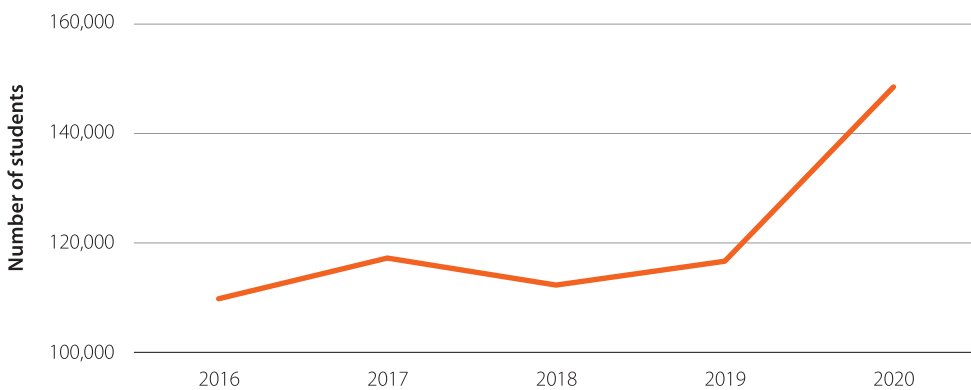
<b>Measure</b>	<b>Proportion of international students employed or enrolled in further study after graduation</b>
<b>Target</b>	60%
<b>Result</b>	<b>Achieved (70%)</b>
<b>Analysis</b>	<p>Employment of graduates is an indicator of the quality of education and work readiness provided to higher education students.</p> <p>Although the target was achieved, actions introduced to mitigate the impact of the COVID-19 pandemic and the resulting downturn in labour markets have reduced employment opportunities for recent higher education graduates.</p>
<b>Methodology</b>	Number of international undergraduates employed within 4 months of completing a degree over the total number of international graduates available for work in that 4 months. International students are identified by the citizenship indicator, which shows whether a student's citizenship or residence status is domestic or overseas.
<b>Source</b>	Quality Indicators for Learning and Teaching (QILT), Graduate Outcomes Survey.
<b>Contributing program</b>	2.7 International Education Support



**PM027**

<b>Measure</b>	<b>Number of students enrolled in offshore and transnational education and training delivered by Australian providers</b>
<b>Target</b>	Increase from previous year <sup>2</sup>
<b>Result</b>	<b>Achieved (27% increase)</b> This result is for the 2020 calendar year.
<b>Analysis</b>	There was a much higher increase in 2020 than in previous years due to the impact of the COVID-19 pandemic and related international travel restrictions (see Figure 2.1). Thus, many students intending to study in Australia in 2020 were unable to and so added to the total number of offshore students in 2020. Once borders open and students return, we are likely to see the number of students offshore decrease.
<b>Methodology</b>	Number of students reported with their term residence outside Australia.
<b>Source</b>	Higher Education Information Management System / Tertiary Collection of Student Information.
<b>Contributing program</b>	2.7 International Education Support

**Figure 2.1: Number of students enrolled in offshore and transnational education and training delivered by Australian providers**



2 As highlighted in the 2020–21 Corporate Plan, this target was impacted by the effects of the COVID-19 pandemic including border closures.

### Outcome 3

#### Activity – Maintain the quality of vocational education and training

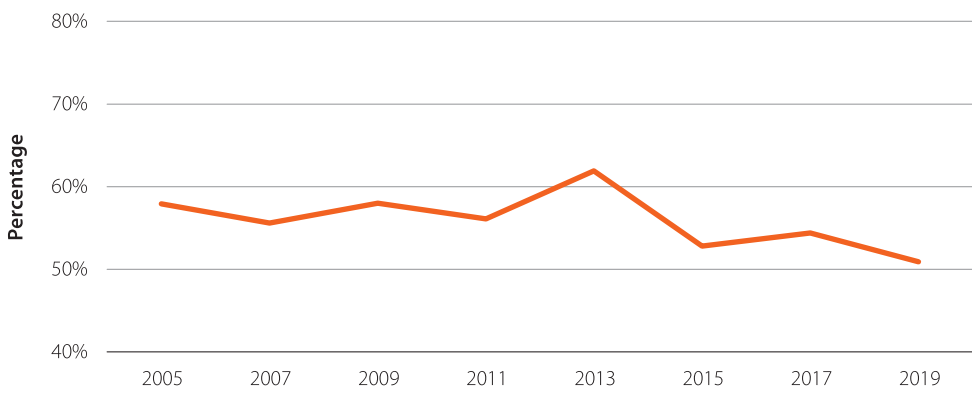
##### PM028

Measure	Proportion of employers that report use of the VET system
<b>Target</b>	50%
<b>Result</b>	<b>Achieved (50.9%)</b>
<b>Analysis</b>	<p>This measure indicates employers’ satisfaction with the VET system to find and employee trainees.</p> <p>As this survey was conducted in 2019, the impact of COVID-19 on employers’ use of the VET system in 2020 will be available at the end of 2021 as the Survey of Employers’ Use and Views of the VET System is conducted biennially.</p> <p>The most recent result from 2019 shows that VET remains a training system of choice for a substantial proportion of employers.</p> <p>About one in 3 employers (34.2%) reported they had jobs requiring vocational qualifications. Employers using the VET system were generally satisfied – 78.8% of employers were satisfied with their use of nationally recognised training and 77.6% of employers with apprentices and trainees were satisfied.</p> <p>The proportion of employers who report they use VET has exceeded 50% since the survey commenced in its current form in 2005 (as shown in Figure 2.2). In the past 10 years, there has been a decline in the proportion of employers using VET. In response, the department is supporting initiatives to strengthen industry engagement in the VET system, to design industry-relevant training products and to streamline and simplify existing national qualifications to make the VET system more relevant to industry and employer needs.</p>
<b>Limitations</b>	The measure is derived from a sample survey; estimates are subject to sampling error.

**PM028 (continued)**

Measure	Proportion of employers that report use of the VET system
<p><b>Methodology</b></p> <p>The indicator measures employers’ self-reported use of the VET system. The survey is conducted by the National Centre for Vocational Education Research (NCVER) and in 2019 around 7,000 employers responded.</p> <p>The 2019 survey sample was designed to maximise overlap with respondents to the 2017 survey to increase the precision in estimates of change over time.</p> <p>The result is calculated using the number of businesses with employees that – in the previous 12 months – used nationally recognised training, had apprentices/trainees, or had jobs that require a vocational qualification, over the total number of businesses with employees.</p>	
<p><b>Source</b></p>	<p>NCVER, Employers’ Use and Views of the VET System, 2019.</p>
<p><b>Contributing program</b></p>	<p>3.1 Building Skills and Capability</p>

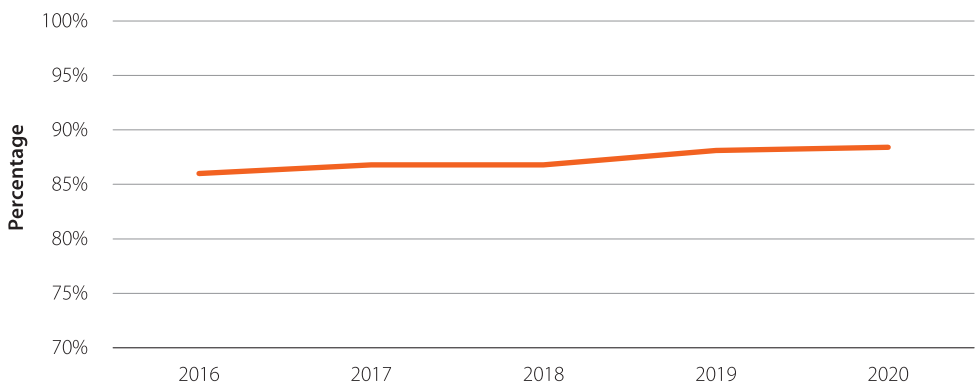
**Figure 2.2: Proportion of employers that report use of the VET system**



**PM029**

<b>Measure</b>	<b>Proportion of graduates who are satisfied with the overall quality of the training</b>
<b>Target</b>	85%
<b>Result</b>	<b>Achieved (88.4%)</b>
<b>Analysis</b>	<p>Satisfaction with the training provided through the VET system indicates the quality of training being provided.</p> <p>Students undertaking vocational education and training consistently report high levels of satisfaction with the training they receive. In 2020, this measure has again exceeded the target of 85%, as it has since 2016 (the first year where the scope of the survey included all VET graduates). The measure increased by 0.3 percentage points between 2019 and 2020, with an overall increase of 2.4 percentage points since 2016.</p> <p>See Figure 2.3 for survey outcomes from 2016 to 2020.</p> <p>To build on these consistently strong results, the department has also introduced a new survey, the VET Student Experience Survey (VETSES), which surveys students while they are currently training to gain more immediate insights into whether students are satisfied with their training while they are completing it. This will provide regular waves of student data throughout the year, and enable ASQA to act quickly on any issues raised in the surveys. The VETSES will add to the evidence base by providing targeted and timely data to assist ASQA to monitor the performance of training providers.</p>
<b>Limitations</b>	The result is derived from responses to a sample survey; estimates are subject to sampling error.
<b>Methodology</b>	<p>The results are based on the annual survey consistent with previous reporting. The latest survey results for 2020–21 are from the 2020 National Student Outcomes Survey.</p> <p>The result is calculated using the number of VET graduates who were satisfied or very satisfied with the overall quality of their training, over the total number of VET graduates.</p>
<b>Source</b>	NCVER, National Student Outcomes Survey, 2020.
<b>Contributing program</b>	3.1 Building Skills and Capability

**Figure 2.3: Proportion of graduates who are satisfied with the overall quality of the training**



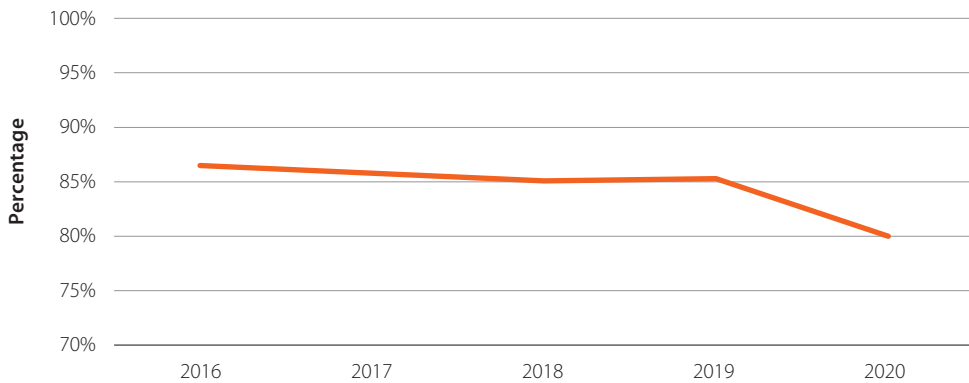
**PM030**

<b>Measure</b>	<b>Proportion of VET graduates who are employed or enrolled in further study after training</b>
<b>Target</b>	80%
<b>Result</b>	<b>Achieved (80.3%)</b>
<b>Analysis</b>	<p>Enrolment in further study or training is an indicator of the quality of education being provided, and recognition that study and training results in better employment outcomes.</p> <p>Vocational education and training graduates continue to report strong labour market and further study outcomes. This measure has exceeded the target of 80% since 2016 (the first year where the scope of the survey included all VET graduates).</p> <p>While there has been a notable drop from the previous survey, the 2020 results still met the target of 80% (80.3% in the 2020 survey in comparison to 85.6% in the 2019 survey). The drop in the percentage of VET graduates who are employed or enrolled in further study after training appears to be related to effects of the COVID-19 pandemic, noting that results had been reasonably consistent since 2016, despite short-term fluctuations in the labour market.</p> <p>See Figure 2.4 for outcomes from 2016 to 2020.</p>

**PM030 (continued)**

<b>Measure</b>	<b>Proportion of VET graduates who are employed or enrolled in further study after training</b>
<b>Limitations</b>	The result is derived from responses to a sample survey; estimates are subject to sampling error.
<b>Methodology</b>	The result is calculated using the number of VET graduates who self-reported a labour force status of 'employed' or were enrolled in further study at the time of the survey, over the total number of VET graduates.
<b>Source</b>	NCVER, National Student Outcomes Survey, 2020. The measure combines the outcomes for graduates 'employed after study' and 'enrolled in further study'.
<b>Contributing program</b>	3.1 Building Skills and Capability

**Figure 2.4: Proportion of VET graduates who are employed or enrolled in further study after training**



## Activity – Respond to industry and employers through access to VET graduates with the required skills

### PM031

Measure	Maintain the number of apprenticeship commencements
<b>Target</b>	Maintain numbers from 2019–20
<b>Result</b>	<b>Achieved (51.5% increase)</b>
<b>Analysis</b>	<p>Fluctuations in apprenticeship commencement numbers indicate the strength of a sector and future full-time employment opportunities.</p> <p>The number of apprenticeship commencements in the first half of the 2020–21 financial year has increased by 51.5% compared to the first half of 2019–20. There were 95,755 commencements in the first 6 months of 2020–21 compared to 63,220 in the first 6 months of 2019–20.</p>
<b>Methodology</b>	Number of apprenticeship commencements in the first 6 months of the current financial year compared to the number of commencements for the first 6 months of the previous financial year.
<b>Source</b>	<p>NCVER, National Apprentice and Trainee Collection, December quarter 2020.</p> <p>Note: NCVER releases data 6 months in arrears, so the December quarter 2020 data was released on 1 July 2021. The full 2020–21 financial year data will not be available until December 2021.</p>
<b>Contributing program</b>	3.1 Building Skills and Capability

**Activity – Improve language, literacy and numeracy for target groups**

**PM032**

<b>Measure</b>	<b>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)</b>
<b>Target</b>	80%
<b>Result</b>	<b>Achieved (95%)</b>
<b>Analysis</b>	<p>The ACSF is a tool which assists both specialist and non-specialist English language, literacy and numeracy practitioners describe an individual’s performance in the 5 core skills of learning, reading, writing, oral communication and numeracy. It provides a consistent national approach to identifying and developing the core skills in 3 diverse contexts: personal and community, workplace and employment, and education and training. Success in these areas indicates increased employment opportunities.</p> <p>The Skills for Education and Employment (SEE) clients are assessed against the ACSF at the commencement of the program, and after every 200 hours of training, to track progress.</p> <p>SEE providers have remained responsive in delivering language, literacy and numeracy training both remotely and face-to-face throughout the year, despite the impact of COVID-19. Client progression continued to remain stable, with a comparable trend to previous years, and the majority of SEE participants were successful in making improvements against the ACSF.</p>
<b>Methodology</b>	The result is calculated using the number of SEE clients assessed as achieving an increase in one or more indicators after completing 200 hours or more of training, over the total number of assessed program participants.
<b>Source</b>	DESE, SEE program administrative data.
<b>Contributing program</b>	3.1 Building Skills and Capability



**Activity – Reduce financial student barriers to undertaking quality higher-level VET training**

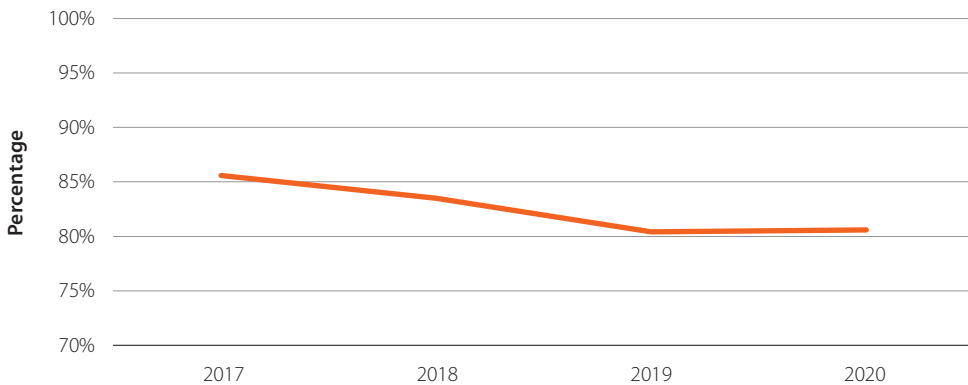
**PM033**

<b>Measure</b>	<b>Proportion of VET Student Loans students who are satisfied with the quality of their training provider</b>
<b>Target</b>	80%
<b>Result</b>	<b>Achieved (80.6%)</b>
<b>Analysis</b>	<p>Satisfaction with training providers indicates the quality of training being provided, leading to increased employment opportunities, or further training and study.</p> <p>Students undertaking vocational education and training continue to report high levels of satisfaction with their training provider. Although the measure has exceeded the target (80%) for the past 4 years, it has shown a downward trend for survey outcomes.</p> <p>See Figure 2.5.</p> <p>When comparing results across years, the slight downward trend can be attributed to the following factors:</p> <ul style="list-style-type: none"> <li>▪ The mix of students surveyed has varied over time, with increasing numbers of continuing students being included in the result.</li> <li>▪ Bushfires and the COVID-19 pandemic have meant changes to student arrangements, such as disruptions or increased delivery of online learning.</li> </ul> <p>The department will continue:</p> <ul style="list-style-type: none"> <li>▪ taking student satisfaction into account when determining provider fee limits (i.e. the maximum amount the department will pay in loans for a given provider), approved courses, and re-approvals of providers as their respective periods of approval approach expiry</li> <li>▪ influencing providers to improve through provider discussions and performance reviews.</li> </ul> <p>The department is planning to share provider information through a portal being developed as part of the project to enhance the performance information for VET, enabling providers to assess engagement with students.</p>

**PM033 (continued)**

<b>Measure</b>	<b>Proportion of VET Student Loans students who are satisfied with the quality of their training provider</b>
<b>Limitations</b>	Results are reliant on students answering and submitting survey data.
<b>Methodology</b>	Number of VET Student Loans students who responded to the electronic Commonwealth assistance form (eCAF) survey and who provided an average rating of 'satisfied' or 'very satisfied' over the total number of VET Student Loans students who responded to the survey.
<b>Source</b>	Students' surveys submitted through the eCAF form for the 2020 calendar year.
<b>Contributing program</b>	3.2 VET Student Loans

**Figure 2.5: Proportion of VET Student Loans students who are satisfied with the quality of their training provider**



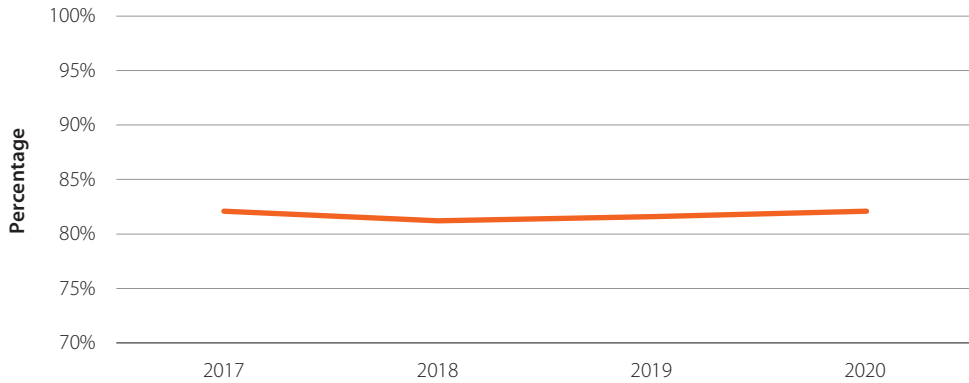
**PM034**

<b>Measure</b>	<b>Proportion of VET Student Loans students who complete units of study in VET Student Loans</b>
<b>Target</b>	70%
<b>Result</b>	<b>Achieved (82.1%)</b>
<b>Analysis</b>	<p>Completing units of study leads to increased employment opportunities and higher labour force participation.</p> <p>VET students continue to have strong unit of study completion rates. This measure has exceeded the target of 70% since 2017 (the year it was introduced). Results in Figure 2.6 show a small amount of variation over time but have consistently fallen into the 81–82% range.</p> <p>To foster these consistently strong outcomes the department will:</p> <ul style="list-style-type: none"> <li>▪ continue its focus on approving/re-approving only high-quality providers for participation in the VET Student Loans program</li> <li>▪ encourage good providers to participate (e.g. allowing higher provider fee limits up to the maximum amount the department will pay in loans for a given provider)</li> <li>▪ monitor provider outcomes</li> <li>▪ initiate provider discussions and performance reviews as relevant.</li> </ul>
<b>Limitations</b>	The completion rate relies on providers' submissions of unit of study completions for the 2020 calendar period.
<b>Methodology</b>	<p>The results for student completion rates for each reporting year are based on data extracted in July of the year following the reporting year. The lag of 6 months before extraction of the data allows additional time for providers to complete their submissions of units of study data into the system.</p> <p>The result is calculated using the number of reported equivalent full-time study load (EFTSL) units of study completed, over the total number of EFTSL units of study.</p>

**PM034 (continued)**

<b>Measure</b>	<b>Proportion of VET Student Loans students who complete units of study in VET Student Loans</b>
<b>Source</b>	Student completions data submitted by VET Student Loans approved course providers through the department's Higher Education Information Management System for the 2020 calendar year.
<b>Contributing program</b>	3.2 VET Student Loans

**Figure 2.6: Proportion of VET Student Loans students who complete units of study**



**PM035**

<b>Measure</b>	<b>Proportion of eligible apprentices that employers lodge claims for under the Supporting Apprentices and Trainees measure</b>
<b>Target</b>	70%
<b>Result</b>	<b>Achieved (75.4%)</b>
<b>Analysis</b>	<p>The Supporting Apprentices and Trainees (SAT) wage subsidy was a retention measure designed to shield apprentices and trainees from the economic fallout of the pandemic.</p> <p>Data from the NCVER in December 2019 indicated there were approximately 182,000 apprentices and trainees potentially eligible for the SAT wage subsidy on 1 July 2020.</p> <p>As of 30 June 2021, 137,255 apprentices or trainees (75.4%) have received a SAT wage subsidy since 30 March 2020. This result suggests that over 70% of eligible apprentices and trainees have been supported by the wage subsidy throughout the life of the measure.</p>
<b>Methodology</b>	<p>Proportion of eligible apprentices and trainees that employers claim the SAT wage subsidy for: (Number of claims lodged for unique apprentices)/ (Total number of eligible apprentices )=A/B.</p> <p>Total number of eligible apprentices (B) uses the NCVER data on apprentices and trainees employed with a small or medium business as at 1 December 2019.</p>
<b>Source</b>	The performance measure uses program data and data from the NCVER as the source for VET data, including commencement, completion, and attrition data, as well as DESE Training and Youth Internet Management System data for point-in-time and historical data on the broader apprentices cohort (including the SAT wage subsidy cohort).
<b>Contributing program</b>	3.1 Building Skills and Capability

## Outcome 4

### Activity – Job seekers find and keep a job

#### PM036

Measure	Proportion of job placements sustained to 26 weeks
<b>Target</b>	30% Overall 30% Indigenous Australians
<b>Result</b>	<b>Achieved</b> <ul style="list-style-type: none"> <li>▪ Achieved (34.0% Overall)</li> <li>▪ Not achieved (24.6% Indigenous Australians)</li> </ul>
<b>Analysis</b>	<p>This measure is an indicator of the ability of the department’s job placement programs to achieve ongoing sustainable employment outcomes. The results for both overall and Indigenous participants have declined significantly from the 2019–20 results. The rate for Indigenous participants is below the target 30%.</p> <p>The broader labour market decline associated with COVID-19 has had a significant impact on the rate at which job placements convert to 26-week outcomes. Some participants who had started a new job before the onset of the pandemic in mid-March 2020 subsequently lost work or had their hours reduced such that the jobactive provider was not eligible for a 26-week outcome payment.</p> <p>Job placements commenced after the start of the pandemic have also been less likely to convert to 26-week outcomes as labour market recovery has been stronger for part-time than for full-time employment.</p>

**PM036 (continued)**

Measure	Proportion of job placements sustained to 26 weeks
<p><b>Methodology</b></p>	<p>This measure tracks sustainable employment gained through jobactive, reporting on the proportion of job placements that converted into a 26-week outcome. The measure also reflects the department’s commitment to the Closing the Gap initiative. To drive continuous improvement in Indigenous employment, the department set a specific parity target for achieving sustainable outcomes for Indigenous participants.</p> <p>A jobactive provider receives a 26-week outcome payment if the participant remains employed for 26 weeks and reduces their reliance on income support by 100%. Adjustments are made for participants with modified mutual obligation requirements.</p> <p>The results are based on the 12-month period from 6 November 2019 to 4 November 2020.</p> <p>The result is calculated using the number of job placements that were sustained to a 26-week employment outcome over the total number of job placements that could have achieved a 26-week outcome, in a 12-month period.</p>
<p><b>Source</b></p>	<p>DESE’s administrative system – ESSWeb – is used to administer employment services.</p>
<p><b>Contributing program</b></p>	<p>4.1 Employment Services</p>

**PM037**

<b>Measure</b>	<b>Proportion of job seekers employed three months following participation in employment services</b>
<b>Target</b>	45% Overall 55% Stream A 40% Stream B 25% Stream C
<b>Result</b>	<p><b>Not achieved</b></p> <ul style="list-style-type: none"> <li>▪ Not achieved (41.8% Overall)</li> <li>▪ Not achieved (51.1% Stream A)</li> <li>▪ Not achieved (31.6% Stream B)</li> <li>▪ Not achieved (20.6% Stream C)</li> </ul>
<b>Analysis</b>	<p>This measure is an indicator of the ability of the department’s job placement programs outcomes. Stream A are the most job ready and require minimal support from their provider. Stream B need their employment provider to play a greater role in making them job ready. Stream C have a combination of vocational and non-vocational issues that need to be addressed so that they can take up and retain a job.</p> <p>The overall and stream-specific results have decreased significantly since last year, and did not meet their targets.</p> <p>The COVID-19 pandemic has had a significant impact on this measure, as the pandemic-induced labour market decline from March 2020 affected participants’ ability to find and sustain employment.</p> <p>However, there has been some improvement in results over the course of the year as labour market conditions improved. The results for those participating in jobactive in October, November and December 2020 were significantly better than for those participating earlier in the year.</p>



**PM037 (continued)**

<b>Measure</b>	<b>Proportion of job seekers employed three months following participation in employment services</b>
<b>Methodology</b>	<p>The department’s Post-Program Monitoring survey samples jobactive provider-serviced participants on their employment (labour market) status around 3 months after participation. The survey data provides additional information not available from administrative data, such as the employment and education status of exited participants. It provides a fuller picture of employment outcomes, as not all employment undertaken by jobactive participants is recorded in the department’s job placement records.</p> <p>The results are based on the 12-month period between 1 January 2020 and 31 December 2020.</p> <p>The result is calculated by estimating the number (of a representative sample) of job seekers employed 3 months following participation in jobactive over the total number of job seekers who participated in jobactive during the reference period (a rolling 12-month period).</p> <p>The population for this measure does not include participants in Online Employment Services or the New Employment Services Trial.</p>
<b>Source</b>	DESE program administrative data. Employment rates are sourced from the Post-Program Monitoring survey.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Help job seekers move from welfare to work**

**PM038**

<b>Measure</b>	<b>Proportion of job seekers moving off income support, or with reduced reliance on income support, six months after participation in jobactive</b>
<b>Target</b>	40%
<b>Result</b>	<b>Data not available</b>
<b>Analysis</b>	<p>This measure is an indicator of the ability of the department’s job placement programs employment outcomes.</p> <p>This performance measure cannot be reliably reported for 2020–21. This is because a number of unanticipated and complex external factors have changed, preventing meaningful comparisons to previous years or to the target:</p> <ul style="list-style-type: none"> <li>Income support exit patterns and reasons for exit in 2020–21 are highly unusual, and reflect operational changes to processes governing referrals between Services Australia, jobactive and other employment services – as well as inherent program performance.</li> <li>Temporary changes to income support eligibility mean that some job seekers have exited income support under conditions that did not apply in previous years, and did not consistently apply throughout 2020–21.</li> <li>Policy settings governing participation in employment services and receiving income support have changed or been temporarily suspended.</li> </ul>
<b>Methodology</b>	<p>To report on this measure a snapshot of the income support status of all job seekers on the jobactive caseload is taken at the end of each month of the reference period. Each job seeker’s income support status is then compared with their income support status 6 months later.</p> <p>The result is calculated using the number of job seekers off income support, or with reduced reliance on income support (defined as a reduction of 60% or more), 6 months after participating in jobactive over the total number of job seekers on income support who participated in jobactive during the reference period.</p>
<b>Source</b>	DESE’s administrative system – ESSWeb – which is used to administer employment services. Income support data is collected by Services Australia.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Help job seekers meet their mutual obligation requirements**

**PM039**

<b>Measure</b>	<b>Proportion of Work for the Dole (WfD) participants who report increased motivation to find a job</b>
<b>Target</b>	75%
<b>Result</b>	<b>Data not available</b>
<b>Analysis</b>	No Post-Program Monitoring survey was conducted on WfD participants between March 2020 and November 2020 as the program had been suspended due to the COVID-19 pandemic. As a result the data required is not available for reporting and therefore results for this measure cannot be calculated.
<b>Methodology</b>	<p>When data is available for this measure, the results are based on responses to the Post-Program Monitoring survey from participants who commenced in WfD during the reference period. Participants are surveyed 6 weeks after commencement in a WfD activity.</p> <p>The survey measures the impact of WfD participation on job seekers’ soft skills and outlook and, in particular, the proportion of participants reporting an improvement in their desire to find a job 6 weeks after commencing in a WfD activity.</p> <p>The result is calculated using a representative sample of job seekers, surveyed 6 weeks after participating in WfD, who reported that participation in the activity improved their desire to find a job, over the total number of job seekers who responded to the survey following participation in WfD.</p>
<b>Source</b>	DESE, program administrative data and the Post-Program Monitoring survey.
<b>Contributing program</b>	4.1 Employment Services

**PM040**

<b>Measure</b>	<b>Proportion of provider appointments attended by activity-tested job seekers</b>
<b>Target</b>	90%
<b>Result</b>	<b>Not achieved (78.1%)</b>
<b>Analysis</b>	<p>Participants in jobactive must regularly attend appointments with their provider to monitor progress against their mutual obligation requirements and to discuss strategies to find work. The extent to which job seekers attend these appointments – the attendance rate – is an established measure of job seeker engagement.</p> <p>The attendance rate of provider appointments is below the target; however, the target is designed to be aspirational.</p> <p>The 2020–21 result is consistent with previous years’ performance and 0.2 percentage points higher than in 2019–20 (77.9%).</p> <p>This result was achieved in the context of the impacts of COVID-19. For example, during 2020–21 mutual obligation requirements were reintroduced, with more job seekers needing income support and employment services for the first time and the continual disruption to provider appointments through ongoing state government lockdowns/ social restrictions, as well as changes to provider service delivery methods.</p>
<b>Methodology</b>	The measure is the number of provider appointments attended as a proportion of the total number of appointments attended or not attended without a valid reason.
<b>Source</b>	DESE program administrative data.
<b>Contributing program</b>	4.1 Employment Services

**PM041**

<b>Measure</b>	<b>Proportion of job seekers (with mutual obligation requirements) who are actively looking for work</b>
<b>Target</b>	90%
<b>Result</b>	<b>Not achieved (75.8%)</b>
<b>Analysis</b>	<p>The target rate of job seekers meeting their job search requirement is intentionally aspirational.</p> <p>The 2020–21 result reflects the impacts of COVID-19 lockdowns and natural disasters.</p> <p>Results for this measure are positively skewed during periods where job search mutual obligation requirements are suspended for part or all of the country. This was the case for the first 2 months of the 2020–21 financial year.</p> <p>As mutual obligations were gradually reintroduced, results initially dropped; in part this was a result of the fact that many job seekers were in employment services with job search requirements for the first time. Following an adjustment period, results steadily improved for the remainder of the financial year.</p> <p>While the result is below the 2019–20 result of 86%, results for that year were positively skewed for around 6 months due to the lifting of mutual obligation requirements in response to COVID-19 lockdowns and bushfires. The result is, however, above 2018–19 result of 70.2%.</p>
<b>Methodology</b>	<p>Most job seekers are required to look for work and report their efforts as part of their Job Plan.</p> <p>The measure for job search is calculated as the number of job seekers meeting their job search requirement as a proportion of the total number of job seekers who have a job search requirement.</p>
<b>Source</b>	DESE program administrative data.
<b>Contributing program</b>	4.1 Employment Services

**Activity – jobactive organisations deliver quality services**

**PM042**

<b>Measure</b>	<b>Proportion of employers satisfied with the assistance provided by a jobactive organisation</b>
<b>Target</b>	80%
<b>Result</b>	<b>Achieved (86%)</b>
<b>Analysis</b>	<p>jobactive providers connect job seekers with employers. Employer satisfaction with the providers is an indicator of the program’s success.</p> <p>Of employers who used a jobactive provider in the month prior to being surveyed, about 86% were satisfied with the assistance provided by the jobactive provider, above the target of 80%.</p> <p>Satisfaction with the assistance provided from a jobactive provider was collected starting 10 August 2020, due to the survey earlier in 2020 focusing on the impacts of COVID-19 on employers. Consequently, the 2020–21 financial year result corresponds to the period from 10 August 2020 to 30 June 2021. This has resulted in a smaller sample of responding employers than in previous years but is still within the bounds for responsible reporting.</p> <p>As the department introduces the New Employment Services Model in the coming years, the survey will be adjusted to account for changes in how employers access employment services.</p>
<b>Methodology</b>	The result is calculated using the number of employers who used a jobactive provider in their most recent recruitment activity and who said they were satisfied with the assistance provided, over all employers who used a jobactive provider in their most recent recruitment activity and who reported either satisfaction or dissatisfaction with the assistance provided.
<b>Source</b>	National Skills Commission, Recruitment Experiences and Outlook Survey.
<b>Contributing program</b>	4.1 Employment Services

**PM043**

<b>Measure</b>	<b>Proportion of jobactive organisations that meet their service delivery commitments</b>
<b>Target</b>	80%
<b>Result</b>	<b>Achieved (90%)</b>
<b>Analysis</b>	<p>jobactive providers are required to meet certain requirements, are paid administration fees, and receive outcome payments when a job seeker they are helping to move from welfare to work achieves employment for a period of 4, 12 or 26 weeks.</p> <p>In 2020–21, 90% of jobactive providers met their service delivery commitments.</p> <p>jobactive providers have exceeded the target for meeting their service commitments to job seekers, employers and other stakeholders as outlined in their individual service delivery offers. The result of 90% is slightly lower than the 94% achieved by providers in 2019–20; however, it is a strong achievement considering the challenging operating circumstances presented by COVID-19. This result reflects providers’ ongoing commitment to quality service delivery.</p>
<b>Methodology</b>	<p>jobactive providers are monitored to ensure they are making available to job seekers, employers and other stakeholders the services to which they have committed in their tailored service delivery offers. The department monitors these commitments through the contract management process. This process checks that across a 6-month period, department account managers review 25% of each provider’s service delivery commitments, and assess them as ‘met’, ‘partially met’ or ‘not met’. This means that across a 2-year period, each jobactive provider’s service delivery commitments are assessed at least once.</p> <p>An overall result for the proportion of jobactive providers meeting service delivery commitments is calculated by dividing the number of jobactive providers with at least 80% of their service delivery commitments assessed as ‘met’ by the total of jobactive providers.</p>
<b>Source</b>	DESE, program administrative data sourced from Provider 360 – the contract management system.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Overall program measure**

**PM044**

Measure	Cost per employment outcome
<b>Target</b>	\$2,500
<b>Result</b>	<b>Achieved (\$2,117)</b>
<b>Analysis</b>	<p>Cost per employment outcome is an efficiency measure of jobactive.</p> <p>The cost per employment outcome has decreased significantly over the last year, and is now below the target of \$2,500. This has been driven by both lower expenditure and a higher number of participants finding work.</p> <p>The key drivers of jobactive expenditure are outcome payments, administration fees and the Employment Fund. The jobactive payment model has a strong focus on outcomes, and during periods where jobactive providers have performed well, outcome payments will be the key driver of jobactive expenditure.</p> <p>In 2020 there was a temporary re-weighting of the jobactive payment model, which increased administration fees and decreased outcome payments. Overall, expenditure was slightly lower in 2020, with the suspension of some services, and economic conditions impacting take-up of wage subsidies.</p> <p>At the same time, there was a significant increase in the size of the jobactive provider-serviced caseload, from less than 600,000 in December 2019 to more than 900,000 in December 2020. Even though job seekers were less likely to find employment, the large increase in the total number of job seekers resulted in a higher number of employment outcomes for this measure.</p>



**PM044 (continued)**

Measure	Cost per employment outcome
<b>Methodology</b>	<p>The cost per employment outcome is a measure of efficiency and is the average sum of money spent per employment outcome. The total expenditure on jobactive includes expenditure such as administration fees, outcome payments and support provided from the Employment Fund. Employment outcomes are estimated as the number of participants employed 3 months after participating in jobactive as measured by the Post-Program Monitoring survey. Note that this is not the same as the number of employment outcomes paid to providers.</p> <p>The reference period for this measure is participants in jobactive from 1 January 2020 to 31 December 2020.</p> <p>The result is calculated using the total expenditure on jobactive job seekers within the relevant reference period, over the estimated number of job seekers who were employed 3 months after participating in jobactive.</p> <p>Participants in and costs associated with Online Employment Services and the New Employment Services Trial are excluded from the measure, to maintain comparability with previous years.</p>
<b>Source</b>	DESE’s financial data, program administrative data, and responses to the Post-Program Monitoring survey.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Help people create their own job through self-employment**

**PM045**

<b>Measure</b>	<b>Proportion of NEIS participants off income support or working 20 hours a week 3 months after participating in and then exiting NEIS</b>
<b>Target</b>	68%
<b>Result</b>	<b>Not achieved (59%)</b>
<b>Analysis</b>	<p>The NEIS helps people develop and start small businesses by offering accredited small business training, help to develop business plans, personalised mentoring from a provider, and allowances or assistance for those eligible.</p> <p>The suspension of mutual obligation requirements and Australian Government income support policy changes in 2020–21, in response to the Australian bushfires and COVID-19, has led to a larger number of NEIS participants remaining on Services Australia income support payments while participating in the program. Between April 2020 and March 2021, NEIS participants could access Services Australia income support and the coronavirus supplement while participating in the NEIS program. As a consequence, fewer NEIS participants did not meet the requirements for this outcome.</p> <p>Future performance is subject to economic conditions and other labour market changes, including any future COVID-19 restrictions. As the Australian economy continues to improve, more people are expected to participate in NEIS and come off income support or be working 20 hours a week 3 months after their participation in the program.</p>
<b>Methodology</b>	<p>The results are based on administrative data for the period between 1 July 2015 and 30 June 2021.</p> <p>To determine whether participants achieved sustainable work, the measure samples all NEIS participants who exited NEIS at least 3 months ago. The result is calculated using the number of NEIS participants off income support or working 20 hours a week 3 months after exiting NEIS.</p>
<b>Source</b>	DESE, program administrative data.
<b>Contributing program</b>	4.1 Employment Services

## Activity – Support parents to build their work readiness

### PM046

Measure	Proportion of ParentsNext participants who increase their work readiness
<b>Target</b>	75% Overall 75% Indigenous Australians
<b>Result</b>	<b>Achieved</b> <ul style="list-style-type: none"> <li>▪ Achieved (75% Overall)</li> <li>▪ Achieved (75% Indigenous Australians)</li> </ul>
<b>Analysis</b>	<p>ParentsNext has achieved 75% against both targets for this measure.</p> <p>A number of factors can affect work readiness assessment results, including the accuracy of each assessment and the length of time the participant is receiving assistance in the program. Participants are more likely to improve their work readiness the longer they are engaged with their provider, and once they move past their third and fourth assessments.</p>
<b>Methodology</b>	<p>Using the Star Online Work Star assessment tool, providers undertake an initial assessment with participants, and conduct subsequent assessments every 6 months. To be included in the population for analysis, a participant must have had at least 2 work readiness assessments, with at least one of these in the current 2020–21 performance period.</p> <p>The result is calculated using the number of participants who increase their work readiness based on their results in the Work Star assessment tool, over the total number of participants who have had more than one work readiness assessment using the tool.</p>
<b>Source</b>	Outcomes Star Online system: Work Star Online Service User Report.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Support parents on a pathway to education or work**

**PM047**

<b>Measure</b>	<b>Number of participants who improve their education (completion of an education course higher than the participant’s previous education level) or find employment</b>
<b>Target</b>	5,000 Overall 1,000 Indigenous Australians
<b>Result</b>	<b>Achieved</b> <ul style="list-style-type: none"> <li>▪ Achieved (17,564 Overall)</li> <li>▪ Achieved (2,659 Indigenous Australians)</li> </ul>
<b>Analysis</b>	<p>With a result of 17,564 for the overall target and 2,659 for the Indigenous target, ParentsNext has significantly exceeded the targets for all measures under the objective to support parents on a pathway to education or employment.</p> <p>These results demonstrate that ParentsNext is achieving the objective of increasing parents’ participation in education and employment. This result contributes to Outcome 4, to assist job seekers into work.</p> <p>This result has been achieved despite parents having no requirement or expectation to find work as part of ParentsNext, which is a pre-employment program. Additionally, participants may have limited capacity to improve their education, due to lack of access to suitable courses, lack of ability to undertake or interest in undertaking further study, or because they already have a high level of qualification.</p>
<b>Methodology</b>	<p>Program administrative data is used to:</p> <ul style="list-style-type: none"> <li>▪ establish participants who were commenced on the caseload from 1 July 2020 to 30 June 2021 (performance period)</li> <li>▪ determine whether participants found employment within the performance period from declared earnings data, exits with stable employment, or approved or pending employment outcome claims</li> <li>▪ determine whether participants increased their education from completed activity commencements or approved/pending education outcome claims within the period</li> <li>▪ establish education level and Indigenous status as captured at referral date.</li> </ul> <p>The result is calculated using the number of participants who improved their education or found employment within the performance period.</p>

**PM047 (continued)**

<b>Measure</b>	<b>Number of participants who improve their education (completion of an education course higher than the participant’s previous education level) or find employment</b>
<b>Source</b>	DESE, program administrative data, including DSS declared earnings data.
<b>Contributing program</b>	4.1 Employment Services

**PM048**

<b>Measure</b>	<b>Proportion of early school leavers who are in or have completed education or training</b>
<b>Target</b>	25%
<b>Result</b>	<b>Achieved (36.6%)</b>
<b>Analysis</b>	<p>This measure is an indicator of the ParentsNext program component targeted at encouraging school leavers who are also parents to engage in additional education and training to increase employment opportunities.</p> <p>This measure has exceeded the target comfortably with 36.6% of participants referred to the program as early school leavers commencing in or completing accredited education in the performance period. This demonstrates that ParentsNext is achieving the objective of increasing participation in education for early school leavers.</p>
<b>Methodology</b>	<p>The result is calculated using the number of participants who are referred to the program due to being early school leavers who:</p> <ul style="list-style-type: none"> <li>▪ commence, or are expected to commence, in an accredited education course, or</li> <li>▪ complete an accredited education course higher than their previous level of education, or</li> <li>▪ achieve an education outcome.</li> </ul> <p>This is divided by the total number of participants who are referred to the program as early school leavers.</p>
<b>Source</b>	DESE, program administrative data.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Support Indigenous prisoners to prepare for and find employment, and reintegrate into the community**

**PM049**

<b>Measure</b>	<b>Proportion of eligible prisoners who participate in the Time to Work Employment Service</b>
<b>Target</b>	50%
<b>Result</b>	<b>Not achieved (22%)</b>
<b>Analysis</b>	<p>Out of the prisoners estimated to be eligible for The Time to Work Employment Service (TWES) in non-remote prisons, 22% volunteered to participate. This is well below the target of 50% of eligible TWES prisoners volunteering to participate in the program, noting that many prisoners went through periods of lockdown due to COVID-19.</p> <p>During the year, the proportion of eligible prisoners who commenced in TWES was below the target of 50% of eligible prisoners. Several factors affected the performance of this measure:</p> <ul style="list-style-type: none"> <li>▪ restrictions limiting TWES providers’ access to prisons to limit the transmission of COVID-19</li> <li>▪ different approaches between states and territories and prisons to promote the service</li> <li>▪ the voluntary nature of the service</li> <li>▪ limited prison resources such as rooms and phones to conduct meetings.</li> </ul>
<b>Methodology</b>	<p>The department provides guidance to corrections departments in state and territory governments on the data parameters.</p> <p>The result is calculated using the number of participants over the number of eligible prisoners in each prison.</p>
<b>Source</b>	DESE, program administrative data. Corrections data for estimated number of eligible prisoners is provided by state and territory governments.
<b>Contributing program</b>	4.1 Employment Services

**PM050**

<b>Measure</b>	<b>Proportion of participants who exit the service with an approved transition plan</b>
<b>Target</b>	25%
<b>Result</b>	<b>Achieved (52%)</b>
<b>Analysis</b>	<p>The TWES provides a voluntary in-prison employment service to adult Aboriginal and Torres Strait Islander sentenced prisoners to facilitate access to the employment services support they need upon release. The objective of the support is to better prepare participants to find employment and reintegrate into the community.</p> <p>Performance against this measure exceeded the target at 52%. It demonstrated that where eligible prisoners volunteer to participate in the service, they are being supported by the provider to complete the service and to better prepare themselves to find employment on release.</p>
<b>Methodology</b>	<p>This measure assesses whether participants who volunteered for the service and exited the program received an approved transition plan before leaving the program.</p> <p>The result is calculated using the number of participants who exited the service with an approved transition plan over the total number of participants who have exited the service.</p>
<b>Source</b>	DESE, program administrative data and transition plans from providers.
<b>Contributing program</b>	4.1 Employment Services

**Activity – Help young people move into work or education**

**PM051**

<b>Measure</b>	<b>Proportion of Transition to Work placements sustained to a 12-week employment outcome, hybrid outcome, or an education outcome</b>
<b>Target</b>	65%
<b>Result</b>	<b>Achieved (71.6%)</b>
<b>Analysis</b>	<p>This measure is an indicator of the success of the TtW program in helping participants to find and gain employment.</p> <p>TtW participants continued to achieve employment, education and hybrid outcomes at rates consistent with previous years.</p> <p>While the onset of the COVID-19 pandemic had a significant impact on employment opportunities for young people, this was partly offset by improved labour market conditions towards the end of the year.</p>
<b>Methodology</b>	<p>The result is based on placements occurring between 14 August 2019 and 13 August 2020 that achieved an employment or education outcome in the 12 months to 30 June 2021.</p> <p>The result is calculated using the number of job placements that led to a 12-week employment or hybrid employment outcome, or a 26-week education outcome being achieved over all job placements recorded in a 12-month period.</p>
<b>Source</b>	DESE, program administrative data from the ESSWeb system, which is used to administer employment services.
<b>Contributing program</b>	4.1 Employment Services



**PM052**

<b>Measure</b>	<b>Proportion of Transition to Work placements that are converted to sustainability outcomes</b>
<b>Target</b>	40%
<b>Result</b>	<b>Achieved (41.6%)</b>
<b>Analysis</b>	<p>This measure is an indicator of the success of the TtW program in helping participants sustain their employment.</p> <p>The result for this measure is above the target but has declined significantly from the 2019–20 financial year. This is in line with expectations, as the broader labour market decline associated with the COVID-19 pandemic has had a significant negative impact on the rate at which TtW participants achieve sustainability outcomes.</p>
<b>Methodology</b>	<p>This measure reports the proportion of TtW placements that converted to sustainable outcomes. Sustainable outcomes are where the participant continued in their employment or education placement for an additional 14 consecutive weeks following the completion of their 12-week employment or hybrid outcome.</p> <p>The reference period for job placements is a placement occurring between 8 May 2019 and 7 May 2020 with outcomes achieved in the 12 months to 30 June 2021.</p> <p>The result is calculated using the number of job placements converted to a 26-week sustainability outcome, over all job placements that can achieve a 26-week sustainability outcome over a 12-month period.</p>
<b>Source</b>	DESE, program administrative data from the ESSWeb system, which is used to administer employment services.
<b>Contributing program</b>	4.1 Employment Services

**PM053**

<b>Measure</b>	<b>Proportion of Transition to Work (TtW) 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.</b>
<b>Target</b>	30%
<b>Result</b>	<b>Data not available</b>
<b>Analysis</b>	<p>This measure is an indicator of the success of the TtW program in reducing participants’ need for income support.</p> <p>This performance measure cannot reliably be reported for 2020–21. This is because a number of unanticipated and complex external factors have changed, preventing meaningful comparisons to previous years or to the target:</p> <ul style="list-style-type: none"> <li>▪ Temporary changes to income support eligibility mean that some job seekers have exited income support under conditions that did not apply in previous years, or consistently throughout 2020–21.</li> <li>▪ Policy settings governing participation in employment services and receipt of income support have changed or been temporarily suspended during the reference period.</li> </ul>
<b>Methodology</b>	<p>When data for this measure is available, the result is calculated using the number of TtW participants who, 6 months after participating in the service, had:</p> <ul style="list-style-type: none"> <li>▪ moved off income support</li> <li>▪ reduced their reliance on income support (defined as a reduction of 60% or more)</li> <li>▪ moved to Youth Allowance (student).</li> </ul> <p>This is then represented as a percentage of all TtW participants on income support who participated in the program during the reference period.</p>
<b>Source</b>	DESE, program administrative data from the ESSWeb system – used to administer employment services – and income support data collected by Services Australia.
<b>Contributing program</b>	4.1 Employment Services





# 03

## Management and accountability

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# Corporate governance

## Governance framework

Our governance arrangements, set out in the department’s Governance Framework, support the delivery of the department’s strategic goals and deliverables consistent with our legal, accountability and policy obligations.

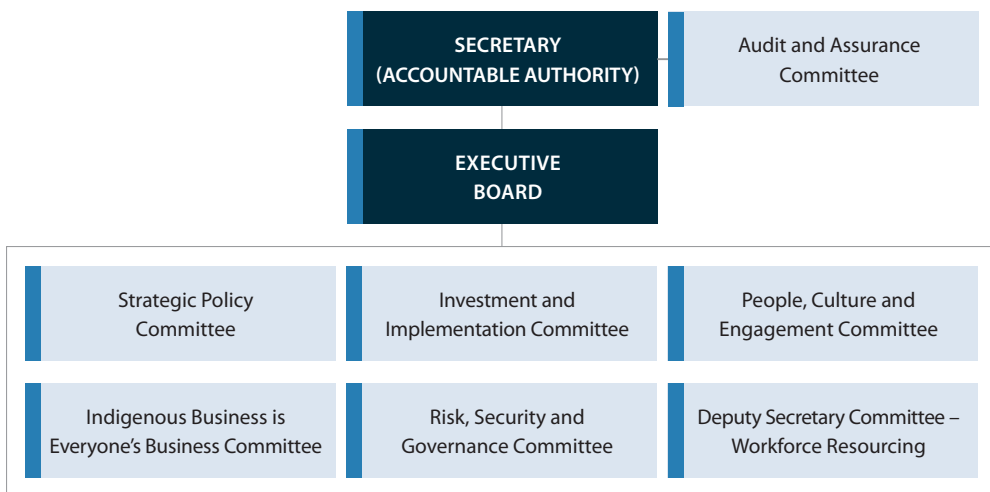
The Executive Board, chaired by the Secretary, is the department’s key decision-making body. The board is responsible for setting the department’s strategic direction, ensuring delivery against the Australian Government’s objectives and ensuring compliance with the department’s obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Membership consists of the Secretary and Deputy Secretaries.

The department’s governance committees provide direction and organisational stewardship and support the department to meet its priorities and objectives. All committees – except the Investment and Implementation Committee, which makes decisions related to capital budgets – are advisory bodies and report to the Executive Board or the Secretary.

The Audit and Assurance Committee (AAC) reports directly to the Secretary as it is integral to the Secretary meeting their obligations under the PGPA Act.

A range of other committees and working groups provide advice, oversight and direction to our work. These include senior management committees, senior officials network groups, advisory, steering and working groups, and consultative and interdepartmental committees.

**Figure 3.1: The department’s governance structure as at 30 June 2021**



## Audit and Assurance Committee

The department's AAC provides independent advice and assurance to the Secretary on the department's:

- financial reporting
- performance reporting
- systems of risk oversight and management
- systems of internal control.

The AAC's roles and responsibilities are set out in section 45 of the PGPA Act and section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule). The AAC's charter is at [www.dese.gov.au/AAC](http://www.dese.gov.au/AAC). The AAC met 5 times during the year.

At 30 June 2021 the AAC had 5 external and 3 departmental members. Table 3.1 provides details of the AAC members' roles on current audit committees, details of the AAC members' remuneration (inclusive of goods and services tax (GST)) and their qualifications and experience.

Also attending the AAC as observers were the Deputy Secretary, Corporate and Enabling Services (Chief Operating Officer); the Chief Financial Officer; the Chief Information Officer; the Chief Risk Officer; and the Chief Internal Auditor. Representatives from the Australian National Audit Office (ANAO) also attended as observers.

The AAC has 2 subcommittees: the Financial Statements Subcommittee and the Performance Reporting Subcommittee. These subcommittees assist the AAC to meet its financial and performance reporting obligations under the PGPA Rule.

The AAC works closely with the Risk, Security and Governance Committee (RSGC), which assists the AAC to meet its obligation to review the appropriateness of the department's systems of risk oversight and management.



**Table 3.1 Audit and Assurance Committee member details**

Member name and role	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (GST inc.)*
<b>Mrs Jennifer Morison</b>	<ul style="list-style-type: none"> <li>▪ Fellow, Chartered Accountants Australia and New Zealand</li> <li>▪ Bachelor of Economics</li> <li>▪ Senior positions in major international accounting firms and as a national board member of Chartered Accountants of Australia and New Zealand</li> <li>▪ Chair of Commonwealth audit and risk committees and financial statement subcommittees for large and small government entities, including chief financial officer (CFO) of a publicly listed company</li> <li>▪ Experience in accounting, commerce and government</li> </ul>	5/5	\$93,920
<b>Ms Nadine Williams</b>	<ul style="list-style-type: none"> <li>▪ Executive Masters in Public Administration</li> <li>▪ Deputy Secretary, Skills and Training</li> <li>▪ Senior government positions, with experience in leading complex reform agendas in both Commonwealth and state governments</li> </ul>	5/5	\$Nil**



Member name and role	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (GST inc.)*
<b>Mr Tim Youngberry</b>	<ul style="list-style-type: none"> <li>▪ Bachelor of Business (major in Accounting)</li> <li>▪ Fellow, CPA Australia</li> <li>▪ Fellow, Chartered Accountants Australia and New Zealand</li> <li>▪ Member, Chartered Institute of Public Finance and Accountancy (UK)</li> <li>▪ International Public Sector Accounting Standards Board member (2010–2015)</li> <li>▪ Senior positions, including CFO, in large Commonwealth entities</li> <li>▪ Roles with National Australia Bank, Ernst and Young, ANAO, Department of Finance</li> <li>▪ Experience in designing and implementing public finance management and system reform in Australia and overseas, and with International Monetary Fund and OECD</li> </ul>	5/5	\$31,680
<b>Mr Jeff Lamond PSM</b>	<ul style="list-style-type: none"> <li>▪ Bachelor of Economics</li> <li>▪ Formal economics and accounting qualifications, graduate qualification in legal studies</li> <li>▪ Senior positions, including as APS Merit Protection Commissioner and as internal ombudsman in 2 agencies</li> <li>▪ Chaired Commonwealth audit and risk committees and financial statement subcommittees for large and small government entities</li> <li>▪ Experience in the government sector including employment, values and ethics, personnel</li> </ul>	5/5	\$43,275

Member name and role	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (GST inc.)*
<b>Dr David Bryant</b>	<ul style="list-style-type: none"> <li>▪ Bachelor of Information Technology</li> <li>▪ MBA in Technology Management</li> <li>▪ Doctor of Philosophy in Management Information Systems</li> <li>▪ Australian Computer Society Certified Professional</li> <li>▪ Certified Practising Project Director</li> <li>▪ ICT sector experience, including ICT governance, risk management, ICT projects and services in the public sector environment</li> </ul>	5/5	\$33,250
<b>Ms Donna Moody</b>	<ul style="list-style-type: none"> <li>▪ Bachelor of Business (Accountancy)</li> <li>▪ Senior finance and management roles in large Commonwealth agencies including the Australian Taxation Office, Department of Health and Department of Social Services</li> <li>▪ Experience in the government sector, including implementing large-scale organisational and program changes, managing large grant programs and geographically dispersed staff network</li> </ul>	5/5	\$20,350

Member name and role	Qualifications, knowledge, skills or experience (including formal and informal as relevant)	Number of meetings attended/ total number of meetings	Total annual remuneration (GST inc.)*
<b>Ms Janine Pitt</b>	<ul style="list-style-type: none"> <li>▪ First Assistant Secretary, Employment Programs and Activation Division</li> <li>▪ Australia's representative to the International Labour Organization</li> <li>▪ Senior positions in Employment, Education and Human Services portfolios, including Minister-Counsellor (Employment) to the OECD</li> <li>▪ Experience in legislation and policy development, national program management and delivery across a broad range of employment, training, skills and Indigenous-specific programs</li> </ul>	4/5	\$Nil***
<b>Ms Robyn Beutel</b>	<ul style="list-style-type: none"> <li>▪ Graduate Certificate in Public Policy and Government Finance</li> <li>▪ Advanced Diploma in Business (Accounting)</li> <li>▪ Assistant Secretary, School Assurance Branch</li> <li>▪ Responsible for financial assurance of Commonwealth school funding under the <i>Australian Education Act 2013</i>, ensuring accuracy and integrity of payments through an assurance and compliance program through the Schools Funding Assurance Framework</li> <li>▪ Extensive knowledge of the Australian Government budget estimates and financial framework</li> <li>▪ Experience implementing financial management systems and associated controls</li> </ul>	1/1	\$Nil***

\* Includes annual remuneration for membership of the Audit and Assurance Committee and associated subcommittees.

\*\* Deputy Secretaries' remuneration is included in Appendix G Workforce statistics at Table G.17.

\*\*\*Departmental employee.

## Corporate and business planning

The Corporate Plan is the department’s primary planning document and sets the direction for how we work, build our capability, and engage with risk to deliver on our purpose. The Corporate Plan is a key component of our performance framework and reflects the requirements of the Commonwealth Performance Framework.

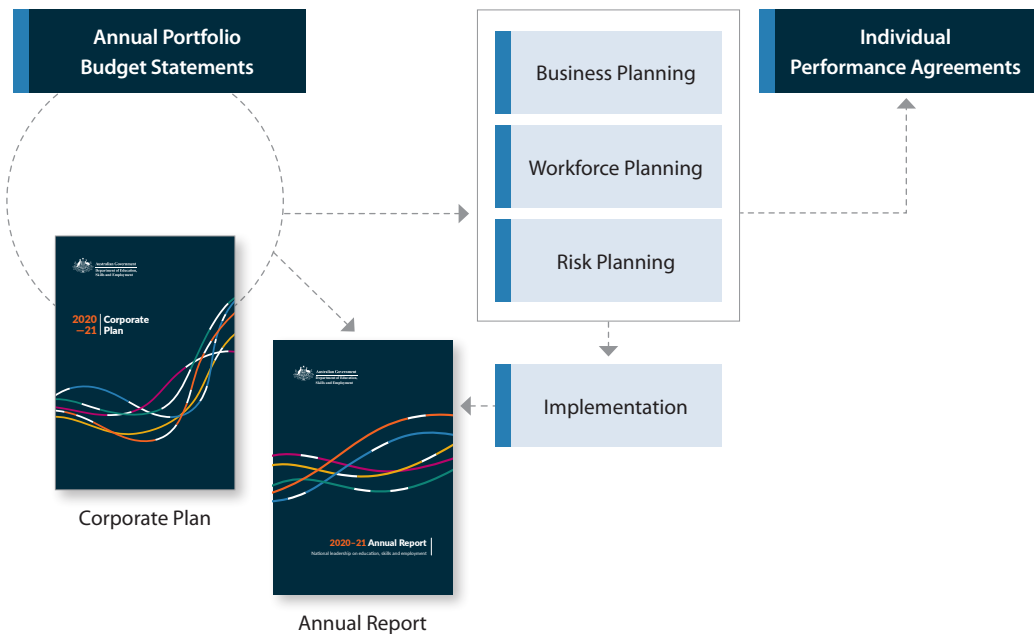
Our 2020–21 Corporate Plan sets out our purpose and outcomes. The plan is integral to our annual planning cycle. The performance measures published in the Corporate Plan and Portfolio Budget Statements form the basis for the annual performance statements in Part 2 of this report.

The department’s divisions and branches undertake an integrated planning approach to business, risk and workforce planning that aims to align with and address the activities, deliverables and outcomes in the Corporate Plan.

Our business planning helps the department:

- action strategic priorities
- define delivery strategies
- ensure accountability
- enhance approaches to create better outcomes.

**Figure 3.2: Annual planning cycle**



## Risk management

The department manages risk in accordance with the Commonwealth Risk Management Policy and our Enterprise Risk Management Policy and Framework.

The Accountable Authority Instructions for Risk Management and the department's Enterprise Risk Management Policy and Framework set out how we identify, manage and communicate risk in line with our risk appetite and tolerance and our governance and accountability arrangements.

Our Executive Board has overarching responsibility for the oversight of the enterprise risk management arrangements. Supporting the Executive Board, the Risk, Security and Governance Committee (RSGC) and the AAC provide oversight of the effectiveness and appropriateness of risk management arrangements, including systems of internal controls. In particular, the RSGC reviews and provides oversight of the department's Risk Management Policy and Framework, with a focus on key risks, such as fraud; physical, personnel and cyber security; business continuity; and privacy. The RSGC also fosters a positive departmental risk culture and works collaboratively with the Senior Executive on the oversight of our Enterprise Wide Risks. The committees meet regularly and provide ongoing reports to the Executive Board.

Our Deputy Secretaries contribute to defining our risk appetite and tolerance, and maintain stewardship of individual enterprise-wide risks and the associated mitigation strategies.

The Chief Risk Officer, supported by a dedicated enterprise risk section, is responsible for embedding the department's enterprise risk management arrangements and fostering a positive risk culture.

During the year, the department launched a new enterprise risk management system to ensure obligations under section 16 of the PGPA Act are met.

## Fraud control

As a Commonwealth entity, the department must ensure public resources are used appropriately to achieve its purpose and promote financial sustainability.

In 2020–21 the department's Fraud Control Framework was updated. The framework complements other arrangements in place to prevent, detect, investigate and report suspected fraud against the department's programs and other interests.

The department continued exploring solutions to effectively manage fraud risk and incidents of fraud. This approach has been supported by improving legislative frameworks, refining data and analytical capability, strengthening existing controls, improving tactical intelligence capabilities and implementing processes to reduce fraud risk. An anonymous reporting tool was implemented during the year, providing another reporting channel for fraud tip-offs.

During the year, the Fraud Prevention and Investigations team established its pressure testing capability to measure the effectiveness of fraud countermeasures. Pressure testing complements existing compliance processes by ensuring robust fraud controls are maintained. The Family Day Care Payment Integrity measures continued to respond to sophisticated and systemic fraud and serious non-compliance in the family day care sector.

Two investigation teams were responsible for investigating incidents of fraud during the year:

- Child Care Fraud Investigations in the Tactical Operations, Early Childhood and Child Care Group, which investigated fraud in the child care sector. This team also helps detect and prevent fraud in child care through strategic collaboration with other government agencies
- Fraud Prevention and Investigations in the Corporate and Enabling Services Group, which conducted fraud investigations across the department's remaining activities.

As well as fraud investigation activities, the Fraud Prevention and Investigations team:

- implements and maintains the Fraud Control Framework, and undertakes the enterprise fraud risk assessment
- undertakes tactical, operational and strategic intelligence activities to analyse potential instances of fraud and support fraud investigations
- promotes awareness of individuals' roles and responsibilities to prevent and detect fraud through targeted communication and employee training
- advises employees on reporting suspected fraud, the investigations process, and other general fraud-related matters
- advises business areas on considering fraud risks when designing, implementing and managing new policies and programs
- provides annual reporting against the Commonwealth Fraud Control Framework 2017
- responds to the annual Australian Institute of Criminology fraud census.

In addition to the department's centralised fraud functions, there are assurance and compliance frameworks across the department's programs. Where assurance and compliance activities lead to the suspicion of fraud, this is referred to the Fraud Prevention and Investigations team.

### Shared services arrangements

The department has memorandums of understanding in place for services provided by the Department of Finance, the Department of Social Services (DSS), the Department of Industry, Science, Energy and Resources (DISER) and Services Australia.

The Department of Finance's Service Delivery Office provides transactional services such as payroll and payroll system administration, accounts payable and accounts receivable.

DSS and DISER provide grants administration services through the Community Grants Hub and the Business Grants Hub.

Services Australia is responsible for the delivery of payments and services in the child care and employment programs. The department also has a joint initiative arrangement with Services Australia to improve the collection of data and to manage data exchange. A Statement of Intent to promote the continued collaboration at all levels between the agencies was signed in April 2021.

The department provides technology and some corporate services to other government agencies under separate arrangements. This includes application hosting, network access, end-user computing, service desk support, records management, Learnhub and financial viability assessments.

The department also provides application services to the National Indigenous Australians Agency for Indigenous employment services, DSS for Disability Employment Services, and the Department of Home Affairs for the SkillSelect application.

# People management

## Our people

We have more than 3,700 staff in locations around Australia and in overseas posts in various locations around the world. Wherever they are, our people can see themselves and where they fit in the work of the department in our purpose statement, which describes why we are here and how we deliver. It reflects the pathways we create from education to employment and our focus on supporting Australians to experience the social wellbeing and economic benefit that quality education, training and employment provide.

Our 2021–2023 People Strategy guides our priorities in developing and supporting our people to ensure we have the skills and capabilities to provide advice to our ministers, effectively implement government policies and deliver programs. Under our new Enterprise Workforce Plan, we have developed a new learning and development strategy and undertaken several recruitment campaigns. We are also developing a culture program to create a shared understanding of what we value and how we work together to achieve our purpose and meet stakeholder expectations.

## Internal response to COVID-19

During 2020–21 our internal response to COVID-19 was overseen by the department's corporate COVID-19 working group.

We have robust COVID-safe working arrangements, supported by an intranet page with resources including a COVID-safe transition framework and a COVID-safe plan to manage safe working arrangements and support staff.

The department's *COURAGE-CONNECT-CARE* communication campaign, supported by a suite of resources and messaging, was introduced to inform, connect, and support staff during the pandemic.

We progressively transitioned staff to their usual place of work, consistent with the guidance issued by the Australian Public Service Commission (APSC) in September 2020 and continued to carefully follow local health advice.

To support the Australian Government's national COVID-19 vaccination rollout, the department consults and communicates with staff, and supports attendance at vaccination appointments.

The department remains committed to maintaining COVID-safe workplaces.

## Managing the way we work

We are reviewing our flexible work framework to ensure it leverages the lessons we learned through COVID-19. We continue to support our staff to work flexibly and safely, in compliance with local health authority directions and by applying our COVID-safe transition framework.

## Entry-level programs

We provide a range of entry-level programs and pathway opportunities for people seeking a career in the APS. These programs aim to attract early talent and build capability for priority job roles.

We work collaboratively with other agencies to recruit talented individuals with specialised skill sets through specialty graduate programs implemented and coordinated under the Australian Government Graduate Program. These programs include recruiting ICT graduates through the Digital Transformation Agency, the APS Human Resources Graduate Development Program, the APS Data Graduate Program, the Indigenous Graduate Pathway and the APS Economics Stream run by the Treasury.

Our graduate program is open to those with higher education (university) qualifications and consists of 2 work placements over a 10-month period, on-the-job training and a structured learning and development schedule. The program includes career streams which are designed to give graduates the opportunity, where possible, to be placed in areas relevant to their qualifications and career of choice, and to engage in relevant specific on-the-job learning and development.

We administer the whole-of-government Indigenous Australian Government Development Program (IAGDP). The IAGDP is an entry-level employment program open to Aboriginal and Torres Strait Islander people with an interest in working for the APS. During 2020–21, IAGDP participants studied a Diploma of Government while working full-time over a 15-month period.

We have expanded our entry-level program to pilot a vocational education and training (VET) program. The program provides an opportunity for individuals to enter the APS and study for a Diploma of Government with 2 specialist streams aligned with primary job roles: project management and compliance and regulation. Pilot program participants will commence in October 2021.

We also participate in the whole-of-government Career Starter Program, which is run by the Department of Finance and aimed at school leavers who join the department and undertake a Certificate IV in Government. Additionally, we engage in the Science Fellowships Program, which is a pathway for early-career to mid-career scientists to become skilled policy practitioners to bring scientific expertise to the policy process.

For the 2020 DESE graduate program there were 45 participants and 6 participants in the ICT graduate program. Across the department's other entry level programs, there were 2 Career Starter participants, 1 IAGDP participant and 2 Science Fellowship participants.

In 2021, 67 participants joined the department as part of the DESE graduate program, 9 joined the ICT graduate program and 5 participants joined the Career Starter program.



## Remuneration

The Secretary's remuneration is set by the Remuneration Tribunal under section 13 of the *Remuneration Tribunal Act 1973*.

Remuneration and conditions for Senior Executive Service (SES) officers are covered by section 24(1) determinations made by the Secretary under the *Public Service Act 1999*. These determinations provide for a total remuneration approach to SES remuneration and conditions. Salary levels for SES employees are generally set at rates within a salary band applicable to each SES classification. SES arrangements do not provide performance pay. Governance arrangements for SES remuneration include an annual review of performance overseen by the Executive Board, with movements in salary determined by the Secretary based on a range of criteria, including employee performance. Table 3.2 shows the number of SES covered by section 24(1) determinations, and Table G.16 in Appendix G shows the salary ranges for SES employees. Additional statistics on remuneration for key management personnel, senior executives and other highly paid employees are provided in tables G.17 to G.19 in Appendix G.

On 21 December 2018 the department issued a section 24(1) determination for non-SES employees. The determination provides for pay rises of 2% in 2019, 2020 and 2021. The final 2% pay rise was deferred from April 2021 to October 2021 in accordance with the pay deferral decision of government in response to the COVID-19 pandemic.

All terms and conditions for employees of the department are provided under the *Department of Education and Training Enterprise Agreement 2016–2019*.

Table 3.2 shows the number of non-SES employees covered under the Enterprise Agreement as their primary employment instrument, and Table G.16 in Appendix G details their salary ranges under the section 24(1) determination. Non-SES arrangements do not provide for performance pay. The department also uses individual flexibility arrangements to secure expertise or specialist skills that are critical to business needs. At 30 June 2021, 70 employees had individual flexibility arrangements in place.

Appendix E provides statistics on employees by Indigenous status, classification, employment status and location, including breakdowns by gender.

**Table 3.2: Employment arrangements of SES and non-SES employees, 2020–21**

	SES	Non-SES	Total
Enterprise Agreement	–	3,637	<b>3,637</b>
Section 24(1) determinations	123	–	<b>123</b>
<b>Total</b>	<b>123</b>	<b>3,637</b>	<b>3,760</b>

Note: Excludes the Secretary as remuneration arrangements for departmental secretaries are determined by the Remuneration Tribunal.

## Diversity and inclusion

We are committed to creating an inclusive and collaborative workplace where all our people are engaged and supported to deliver our purpose.

Our approach to diversity and inclusion is being refreshed to align with APS-wide strategies, with a focus on recruiting diverse talent, building workforce capability and strengthening our inclusive culture. Its implementation will ensure staff can continue to contribute and bring their unique skills and abilities to the workplace. The department's progress against diversity and inclusion targets is monitored through the:

- Executive Board
- People, Culture and Engagement Committee
- Indigenous Business is Everyone's Business Committee.

We have 5 staff-led, highly engaged diversity networks which have the full support of senior leadership, with SES-level champions appointed to each network. We continue to celebrate days of significance and maintain memberships with external partners – the Australian Network on Disability, Diversity Council Australia and Pride in Diversity.

We are a Breastfeeding Friendly Workplace, accredited by the Australian Breastfeeding Association. We continue to participate in the Australian Network on Disability's Stepping Into program, which provides paid work experience for university students with disability. We apply a diversity and inclusion lens in our recruitment practices by implementing Aboriginal and Torres Strait Islander and disability streams in our entry-level programs and bulk recruitment exercises.

## Indigenous business is everyone's business

The department supports the Australian Government's priority to work with Aboriginal and Torres Strait Islander peoples, communities and businesses to improve opportunities and build a better future. Policies and programs are developed and delivered by working with Aboriginal and Torres Strait Islander peoples, respecting their cultures and building our own cultural capability. We proudly support the Australian Government's Indigenous Procurement Policy, through which we are fostering Aboriginal and Torres Strait Islander businesses, creating jobs and employing more Indigenous Australians. Our employees are encouraged to embrace and value the important contribution Aboriginal and Torres Strait Islander peoples make to our department and wider Australian society.

In 2021, we appointed a senior executive to lead the department's engagement on Aboriginal and Torres Strait Islander strategic policy development and the Closing the Gap reform agenda.

Our Indigenous Business is Everyone's Business Committee comprises senior leaders and representatives from across the department. The committee is responsible for our broader Indigenous agenda to embed the philosophy of 'Indigenous business is everyone's business' across all aspects of our work and to drive the implementation of Reconciliation Action Plan (RAP) initiatives.

## Reconciliation Action Plan

We continued to deliver on our commitments under the 2018–2020 RAP while working with Reconciliation Australia to develop a new Stretch RAP. We engaged Supply Nation organisations to review RAP progress and facilitate virtual staff workshops to identify priority areas for the new RAP. These include:

- incorporating reconciliation activities into our everyday practices
- the continued delivery of cultural awareness training for all staff
- increasing representation of Indigenous staff at higher classifications, Executive Level (EL) and SES
- providing career development opportunities for Aboriginal and Torres Strait Islander staff.

The focus areas identified in our new RAP will align with the priorities in the Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020–2024.

Our senior leaders and staff acknowledged National Reconciliation Week and NAIDOC Week.

We engaged a Canberra-based Indigenous business to develop new online cultural awareness training for all staff to build our cultural capability and provide an alternative to face-to-face training.

We continue to support the Jawun secondment program to strengthen our overall cultural responsiveness and contribute to our reconciliation efforts.

## Learning and development

We support capability development activities aligned to our purpose, Corporate Plan, and leadership development priorities. During the year we offered a range of professional and personal development activities to staff, with an increased focus on online and virtual activities. Offerings included:

- e-learning courses addressing a variety of technical and management areas
- virtual training sessions focused on professional development and desktop applications
- a new Aboriginal and Torres Strait Islander cultural appreciation e-learning module
- work health and safety due diligence training for responsible officers
- an online resilience learning package
- structured mentoring programs including a program focused on mentoring Indigenous staff
- an updated approach to essential training (induction, mandatory and role-specific modules).

In conjunction with subject-matter experts, work commenced on the design and delivery of a range of training programs to further build core policy, data, and project management skills.

We continued to support the development of leadership at all levels with the implementation of a bespoke suite of leadership programs, which was delivered to 80 staff.

The department also supported leadership development for EL2 and SES employees through a range of externally delivered coaching and executive education programs. These high-calibre programs align to individual development requirements and the department’s vision to create a future-ready workforce. In 2020–21, 97 staff participated in these courses.

**Table 3.3: Number of participants in DESE workshops (including remote participation), 2020–21**

	2020–21
Number of participants	273
Number of programs	19

**Table 3.4: Number of participants in DESE virtual classroom training sessions, 2020–21**

	2020–21
Number of participants	959
Number of programs	91

**Table 3.5: Participation in self-paced learning activities, 2020–21**

	2020–21
Number of self-paced activities completed*	47,071

\* Self-paced learning is available to employees through the department’s learning management system, Learnhub. This includes APS and department-specific e-learning modules and a large collection of resources available through a third-party provider, LinkedIn Learning.

The effectiveness of learning and development activities was assessed through individual program evaluations and more broadly through outcomes from APS Employee Census results.

In 2020–21 the department continued to manage the Learnhub learning management system on behalf of 46 subscribed government agencies.

## Work health and safety

We are committed to providing a safe and healthy workplace for all workers and visitors, and prioritising work health and safety matters. We strive to minimise and mitigate risks to health and safety through consultation, communication, and systematic hazard identification, risk assessment, and control measures.

The department's Work Health and Safety Committee, established in accordance with the *Work Health and Safety Act 2011* (WHS Act), is the principal consultative mechanism to ensure the department has effective measures in place to support workers' health and safety, and provides accountability and transparency on work health and safety matters. The committee meets 4 times each calendar year and provides a quarterly report to the Executive Board.

The department is taking a whole-person, whole-of-career approach to supporting the health and safety of staff through our Health and Wellbeing Strategy 2021–2023. Psychosocial safety and staff mental health has been prioritised with the establishment of an internal working group. The working group plays a pivotal role in developing the psychosocial risk management system and ensuring mental health initiatives are relevant and effective.

National networks of health and safety representatives and employee support officers guide the department's strong safety culture. We promote a positive work health and safety culture, and reinforce our philosophy that the responsibility for health, safety, and wellbeing rests with every one of us. This responsibility is supported by delivering departmental initiatives such as our:

- annual national influenza vaccination program
- ergonomic workstation assessment program
- early intervention program
- flexible working arrangements, particularly in response to the COVID-19 pandemic
- Employee Assistance Program, including confidential counselling services
- National Safe Work Month activities
- R U OK Day promotion
- NewAccess program.

In 2020–21 the department had no notifiable incidents as defined in section 35 of the WHS Act. No investigations or actions were taken under Part 10 of the WHS Act.

## Information and communications technology

The department's ICT Strategy 2020–2023 sets out its information and communications technology (ICT) vision. One of the strategy's priorities is to ensure the department is responsive and flexible to the changing needs of government and the community, in line with the whole-of-government Digital Transformation Agenda. Other priorities include modernising the ICT architecture and platforms that support the department's critical business systems; exploring new and emerging technologies; strengthening our cyber security posture and capability; and enabling new digital business models in government and industry by sharing data and services.

The department's technology capability is delivered by 2 divisions focusing on Infrastructure, Platforms and Services; and Application Development. Technology investment is governed by the Investment and Implementation Committee, supported by the Information and Technology Subcommittee.

The Technology and Services Division is managed by the Chief Information Officer and provides ICT infrastructure, end-user computing, cyber security and support functions. The Digital Solutions Division is managed by the Chief Digital Officer and develops and enhances a range of education, employment, and skills, business and program applications. The divisions work together to provide ICT solutions that support effective delivery of the department's programs.

During 2020–21 the department continued to implement multiple system changes to support the Australian Government's COVID-19 response and other measures to support job seekers, apprentices, and employers. The department also enabled flexible work arrangements to ensure continuity of services through the pandemic.

The department is focused on maintaining the confidentiality, integrity and availability of information in accordance with the Protective Security Policy Framework and Information Security Manual. The security and integrity of our ICT systems and data holdings is a key priority.

The department is also transitioning systems to cloud computing where it is cost-effective and appropriate. We are working with our users to co-design and enhance online services, modernise technology and build our data and analytics capability in line with the department's Data Strategy 2021–2022.

The department also provides ICT services to other Australian Government agencies under memorandum of understanding arrangements. This includes desktop and mobile computing support, application and website hosting services, and a security classified PROTECTED environment.

## Financial performance

The department's financial statements are presented in Part 4 of this report, along with the Auditor-General's unmodified audit opinion. A summary of the financial performance for departmental and administered activities is provided below.

### Departmental activities

The department received significant additional funding in the 2020–21 financial year in relation to new or expanded government measures. The funding received by the department included supplementation to appropriations of \$36.0 million for amounts paid in the previous financial year and recognised as revenue in 2020–21, in accordance with the requirements of the Commonwealth financial management framework. The department prioritised delivery of the new or expanded measures; however, there were delays in sourcing suitably qualified contractors for project work across the department, resulting in the department reporting a surplus of \$119.7 million after adjusting for unfunded expenses.

As at 30 June 2021, the department reported a net asset position of \$549.7 million, reflecting a sound financial position.

### Administered activities

During 2020–21, the department administered 15 programs on behalf of government, with expenses of \$48.7 billion including:

- \$33.7 billion in funding for schools national support and higher education institutions
- \$8.7 billion in child care personal benefits
- \$1.8 billion relating to employment services (including jobactive)
- \$2.3 billion on supporting apprenticeships and trainees in Australia.

Administered income comprises interest from the Higher Education Loan Program and vocational student loans, and revenue from Trades Recognition Australia assessments.

As at 30 June 2021, administered assets were \$58.3 billion, which largely consists of concessional loans for higher education, trade support and vocational student support. Assets increased from 2019–20, mainly due to the increase in the fair value of the concessional loans resulting from changes in actuarial assumptions.

Administered liabilities have reduced to \$7.3 billion as at 30 June 2021, largely due to the decrease in the fair value of the higher education superannuation provision.

# Purchasing

## Purchasing and procurements

The department's procurement policies and practices are consistent with relevant Commonwealth laws, the Commonwealth financial framework (including the Commonwealth Procurement Rules (CPRs)) and other relevant policies.

The department publishes its procurement activities over \$10,000 (GST inclusive) and business opportunities of \$80,000 and above (GST inclusive) on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)). No contracts were exempt from reporting on AusTender in 2020–21.

## Procurement initiatives to support small business

The department supports small business participation in the Commonwealth procurement market. Small and medium enterprise (SME) and small enterprise participation statistics are available on the Department of Finance's website ([www.finance.gov.au](http://www.finance.gov.au)).

The department's procurement practices are consistent with the CPRs and they provide opportunities for SMEs to compete. For example, the department uses the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000. Many small businesses do not have sufficient scale, skills or resources to prepare complex tender documents. Using this suite, which has simple and consistent contract terms and insurance requirements, simplifies the process and makes it easier for SMEs to bid for business opportunities.

The Commonwealth Government introduced a new exemption, exemption 17, in Appendix A of the CPRs on 14 December 2020 that allows entities to directly engage SMEs for procurements valued up to \$200,000 (including GST), provided value for money can be demonstrated.

The department recognises the importance of ensuring small businesses are paid on time. It has adopted electronic invoicing as part of its support to small businesses to reduce their administration, create savings and improve the timeliness of payment. The department is actively engaging with vendors to advise of this new capability. The results of the Australian Government Payments to Small Business survey are available on the Treasury website ([www.treasury.gov.au](http://www.treasury.gov.au)).



## Indigenous Procurement Policy

The department, through the Indigenous Procurement Policy, is committed to growing its engagement with Indigenous businesses. For 2020–21 the department had 315 contracts in place with majority Indigenous-owned businesses, valued at \$55,619,420. This exceeded the Commonwealth Indigenous procurement target of \$11,209,000 set for the department by the National Indigenous Australians Agency.

## Contracts and consultancies

The department engages consultants to provide independent and expert advice or services, taking into account:

- the skills and resources required for the task
- the skills available internally
- the cost-effectiveness of these options.

The decision to engage a consultant is made in accordance with the PGPA Act and related regulations.

The methods of selection for consultancies are open tender, limited tender and panel arrangement (initially selected through either an open tender or a prequalified tender process). Consultants are typically engaged to:

- investigate or diagnose a defined issue or problem
- carry out defined research, reviews or evaluations
- provide independent advice, information or creative solutions to assist the department in decision-making.

During 2020–21, 113 new consultancy contracts (as reported on AusTender) were entered into, involving total actual expenditure of \$14,002,934. In addition, 51 ongoing consultancy contracts (previously reported on AusTender) were active during the period, involving total actual expenditure of \$4,132,123.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)).

**Table 3.6: Expenditure on reportable consultancy contracts, 2020–21**

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	113	14,002,934
Ongoing contracts entered into during a previous reporting period	51	4,132,123
<b>Total</b>	<b>164</b>	<b>18,135,057</b>

During 2020–21, 2,123 new non-consultancy contracts (as reported on AusTender) were entered into involving total actual expenditure of \$382,381,895. In addition, 1,540 ongoing non-consultancy contracts (previously reported on AusTender) were active during the period, involving total actual expenditure of \$164,760,110.

**Table 3.7: Expenditure on reportable non-consultancy contracts, 2020–21**

	Number	Expenditure \$ (GST inc.)
New contracts entered into during the reporting period	2,123	382,381,895
Ongoing contracts entered into during a previous reporting period	1,540	164,760,110
<b>Total</b>	<b>3,663</b>	<b>547,142,005</b>

**Table 3.8: Top 5 organisations receiving a share of reportable consultancy contract expenditure, 2020–21**

Name of organisation	Expenditure \$ (GST inc.)
AlphaBeta Advisors (91 603 412 013)	876,503
Apis Consulting Group (Act) P/L (91 125 472 899)	1,154,333
Deloitte Touche Tohmatsu (74 490 121 060)	1,361,737
ORIMA Research Pty Ltd (77 076 347 914)	1,438,728
PwC (20 607 773 295)	990,259
The Boston Consulting Group Pty Ltd (70 007 347 131)	2,476,575

**Table 3.9: Top 5 organisations receiving a share of reportable non-consultancy contract expenditure, 2020–21**

Name of organisation	Expenditure \$ (GST inc.)
DXC Enterprise Australia Pty Ltd Represented by DXC Technology Australia (ABN 16612896527)	16,043,462
Hitachi Vantara Australia Pty Ltd (ABN 65005610079)	20,467,501
MTC Work Solutions (26 046 112 702)	24,362,301
TAFE Queensland (72 898 805 093)	17,795,597
The Social Research Centre (91 096 153 212)	14,572,599

## Grant programs

Information on grants awarded by the department during 2020–21 is available on the GrantConnect website ([www.grants.gov.au](http://www.grants.gov.au)).

## Advertising and marketing

During the 2020–21 financial year the department conducted the JobTrainer campaign and commenced research and development for the VET Skills campaign.

Further information on the JobTrainer campaign is available at [www.yourcareer.gov.au/jobtrainer](http://www.yourcareer.gov.au/jobtrainer) and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance website at [www.finance.gov.au](http://www.finance.gov.au).

Details of payments for exploratory research and creative development to advertising, market research and media advertising organisations are provided in tables 3.10 to 3.12. Payments that are less than the value threshold specified in section 311A of the *Commonwealth Electoral Act 1918* are excluded.

**Table 3.10: Payments to advertising agencies, 2020–21**

Organisation	Service provided	Total paid in 2020–21 \$ (GST inc.)
303 MullenLowe	Research and stakeholder consultation for new employment services	126,500
Clemenger BBDO	Creative development and production for the JobTrainer campaign phase 1	1,313,873
Clemenger BBDO	Creative development and production for the VET Skills campaign	327,580
Mude Creative	School leavers and Your Career promotional material production	70,730

**Table 3.11: Payments to market research organisations, 2020–21**

Organisation	Service provided	Total paid in 2020–21 \$ (GST inc.)
Hall & Partners	JobTrainer campaign benchmark, tracking and evaluation market research	144,454
JWS Research	JobTrainer campaign concept testing market research	309,100
JWS Research	VET Skills campaign developmental market research	165,000
ORIMA Research	Market research for the National Evidence Institute	138,666
Where to Research Based Consulting	Concept testing for new employment services	100,980
Where to Research Based Consulting	Research review for new employment services	62,198
Where to Research Based Consulting	VET Skills campaign concept testing and refinement market research	157,786

**Table 3.12: Payments to media advertising organisations, 2020–21**

Organisation	Service provided	Total paid in 2020–21 \$ (GST inc.)
Universal McCann	Digital advertising to promote the National Day of Action Against Bullying	23,018
Universal McCann	Digital advertising for new Harvest Trail Services	30,582
Universal McCann	Digital advertising for school leavers – career information	40,068
Universal McCann	Digital advertising for VET pathways in science, technology, engineering and maths	49,547
Universal McCann	Digital advertising for National Careers Week	99,599
Universal McCann	Advertising for JobTrainer campaign phase 1	5,784,585

## Environmental sustainability and performance

The department reports on the environmental impacts of its activities under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*. This includes:

- how the department accords with and contributes to the principles of ecologically sustainable development
- the environmental performance of the department, including the impact of its activities on the natural environment, how these are mitigated and how they will be further mitigated.

### Ecologically sustainable development

The department does not administer any legislation that has a direct impact on ecologically sustainable development, and the principles relating to scientific certainty and biological diversity are generally of limited application to our activities.

The department continues to focus on optimising the occupancy rates of its property portfolio and improving energy efficiency including through the use of standard Commonwealth lease clauses requiring compliance with energy efficiency requirements.

National Office buildings at 10, 12 and 14 Mort Street, 140–180 City Walk, 11 Moore Street, and 50 Marcus Clarke Street in Canberra have maintained a high overall occupancy rate. Tenancies in the states and territories continue to be reviewed and rationalised as leases expire, and vacant space is made available to other Commonwealth agencies wherever possible.

### Environmental performance

The department's environmental performance is summarised in tables 3.13 to 3.16, with comparison to figures from 2019–20.

### Office and building energy use

Overall greenhouse emissions in 2020–21 reduced compared to the previous year. This is largely due to temporary office closures in response to COVID-19 lockdowns, and the subsequent decreases in energy consumption. The department continues to work with building managers to identify and maximise building energy efficiency where possible, including through the use of LED lighting and heating, ventilation, and air conditioning controls.

**Table 3.13: Summary of office and building energy use, 2020–21**

Indicator	2019–20	2020–21	Variance
Office tenant light and power energy use per full-time equivalent (MJ/FTE)	5,095.00	4,540.47	-11%
Office tenant light and power energy use per square metre (MJ/m <sup>2</sup> )	194.99	166.24	-15%
Greenhouse emissions attributed to office tenant light and power energy use (tonnes CO <sub>2-e</sub> )	4,005.49	3,604.00	-10%
Green power purchased, as a percentage of total electricity consumption	7.51%	7.81%	4%

CO<sub>2-e</sub> = carbon dioxide equivalent; kWh = kilowatt hour; MJ = megajoule; FTE = full-time equivalent (the most appropriate indicator of staff numbers).

### Information and communications technology

The number of desktop devices (desktop computers and dockable laptops) per end user was 2.2. This includes end-of-life devices that have been replaced but are included in the stock counts until they are fully decommissioned and disposed of, expected to occur by the end of September 2021. Once the disposals are finalised, the ratio of devices per end user will be 1.4. The ratio of computers to printers was 10.7:1.

**Table 3.14: Summary of ICT sustainability, 2020–21**

Indicator	2019–20	2020–21	Variance
Desktop computers to printer ratio	14:1	10.7:1	-24%
Desktop devices per end user	1.90	2.20	16%

### Vehicle fleet and air travel

The total number of fleet vehicles was 43, which is a slight reduction from 2019–20. The impact of COVID-19 on travel has seen a significant decrease in vehicle usage, which has reduced the total greenhouse emissions from the fleet throughout the year. It is anticipated that this will increase in 2021–22 as usage patterns return to normality. Aging vehicles will continue to be replaced with more efficient models, which will assist with minimising impacts.

Total flight distance and emissions reduced, primarily due to COVID-19 travel restrictions and a continued shift towards the use of virtual meeting platforms during 2020–21.

**Table 3.15: Summary of vehicle fleet and air travel, 2020–21**

Indicator	2019–20	2020–21	Variance
Total number of fleet vehicles	45	43	-4%
Average fuel consumption of vehicle fleet (litres/100 km)	7.97	7.46	-6%
Total direct greenhouse emissions of fleet (tonnes CO <sub>2-e</sub> )	40.61	29.20	-28%
Total distance of flights	8,785,228	2,621,370	-70%
Greenhouse emissions attributed to flights (tonnes CO <sub>2-e</sub> )	856.42	321.18	-62%

CO<sub>2-e</sub> = carbon dioxide equivalent; km = kilometres.

## Resource efficiency and waste

In 2020–21, 99% of office paper purchased by the department was either 100% post-consumer recycled stock or carbon neutral. The quantity purchased was 4.35 A4 reams per full-time equivalent (FTE).

In 2020–21, comingled recycling increased considerably as staff returned to the office following COVID-19 lockdowns. There was a substantial reduction in general landfill waste; however, this was due to the waste removal service provider shifting to bioreactors, which accelerate decomposition and reduce waste volumes significantly compared to traditional landfill. The bioreactor waste produced metric was not previously available but will be captured in future reports.

**Table 3.16: Summary of resource efficiency and waste, 2020–21**

Indicator	2019–20	2020–21	Variance
Office paper purchased (A4 reams/FTE)	4.35	4.35	0%
Percentage of paper purchased with recycled content	76.72%	98.91%	29%
Office paper recycled (kilograms per FTE)*	68.94	82.05	19%
Total landfill waste produced (kilograms per FTE)*	46.55	3.00	-94%
Total bioreactor waste produced (kilograms per FTE)*	–	76.64	N/A
Total comingled recycling (kilograms per FTE)*	28.48	50.28	77%
Total organic recycling (kilograms per FTE)*	8.35	7.47	-11%

\* Waste and recycling data only available for Australian Capital Territory sites.  
FTE = full-time equivalent.

## External scrutiny

### Reports by the Auditor-General

In 2020–21, the Auditor-General tabled the following audit reports on the operations of the Department of Education, Skills and Employment:

- Auditor-General Report No. 11 of 2020–21 – Indigenous Advancement Strategy – Children and Schooling Program and Safety and Wellbeing Program
- Auditor-General Report No. 32 of 2020–21 – Cyber Security Strategies of Non-Corporate Commonwealth Entities
- Auditor-General Report No. 37 of 2020–21 – Monitoring the Impact of Government School Funding – Follow-up
- Auditor-General Report No. 48 of 2020–21 – Effectiveness of Planning and Implementation of Reform by the Australian Skills Quality Authority.

These reports can be found on the ANAO's website ([www.anao.gov.au](http://www.anao.gov.au)).

### Reviews by the Joint Committee of Public Accounts and Audit

No inquiries into the above ANAO reports were made by the Joint Committee of Public Accounts and Audit.

### Reports by parliamentary committees

The department provided evidence and/or submissions to a number of parliamentary committee inquiries in 2020–21, as outlined in Table 3.17.



**Table 3.17: Evidence and submissions to parliamentary committee inquiries, 2020–21**

Committee	Inquiry
House of Representatives Standing Committee on Employment, Education and Training	<ul style="list-style-type: none"> <li>▪ Adult literacy and its importance</li> <li>▪ Education in remote and complex environments</li> </ul>
House of Representatives Standing Committee on Indigenous Affairs	<ul style="list-style-type: none"> <li>▪ Pathways and participation opportunities for Indigenous Australians in employment and business</li> </ul>
House of Representatives Standing Committee on Regional Australia	<ul style="list-style-type: none"> <li>▪ Regional Australia</li> </ul>
Joint Committee on Human Rights	<ul style="list-style-type: none"> <li>▪ ParentsNext: Examination of Social Security (Parenting payment participation requirements – class of persons) Instrument 2021</li> </ul>
Joint Committee on Intelligence and Security	<ul style="list-style-type: none"> <li>▪ National security risks affecting the Australian higher education and research sector</li> </ul>
Joint Standing Committee on Foreign Affairs, Defence and Trade	<ul style="list-style-type: none"> <li>▪ Australia activating greater trade and investment with Pacific island countries</li> </ul>
Joint Standing Committee on Migration	<ul style="list-style-type: none"> <li>▪ Australia's skilled migration program</li> <li>▪ The Working Holiday Maker program</li> </ul>
Joint Standing Committee on Trade and Investment Growth	<ul style="list-style-type: none"> <li>▪ Diversifying Australia's trade and investment profile</li> </ul>
Senate Select Committee on COVID-19	<ul style="list-style-type: none"> <li>▪ COVID-19</li> </ul>
Senate Select Committee on Job Security	<ul style="list-style-type: none"> <li>▪ Job security</li> </ul>
Senate Select Committee on Temporary Migration	<ul style="list-style-type: none"> <li>▪ Temporary migration</li> </ul>

Committee	Inquiry
Senate Standing Committee for the Scrutiny of Delegated Legislation	<ul style="list-style-type: none"> <li>▪ The exemption of delegated legislation from parliamentary oversight</li> </ul>
Senate Standing Committees on Education and Employment	<ul style="list-style-type: none"> <li>▪ Australian Education Legislation Amendment (Prohibiting the Indoctrination of Children) Bill 2020</li> <li>▪ Higher Education Legislation Amendment (Provider Category Standards and Other Measures) Bill 2020</li> <li>▪ Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020</li> <li>▪ Regulation of the relationship between car manufacturers and car dealers in Australia (formerly General Motors Holden Operations in Australia)</li> <li>▪ Social Security Legislation Amendment (Streamlined Participation Requirements and Other Measures) Bill 2021</li> </ul>
Senate Standing Committees on Finance and Public Administration	<ul style="list-style-type: none"> <li>▪ The current capability of the Australian Public Service</li> </ul>
Senate Standing Committees on Foreign Affairs, Defence and Trade	<ul style="list-style-type: none"> <li>▪ Funding for public research into foreign policy issues</li> <li>▪ The opportunities for advancing Australia's strategic interests through existing regional architecture</li> <li>▪ Issues facing diaspora communities in Australia</li> <li>▪ Opportunities for strengthening Australia's relations with the Republic of France</li> </ul>

## Judicial decisions

In 2020–21 there were no decisions of any court that have had, or may have had, a significant impact on the operations of the department.

### Decisions of administrative tribunals

In 2020–21 there were no decisions of administrative tribunals that have had, or may have had, a significant impact on the operations of the department, former or present.

### Decisions by the Australian Information Commissioner

In 2020–21 there were no decisions by the Australian Information Commissioner that have had, or may have had, a significant impact on the operations of the department, former or present.

### Reports on the operations of the entity by the Commonwealth Ombudsman

In 2020–21 there were no reports by the Commonwealth Ombudsman on the operations of the department.

### Information Publication Scheme

Agencies subject to the *Freedom of Information Act 1982* are required to publish information as part of the Information Publication Scheme. This requirement is in Part II of the *Freedom of Information Act 1982* and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the Information Publication Scheme requirements. The department's plan is available at [www.dese.gov.au](http://www.dese.gov.au).

### Disability reporting

The National Disability Strategy 2010–2020 is Australia's overarching framework for disability reform. It acts to ensure that the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers.

All levels of government will continue to be held accountable for the implementation of the strategy through progress reporting to the Australian, state, territory and local governments. Progress reports can be found at [www.dss.gov.au](http://www.dss.gov.au).

Disability reporting is included in the APSC's State of the Service reports and the *APS Statistical Bulletin*. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au).



# 04

## Financial statements

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**INDEPENDENT AUDITOR'S REPORT**

**To the Minister for Education and Youth**

**To the Minister for Employment, Workforce, Skills, Small and Family Business**

**To the Minister for Regionalisation, Regional Communications and Regional Education**

**Opinion**

In my opinion, the financial statements of the Department of Education, Skills and Employment (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Statement of Cash Flows;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

**Basis for opinion**

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key audit matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter	How the audit addressed the matter
<p><b>Valuation of the Higher Education Loan Program (HELP) receivable</b></p> <p><i>Refer to Note D2.4 'Fair value gains', and Note F1.2 'Receivables – Advances and Loans'</i></p> <p>I focused on the Entity's HELP receivable as the valuation of the receivable involves significant and complex judgements about the timing and recoverability of HELP debts.</p> <p>These judgements include assumptions about discount factors, future employment and salary rates and future collectability of repayments that contain a significant degree of uncertainty and are influenced by the economic environment.</p> <p>The receivable is subject to an actuarial assessment and relies on the completeness and accuracy of taxation data and information provided by a number of universities.</p> <p>During 2020–21 the Entity recognised a HELP receivable of \$49.8 billion, and fair value gains of \$137.4 million.</p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> <li>evaluated the design and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate;</li> <li>evaluated the reasonableness of the Entity's actuarial methodology. This included considering the work and findings of the external actuarial expert engaged by the Entity; and</li> <li>assessed the reasonableness of key actuarial assumptions by comparing them with accepted industry benchmarks for discount rates and salary growth rates in a range of occupations.</li> </ul>
<p><b>Valuation of Higher Education Superannuation Program (HESP) provision</b></p> <p><i>Refer to Note D2.4 'Fair value gains', and Note F4 'Provisions'</i></p> <p>I focused on the HESP liability as the valuation of the provision is complex and involves significant judgement about the value of the Commonwealth's superannuation liability in respect of current and former university employees. These judgements include the selection of discount rates and estimation of salary increase rates.</p> <p>The provision is subject to an actuarial assessment and relies on the completeness and accuracy of data provided by a number of universities and their individual actuaries.</p> <p>A cost sharing arrangement that includes recovery of a proportion of funds from participating States underpins the proportion of the provision that is reported by the Entity which adds to the complexity of the calculation.</p> <p>For the year ended 30 June 2021, the provision was reported as \$6.4 billion, and the fair value gains were \$452.2 million.</p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> <li>evaluated the design and operating effectiveness of key actuarial controls, including data reconciliations and the Entity's review and approval of the estimate;</li> <li>evaluated the appropriateness of the Entity's actuarial methodology. This included assessing the work and findings of the external actuarial expert engaged by the Entity;</li> <li>assessed the reasonableness of key actuarial inputs including, demographic inputs and discount rates by comparing them against accepted industry benchmarks related to bond, salary and pension rates; and</li> <li>assessed the reasonableness of the allocation of the total unfunded liability against the funding agreements between the Commonwealth and participating States.</li> </ul>
<p><b>Accuracy and valuation of 'Assistance to families with children' personal benefit expenses and contingencies.</b></p>	<p>To address this key audit matter, I:</p> <ul style="list-style-type: none"> <li>assessed the design and operating effectiveness of key internal controls</li> </ul>

*Refer to Note D1.2 'Personal benefits – Assistance to families with children', and Note I1.2 'Administered contingent assets and liabilities – Unquantifiable contingencies – Child Care Subsidy'*

I focused on the personal benefit expenses and contingencies because:

- the expenses are based on information provided by the payment recipients and the accurate recording of expenses may be significantly impacted by the provision of inaccurate information; and
- the contingent assets and liabilities associated with the child care subsidy are dependent on a number of uncertain events that add complexity to the estimation and quantification of the child care contingencies. This includes the impact on taxpayer behaviour of the COVID-19 pandemic, the debt moratorium, and changes to deadlines for lodgement of recipients' income tax returns.

During 2020–21 the Entity recognised personal benefit expenses of \$8.7 billion, and unquantifiable contingencies as at 30 June 2021.

related to the accreditation and registration of child care providers that submit claims for personal benefit payments;

- assessed, on a sample basis, the registration and eligibility of parents for child care fee assistance;
- assessed the compliance framework including testing a sample of attendance checks to verify information provided to the Entity that is used as a basis for payment calculations; and
- obtained audit evidence to support the Entity's assertion that the child care contingencies are unquantifiable at year-end.

#### **Accountable Authority's responsibility for the financial statements**

As the Accountable Authority of the Entity, the Secretary of the Department is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Secretary is also responsible for such internal control as the Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Secretary is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Secretary is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

#### **Auditor's responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Accountable Authority, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

9 September 2021

**Department of Education, Skills and Employment  
STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of Education, Skills and Employment will be able to pay its debts as and when they fall due.

Signed *Michele Bruniges*  
Dr Michele Bruniges AM  
Secretary  
7 September 2021

Signed *Craig Boyd*  
Craig Boyd FCPA  
Chief Financial Officer  
7 September 2021

**Department of Education, Skills and Employment  
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**Department of Education, Skills and Employment**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2021*

<b>Departmental Primary Statements</b>				Original Budget <sup>1</sup>
	Notes	2021 \$'000	2020 \$'000	2021 \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	C1.1	442,353	441,333	423,697
Supplier	C1.2	272,311	216,616	419,065
Grants		236	14,560	-
Interest on lease liabilities		4,100	4,445	6,421
Depreciation and amortisation	E2.1	130,984	131,798	124,411
Impairment loss on financial assets	I2.2	5,026	109	-
Write-down and impairment of other assets	C1.3	3,281	5,448	-
Losses from asset sales		100	82	-
Act of grace		-	10,912	-
<b>Total expenses</b>		<b>858,391</b>	<b>825,303</b>	<b>973,594</b>
<b>Own-Source Income</b>				
<b>Own-source revenue</b>				
Revenue from contracts with customers	C2.1	34,864	50,646	58,386
Rental income	C2.2	4,380	12,246	8,875
Resources received free of charge	C2.3	3,398	4,758	20,714
<b>Total own-source revenue</b>		<b>42,642</b>	<b>67,650</b>	<b>87,975</b>
<b>Gains</b>				
Other gains	C2.4	207	322	410
<b>Total gains</b>		<b>207</b>	<b>322</b>	<b>410</b>
<b>Total own-source income</b>		<b>42,849</b>	<b>67,972</b>	<b>88,385</b>
<b>Net cost of services</b>		<b>(815,542)</b>	<b>(757,331)</b>	<b>(885,209)</b>
Revenue from Government	C2.5	858,178	672,966	847,025
<b>Surplus/(Deficit) on continuing operations</b>		<b>42,636</b>	<b>(84,365)</b>	<b>(38,184)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation reserve		(532)	-	-
<b>Total other comprehensive income</b>		<b>(532)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	B1	<b>42,104</b>	<b>(84,365)</b>	<b>(38,184)</b>

1. Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.

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

**Department of Education, Skills and Employment**  
**STATEMENT OF FINANCIAL POSITION**  
**as at 30 June 2021**

	Notes	2021 \$'000	2020 \$'000	Original Budget <sup>1</sup> 2021 \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	E1.1	5,741	8,961	8,961
Trade and other receivables	E1.2	440,108	219,269	234,516
<b>Total financial assets</b>		<b>445,849</b>	<b>228,230</b>	<b>243,477</b>
<b>Non-financial assets<sup>2</sup></b>				
Leasehold improvements	E2.1	41,392	49,094	69,954
Buildings	E2.1	332,382	375,478	378,279
Infrastructure, plant and equipment	E2.1	60,154	33,998	36,974
Computer software	E2.1	240,695	198,328	327,214
Prepayments		29,303	14,500	14,500
<b>Total non-financial assets</b>		<b>703,926</b>	<b>671,398</b>	<b>826,921</b>
<b>Total assets</b>		<b>1,149,775</b>	<b>899,628</b>	<b>1,070,398</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Supplier payables		70,139	41,838	41,838
Other payables	E3.1	12,629	14,085	9,988
<b>Total payables</b>		<b>82,768</b>	<b>55,923</b>	<b>51,826</b>
<b>Interest bearing liabilities</b>				
Leases	E4.1	356,119	381,222	390,342
<b>Total interest bearing liabilities</b>		<b>356,119</b>	<b>381,222</b>	<b>390,342</b>
<b>Provisions</b>				
Employee provisions	H1.1	161,234	155,402	160,274
<b>Total provisions</b>		<b>161,234</b>	<b>155,402</b>	<b>160,274</b>
<b>Total liabilities</b>		<b>600,121</b>	<b>592,547</b>	<b>602,442</b>
<b>Net assets</b>		<b>549,654</b>	<b>307,081</b>	<b>467,956</b>
<b>EQUITY</b>				
Contributed equity		710,573	510,439	709,498
Reserves		1,379	1,911	1,911
Accumulated deficit		(162,298)	(205,269)	(243,453)
<b>Total equity</b>		<b>549,654</b>	<b>307,081</b>	<b>467,956</b>

- Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.
- Right-of-use (ROU) assets are included in the 'Buildings' line item.

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

**Department of Education, Skills and Employment**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget <sup>1</sup> 2021 \$'000
<b>CONTRIBUTED EQUITY</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		510,439	200,300	510,439
Adjustment for rounding		(5)	-	-
<b>Adjusted opening balance</b>		<b>510,434</b>	<b>200,300</b>	<b>510,439</b>
<b>Transactions with owners</b>				
<b>Distribution to owners</b>				
Lapsed Capital <sup>2</sup>		-	(3,068)	-
Equity return		(3,546)	-	-
<b>Contributions by owners</b>				
Equity injection - appropriations		126,754	51,965	123,050
Departmental capital budget		76,931	51,291	76,009
Restructuring		-	209,951	-
<b>Total transactions with owners</b>		<b>200,139</b>	<b>310,139</b>	<b>199,059</b>
<b>Closing balance as at 30 June</b>		<b>710,573</b>	<b>510,439</b>	<b>709,498</b>
<b>ACCUMULATED DEFICIT</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		(205,269)	(147,769)	(205,269)
Adjustment on initial application of AASB 16		-	27,715	-
Other		335	(850)	-
<b>Adjusted opening balance</b>		<b>(204,934)</b>	<b>(120,904)</b>	<b>(205,269)</b>
<b>Comprehensive income</b>				
Surplus/ (Deficit) on continuing operations		42,636	(84,365)	(38,184)
<b>Total comprehensive income</b>		<b>42,636</b>	<b>(84,365)</b>	<b>(38,184)</b>
<b>Closing balance as at 30 June</b>		<b>(162,298)</b>	<b>(205,269)</b>	<b>(243,453)</b>
<b>ASSET REVALUATION RESERVES</b>				
<b>Opening balance</b>				
Balance carried forward from previous period		1,911	1,912	1,911
Adjustment for rounding		-	(1)	-
<b>Adjusted opening balance</b>		<b>1,911</b>	<b>1,911</b>	<b>1,911</b>
<b>Comprehensive income</b>				
Other comprehensive income		(532)	-	-
<b>Total comprehensive income</b>		<b>(532)</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 30 June</b>		<b>1,379</b>	<b>1,911</b>	<b>1,911</b>
<b>Total equity as at 30 June</b>		<b>549,654</b>	<b>307,081</b>	<b>467,956</b>

1. Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.  
 2. Appropriation Acts (No.2) and (No.4) 2016-17 were repealed with an effective date of 1 July 2019.

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

**Department of Education, Skills and Employment**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2021*

	Notes	2021 \$'000	2020 \$'000	Original Budget <sup>1</sup> 2021 \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Appropriations		765,548	719,751	831,420
Sale of goods and rendering of services		42,993	42,970	67,261
Net GST received		37,105	27,942	-
Special Account		5,607	7,320	-
Other		6,999	12,524	15,865
<b>Total cash received</b>		<b>858,252</b>	<b>810,507</b>	<b>914,546</b>
<b>Cash used</b>				
Employee benefits		434,112	421,066	422,672
Suppliers		295,212	264,705	413,449
Grants		236	14,560	-
Section 74 receipts transferred to the OPA		67,650	55,397	-
Interest payments on lease liabilities		4,100	4,364	6,421
Other operating cash used		-	32	-
<b>Total cash used</b>		<b>801,310</b>	<b>760,124</b>	<b>842,542</b>
<b>Net cash from operating activities</b>		<b>56,942</b>	<b>50,383</b>	<b>72,004</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash received</b>				
Proceeds from sales of infrastructure, plant and equipment		70	73	-
<b>Total cash received</b>		<b>70</b>	<b>73</b>	<b>-</b>
<b>Cash used</b>				
Purchase of property, plant and equipment		40,893	15,029	11,719
Purchase of leasehold improvements		3,910	2,873	34,134
Purchase/development of intangibles		98,706	79,237	175,318
<b>Total cash used</b>		<b>143,509</b>	<b>97,139</b>	<b>221,171</b>
<b>Net cash used by investing activities</b>		<b>(143,439)</b>	<b>(97,066)</b>	<b>(221,171)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity - equity injection		100,083	37,826	123,050
Contributed equity - departmental capital budget		36,037	49,767	76,009
<b>Total cash received</b>		<b>136,120</b>	<b>87,593</b>	<b>199,059</b>
<b>Cash used</b>				
Return of contributed equity		3,546	-	-
Principal payments of lease liabilities		49,297	43,099	49,892
<b>Total cash used</b>		<b>52,843</b>	<b>43,099</b>	<b>49,892</b>
<b>Net cash from financing activities</b>		<b>83,277</b>	<b>44,494</b>	<b>149,167</b>
<b>Net decrease in cash held</b>		<b>(3,220)</b>	<b>(2,189)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period		8,961	11,150	8,961
<b>Cash and cash equivalents at the end of the reporting period</b>	E1.1	<b>5,741</b>	<b>8,961</b>	<b>8,961</b>

1. Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.

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

**Department of Education, Skills and Employment**  
**BUDGET VARIANCES COMMENTARY**  
*for the year ended 30 June 2021*

<p><b>Departmental Budget Variance Commentary:</b>                  The below table provides commentary for significant variances between the department's original budget estimates, as published in the 2020-21 Portfolio Budget Statements, and the final financial outcome in the 2020-21 financial statements.</p>	
<b>Explanation of major variances</b>	<b>Affected line items (and statement)</b>
<p>Expenditure on contractor resources is lower than budget due to:</p> <ul style="list-style-type: none"> <li>delays in sourcing suitably qualified contractors across the department, including for Information Technology (IT) system enhancement projects during the year; and</li> <li>reduced Unemployed Benefit Recipient caseload figures meant resourcing didn't reach levels initially budgeted for the Digital Services Contact Centre.</li> </ul>	<p>Supplier expenses (Statement of Comprehensive Income)                  Payments to Suppliers (Statement of Cashflows)                  Computer software (Statement of financial position)                  Trade and other receivables (Statement of financial position)</p>
<p>Revenue is lower than budget due to the finalisation of cost recovery arrangements with the former Department of Employment for the delivery of IT and other corporate services.</p>	<p>Revenue from contracts with customers (Statement of Comprehensive Income)                  Sale of Goods and Services (Statement of Cashflows)</p>



**Department of Education, Skills and Employment**  
**ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2021*

<b>Administered Schedules</b>				Original Budget <sup>1</sup>
	Notes	2021 \$'000	2020 \$'000	2021 \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Grants	D1.1	34,765,891	32,441,597	34,774,020
Personal benefits	D1.2	8,810,822	8,141,904	9,265,291
Supplier	D1.3	2,106,655	1,732,060	2,550,452
Subsidies	D1.4	2,018,980	933,324	3,200,587
Interest	D1.5	66,000	108,046	86,878
Impairment loss on financial assets		51,390	110,593	-
Finance costs		15	11	25
Depreciation	F2.1	97	97	92
Fair value losses	D1.6	866,825	3,783,353	1,243,690
Act of grace payments		-	796	-
Employee benefits		315	153	-
<b>Total expenses</b>		<b>48,686,990</b>	<b>47,251,934</b>	<b>51,121,035</b>
<b>Income</b>				
<b>Revenue</b>				
<b>Taxation revenue</b>				
Levies		10,491	28	11,984
<b>Total taxation revenue</b>		<b>10,491</b>	<b>28</b>	<b>11,984</b>
<b>Non-taxation revenue</b>				
Revenue from contracts with customers	D2.1	25,635	38,033	-
Interest	D2.2	675,605	721,174	1,032,922
Other	D2.3	170,302	191,632	81,801
<b>Total non-taxation revenue</b>		<b>871,542</b>	<b>950,839</b>	<b>1,114,723</b>
<b>Total revenue</b>		<b>882,033</b>	<b>950,867</b>	<b>1,126,707</b>
<b>Gains</b>				
Fair value gains	D2.4	589,616	-	-
Reversal of previous asset impairment		2,287	2	-
<b>Total gains</b>		<b>591,903</b>	<b>2</b>	<b>-</b>
<b>Total income</b>		<b>1,473,936</b>	<b>950,869</b>	<b>1,126,707</b>
<b>Net cost of services</b>		<b>(47,213,054)</b>	<b>(46,301,065)</b>	<b>(49,994,328)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Change in asset revaluation reserve		104,790	(112,115)	-
<b>Total other comprehensive income</b>		<b>104,790</b>	<b>(112,115)</b>	<b>-</b>
<b>Total comprehensive loss</b>		<b>(47,108,264)</b>	<b>(46,413,180)</b>	<b>(49,994,328)</b>

1. Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.

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

**Department of Education, Skills and Employment  
ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES  
as at 30 June 2021**

	Notes	2021 \$'000	2020 \$'000	Original Budget <sup>1</sup> 2021 \$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash	F1.1	104,319	85,696	87,942
Receivables	F1.2	55,261,520	52,128,521	53,960,754
Investments	F1.3	2,901,288	2,796,498	2,796,499
<b>Total financial assets</b>		<b>58,267,127</b>	<b>55,010,715</b>	<b>56,845,195</b>
<b>Non-financial assets</b>				
Buildings	F2.1	1,091	1,188	1,176
Prepayments		-	287,553	25,092
<b>Total non-financial assets</b>		<b>1,091</b>	<b>288,741</b>	<b>26,268</b>
<b>Total assets administered on behalf of Government</b>		<b>58,268,218</b>	<b>55,299,456</b>	<b>56,871,463</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Personal benefits		87,667	34,844	267,605
Supplier		204,338	141,793	138,827
Subsidies		62,794	24,443	24,443
Grants	F3.1	19,448	9,221	9,221
GST payable		4,167	1,730	39,918
<b>Total payables</b>		<b>378,414</b>	<b>212,031</b>	<b>480,014</b>
<b>Interest bearing liabilities</b>				
Leases - buildings		1,106	1,228	1,333
<b>Total interest bearing liabilities</b>		<b>1,106</b>	<b>1,228</b>	<b>1,333</b>
<b>Provisions</b>				
Personal benefits	F4	469,566	405,624	747,036
Higher education superannuation program	F4	6,407,000	7,147,000	6,850,319
<b>Total provisions</b>		<b>6,876,566</b>	<b>7,552,624</b>	<b>7,597,355</b>
<b>Total liabilities administered on behalf of Government</b>		<b>7,256,086</b>	<b>7,765,883</b>	<b>8,078,702</b>
<b>Net assets</b>		<b>51,012,132</b>	<b>47,533,573</b>	<b>48,792,761</b>

1. Budget reported in the 2020-21 Portfolio Budget Statements published on 6 October 2020.

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

**Department of Education, Skills and Employment**  
**ADMINISTERED RECONCILIATION SCHEDULE**  
*for the year ended 30 June 2021*

	2021 \$'000	2020 \$'000
<b>Opening assets less liabilities as at 1 July</b>	<b>47,533,573</b>	45,612,546
<b>Net cost of services</b>		
Income	1,473,936	950,869
Expenses		
Other than corporate Commonwealth entities	<b>(48,686,990)</b>	(47,251,934)
<b>Other comprehensive income</b>		
Revaluations transferred to reserves	<b>104,790</b>	(112,115)
<b>Transfers (to) from the Australian Government</b>		
Appropriation transfers from the OPA		
Annual appropriations		
Payments to entities other than corporate Commonwealth entities	<b>5,037,149</b>	3,418,696
Special appropriations (unlimited)		
Payments to entities other than corporate Commonwealth entities	<b>51,626,063</b>	49,104,799
Appropriation transfers to the OPA		
Transfers to the OPA	<b>(5,987,618)</b>	(5,455,978)
Transfers to the OPA (withholdings)	<b>(7,832)</b>	(14,678)
Restructuring	-	1,331,551
Other movements	<b>(80,939)</b>	(50,183)
<b>Closing assets less liabilities as at 30 June</b>	<b><u>51,012,132</u></b>	<u>47,533,573</u>

**Administered Cash Transfers to and from the Official Public Account**

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

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

**Department of Education, Skills and Employment  
ADMINISTERED CASH FLOW STATEMENT  
for the year ended 30 June 2021**

	Notes	2021 \$'000	2020 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Net GST refunds		1,602,812	1,566,740
Levies		10,491	-
Other revenue		55,252	75,632
<b>Total cash received</b>		<u>1,668,555</u>	<u>1,642,372</u>
<b>Cash used</b>			
Suppliers		2,021,368	1,996,180
Subsidies		1,980,629	878,505
Personal benefits <sup>1</sup>		8,559,762	8,865,577
Grants <sup>1</sup>		36,675,146	34,139,775
<b>Total cash used</b>		<u>49,236,905</u>	<u>45,880,037</u>
<b>Net cash used by operating activities</b>		<u>(47,568,350)</u>	<u>(44,237,665)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Repayments of loans		4,286,503	3,800,528
<b>Total cash received</b>		<u>4,286,503</u>	<u>3,800,528</u>
<b>Cash used</b>			
Loans provided		7,375,124	6,840,773
<b>Total cash used</b>		<u>7,375,124</u>	<u>6,840,773</u>
<b>Net cash used by investing activities</b>		<u>(3,088,621)</u>	<u>(3,040,245)</u>
<b>Net decrease in cash held</b>		<u>(50,656,971)</u>	<u>(47,277,910)</u>
<b>Cash from the Official Public Account</b>			
Appropriations <sup>1</sup>		56,663,212	52,742,029
<b>Total cash from the Official Public Account</b>		<u>56,663,212</u>	<u>52,742,029</u>
<b>Cash to the Official Public Account</b>			
Administered Receipts		(5,987,618)	(5,463,501)
<b>Total cash to the Official Public Account</b>		<u>(5,987,618)</u>	<u>(5,463,501)</u>
<b>Net increase/(decrease) in cash held</b>		18,623	618
Cash and cash equivalents at the beginning of the reporting period		85,696	85,078
<b>Cash at the end of the reporting period</b>	F1.1	<u>104,319</u>	<u>85,696</u>

1. Refer Notes to the Financial Statements, section A. About this Report

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

**Department of Education, Skills and Employment**  
**BUDGET VARIANCES COMMENTARY**  
*for the year ended 30 June 2021*

<b>Administered Budget Variance Commentary:</b>	
The below table provides commentary for significant variances between the original budget estimates, as published in the 2020-21 Portfolio Budget Statements, and the final financial outcome in the 2020-21 financial statements.	
<b>Explanation of major variances</b>	<b>Affected line items (and statement)</b>
The rate of expenditure under the Supporting Apprentices and Trainees (SAT) program has been slower than originally projected due to other Government COVID-19 response measures (e.g. JobKeeper) that supported employees and employers.	Subsidy expenses (Administered Schedule of Comprehensive Income) Subsidies Cash Used (Administered Cashflow Statement)
The fair values of the higher education superannuation provision, higher education loans and trade support loans are based on actuarial valuation. Due to the timing of the original budget, data used to estimate the balance was as at 30 June 2020; the actual fair value at 30 June 2021 is based upon updated data. Any changes in the actuary's assessment and the Government bond rates used to discount future cash flows cause the balance to fluctuate when compared to the original budget.	Fair value gains (Administered Schedule of Comprehensive Income) Fair value losses (Administered Schedule of Comprehensive Income) Interest Expense (Administered Schedule of Comprehensive Income) Interest Revenue (Administered Schedule of Comprehensive Income) Receivables (Administered Schedule of Assets and Liabilities) Provisions (Administered Schedule of Assets and Liabilities)
Personal benefits expense is lower than budget due to a difference in accounting treatment of child care expenses that are disclosed as a contingency in the financial statements. The budget estimates do not yet reflect this treatment.	Personal benefits (Administered Schedule of Comprehensive Income)
Administered investment values are higher than the original budget predominantly due to an increase in the net assets of the Australian National University as at 30 June 2021.	Investments (Administered Schedule of Assets and Liabilities) Other comprehensive income (Administered Schedule of Comprehensive Income)

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Notes to the Financial Statements

#### A. About This Report

##### Objectives of the Department of Education, Skills and Employment

The Department of Education, Skills and Employment (the department) is an Australian Government controlled not-for-profit entity.

The department's purpose is to help create an inclusive and prosperous Australia by maximising opportunity through national leadership on education, skills and employment policy development and implementation. The department works to ensure Australians can experience the social wellbeing and economic benefits that quality education, training and employment provide by actively supporting our Ministers to deliver Government policies and priorities.

The department's strategic priorities are:

- Improving learning outcomes by enabling quality, affordable and accessible early education and care for families.
- Improving schooling outcomes for our children.
- Equipping the workforce of the future through globally competitive tertiary education, training and research sectors.
- Helping people find and keep a job, change jobs, reskill and enjoy fulfilling careers.
- Developing a strong evidence base for effective policy that reflects and understands the varied needs of the Australian population, business and industry.

For the financial period ended 30 June 2021, the department was structured to meet the following outcomes:

**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.

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

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

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

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

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

##### The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*. The financial statements have been prepared in accordance with Division 4 of Part 2-3 of the PGPA Act *Rule 2014*, PGPA (Financial Reporting) *Rule 2015* (FRR) and the Australian Accounting Standards and Interpretations.

In accordance with the FRR and AASB 1053 *Application of Tiers of Australian Accounting Standards and other reporting requirements*, the department has applied tier 2 reporting requirements (as a minimum).

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

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Reporting of Administered activities

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

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

Tier 1 reporting requirements have been applied to administered disclosures in respect of AASB 7 *Financial Instrument: Disclosure* and AASB 13 *Fair Value Measurement*.

### Significant Accounting Judgements and Estimates

During the 2020-21 financial year, the department made a number of judgements and applied estimates that had an impact on the amounts recorded in the financial statements. Judgements and estimates that are material to the financial statements are found in the following notes:

- Employee Provisions (H1)
- Non-financial Assets (E2)
- Jobactive and Transition to Work accruals (D1.3 and D1.4)
- Personal benefits – Child Care Subsidy program (F1.2)
- Higher Education Loan Program (HELP) (D2.4 and F1.2)
- Higher Education Superannuation Program (HESP) (D2.4, F1.2 and F4)
- Vocational student loans (includes both VET Student Loans (VSL) and VET FEE-HELP (VFH) (D1.6 and F1.2)
- Trade Support Loans (D1.2, D1.6 and F1.2)

### New Australian Accounting Standards

#### Adoption of new Australian Accounting Standard requirements

All new, revised, amending standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period, unless otherwise stated, are not expected to have a material effect on the department's financial statements in 2020-21 or future years.

#### Taxation

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

#### Shared Service Arrangements

The department has established a memorandum of understanding with the Department of Finance, Service Delivery Office, for the provision of shared services arrangements. The department receives core transactional services from the Department of Finance. The department also receives grant hub support from the Department of Social Services (DSS), child care debt management and payment support from Services Australia, and grant hub support from Department of Industry, Science, Energy and Resources (DISER).

#### Changes in Accounting Policy

During 2020-21, the department reclassified Administered GST payable to the OPA relating to Administered Special Appropriation payments from GST Payable to the Administered Reconciliation Schedule. These amounts are more appropriately classified in the Administered Reconciliation Schedule consistent with the treatment of other Administered Appropriation types and is consistent with the FRR.

The 2019-20 comparative of \$38.3 million has been restated by a reduction to GST Payable in the Administered Schedule of Assets and Liabilities with a corresponding increase in the Administered Reconciliation Schedule. There is no change to the Income or Expenses Administered on Behalf of Government.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Prior Period Error**

In the Administered Cash Flow Statement, the 2019-20 comparative year has been restated relating to \$1.58 billion in GST payments being incorrectly netted against Grants, Personal Benefits and Appropriations. The restatement reflects the total cash outflows (including GST) in accordance with Australian Accounting Standards and Interpretations. This misstatement does not impact other schedules or disclosures within the financial statements. Refer table below.

	<b>2020 Restated</b>	2020 Previous	<i>Difference</i>
	<b>\$'000</b>	\$'000	<i>\$'000</i>
<b>ADMINISTERED CASH FLOW STATEMENT</b>			
<b>OPERATING ACTIVITIES</b>			
<b>Cash used</b>			
Personal Benefits	8,865,577	8,790,082	75,495
Grants	34,139,775	32,634,976	1,504,799
<b>Total cash used</b>	<b>45,880,037</b>	44,299,743	1,580,294
<b>Net cash used by operating activities</b>	<b>(44,237,665)</b>	(42,657,371)	(1,580,294)
<b>Net decrease in cash held</b>	<b>(47,277,910)</b>	(45,697,616)	(1,580,294)
<b>Cash from the Official Public Account</b>			
Appropriations	52,742,029	51,161,735	1,580,294
<b>Total cash from the Official Public Account</b>	<b>52,742,029</b>	51,161,735	1,580,294

**Section 83 of the Constitution**

Section 83 of the Constitution provides that no amount may be paid out of the Consolidated Revenue Fund (CRF) except under appropriation made by law.

The department has primary responsibility for administering legislation related to Education, Skills and Employment. The department made payments totalling \$51.6 billion against Special Appropriations during 2020-21. Payments are administered by both the department through the Service Delivery Office for the *Australian Education Act 2013*, *Higher Education Support Act 2003*, *VET Students Loans Act 2016*, and *Trade Support Loans Act 2014*, and via Services Australia for payments under *A New Tax System (Family Assistance) Administration Act 1999*.

If an overpayment occurs, a breach of section 83 could result despite future payments being adjusted to recover the overpayment. In addition, simple administrative errors can lead to breaches of section 83. Due to the number of payments made, the reliance that must be placed on other control frameworks outside the department, and the complexities of the legislation governing these payments, the risk of a section 83 breach cannot be fully mitigated.

Certain legislation administered by the department contains specific or objective criteria that rely on information from recipients and provides for the recovery of overpayments which are actively managed.

The department administers six pieces of legislation, as disclosed in Note G1.4, with Special Appropriations involving statutory requirements for payments.

The department is committed to implementing measures to ensure that the possibility of unintentional breaches of section 83 has as low a financial risk and impact as possible.

The department will continue to review legislation and New Policy Proposals that create or modify payment eligibility and to ensure that business rules and processes are in place to minimise the risk of breaches of section 83 of the Constitution.



## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Events impacting the Australian Government in 2020-21

Australia has faced unexpected and significant events in 2020-21 resulting in impacts on the financial statements of the department.

In early 2020, the worldwide COVID-19 pandemic commenced. The impact of this pandemic on the department continues in 2020-21 with a decline in some activities, changes in expectations of stakeholders and estimation uncertainty for some financial balances. The Australian Government announced a number of measures in response to COVID-19, providing additional funding to programs such as Employment Services, Research Support to Universities, Non-government Schools National Support, Childcare Support, and Building Skills and Capability.

Further details of impacts on the financial statements are disclosed in the relevant notes including:

- change in costs for service delivery, and / or changes in demand and economic activity;
- change in fair value of assets, asset impairment and valuation of investments; and
- financial components which are subject to actuarial assessment or judgements.

The valuation advice provided to the department for the fair values of assets has acknowledged that the impact of COVID-19 has introduced "valuation uncertainty" due to the economic situation and lack of current transactional evidence. However, as consistent with the view of the department, this is not expected to have material impact on the fair values of the leasehold improvements, property, plant and equipment of the department, as at 30 June 2021.

Actuarial advice has considered the COVID-19 impacts on the actuarial assessments conducted for the department. The department acknowledges, the advice confirms that making assumptions about the impact of COVID-19 on the economy and future income levels is highly uncertain and will evolve over time.

### Events after the Reporting Period

There have been no events after balance date that have the potential to significantly affect the ongoing structure and financial activities of the department.

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**B. Departmental Operating Result Reconciliation**

**B1: Net Cash Appropriation Arrangements**

	2021 \$'000	2020 \$'000
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income<sup>1</sup></b>	<b>42,104</b>	(84,365)
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) <sup>2</sup>	78,082	73,602
Plus: depreciation of right-of-use assets <sup>3</sup>	52,902	58,196
Less: lease principal repayments <sup>3</sup>	<u>(53,398)</u>	<u>(43,099)</u>
<b>Net Cash Operating Surplus</b>	<b><u>119,690</u></b>	<b><u>4,334</u></b>

<sup>1</sup>The total comprehensive income includes appropriations for expenses the department has recognised in 'other' periods.

<sup>2</sup>From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities and selected corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

<sup>3</sup>The inclusion of depreciation/amortisation expenses related to Right-of-Use (ROU) leased assets and the lease liability principal repayment amount reflects the impact of *AASB 16 Leases*, and does not directly reflect a change in appropriation arrangements.

**Department of Education, Skills and Employment  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**C. Departmental Financial Performance**
**C1: Expenses**

	2021	2020
<b>C1.1: Employee benefits</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and entitlements	343,135	332,218
Superannuation:		
Defined benefit plans	33,249	32,079
Defined contribution plans	34,931	31,983
Leave and other entitlements	22,509	34,269
Separations and redundancies	5,126	8,088
Other	3,403	2,696
<b>Total employee benefits</b>	<b>442,353</b>	<b>441,333</b>

The accounting policies for employee benefits are described in note H1.1.

**C1.2: Supplier**
**Goods and services supplied or rendered**

Consultants and contractors	143,305	89,323
IT services	61,577	60,539
Managed services	24,224	25,389
Resources received free of charge	3,398	4,758
Property	8,796	4,528
Travel	2,187	4,802
Other	26,723	18,596
<b>Total goods and services supplied or rendered</b>	<b>270,210</b>	<b>207,935</b>

Goods supplied	18,762	11,792
Services rendered	251,448	196,143
<b>Total goods and services supplied or rendered</b>	<b>270,210</b>	<b>207,935</b>

**Other supplier expenses**

Workers compensation expenses	2,101	1,839
Short-term leases	-	6,842
<b>Total other supplier expenses</b>	<b>2,101</b>	<b>8,681</b>
<b>Total supplier expenses</b>	<b>272,311</b>	<b>216,616</b>

The department does not recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**C1.3: Write down and impairment of other assets**

Computer software	1,441	3,236
Leasehold improvements	1,772	2,108
Infrastructure, plant and equipment	68	104
<b>Total write-down and impairment of assets</b>	<b>3,281</b>	<b>5,448</b>

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>C2: Income</b>		
	2021	2020
	\$'000	\$'000
<b><u>C2.1: Revenue from contracts with customers</u></b>		
Sale of goods	479	464
Rendering of services	<u>34,385</u>	<u>50,182</u>
<b>Total revenue from contract with customers</b>	<b><u>34,864</u></b>	<b><u>50,646</u></b>
<b>Disaggregation of revenue from contracts with customers</b>		
Revenue from services	2,716	8,209
Corporate services	17,506	33,985
IT services	13,063	7,065
Other	<u>1,579</u>	<u>1,387</u>
<b>Total</b>	<b><u>34,864</u></b>	<b><u>50,646</u></b>
Type of customer:		
Australian Government entities (related parties)	33,285	49,259
Non-government entities	<u>1,579</u>	<u>1,387</u>
	<b><u>34,864</u></b>	<b><u>50,646</u></b>
Timing of transfer of goods and services:		
Over time	4,295	9,596
Point in time	<u>30,569</u>	<u>41,050</u>
	<b><u>34,864</u></b>	<b><u>50,646</u></b>

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

The department recognises revenue when the performance obligations are required by an enforceable contract and are sufficiently specific to enable the department to identify when they have been satisfied. The majority of the departmental revenues are specified in legally enforceable contracts or Memorandum of Understandings (MoUs) where it is reasonable to expect that parties will act on their obligations and there are consequences for non-performance.

Revenue from contracts with customers is recognised either:

- At a point in time, where the ownership or control of the goods or services is passed to the customer at a specific time; or
- Over time where the services are provided and consumed simultaneously, or the department has an enforceable right to payment for performance completed to date.

The principal activities from which the department generates its revenue include:

- Revenue from services - such as Trades Recognition Australia, audio visual services and the National Customer Service line. Trades Recognition Australia revenue is received and recognised at the point in time when an application is lodged. Audio visual services revenue is recognised once the services specified in the individual agreements are satisfied. The remaining service revenue is received in advance and recognised over the period to which it relates.
- Services specifically to other Government departments, including corporate services, property and IT services. These agreements are mostly MoUs which include terms that are sufficiently specific as to the services to be provided and revenue is recognised at the point in time when those requirements have been satisfied. For agreements with fixed annual fees where the services are provided across the period, the revenue is recognised over the relevant period. It is unlikely that this revenue will be subject to refunds.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021	2020
	\$'000	\$'000
<b><u>C2.2: Rental income</u></b>		
Subleasing right-of-use assets	<u>4,380</u>	<u>12,246</u>
<b>Total rental income</b>	<b><u>4,380</u></b>	<b><u>12,246</u></b>

The department has sub-leases for commercial properties with other government agencies. Due to the nature of these arrangements the risk associated with any rights it retains in the underlying asset is low.

The following table sets out a maturity analysis of lease payments from sub-leasing arrangements to be received in the future. The amounts are undiscounted.

<b>Maturity analysis of operating lease income receivables</b>		
Within 1 year	2,982	4,054
One to two years	3,031	4,285
Two to three years	3,135	4,446
Three to four years	2,656	4,608
Four to five years	-	3,461
<b>Total undiscounted operating lease payments receivable</b>	<b><u>11,804</u></b>	<b><u>20,854</u></b>

**C2.3: Resources received free of charge**

Australian Taxation Office collection of revenues on behalf of the department	2,098	3,658
Australian National Audit Office financial statement audit fee	<u>1,300</u>	<u>1,100</u>
<b>Total resources received free of charge</b>	<b><u>3,398</u></b>	<b><u>4,758</u></b>

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

**C2.4: Other gains**

First time recognition of assets – infrastructure, plant and equipment	-	2
Other	<u>207</u>	<u>320</u>
<b>Total other gains</b>	<b><u>207</u></b>	<b><u>322</u></b>

Other gains include incidental transactions and events outside of ordinary operations such as contributions of assets at no cost or for nominal consideration recognised at their fair value when the asset qualifies for recognition and reversals of provisions.

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021	2020
	\$'000	\$'000
<b><u>C2.5: Revenue from Government</u></b>		
Appropriations		
Departmental appropriations	852,037	666,814
Supplementation	534	-
Special Account	<u>5,607</u>	<u>6,152</u>
<b>Total revenue from Government</b>	<b><u>858,178</u></b>	<b><u>672,966</u></b>

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

Appropriated amounts that are designated as equity injections (less any formal reductions) and the departmental capital budget are recognised directly in contributed equity in that year.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**D. Administered Financial Performance**

**D1: Expenses**

	2021	2020
<b>D1.1: Grants</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Public sector</b>		
Australian Government entities	38,555	58,037
State and Territory Governments	22,160,547	22,337,266
<b>Private sector</b>		
Not-for-profit organisations	164,543	185,231
Multi-jurisdictional sector	11,286,405	9,531,420
Other	1,115,841	329,643
<b>Total grants</b>	<b>34,765,891</b>	<b>32,441,597</b>

The department administers a number of grant and subsidy schemes on behalf of the Government. Grant and subsidy liabilities are recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied, but payments due have not been made. A commitment is recorded when the Government enters into an agreement to make these grants and subsidies, but services have not been performed or criteria satisfied.

**D1.2: Personal benefits**

Assistance to families with children	8,743,025	8,054,841
Trade support loans discount	24,733	28,369
Student assistance	177	-
Vocational and industry training	6,095	2,263
Labour market assistance to job seekers and industry	36,792	56,431
<b>Total personal benefits</b>	<b>8,810,822</b>	<b>8,141,904</b>

The department administers personal benefit programs on behalf of the Government that provide entitlements to individuals. Payments are determined in accordance with the funding agreements for the New Enterprise Incentive Scheme and Youth Jobs PaTH under jobactive. The Trade Support Loans discount represents the value of the discount that applies on successful completion of the apprenticeship as assessed by the Australian Government Actuary on new debt. Direct personal benefits is \$66.2 million (2019-20: \$71.1 million), whilst indirect personal benefits is \$8,744.6 million. (2019-20: \$8,070.8 million).

**D1.3: Supplier**

<b>Services rendered</b>		
Provider services	1,545,692	1,136,582
Vocational and industry training	397,545	432,566
School education - specific funding	70,536	69,179
Assistance to families with children	67,603	70,813
Higher education	24,643	22,795
General research	615	61
Other	21	64
<b>Total services rendered</b>	<b>2,106,655</b>	<b>1,732,060</b>
<b>Total supplier expenses</b>	<b>2,106,655</b>	<b>1,732,060</b>

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>D1.4: Subsidies</u></b>		
Vocational and industry training	1,732,935	718,314
Assistance to families with children	85,493	68,110
Labour market assistance to job seekers and industry	200,552	146,900
<b>Total subsidies</b>	<b>2,018,980</b>	<b>933,324</b>

The jobactive and Transition to Work accruals for Supplier and Subsidies expense, developed by the department have been reviewed by an independent actuary.

**D1.5: Interest**

Higher education superannuation program	66,000	108,046
<b>Total interest</b>	<b>66,000</b>	<b>108,046</b>

**D1.6: Fair value losses**

Higher education loans	-	2,634,680
Vocational student loans	827,095	1,086,888
Higher education superannuation program	-	43,244
Trade support loans	39,730	18,541
<b>Total fair value losses</b>	<b>866,825</b>	<b>3,783,353</b>

As at 30 June 2021, the Australian Government Actuary estimated the fair value of the vocational student loans to be \$3.8 billion (Note F1.2 refers), applying an interest rate of 1.3% (2019-20: 1.3%).

The decrease of the estimated fair value of the vocational student loans takes into account a transfer of the portion of loans previously reported under HELP; the net movement of new loans and repayments made during 2020-21; unwinding of the concessional loan discount of \$58.7 million and actuarial impairment / fair value adjustments.

As at 30 June 2021, the Australian Government Actuary estimated the fair value of the Trade Support Loans to be \$808.1 million (Note F1.2 refers), applying an interest rate of 0.87% (2019-20: 1.3%).

The increase of the estimated fair value takes into account the net movement of new loans and repayments made during 2020-21, completion discount of \$24.7 million; unwinding of concessional loans of \$6.2 million and actuarial impairment / fair value adjustments.

This note should be read in conjunction with notes D2.4 and F1.2.



**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**D2: Income**

	2021	2020
	\$'000	\$'000

**D2.1: Revenue from contracts with customers**

Rendering of services	25,635	38,033
<b>Total revenue from contracts with customers</b>	<b>25,635</b>	<b>38,033</b>

**Disaggregation of revenue from contracts with customers**

**Major product / service line:**

Cost Recovery	25,635	37,533
Other	-	500
<b>Total</b>	<b>25,635</b>	<b>38,033</b>

All administered revenues relate to ordinary activities performed by the department on behalf of the Australian Government.

Administered revenue recognised is primarily from Trades Recognition Australia assessments and Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) annual registrations. CRICOS fees were waived in 2020-21 (2019-20: \$11.5 million collected with \$10.9 million refunded from departmental appropriation).

Trades Recognition Australia revenue is recognised when applications are received, in 2020-21 this was \$25.1 million (2019-20: \$25.5 million).

**D2.2: Interest**

HELP and vocational student loans	669,392	713,713
Trade support loans	6,204	7,461
Other sources	9	-
<b>Total interest</b>	<b>675,605</b>	<b>721,174</b>

**D2.3: Other revenue**

Loan fee revenue	-	97,969
Refunds of prior year payments	13,894	27,062
Special accounts	1,548	1,864
Vocational student loans	154,860	64,737
<b>Total other revenue</b>	<b>170,302</b>	<b>191,632</b>

Refunds of prior year payments and other revenue are recognised under AASB 1058. Refunds of prior year payments may include items such as repayments of grants that were not spent by the grantee. These amounts are recognised when received, however are then returned to the Consolidated Revenue Fund.

**Department of Education, Skills and Employment  
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	2021	2020
	\$'000	\$'000
<b><u>D2.4: Fair value gains</u></b>		
Higher education loans	137,393	-
Higher education superannuation program	452,223	-
<b>Total fair value gains</b>	<b>589,616</b>	<b>-</b>

As at 30 June 2021, the Australian Government Actuary estimated the fair value of the HELP loans to be \$49.8 billion (Note F1.2 refers), applying an interest rate of 1.3% (2019-2020: 1.3%).

The increase in the estimated fair value of the HELP takes into account a net movement of new loans and repayments made in 2020-21; unwinding of the concessional loan discount of \$610.7 million and actuarial impairment / fair value adjustments. The net actuarial assessment resulted in a fair value gain in 2020-21 (2019-20: \$2.6 billion fair value loss).

Higher Education Superannuation Program (HESP) provides supplementary funding to eligible higher education providers to cover certain superannuation expenses incurred for staff who are members of identified State government emerging cost superannuation schemes. A portion of the funding is recovered from the relevant States under cost-sharing arrangements. The Australian Government Actuary estimates the provision and receivable balances relying upon data provided by the State superannuation schemes, adjusting for the differing valuation dates and economic basis underpinning the estimates of the liabilities. The actuarial assessment resulted in a fair value gain in 2020-21 (2019-20: \$43.2 million fair value loss).

This note should be read in conjunction with notes D1.6 and F1.2.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**E. Departmental Financial Position**

**E1: Financial Assets**

	2021	2020
	\$'000	\$'000
<b>E1.1: Cash and cash equivalents</b>		
Cash on hand or on deposit	1,024	4,654
Cash held in the OPA - special account	4,717	4,307
<b>Total cash and cash equivalents</b>	<b>5,741</b>	<b>8,961</b>

Cash is recognised at its nominal amount. Cash on deposit includes demand deposits in bank accounts.

**E1.2: Trade and other receivables**

**Goods and services receivable**

Goods and services	25,144	29,191
<b>Total goods and services receivable</b>	<b>25,144</b>	<b>29,191</b>

**Appropriations receivable**

Operating annual appropriations	312,357	157,684
Operating - departmental capital budget	47,556	6,662
Equity injections	48,097	21,427
<b>Total appropriations receivable</b>	<b>408,010</b>	<b>185,773</b>

**Other receivables**

GST receivable from the Australian Taxation Office	7,065	4,473
<b>Total other receivables</b>	<b>7,065</b>	<b>4,473</b>
<b>Total trade and other receivables (gross)</b>	<b>440,219</b>	<b>219,437</b>

<b>Less impairment loss allowance</b>	<b>(111)</b>	<b>(168)</b>
<b>Total impairment loss allowance</b>	<b>(111)</b>	<b>(168)</b>
<b>Total trade and other receivables (net)</b>	<b>440,108</b>	<b>219,269</b>

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance account.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**E2: Non-Financial Assets**

**E2.1: Reconciliation of the opening and closing balances of land and buildings, infrastructure, plant and equipment and computer software**

	Buildings \$'000	Leasehold improvements \$'000	Infrastructure, plant and equipment \$'000	Computer software \$'000	Total \$'000
<b>As at 1 July 2020</b>					
Gross book value	433,456	59,244	47,687	407,504	947,891
Accumulated depreciation, impairment and amortisation	(57,978)	(10,150)	(13,689)	(209,176)	(290,993)
<b>Net value as at 1 July 2020</b>	<b>375,478</b>	<b>49,094</b>	<b>33,998</b>	<b>198,328</b>	<b>656,898</b>
<b>Additions</b>					
By purchase	-	3,878	39,567	-	43,445
By development	-	-	-	98,475	98,475
Right-of-use assets	23,490	-	-	-	23,490
Reclassification	(16,201)	-	10	799	(15,392)
Revaluations in other comprehensive income	-	(58)	(474)	-	(532)
Write-down and impairment recognised in net cost of services	-	(1,772)	(68)	(1,441)	(3,281)
Depreciation and amortisation	-	(9,750)	(12,866)	(55,466)	(78,082)
Depreciation on right-of-use assets	(52,902)	-	-	-	(52,902)
Other movements	2,517	-	-	-	2,517
Disposals	-	-	(13)	-	(13)
<b>Net value as at 30 June 2021</b>	<b>332,382</b>	<b>41,392</b>	<b>60,154</b>	<b>240,695</b>	<b>674,623</b>
<b>Net value as at 30 June 2021 represented by</b>					
Gross book value	431,575	41,392	60,166	485,545	1,018,678
Accumulated depreciation, impairment and amortisation	(99,193)	-	(12)	(244,850)	(344,055)
<b>Net value as at 30 June 2021</b>	<b>332,382</b>	<b>41,392</b>	<b>60,154</b>	<b>240,695</b>	<b>674,623</b>
<b>Carrying amount of right-of-use assets</b>	<b>332,382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332,382</b>

Asset Recognition Threshold

Purchases of non-financial assets are recognised initially at cost in the statement of financial position, except for purchases costing less than the asset capitalisation thresholds. All assets in the desktop hardware class (desktops and laptops) are to be capitalised regardless of value. Purchases below the threshold are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to the restoration provisions in property leases taken up by the department where there exists an obligation to restore the property to its original condition. These costs are included in the value of the department's leasehold improvements with a corresponding provision for the 'restoration' recognised.

The asset thresholds and useful lives for leasehold improvements and computer software remain unchanged from 2020, whilst infrastructure, plant and equipment has increased from \$2,000 to \$5,000. The application of the increase in the capitalisation threshold did not have a material impact on capitalised balances. No adjustment has been made to comparative information for 2019-20.

Asset class	2021 Useful life	2021 Threshold
Leasehold improvements	Lease term	\$50,000
Infrastructure, plant and equipment	3-25 years	\$5,000
Computer software	2-15 years	\$200,000

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Impairment

All assets were assessed for impairment at 30 June 2021. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

### Depreciation

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

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

Depreciation rates applying to each class of depreciable asset are based on the above mentioned useful lives.

### Leasehold improvements

There are no (2020: nil) leased properties that the department manages which are due to expire within the next 12 months that have leasehold improvement assets. All leasehold improvements are assessed for impairment with \$1.8 million of leasehold improvements impaired during 2020-21 (2019-20: \$2.1 million).

### Infrastructure, plant and equipment

No material amounts of infrastructure, plant and equipment are expected to be sold or disposed of within the next 12 months. All infrastructure, plant and equipment are assessed for impairment with \$0.1 million found to be impaired during 2020-21 (2019-20: \$0.1 million).

### Intangibles

The department's intangibles comprise of purchased and internally developed software for internal use. These assets are carried at cost less accumulated depreciation or accumulated impairment losses. No material amounts of computer software are expected to be sold or disposed of within the next 12 months.

All computer software assets are assessed for impairment and this resulted in impairment expenses of \$1.4 million in 2020-21 (2019-20: \$3.2 million).

### Lease ROU Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On adoption of AASB 16, in 2019-20, the department adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases and prepayments recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in the department's financial statements.

### Acquisition of Assets

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

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

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Revaluations

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

<b>Asset Class</b>	<b>Fair value measurement</b>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets. This volatility is assessed before the end of each reporting period.

The department procured valuation services from independent valuation experts and relied on the valuations made by these experts. The experts provided written assurance that the models developed to value assets are in compliance with accounting standards. The department tests the procedures of the valuation model as an internal management review at each valuation. The department has a rolling revaluation plan in place which ensures all assets are formally revalued at least once every three years. If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation.

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

Contractual commitments for the acquisition of property, plant and equipment, and intangible assets

As at 30 June 2021, contractual commitments for the acquisition of property, plant and equipment, and intangible assets amounted to \$2.1 million (2019-20: \$2.0 million).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**
**E3: Payables**

	2021	2020
<b><u>E3.1: Other payables</u></b>	<b>\$'000</b>	<b>\$'000</b>
Separations and redundancies	1,443	4,373
Wages and salaries	8,722	7,025
Unearned revenue from contracts with customers	839	1,305
Superannuation	1,277	962
Other employee benefits	348	420
<b>Total other payables</b>	<b><u>12,629</u></b>	<b><u>14,085</u></b>

**E4: Interest Bearing Liabilities**

	2021	2020
<b><u>E4.1: Leases</u></b>	<b>\$'000</b>	<b>\$'000</b>
Lease Liabilities		
Buildings	356,119	381,213
Plant and equipment	-	9
<b>Total leases</b>	<b><u>356,119</u></b>	<b><u>381,222</u></b>

Total cash outflow for leases for the year ended 30 June 2021 was \$53,397 (2020: \$47,463)

**Maturity analysis - contractual undiscounted cash flows**

Within 1 year	57,060	49,832
Between 1 to 5 years	221,651	220,776
More than 5 years	92,955	123,258
<b>Total leases</b>	<b><u>371,666</u></b>	<b><u>393,866</u></b>

For all new contracts entered into, the department considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>F. Assets and Liabilities Administered on behalf of Government</b>		
<b>F1: Administered - Financial Assets</b>		
	2021	2020
	\$'000	\$'000
<b>F1.1: Cash and cash equivalents</b>		
Cash on hand or on deposit	19	71
Cash held in the OPA - special accounts	104,300	85,625
<b>Total cash</b>	<b>104,319</b>	<b>85,696</b>
<b>F1.2: Receivables</b>		
<b>Goods and services receivable</b>		
Goods and services receivable	294,152	159,456
<b>Total goods and services receivable</b>	<b>294,152</b>	<b>159,456</b>
<b>Advances and loans</b>		
Higher education loans	49,789,663	46,338,891
Trade support loans	808,088	740,539
Vocational student loans	3,786,392	4,294,661
Child care loans	2	2
<b>Total advances and loans</b>	<b>54,384,145</b>	<b>51,374,093</b>
<b>Other receivables</b>		
Higher education superannuation program receivable	342,000	362,000
Personal benefits receivable	471,598	390,285
GST receivable	45,856	75,310
<b>Total other receivables</b>	<b>859,454</b>	<b>827,595</b>
<b>Total receivables (gross)</b>	<b>55,537,751</b>	<b>52,361,144</b>
<b>Less impairment allowance</b>		
Goods and services receivable	(78,679)	(84,598)
Personal benefits receivable	(197,552)	(148,025)
<b>Total impairment allowance</b>	<b>(276,231)</b>	<b>(232,623)</b>
<b>Total receivables (net)</b>	<b>55,261,520</b>	<b>52,128,521</b>

Where receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.



**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021	2020
	\$'000	\$'000
<b>Concessional loan</b>		
<b>Higher education loans</b>		
Nominal value	62,175,403	58,596,428
Unexpired discount	3,357,294	4,342,115
Impairment	<u>(15,743,034)</u>	<u>(16,599,652)</u>
<b>Carrying amount</b>	<u>49,789,663</u>	<u>46,338,891</u>
<b>Vocational student loans</b>		
Nominal value	7,058,588	7,728,748
Unexpired discount	217,932	313,506
Impairment	<u>(3,490,128)</u>	<u>(3,747,593)</u>
<b>Carrying amount</b>	<u>3,786,392</u>	<u>4,294,661</u>
<b>Trade support loans</b>		
Nominal value	985,242	884,838
Unexpired discount	50,874	74,429
Impairment	<u>(228,028)</u>	<u>(218,728)</u>
<b>Carrying amount</b>	<u>808,088</u>	<u>740,539</u>
<b>Child care loans</b>		
Nominal value	<u>2</u>	<u>2</u>
<b>Carrying amount</b>	<u>2</u>	<u>2</u>
<b>Total concessional loans</b>	<u>54,384,145</u>	<u>51,374,093</u>

In the determination of the fair value of these loans, consideration is given to: projections of future income of debtors; pattern and timing of repayments; changes in legislation; the recoverability of concessional debt; yield curve for discounting future cash flows and the impact of COVID-19 on the economy and future income levels which has been concluded as highly uncertain and will evolve over time. Only measures that have been legislated are incorporated into the estimates for financial statement reporting purposes.

Higher Education Loan Program (HELP) is an income contingent loan program that assists eligible tertiary education students with the cost of their fees. It is administered under the *Higher Education Support Act 2003* and the *VET Student Loans Act 2016*. The HELP debt, recognised as an administered receivable, comprises: HECS-HELP, FEE-HELP and OS-HELP programs. The Australian Taxation Office collects repayment of these debts through the tax system.

The Australian Government Actuary has developed a microsimulation model to provide estimates of a number of financial measures related to the HELP receivables, including an estimate of the debt that is not expected to be repaid. Significant judgements, estimates and assumptions are re-evaluated for each reporting period in light of historical experience, new loan schemes and changes to reasonable expectations of future events.

VET FEE-HELP (VFH) was introduced in 2009 following an expansion of HELP. VFH was closed to new students on 31 December 2016 with a grandfathering provision for continuing students.

The VET Student Loans program commenced on 1 January 2017 and provides income contingent loans to eligible students undertaking vocational education and training in eligible courses. The Australian Government Actuary has developed a model to provide a number of financial measures related to the receivable, including an estimate of debt not expected to be repaid.

The Trade Support Loans program is an income contingent loan scheme that came into effect during 2014-15 to assist apprentices with costs of living while training towards their qualification. The Australian Government Actuary has taken into consideration the debt not expected to be repaid due to compulsory thresholds not being met, the deferral adjustment and the discount arising upon the successful completion of the apprenticeship.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>F1.3: Investments</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Australian National University	2,891,704	2,784,306
Australian Institute for Teaching and School Leadership	5,234	8,457
Australian Curriculum, Assessment and Reporting Authority	4,350	3,735
<b>Total investments</b>	<b>2,901,288</b>	<b>2,796,498</b>

Administered investments are measured at their fair value as at 30 June. Fair value has been taken to be the Australian Government's proportional interest in the net assets of the entities.

Movements between years are recognised at fair value through other comprehensive income. In 2020-21 the increase was \$104.8 million (2019-20: \$112.1 million decrease).

**F2: Administered - Non-Financial Assets**

<b>F2.1: Reconciliation of the opening and closing balances of buildings</b>		
	<b>Buildings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>As at 1 July 2020</b>		
Gross book value	1,285	1,285
Accumulated depreciation and impairment	(97)	(97)
<b>Net value 1 July 2020</b>	<b>1,188</b>	<b>1,188</b>
Depreciation on right-of-use assets	(97)	(97)
<b>Net book value 30 June 2021</b>	<b>1,091</b>	<b>1,091</b>
<b>Net book value as of 30 June 2021 represented by</b>		
Gross book value	1,285	1,285
Accumulated depreciation and impairment	(194)	(194)
<b>Net book value 30 June 2021</b>	<b>1,091</b>	<b>1,091</b>
<b>Carrying amount of right-of-use assets</b>	<b>1,091</b>	<b>1,091</b>

**F3: Payables**

<b>F3.1: Grants payable</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Private sector</b>		
Non-profit organisations	4,374	4,358
Other	15,074	4,863
<b>Total grant payables</b>	<b>19,448</b>	<b>9,221</b>

Settlement is usually within 20 days of performance or eligibility according to the conditions of each grant.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**F4: Provisions**

	HESP 2021 \$'000	Personal benefits 2021 \$'000
Opening balance as at 1 July	7,147,000	405,624
Amounts used	(367,219)	(360,720)
Increase (decrease) recognised in net cost of services	(372,781)	424,662
<b>Total as at 30 June</b>	<b>6,407,000</b>	<b>469,566</b>

As at 30 June 2021, the Australian Government Actuary estimated the Higher Education Superannuation Program present value of the Commonwealth's total superannuation liability in respect of current and former university employees who are members of State superannuation schemes. The current cost share arrangements are based on allocating the emerging cost of benefits between the States and the Commonwealth based on the split of responsibility at the time the benefits accrued.

Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**G: Funding**  
**G1: Appropriations**

	Annual Appropriation \$'000	Adjustments to appropriation - s74 Receipts \$'000	Total appropriation \$'000	Appropriation applied in 2021 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	852,037	67,650	919,687	(771,784)	147,903
Capital Budget <sup>2</sup>	76,931	-	76,931	(36,037)	40,894
Other services					
Equity Injections	126,754	-	126,754	(100,083)	26,671
<b>Total departmental</b>	<b>1,055,722</b>	<b>67,650</b>	<b>1,123,372</b>	<b>(907,904)</b>	<b>215,468</b>
<b>Administered</b>					
Ordinary annual services					
Administered items	6,919,809	-	6,919,809	(4,558,566)	2,361,243
Other services					
States, ACT, NT and Local government	219,993	-	219,993	(221,480)	(1,487)
<b>Total administered</b>	<b>7,139,802</b>	<b>-</b>	<b>7,139,802</b>	<b>(4,780,046)</b>	<b>2,359,756</b>

<sup>1</sup> The departmental variance is made up of the movement in cash, GST receivable and appropriation receivable. The Administered variance represents the movement in the balance of appropriations, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

<sup>2</sup> Departmental Capital Budgets are appropriated through Appropriation Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Annual Appropriations for 2020

	Annual Appropriation \$'000	Adjustments to appropriation - S75 Transfers <sup>3</sup> \$'000	Adjustments to appropriation - s74 Receipts \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental</b>						
Ordinary annual services	336,005	176,451	33,028	545,484	(476,840)	68,644
Capital Budget <sup>2</sup>	25,581	10,826	-	36,407	(34,725)	1,682
Other services						
Equity Injections	14,155	24,509	-	38,664	(24,526)	14,138
<b>Total departmental</b>	<b>375,741</b>	<b>211,786</b>	<b>33,028</b>	<b>620,555</b>	<b>(536,091)</b>	<b>84,464</b>
<b>Administered</b>						
Ordinary annual services						
Administered items <sup>4</sup>	1,589,689	525,647	14,367	2,129,703	(1,918,545)	211,158
Other services						
States, ACT, NT and Local government	116,243	-	-	116,243	(109,177)	7,066
<b>Total administered<sup>5</sup></b>	<b>1,705,932</b>	<b>525,647</b>	<b>14,367</b>	<b>2,245,946</b>	<b>(2,027,722)</b>	<b>218,224</b>

<sup>1</sup> The variance is made up of the movement in cash, GST receivable and appropriation receivable. The appropriation table excludes a section 75 transfer of prior year appropriation (amounting to \$3.0 million), transferred out of the department. A section 51 quarantine is also in place for \$5.2 million of current year operating appropriations.

<sup>2</sup> Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. Prior year quarantined appropriation of \$0.9 million was re-instated to the former Department of Employment (Employment) and transferred to the department; then subject to section 51 quarantine in the department.

<sup>3</sup> As part of Machinery of Government changes, annual appropriation amounts (including departmental capital budgets) were transferred into the department from Employment. Annual appropriation transfers also occurred between the department and Home Affairs and the Department of the Prime Minister and Cabinet (PM&C). Section 75 transfers amounting to \$176.5 million of current year (2019-20) appropriation and \$3.0 million of prior (2018-19) appropriation were transferred from the department. Additional 2019-20 annual appropriations representing the departmental capital budget of \$10.8 million and equity 2019-20 appropriation of \$24.5 million was also transferred into the department.

<sup>4</sup> The Administered variance represents the movement in the balance of appropriations, Section 75 transfers of prior year appropriation, quarantining of current year appropriations, and cash spent from the balance of prior year appropriations.

<sup>5</sup> As part of Machinery of Government changes, and prior to 31 January 2020, annual appropriation amounts were transferred from the department into Employment. Annual appropriation transfers also occurred from Employment to the Attorney-General's Department (AGD). Section 75 transfers amounting to \$525.6 million of current year (2019-20) appropriation and \$10.6 million of prior (2018-19) appropriation were transferred from Employment on 1 February 2020.

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Annual Appropriations for 2020 – Former Department of Employment for the period 1 July 2019 to 31 January 2020

	Annual Appropriation \$'000	Adjustments to appropriation - s75 Transfers <sup>3</sup> \$'000	Adjustments to appropriation - s74 Receipts \$'000	Total appropriation \$'000	Appropriation applied in 2020 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental</b>						
Ordinary annual services	369,245	24,598	22,369	416,212	(245,355)	170,857
Capital Budget <sup>2</sup>	26,654	1,150	-	27,804	(15,042)	12,762
Other services						
Equity Injections	37,810	-	-	37,810	(13,301)	24,509
<b>Total departmental</b>	<b>433,709</b>	<b>25,748</b>	<b>22,369</b>	<b>481,826</b>	<b>(273,698)</b>	<b>208,128</b>
<b>Administered</b>						
Ordinary annual services						
Administered items <sup>4</sup>	2,060,553	325,514	10,059	2,396,126	(1,415,400)	980,726
Payments to corporate Commonwealth entities	2,496	(2,496)	-	-	-	-
<b>Total administered</b>	<b>2,063,049</b>	<b>323,018</b>	<b>10,059</b>	<b>2,396,126</b>	<b>(1,415,400)</b>	<b>980,726</b>

<sup>1</sup> The variance is made up of the movement in cash, GST receivable and appropriation receivable noting that section 75 amounts of \$234.3 million of 2019-20 appropriation and \$14.9 million of 2018-19 appropriation were transferred out of the department on 1 February 2020, \$13.1 million of 2018-19 appropriation was transferred out of the department as part of the PGPA Act (Section 75 Transfers) Amendment Determination (No. 11), signed on 25 May 2020. The appropriation table also excludes a section 75 transfer of prior year appropriation, which occurred on 1 July 2019. A pending section 51 quarantine of \$5.2 million was in place at 31 January 2020 but reversed in February 2020 as part of the finalisation of Machinery of Government changes.

<sup>2</sup> Departmental Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts.

<sup>3</sup> As part of Machinery of Government changes, and prior to 31 January 2020, annual appropriation amounts (including departmental capital budgets) were transferred from Education into Employment. Annual appropriation transfers also occurred from Employment to the AGD. Section 75 transfers amounting to \$234.3 million of current year (2019-20) appropriation and \$14.9 million of prior (2018-19) appropriation were transferred from Employment on 1 February 2020. Additional 2019-20 annual appropriations representing the departmental capital budget of \$13.9 million and equity 2019-20 appropriation of \$24.5 million was also transferred out of Employment.

<sup>4</sup> The Administered variance represents section 75 transfer of current year appropriation, which were transferred in February 2020.

The following entities spend money from the CRF on behalf of this entity: Education

As part of Machinery of Government changes, and prior to 31 January 2020, annual appropriation amounts were transferred from Education into Employment. Annual appropriation transfers also occurred from Employment to AGD. Administered Section 75 transfers amounting to \$980.7 million of current year (2019-20) appropriation and \$48.7 million of prior (2018-19) appropriation were transferred from Employment on 1 February 2020.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021	2020
	\$'000	\$'000
<b><u>G1.2: Departmental - Unspent annual appropriations ('recoverable GST exclusive')<sup>4</sup></u></b>		
<i>Appropriation Act (No. 1) 2017-18</i>	-	370
<i>Appropriation Act (No. 2) 2017-18</i>	-	10,056
<i>Appropriation Act (No. 4) 2017-18</i>	-	197
<i>Appropriation Act (No. 1) 2018-19</i>	-	275
<i>Appropriation Act (No. 1) Departmental Capital Budget 2018-19<sup>1</sup></i>	8,608	8,608
<i>Appropriation Act (No. 3) 2018-19</i>	-	28,872
<i>Supply Act (No. 1) 2019-20</i>	-	636
<i>Supply Act (No. 1) Departmental Capital Budget 2019-20</i>	-	1,798
<i>Supply Act (No. 2) 2019-20</i>	-	2,967
<i>Appropriation Act (No. 1) 2019-20<sup>2</sup></i>	5,157	123,105
<i>Appropriation Act (No. 2) 2019-20</i>	-	13,777
<i>Appropriation Act (No. 3) 2019-20</i>	-	3,104
<i>Appropriation Act (No. 4) 2019-20</i>	-	932
<i>Appropriation Act (No. 5) 2019-20</i>	-	1,764
<i>Appropriation Act (No. 5) Departmental Capital Budget 2019-20</i>	-	4,864
<i>Coronavirus Economic Response Package Act (No. 1) 2019-20</i>	5,086	5,086
<i>Coronavirus Economic Response Package Act (No. 2) 2019-20</i>	-	3,750
<i>Appropriation Act (No. 1) 2020-21</i>	185,491	-
<i>Appropriation Act (No. 1) Depart Capital Budget 2020-21</i>	21,592	-
<i>Supply Act (No. 1) 2020-21</i>	116,238	-
<i>Supply Act (No. 1) Departmental Capital Budget 2020-21</i>	25,042	-
<i>Supply Act (No. 2) 2020-21</i>	8,164	-
<i>Appropriation Act (No. 2) 2020-21<sup>3</sup></i>	43,321	-
<i>Appropriation Act (No. 3) 2020-21</i>	5,012	-
<i>Appropriation Act (No. 3) Depart Capital Budget 2020-21</i>	922	-
<i>Appropriation Act (No. 4) 2020-21</i>	158	-
<i>Cash at bank</i>	<u>1,024</u>	<u>4,654</u>
<b>Total unspent annual appropriations</b>	<b><u>425,815</u></b>	<b><u>214,815</u></b>

<sup>1</sup> This appropriation includes \$8.6 million in quarantined appropriations not yet formally reduced.

<sup>2</sup> This appropriation includes \$5.2 million in quarantined appropriations not yet formally reduced.

<sup>3</sup> This appropriation includes \$3.5 million in quarantined appropriations not yet formally reduced.

<sup>4</sup> The comparative represents unspent appropriation as at 30 June 2020. Any remaining unspent annual appropriation of the former Department of Employment was transferred to the department prior to 30 June 2020.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 <sup>7</sup> \$'000
<b>G1.3: Administered - Unspent annual appropriations ('recoverable GST exclusive')</b>		
<i>Appropriation Act (No. 1) 2018-19<sup>1</sup></i>	376,809	376,809
<i>Appropriation Act (No. 3) 2018-19<sup>2</sup></i>	35,093	35,093
<i>Supply Act (No. 1) 2019-20</i>	-	9
<i>Supply Act (No. 2) 2019-20</i>	97	62
<i>Appropriation Act (No. 1) 2019-20<sup>3</sup></i>	166,734	251,364
<i>Appropriation Act (No. 3) 2019-20</i>	11,955	17,229
<i>Appropriation Act (No. 4) 2019-20</i>	7,649	9,171
<i>Appropriation Act (No. 5) 2019-20</i>	19,335	86,072
<i>Appropriation (Coronavirus Economic Response Package) Act (No. 1) 2019-20<sup>3</sup></i>	85,000	85,000
<i>Supply Act (No. 1) 2020-21<sup>4</sup></i>	152,588	-
<i>Appropriation Act (No. 1) 2020-21<sup>6</sup></i>	2,133,746	-
<i>Appropriation Act (No. 3) 2020-21</i>	231,559	-
Cash at bank	19	71
<b>Total unspent annual appropriations</b>	<b>3,220,584</b>	<b>860,880</b>

<sup>1</sup> This appropriation includes \$53.1 million in quarantined appropriations not yet formally reduced.

<sup>2</sup> This appropriation includes \$3.8 million in quarantined appropriations not yet formally reduced.

<sup>3</sup> This appropriation includes \$15.1 million in quarantined appropriations not yet formally reduced.

<sup>4</sup> This appropriation includes \$87.9 million in quarantined appropriations not yet formally reduced.

<sup>5</sup> This appropriation includes \$49.9 million in quarantined appropriations not yet formally reduced.

<sup>6</sup> This appropriation includes \$59.8 million in quarantined appropriations not yet formally reduced.

<sup>7</sup> The comparative represents unspent appropriation as at 30 June 2020. Any remaining unspent annual appropriation of the former Department of Employment was transferred to the department prior to 30 June 2020.

**G1.4: Special appropriations applied ('recoverable GST exclusive')**

<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	9,441,895	8,522,512
<i>Australian Education Act 2013</i>	23,222,164	23,606,574
<i>Higher Education Support Act 2003, section 238-12</i>	18,505,305	16,465,863
<i>Trade Support Loans Act 2014, section 104<sup>3</sup></i>	190,234	214,089
<i>VET Student Loans Act 2016, section 115<sup>2</sup></i>	266,387	295,724
<i>Public Governance, Performance and Accountability Act 2013, section 77<sup>1</sup></i>	78	42
<b>Total special appropriations applied<sup>5</sup></b>	<b>51,626,063</b>	<b>49,104,804</b>

<sup>1</sup> The comparative includes \$4,161 of payments made by the former Department of Employment.

<sup>2</sup> The comparative includes \$169.9 million of payments made by the former Department of Employment.

<sup>3</sup> The comparative includes \$131.0 million of payments made by the former Department of Employment.

**G1.5: Disclosure by agent in relation to annual and special appropriations ('recoverable GST exclusive')**

The department had drawing rights for the Attorney-General's Department (AGD) administered annual appropriation for the industrial relations functions, payments were \$89.5 million (2019-20: \$192.4 million).

The department had drawing rights for the National Indigenous Australians Agency (NIAA) administered annual appropriation for the community development program, payments were \$417.8 million (2019-20: \$412.5 million).



**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**G2: Special Accounts**

**G2.1: Departmental - Special accounts ('recoverable GST exclusive')**

	Student Identifiers Special Account <sup>1,2</sup>	
	2021	2020
	\$'000	\$'000
<b>Balance as at 1 July (represented by cash held in the OPA)</b>	<b>4,307</b>	<b>4,112</b>
<b>Increases</b>		
Appropriations credited to special account	5,607	6,152
Other receipts	3,165	1,168
<b>Total increases</b>	<b>8,772</b>	<b>7,320</b>
<b>Available for payments</b>	<b>13,079</b>	<b>11,432</b>
<b>Decreases</b>		
Payments made	(8,362)	(7,125)
<b>Total decreases</b>	<b>(8,362)</b>	<b>(7,125)</b>
<b>Balance as at 30 June (represented by cash held in the OPA)</b>	<b>4,717</b>	<b>4,307</b>

<sup>1</sup> Student Identifiers Special Account  
 Appropriation: PGPA Act, section 80.  
 Establishing Instrument: *Student Identifiers Act 2014*; subsection 48(1).

Purpose: For paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Registrar's functions, paying any remuneration and allowances payable to any person under the Act and meeting the expenses of administering the account.

<sup>2</sup> The comparative includes receipts and payments made by the former Department of Employment.



## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### <sup>1</sup>Growth Fund Skills and Training Special Account 2015

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78.

Establishing Instrument: *PGPA Act (Growth Fund Skills and Training Special Account 2015 – Establishment) Determination 2015/04*, section 5.

Purpose: For paying amounts to enable Australian workers and former workers in the Australian automotive industry to obtain career advice, education, training and re-skilling support to exit the industry and obtain new forms of employment.

The PGPA Act (Growth Fund Skills and Training Special Account 2015 – Establishment) Determination 2015/04, that established the Growth Fund Skills and Training Special Account 2015 sunset on 30 June 2020 as per section 2 of the determination.

The comparative includes payments made by the former Department of Employment.

### <sup>2</sup>VET Student Loans (VSL) Tuition Protection Fund Special Account

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Education Legislation Amendment (Tuition Protection and Other Measures) Act 2019*, section 66J, commenced 1 January 2020.

Purpose: The purposes of the VSL Tuition Protection Fund are as follows:

- a) making payments in connection with tuition protection;
- b) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the VSL Tuition Protection Director's functions, including in managing the VSL Tuition Protection Fund;
- c) paying any remuneration and allowances payable to the VSL Tuition Protection Director;
- d) paying any remuneration and allowances payable to the members of the VSL Tuition Protection Fund Advisory Board;
- e) paying any amount that is required or permitted to be repaid; and
- f) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.

### <sup>3</sup>Early Years Quality Fund Special Account

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Early Years Quality Fund Special Account Act 2013*, section 5.

Purpose: To provide funding to approved centre based long day care services to be used exclusively for paying remuneration and other employment-related costs and expenses in relation to employees in the early childhood education and care sector. As at 1 July 2018 \$42.1 million was quarantined pending return to the OPA.

### <sup>4</sup>Overseas Students Tuition Fund

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Education Services for Overseas Students Act 2000*, taking into account amendments to *Education Services for Overseas Students Legislation Amendment (Tuition Protection Services and Other Measures) Act 2012*, section 52A.

Purpose: For expenditure in connection with assisting international students whose education providers are unable to deliver their course of study in full.

### <sup>5</sup>Higher Education Tuition Protection Fund

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 80.

Establishing Instrument: *Higher Education Support Act 2003*, Compilation No. 78, section 167-1, commenced 28 May 2021. This instrument continues the existence of the HELP Tuition Protection Fund established under the *Higher Education Support Act 2003*, Compilation No. 71, section 167-1, with a new name.

Purpose: (1) The purposes of the Higher Education Tuition Protection Fund are as follows:

- a) making payments in connection with tuition protection under this Act and the Higher Education Provider Guidelines;
- b) making payments in connection with tuition protection under the TEQSA Act and the Up-front Payments Guidelines;
- c) paying or discharging the costs, expenses and other obligations incurred by the Commonwealth in the performance of the Higher Education Tuition Protection Director's functions, including in managing the Fund;
- d) paying any remuneration and allowances payable to the Higher Education Tuition Protection Director;
- e) paying any remuneration and allowances payable to the members of the Higher Education Tuition Protection Fund Advisory Board;
- f) paying any amount that is required or permitted to be repaid; and
- g) reducing the balance of the Fund (and therefore the available appropriation for the Fund) without making a real or notional payment.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**<sup>6</sup>Services for Other Entities and Trust Moneys Special Account**

Appropriation: *Public Governance, Performance and Accountability Act 2013*, section 78.  
Establishing Instrument: *PGPA Act Determination (Education SOETM Special Account 2018)*, section 5.

Purpose: To disburse amounts held on trust or otherwise for the benefit of a person other than the Commonwealth; in connection with services performed for a corporate Commonwealth entity, Commonwealth company or other government; in connection with joint activities performed on behalf of another government, organisation or person; with an agreement between the Commonwealth and another government; and to repay amounts where a court order, Act or other law requires or permits the repayment of an amount received.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>G3: Regulatory Charging</b>		
	2021	2020
	\$'000	\$'000
<b><u>G3.1: Regulatory charging summary</u></b>		
<b>Amounts applied</b>		
Annual appropriation	24,514	33,261
<b>Total amounts applied</b>	<b>24,514</b>	<b>33,261</b>
<b>Expenses</b>		
Employee benefits	15,505	13,672
Supplier	10,342	8,405
<b>Total expenses</b>	<b>25,847</b>	<b>22,077</b>
<b>External revenue</b>		
Cost Recovery	1,334	1,383
<b>Total external revenue</b>	<b>1,334</b>	<b>1,383</b>
<b>Amounts Refunded</b>		
Act of Grace payments <sup>1</sup>	-	10,912
<b>Total amounts refunded</b>	<b>-</b>	<b>10,912</b>

<sup>1</sup>CRICOS fees and charges were refunded as part of the Government's COVID-19 support package.

	2021	2020
	\$'000	\$'000
<b><u>G3.2: Administered - regulatory charging summary</u></b>		
<b>Expenses</b>		
Suppliers	21,832	20,339
<b>Total expenses</b>	<b>21,832</b>	<b>20,339</b>
<b>External revenue</b>		
Cost recovery	26,702	38,454
<b>Total external revenue</b>	<b>26,702</b>	<b>38,454</b>
<b>Write-down and impairment / reversal</b>	<b>(9)</b>	<b>25</b>

The department undertakes regulatory charging activities relating to:

- The Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS);
- Certain programs managed by Trades Recognition Australia (TRA);
- The VET Student Loans (VSL) program; and
- Higher Education Loan Program (HELP).

Further information on the above activities is available at:

- CRICOS: [www.internationaleducation.gov.au](http://www.internationaleducation.gov.au)
- TRA: [www.tradesrecognitionaustralia.gov.au](http://www.tradesrecognitionaustralia.gov.au)
- VSL: [www.education.gov.au](http://www.education.gov.au)
- HELP: [www.studyassist.gov.au](http://www.studyassist.gov.au)

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**H. People and Relationships**

**H1: Employee Provisions**

	2021	2020
	\$'000	\$'000
<b>H1.1: Employee provisions</b>		
Annual and long service leave provisions	161,234	155,402
<b>Total employee provisions</b>	<b>161,234</b>	<b>155,402</b>

As required by AASB 119 *Employee Benefits*, the estimate of future cash outflows takes into account estimated attrition, probability factors, future salary rates and ancillary costs. In 2020-21, the Australian Government Actuary undertook an assessment of leave provisions taking into account the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and discount rates. The Australian Government Actuary confirmed their assessment on 23 June 2021.

Liabilities for short-term employee benefits expected to be paid within 12 months of the end of reporting period are measured at the one year Commonwealth Government bond rate of 0.009 per cent (2020: 0.24 per cent). Liabilities for long term employee benefits are discounted using the 10 year Commonwealth Government bond rate of 1.49 per cent (2020: 0.87 per cent).

No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees of the department is estimated to be less than the annual entitlement.

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for separation and redundancy based on AASB 119 for those employees affected.

Employees of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other elected defined contribution schemes. The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered financial statements. The department makes employer contributions to defined benefit superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The department accounts for the contributions as if they were contributions to defined contribution plans. The payable for superannuation recognised at 30 June represents outstanding contributions owed by the department to the superannuation schemes.

**H2: Key management personnel remuneration (KMP)**

**H2.1: KMP remuneration the Department for the period 1 July 2020 to 30 June 2021**

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the department. The department has determined the KMP to be the Portfolio Ministers, the Secretary, and the Deputy Secretaries. Other senior executives may at times act in one of these positions for a short period of time during the year. These officers are not reported as KMP unless they have acted in the position for more than three consecutive months.

	2021	2020
	\$'000	\$'000
Short-term employee benefits	3,209	2,865
Post-employment benefits	527	441
Other long-term employee benefits <sup>1</sup>	64	196
Termination benefits	223	717
<b>Total key management personnel remuneration expenses</b>	<b>4,023</b>	<b>4,219</b>

<sup>1</sup>Other includes motor vehicle allowances, other allowance and reportable fringe benefits.

The above table includes the remuneration for eight officers (seven for the full period and one for part of the period) occupying KMP positions for the department during the year (2019-20: ten). The remuneration and benefits for the Portfolio Minister are excluded from the table as they are set by the Remuneration Tribunal and are not paid by the department.

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### H3: Related party disclosures

The department is an Australian Government controlled entity. Related parties to the department are KMP as described in note H2.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of child care subsidies or higher education loans which are not included in this note.

#### *Transactions with entities where KMP have an interest*

Several of the department's KMP are members of the board of directors for a number of educational institutions and councils. During 2020-21 and 2019-20, the department purchased services from these entities in relation to the:

- Support of quality teaching and school leadership
- Collection of data, development and delivery of research studies, questionnaires and assessments.

All purchases were conducted under normal terms and conditions.

	2021	2020
	\$'000	\$'000
<b>H3.1: Related party disclosures</b>		
<b>Expenses</b>		
Supplier expenses	682	703
Grant expenses	<u>236</u>	<u>-</u>
<b>Total expenses</b>	<b><u>918</u></b>	<b><u>703</u></b>

### H3.2: Administered - Related Party Disclosures

<b>Expenses</b>		
Supplier expenses	3,400	14,949
Grant expenses	<u>-</u>	<u>19,533</u>
<b>Total expenses</b>	<b><u>3,400</u></b>	<b><u>34,482</u></b>

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**I. Managing Uncertainties**

**11: Contingent Assets and Liabilities**

**11.1: Departmental contingent assets and liabilities**

Departmental contingent assets and liabilities are not recognised in the statement of financial position. They may arise from uncertainty as to the existence of an asset or liability or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

*Quantifiable contingencies*

As at 30 June 2021, there are no departmental quantifiable contingent assets or liabilities (2020: nil).

*Unquantifiable contingencies*

As at 30 June 2021, there are no departmental unquantifiable contingent assets (2020: three) or liabilities (2020: three).

**11.2: Administered contingent assets and liabilities**

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

*Quantifiable contingencies*

As at 30 June 2021, there are three administered quantifiable contingent assets amounting to \$6.6 million (2020: \$0.1 million), in respect of litigation matters with childcare providers.

As at 30 June 2021, there are two administered quantifiable contingent liabilities amounting to \$318.1 million (2020: nil), in respect to ParentsNext and Jobactive programs. Providers accumulate one-off credits, which for the ParentsNext program accrue to the provider's Participation Fund on commencement of an intensive stream participant, and for the jobactive program accrue to the provider's Employment Fund on commencement of a job seeker receiving services. Currently providers are forecast to spend less than the value of the available credits, creating an accumulating surplus of credits that present a contingent liability. The timing of payments under these initiatives are uncertain and will occur over time.

*Unquantifiable contingencies*

VET FEE-HELP payments:

There is a potential financial risk to the Commonwealth in the event that compliance action results in student loan debts being remitted however the Commonwealth is unable to recover the payments from providers or tuition assurance operators where the provider has closed.

The Government continues to undertake compliance action, wherever appropriate under the legislation, to recover VET FEE-HELP payments from providers who inappropriately enrolled students in units and courses for which they incurred a VET FEE-HELP debt. In 2019-20, the Commonwealth was awarded compensation related to VET FEE-HELP recoveries in the Federal Court. A proof of debt was provided to liquidators and for 2020-21 the contingency remains unquantifiable.

Child Care Subsidy:

From 2 July 2018 the Child Care Subsidy program replaced the Child Care Fee Assistance program. A feature of the program is that the payments are subject to eligibility requirements including a year-end reconciliation.

Contingent assets and liabilities predominantly arise from the Child Care Subsidy program's reconciliation process. The reconciliation process is dependent on the lodgement of the recipients' income tax return which occurs after 30 June each year. These balances have previously been disclosed as contingent assets (2020: \$155.2 million) and liabilities (2020: \$315.3 million). Events impacting the program during 2020 and 2021, including the COVID-19 pandemic and the associated relief packages, the debt moratorium, changes to the first and second deadlines for customers to lodge their income tax return, have resulted in additional and significant uncertainty to the estimation process than previously disclosed. Therefore, the contingencies are unquantifiable as at 30 June 2021.



**Department of Education, Skills and Employment**  
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**12: Financial Instruments**

Financial assets

The department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) financial assets at fair value through other comprehensive income; and
- c) financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'. Supplier and Grant payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

	2021 \$'000	2020 \$'000
<b>12.1: Categories of Financial Instruments</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	5,741	8,961
Goods and services receivable	<u>25,033</u>	<u>29,023</u>
<b>Total financial assets at amortised cost</b>	<u>30,774</u>	<u>37,984</u>
<b>Total financial assets</b>	<u>30,774</u>	<u>37,984</u>
<b>Financial liabilities measured at amortised cost</b>		
Supplier payables	<u>70,139</u>	41,838
<b>Total financial liabilities measured at amortised cost</b>	<u>70,139</u>	<u>41,838</u>
<b>Total financial liabilities</b>	<u>70,139</u>	<u>41,838</u>

The department has adopted the simplified approach for measuring the impairment loss allowance for these financial assets. This approach measures the loss allowance as the amount equal to the lifetime expected credit losses. Any amounts written off have been recognised as a reduction to the financial asset.

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

All payables are expected to be settled within 12 months except where indicated.

**12.2: Net Gains or Losses on Financial Assets**

<b>Financial assets at amortised cost</b>		
Impairment of receivables - goods and services	<u>(5,026)</u>	(109)
<b>Net gains / (losses) on financial assets at amortised cost</b>	<u>(5,026)</u>	(109)
<b>Net gains /(losses) on financial assets</b>	<u>(5,026)</u>	(109)

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<u>12.3: Categories of financial instruments</u>	2021 \$'000	2020 \$'000
<b>FINANCIAL ASSETS</b>		
<b>Financial assets at amortised cost</b>		
Cash	104,319	85,696
Goods and services receivable	215,473	74,858
<b>Total financial assets at amortised cost</b>	<b>319,792</b>	<b>160,554</b>
<b>Financial assets at fair value through other comprehensive income</b>		
Investments	2,901,288	2,796,498
<b>Total financial assets at fair value through other comprehensive income</b>	<b>2,901,288</b>	<b>2,796,498</b>
<b>Financial assets at fair value through profit or loss (designated)</b>		
<b>Concessional loans</b>		
Higher education loans	49,789,663	46,338,891
Vocational student loans	3,786,392	4,294,661
Trade support loans	808,088	740,539
Child care loans	2	2
<b>Total financial assets at fair value through profit or loss (designated)</b>	<b>54,384,145</b>	<b>51,374,093</b>
<b>Total financial assets</b>	<b>57,605,225</b>	<b>54,331,145</b>
<b>FINANCIAL LIABILITIES</b>		
<b>Financial liabilities measured at amortised cost</b>		
Supplier payables	204,338	141,793
Grants payable	19,448	9,221
<b>Total financial liabilities measured at amortised cost</b>	<b>223,786</b>	<b>151,014</b>
<b>Total financial liabilities</b>	<b>223,786</b>	<b>151,014</b>
 <u>12.4: Net gains or losses on financial assets</u>		
<b>Financial assets at amortised cost</b>		
Interest revenue / expense	9	-
Write-down and impairment / reversal	2,287	(70,876)
<b>Net gains / (losses) on financial assets at amortised cost</b>	<b>2,296</b>	<b>(70,876)</b>
<b>Investments in equity instruments at fair value through other comprehensive income (designated)</b>		
Gains/(losses) recognised in equity	104,790	(112,115)
<b>Net gains / (losses) on investments in equity instruments at fair value through other comprehensive income (designated)</b>	<b>104,790</b>	<b>(112,115)</b>
<b>Financial assets at fair value through profit or loss</b>		
Interest revenue	675,596	721,174
Loan fee revenue	-	97,969
Trade support loan discount	(24,733)	(28,369)
Fair value gains/(losses)	(729,432)	(3,740,109)
<b>Net gains / (losses) at fair value through profit or loss</b>	<b>(78,569)</b>	<b>(2,949,335)</b>
<b>Net gains / (losses) on financial assets</b>	<b>28,517</b>	<b>(3,132,326)</b>

The financial assets measured at amortised cost are impaired according to AASB 9, wherein the lifetime expected credit losses are measured using the simplified approach.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	2021 \$'000	2020 \$'000
<b><u>12.5: Financial instruments designated at fair value through profit or loss</u></b>		
<b>FINANCIAL ASSETS</b>		
<b>Fair value changes due to credit risk</b>		
During the period	(1,072,665)	(1,067,379)
Prior periods	<u>(15,106,427)</u>	<u>(15,907,831)</u>
<b>Cumulative change</b>	<b><u>(16,179,092)</u></b>	<b><u>(16,975,210)</u></b>
<b><u>12.6: Credit risk</u></b>		
The financial assets measured at amortised cost are not exposed to a high level of credit risk and the department manages this risk by applying debt recovery policies and procedures. The risk of default on payments has been assessed and an impairment provision brought to account. Note F1.2 refers.		
The financial assets at fair value through other comprehensive income represent the Government's proportional interest in the net assets of the entities which are not exposed to a high level of credit risk. Note F1.3 refers.		
The financial assets at fair value through profit or loss are subject to annual fair value actuarial assessments which take into account the future income projections, pattern and timing of repayments and debt not expected to be repaid. Note F1.2 refers.		
<b><u>12.7: Liquidity risk</u></b>		
The department is exposed to minimal liquidity risk and is appropriated funding from the Australian Government. The department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.		
<b><u>12.8: Market risk</u></b>		
The value of concessional loans held at fair value, such as Higher Education Loan Program, are also impacted by changes in market interest rates. For example, if the interest rates were to increase by 0.1%, the fair value of these loans would decrease by approximately 1%. However, interest rate changes will have no impact on the future cash flows or principal amounts at maturity.		

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**13: Fair Value**

**13.1: Fair value measurement of level 3 financial instruments**

Fair value measurement as at 30 June					
	2021	2020			
	\$'000	\$'000	Level <sup>2</sup>	Valuation technique <sup>3</sup>	Inputs used
<b>Financial assets</b>					
Concessional loans					
Higher education loans	49,789,663	46,338,891	3	Loan conditions	Principal due
Vocational student loans	3,786,392	4,294,661	3	Loan conditions	Principal due
Trade support loans	808,088	740,539	3	Loan conditions	Principal due
Child care loans	2	2	3	Loan conditions	Principal due
Investments	2,901,288	2,796,498	3	Net assets of the entity	Net assets of the entity
<b>Total<sup>1</sup></b>	<b>57,285,433</b>	<b>54,170,591</b>			

<sup>1</sup>The book value of these assets equals the fair value.

<sup>2</sup>There has been no transfer between levels during the period.

<sup>3</sup>The methods and valuation techniques used for the purpose of measuring fair value of assets in 2021 are unchanged from the previous reporting period.

**13.2: Movement in level 3 fair value measurement**

	Financial assets			
	Concessional loans		Investments	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July</b>	<b>51,374,093</b>	51,024,942	<b>2,796,498</b>	2,908,613
Total gains/(losses) recognised in net cost of services	762,380	(2,680,329)	-	-
Total gains/(losses) recognised in comprehensive income	-	-	104,790	(112,115)
Issues	7,033,645	6,879,549	-	-
Settlements	(4,785,973)	(3,850,069)	-	-
<b>As at 30 June</b>	<b>54,384,145</b>	51,374,093	<b>2,901,288</b>	2,796,498

**Department of Education, Skills and Employment  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**J. Other Information**

**J1: Current/non-current distinction for assets and liabilities**

	2021	2020
	\$'000	\$'000
<b><u>J1.1: Current/non-current distinction for assets and liabilities</u></b>		
<b>Assets expected to be recovered in:</b>		
<b>No more than 12 months</b>		
Cash and cash equivalents	5,741	8,961
Trade receivables	440,108	219,269
Prepayments	22,615	11,022
<b>Total no more than 12 months</b>	<b>468,464</b>	<b>239,252</b>
<b>More than 12 months</b>		
Leasehold improvements	41,392	49,094
Buildings	332,382	375,478
Infrastructure, plant and equipment	60,154	33,998
Computer software	240,695	198,328
Prepayments	6,688	3,478
<b>Total more than 12 months</b>	<b>681,311</b>	<b>660,376</b>
<b>Total assets</b>	<b>1,149,775</b>	<b>899,628</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	70,139	41,838
Other payables	12,629	14,085
Leases	29,624	83,314
Employee provisions <sup>1</sup>	38,766	41,446
<b>Total no more than 12 months</b>	<b>151,158</b>	<b>180,683</b>
<b>More than 12 months</b>		
Leases	326,495	297,908
Employee provisions	122,468	113,956
<b>Total more than 12 months</b>	<b>448,963</b>	<b>411,864</b>
<b>Total liabilities</b>	<b>600,121</b>	<b>592,547</b>

<sup>1</sup> The comparative has been updated consistent with current year reporting.

**Department of Education, Skills and Employment  
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<b>J1.2: Administered - Current/non-current distinction for assets and liabilities</b>		
	<b>2021</b>	<b>2020</b>
<b>Assets expected to be recovered in:</b>	<b>\$'000</b>	<b>\$'000</b>
<b>No more than 12 months</b>		
Cash	104,319	85,696
Receivables	5,118,583	4,127,913
Prepayments (all current assets)	-	287,553
<b>Total no more than 12 months</b>	<b>5,222,902</b>	<b>4,501,162</b>
<b>More than 12 months</b>		
Receivables	50,142,937	48,000,608
Investments	2,901,288	2,796,498
Buildings	1,091	1,188
<b>Total more than 12 months</b>	<b>53,045,316</b>	<b>50,798,294</b>
<b>Total assets</b>	<b>58,268,218</b>	<b>55,299,456</b>
<b>Liabilities expected to be settled in:</b>		
<b>No more than 12 months</b>		
Suppliers	204,338	141,793
Subsidies	62,794	24,443
Grants	19,448	9,221
Personal benefits	87,667	34,844
GST payable	4,167	1,730
Leases - buildings	122	97
Provision for Higher education superannuation program	382,000	358,000
<b>Total no more than 12 months</b>	<b>760,536</b>	<b>570,128</b>
<b>More than 12 months</b>		
Leases - buildings	984	1,131
Personal benefits	469,566	405,624
Provision for Higher education superannuation program	6,025,000	6,789,000
<b>Total more than 12 months</b>	<b>6,495,550</b>	<b>7,195,755</b>
<b>Total liabilities</b>	<b>7,256,086</b>	<b>7,765,883</b>

## Department of Education, Skills and Employment NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### J2: Restructuring

#### J2.1: Departmental restructuring - 2021

2021

Youth affairs and programmes, including youth transitions, function was assumed from the Department of Health during 2020-21 due to an Administrative Arrangements Order (AAO) dated 18 March 2021. There were no transfers of assets or liabilities, or funding as a result of this restructure.

#### J2.1: Departmental restructuring - 2020

Function	2020
	Skills, Vocational Education and Training Functions Employment <sup>1</sup>
Entity	\$'000
<b>FUNCTIONS ASSUMED</b>	
<b>Assets recognised</b>	
Cash and cash equivalents (including cash held in the OPA for Special Accounts)	50,014
Trade and other receivables	125,808
Accrued revenue	5,238
Leasehold improvements	27,369
Infrastructure, plant and equipment	136,364
Intangibles	125,743
Prepayments	11,403
<b>Total assets recognised</b>	<b>481,939</b>
<b>Liabilities recognised</b>	
Other payables	14,215
Supplier payables	17,517
Leases	110,049
Employee provisions	87,239
<b>Total liabilities recognised</b>	<b>229,020</b>
<b>Net assets recognised</b>	<b>252,919</b>
<b>Income assumed</b>	
Recognised by the receiving entity	253,124
Recognised by the losing entity	-
<b>Total income assumed</b>	<b>253,124</b>
<b>Expenses assumed</b>	
Recognised by the receiving entity	285,580
Recognised by the losing entity	-
<b>Total expenses assumed</b>	<b>285,580</b>

<sup>1</sup> Skills and vocational education functions and the Australian Skills Quality and Authority transferred to the Employment, Skills, Small and Family Business portfolio on 29 May 2019.

The net assets assumed from Employment in 2019-20 was \$252.919 million. This includes Departmental Capital Budget and Equity Injection and represents the full amount of assumed assets and liabilities at the time of agreement between the receiving and losing entities.

In respect of functions assumed, the net book values of assets and liabilities were transferred to the department for no consideration.

**Department of Education, Skills and Employment**  
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Function	2020			
	Skills, Vocational Education and Training Functions Employment <sup>1</sup>	Adult Migrant Education Program Home Affairs <sup>2</sup>	Industrial Relations Functions	Deregulation Functions
Entity	\$'000	\$'000	AGD <sup>3</sup> \$'000	PMC <sup>4</sup> \$'000
<b>FUNCTIONS RELINQUISHED</b>				
<b>Assets relinquished</b>				
Trade and other receivables	14,749	674	13,064	172
Computer software	-	-	6,943	-
<b>Total assets relinquished</b>	<b>14,749</b>	<b>674</b>	<b>20,007</b>	<b>172</b>
<b>Liabilities relinquished</b>				
Supplier payables	150	-	10	-
Employee payables	-	-	-	11
Employee provisions	18,667	677	13,610	184
<b>Total liabilities relinquished</b>	<b>18,817</b>	<b>677</b>	<b>13,620</b>	<b>195</b>
<b>Net assets / (liabilities) relinquished</b>	<b>(4,068)</b>	<b>(3)</b>	<b>6,387</b>	<b>(23)</b>

<sup>1</sup> During 2019-20, an AAO dated 29 May 2019 was issued transferring the Skills, Vocational, Education and Training functions from Education to Employment with an effective date of 31 July 2019.

<sup>2</sup> During 2019-20 an AAO dated 29 May 2019, transferred responsibility for the function Adult Migrant Education Program to Home Affairs with an effective date of 1 July 2019.

<sup>3</sup> During 2019-20 an AAO dated 29 May 2019, transferred the Industrial Relations function from Employment to AGD with an effective date of 31 July 2019.

<sup>4</sup> During 2019-20 the Deregulation function was transferred to the PMC at the agreed date of 31 January 2020 following a decision by the Prime Minister on 4 December 2019.

Function	2020
Entity	Small Business Functions DISER <sup>5</sup> \$'000
<b>FUNCTIONS RELINQUISHED</b>	
<b>Assets relinquished</b>	
Cash and cash equivalents	-
Trade and other receivables	2,352
Leasehold improvements	516
Finance leases - right-of-use	811
Computer software	127
<b>Total assets relinquished</b>	<b>3,806</b>
<b>Liabilities relinquished</b>	
Finance principal payable - right-of-use	782
Other payables	-
Employee provisions	2,547
Other provisions	63
<b>Total liabilities relinquished</b>	<b>3,392</b>
<b>Net assets / (liabilities) relinquished</b>	<b>414</b>

<sup>5</sup> Small business policy and programs functions were relinquished to DISER during 2020 due to the AAO issued 5 December 2019, with an effective date of 1 February 2020.

The net assets relinquished to all entities in 2020-21 was Nil (2019-20: \$2.7 million).



**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>J2.2: Administered restructuring</b>		2020
Function		Skills, Vocational Education and Training Functions
Entity		Employment <sup>1</sup> \$'000
<b>FUNCTIONS ASSUMED</b>		
<b>Assets recognised</b>		
Cash and cash equivalents		4,114
Receivables - Advances and Loans		-
Trade and other receivables		6,684,730
Prepayments		39
<b>Total assets recognised</b>		<b>6,688,883</b>
<b>Liabilities recognised</b>		
Supplier		29,570
Personal benefits		1,723
Grants		793
Other payables		14,344
<b>Total liabilities recognised</b>		<b>46,430</b>
<b>Net assets recognised</b>		<b>6,642,453</b>
<b>Income assumed</b>		
Recognised by the receiving entity		1,017,804
Recognised by the losing entity		-
<b>Total income assumed</b>		<b>1,017,804</b>
<b>Expenses assumed</b>		
Recognised by the receiving entity		2,287,338
Recognised by losing entity		-
<b>Total expenses assumed</b>		<b>2,287,338</b>

<sup>1</sup> Skills and vocational education functions and the Australian Skills Quality Authority transferred to the Employment, Skills, Small and Family Business portfolio on 29 May 2019.

**Department of Education, Skills and Employment**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

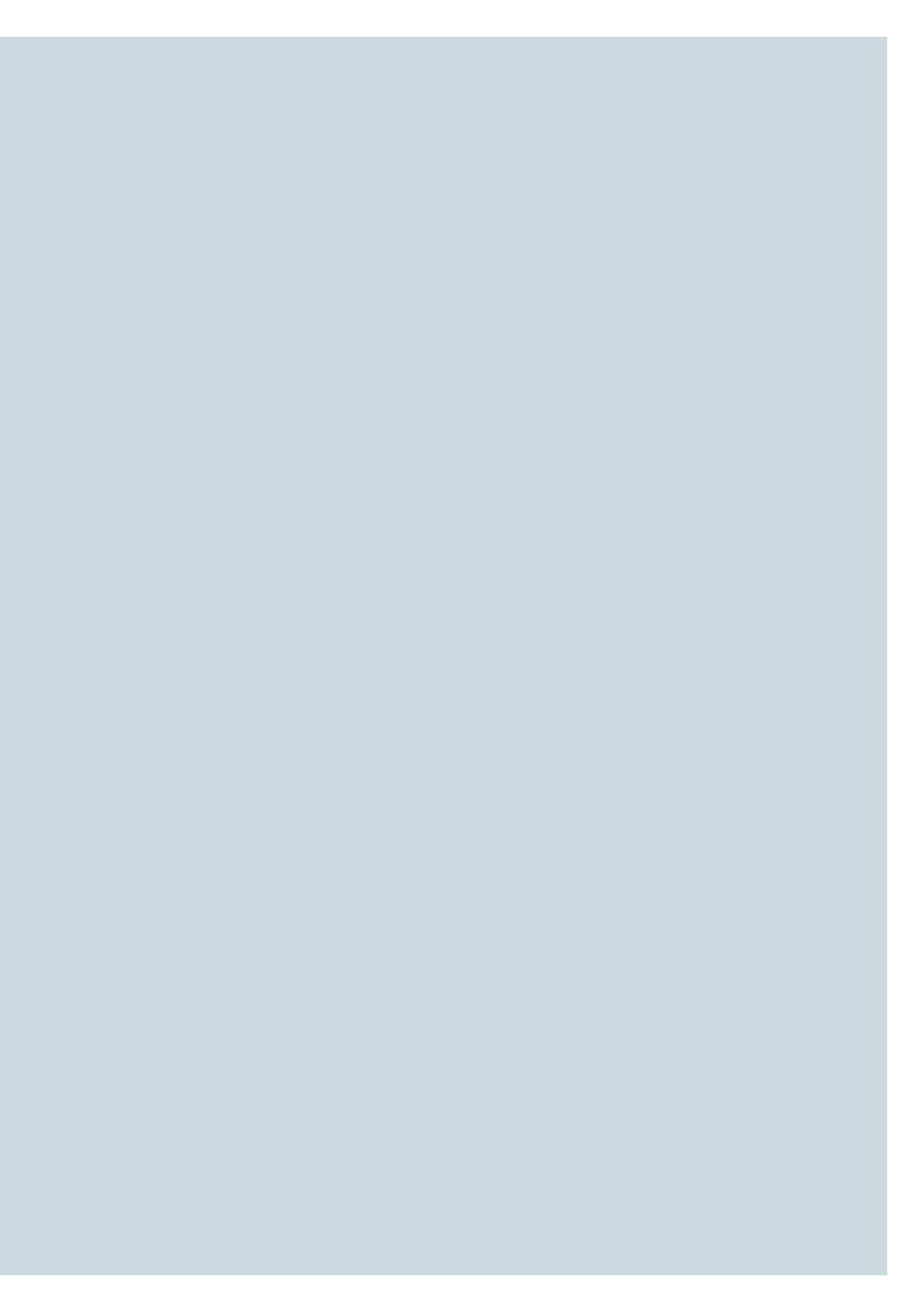
Function	2020		
	Skills, Vocational Education and Training Functions Employment <sup>1</sup>	Small Business Functions DISER <sup>2</sup>	Industrial Relations Functions AGD <sup>3</sup>
Entity	\$'000	\$'000	\$'000
<b>FUNCTIONS RELINQUISHED</b>			
<b>Assets relinquished</b>			
Cash and cash equivalents - special account	1,690	-	-
Receivables - Advances and Loans	5,347,276	-	-
Trade and other receivables	3,010	15	330
Prepayments	-	-	5,747
<b>Total assets relinquished</b>	<b>5,351,976</b>	<b>15</b>	<b>6,077</b>
<b>Liabilities relinquished</b>			
Supplier	31,837	1	3,436
Grant payables	9,236	395	1
<b>Total liabilities relinquished</b>	<b>41,073</b>	<b>396</b>	<b>3,437</b>
<b>Net assets / (liabilities) relinquished</b>	<b>5,310,903</b>	<b>(381)</b>	<b>2,640</b>

<sup>1</sup>During 2019-20 and due to the AAO of 29 May 2019 the Skills annual policy and programs functions were relinquished to Employment, with an effective date of 1 July 2019.

Amendments to the AAO signed by the Governor General on 8 August 2019 relinquished responsibility for administering the *Higher Education Support Act 2003*, insofar as it relates to VET FEE-HELP assistance functions.

<sup>2</sup>During 2019-20 Small business functions were relinquished to DISER due to the AAO of 5 December 2019, with an effective date of 1 February 2020.

<sup>3</sup>Industrial Relations functions were relinquished to AGD during 2019 due to the AAO of 29 May 2019, with an effective date of 1 July 2019.









# 05

## Appendices

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## Appendix A – Agency resource statement and expenses for outcomes

Further information on the department’s 2020–21 financial performance, including variance analysis, is available in Part 4 Financial Statements of this report.

**Table A1: Agency Resource Statement, 2020–21**

	Actual available appropriations for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining \$'000
<b>Ordinary annual services</b>			
<b>Departmental appropriation</b>			
Annual appropriations – ordinary annual services <sup>1,2</sup>	1,175,100	801,952	373,148
Annual appropriations – other services – non-operating <sup>3</sup>	158,433	106,790	51,643
<b>Total</b>	<b>1,333,533</b>	<b>908,742</b>	<b>424,791</b>
<b>Administered expenses</b>			
Outcome 1	392,846	365,244	
Outcome 2	317,924	325,762	
Outcome 3	3,774,340	2,154,229	
Outcome 4	2,287,052	1,713,331	
<b>Total</b>	<b>6,772,162</b>	<b>4,558,566</b>	
<b>Total ordinary annual services</b>	<b>8,105,695</b>	<b>5,467,308</b>	

**Table A1: Agency Resource Statement, 2020–21 (continued)**

	Actual available appropriations for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining \$'000
<b>Other services</b>			
<b>Administered expenses</b>			
<b>Specific payments to states, ACT, NT and local government</b>			
Outcome 1	219,993	221,480	
<b>Total</b>	<b>219,993</b>	<b>221,480</b>	
<b>Total other services</b>	<b>219,993</b>	<b>221,480</b>	
<b>Total available annual appropriations</b>	<b>8,325,688</b>	<b>5,688,788</b>	
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>		9,441,895	
<i>Australian Education Act 2013</i>		23,222,164	
<i>Higher Education Support Act 2003</i>		18,505,305	
<i>VET Student Loans Act 2016</i>		266,387	
<i>Trade Support Loans Act 2014</i>		190,234	
<i>Public Governance, Performance and Accountability Act 2013 – section 77</i>		78	
<b>Total special appropriations</b>		<b>51,626,063</b>	
<b>Special Accounts</b>			
Opening balance	88,131		
Appropriation receipts	14,983		
Non-appropriation receipts to Special Accounts	13,863		
Payments made		10,377	
Closing balance			106,600
<b>Total resourcing and payments</b>	<b>8,442,665</b>	<b>57,325,228</b>	

**Table A1: Agency Resource Statement, 2020–21 (continued)**

	Actual available appropriations for 2020–21 \$'000	Payments made 2020–21 \$'000	Balance remaining \$'000
Less appropriations drawn from annual or special appropriations above and credited to special accounts	(14,983)	(14,983)	
<b>Total net resourcing and payments for DESE</b>	<b>8,427,682</b>	<b>57,310,245</b>	

1. *Supply Act (No. 1) 2020–21, Appropriation Act (No. 1) 2020–21 and Appropriation Act (No. 3) 2020–21.* This may also include prior-year departmental appropriation and section 74 external revenue.
2. Departmental capital budgets are not separately identified in Appropriation Bill (Nos 1, 3, 5) and form part of ordinary annual services items. For accounting purposes, this amount has been designated as a 'contribution by owner'.
3. *Supply Act (No. 2) 2020–21, Appropriation Act (No. 2) 2020–21 and Appropriation Act (No. 4) 2020–21.*



**Table A.2: Expenses for Outcome 1, 2020–21**

<b>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</b>	<b>Budget* (2020–21) \$'000 A</b>	<b>Actual expenses (2020–21) \$'000 B</b>	<b>Variation (2020–21) \$'000 A–B</b>
<b>Administered expenses</b>			
<b>Program 1.1: Support for the Child Care System</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
Child Care Services Support	266,902	243,724	23178
Jobs, Education and Training, Child Care Fee Assistance (JETCCFA)	0	76	(76)
<b>Special appropriations</b>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	1,074,136	1,019,783	54353
<b>Special Account expenses</b>			
Services for Other Entities and Trust Monies (SOETM) – Child Care	0	721	(721)
<b>Total for Program 1.1</b>	<b>1,341,038</b>	<b>1,264,304</b>	<b>76,734</b>
<b>Program 1.2: Child Care Subsidy</b>			
<b>Special appropriations</b>			
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	8,974,970	8,689,095	285,875
<b>Total for Program 1.2</b>	<b>8,974,970</b>	<b>8,689,095</b>	<b>285,875</b>
<b>Program 1.3: Government Schools National Support</b>			
<b>Other services (Supply Act No. 2, Appropriation Act Nos 2 and 4)</b>			
Additional Support for Northern Territory	12,804	12,804	0
<b>Special appropriations</b>			
<i>Australian Education Act 2013</i>	9,060,147	9,039,115	21,032
<b>Total for Program 1.3</b>	<b>9,072,951</b>	<b>9,051,919</b>	<b>21,032</b>

**Table A.2: Expenses for Outcome 1, 2020–21 (continued)**

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	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
<b>Program 1.4: Non-Government Schools National Support</b>			
<b>Other services (Supply Act No. 2, Appropriation Act Nos 2 and 4)</b>			
Non-Government Representative Bodies	40,013	40,013	0
Adjustment assistance	9,131	9,131	0
Choice and Affordability Fund	156,045	156,045	0
<b>Special appropriations</b>			
<i>Australian Education Act 2013</i>	12,810,821	12,901,439	(90,618)
<b>Total for Program 1.4</b>	<b>13,016,010</b>	<b>13,106,628</b>	<b>(90,618)</b>
<b>Program 1.5: Early Learning and Schools Support</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
Australian Early Development Census	12,196	12,196	0
Early Learning Languages Australia	1,470	1,470	0
Flexible Literacy Learning for Remote Primary Schools	750	690	60
Grants and awards	1,393	1,393	0
Helping Children with Autism	6,072	6,072	0
High Achieving Teachers Program and Future Leaders Program	9,650	9,650	0
Inspiring all Australians in Digital Literacy and Science, Technology, Engineering and Mathematics (STEM)	0	5	(5)
National Assessment Reform	2,200	2,200	0
National Schools Reform	16,099	24,281	(8,182)
Australian Education Research Organisation (National Institute for School Excellence)	5,043	5,043	0

**Table A.2: Expenses for Outcome 1, 2020–21 (continued)**

<b>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</b>	<b>Budget* (2020–21) \$'000 A</b>	<b>Actual expenses (2020–21) \$'000 B</b>	<b>Variation (2020–21) \$'000 A–B</b>
National School Resourcing Board	1,374	780	594
Quality outcomes	35,452	35,048	404
Science, Technology, Engineering and Mathematics (STEM)	617	617	0
Students Support Package	15,345	11,345	4,000
Teach for Australia	2,145	1,945	200
Universal Access	5,080	1,101	3,979
Delivering Respect Matters	1,637	262	1,375
Life Education – Being Healthy, Being Active	1,200	1,200	0
Attendance Strategies for Early Learning	275	275	0
Online Resources and Professional Development for Mathematics Teachers	1,732	1,732	0
Rural Inspire Initiative	1,000	1,000	0
National Phonics Check	4,300	4,300	0
Respectful Interfaith School Education	1,000	1,000	0
<b>Other services (Supply Act No. 2, Appropriation Act Nos 2 and 4)</b>			
Literacy Support for Tasmanian Students	2,000	2,000	0
<b>Special Account expenses</b>			
SOETM – Students with Disabilities	0	203	(203)
SOETM – National School Reform Agreement State Contributions	0	5	(5)
SOETM – Maslin	0	2	(2)
<b>Total for Program 1.5</b>	<b>128,030</b>	<b>125,815</b>	<b>2,215</b>

**Table A.2: Expenses for Outcome 1, 2020–21 (continued)**

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	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
<b>Outcome 1 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	392,932	367,405	25,527
Other services (Supply Act No. 2 and Appropriation Act Nos 2 and 4)	219,993	219,993	0
Special appropriations	31,920,074	31,649,432	270,642
Special Accounts	0	931	(931)
<b>Departmental expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	166,795	152,258	14,537
Expenses not requiring appropriation in the Budget year <sup>1</sup>	9,067	10,006	(939)
<b>Total for Outcome 1</b>	<b>32,708,861</b>	<b>32,400,025</b>	<b>308,836</b>
<b>Average staffing level (number)</b>	<b>922</b>	<b>767</b>	<b>155</b>

\* Full-year budget, including any subsequent adjustment made to the 2020–21 Budget at Additional Estimates.

1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

**Table A.3: Expenses for Outcome 2, 2020–21**

<b>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research</b>	<b>Budget* (2020–21)</b>	<b>Actual expenses (2020–21)</b>	<b>Variation (2020–21)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Administered expenses</b>			
<b>Program 2.1: Commonwealth Grant Scheme</b>			
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Cluster Fund and Place Loadings	7,330,300	7,345,531	(15,231)
Regional loading	37,545	37,545	0
Transition Fund loading	182,689	174,995	7,694
<b>Total for Program 2.1</b>	<b>7,550,534</b>	<b>7,558,071</b>	<b>(7,537)</b>
<b>Program 2.2: Higher Education Superannuation Program</b>			
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Higher Education Superannuation Program	96,271	66,000	30,271
<b>Total for Program 2.2</b>	<b>96,271</b>	<b>66,000</b>	<b>30,271</b>
<b>Program 2.3: Higher Education Support</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
Creative Arts Scholarships	1,000	1,000	0
National Disability Coordination Officer	4,431	4,375	56
National Microcredentials Marketplace	530	528	2
Quality Indicators for Learning and Teaching	9,026	6,967	2,059
Rural and Regional Enterprise Scholarships	15,562	15,513	49
Tertiary Access Payment	3,000	177	2,823

**Table A.3: Expenses for Outcome 2, 2020–21 (continued)**

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Central Coast Health and Wellbeing Precinct	2,500	2,500	0
Central Queensland School of Mining and Manufacturing	13,500	13,500	0
Collaboration Pilots – Industry 4.0	1,907	519	1,388
Collaboration Pilots – Naval Shipbuilding	520	114	406
Disability Support Program	7,926	7,860	66
Higher Education Partnerships and Participation Program	155,394	90,044	65,350
Improved Support for Regional Universities	12,731	9,346	3,385
Indigenous, Regional and Low SES Attainment Fund	66,510	124,228	(57,718)
Jobs and Growth in Tasmania	30,000	30,000	0
National Institutes	230,789	230,787	2
National Priorities and Industry Linkage Fund	112,625	111,000	1,625
Quality Initiatives	521	521	0
Supporting more women into STEM Careers (Australian Mathematical Sciences Institute intern)	2,985	2,984	1
Teaching Awards – Universities Australia	600	600	0
Tertiary Access Payment	25,060	24,975	85
Women in STEM	3,353	0	3,353
<b>Total for Program 2.3</b>	<b>700,470</b>	<b>677,538</b>	<b>22,932</b>

**Table A.3: Expenses for Outcome 2, 2020–21 (continued)**

Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
<b>Program 2.4: Higher Education Loan Program</b>			
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Higher Education Loan Program	1,058,185	0	1,058,185
<b>Special Account expenses</b>			
HELP Tuition Protection Fund	2,571	179	2,392
<b>Total for Program 2.4</b>	<b>1,060,756</b>	<b>179</b>	<b>1,060,577</b>
<b>Program 2.5 Investment in Higher Education Research</b>			
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Research Support Program	1,918,298	1,918,299	(1)
Research Training Program	1,054,981	1,054,981	0
<b>Total for Program 2.5</b>	<b>2,973,279</b>	<b>2,973,280</b>	<b>(1)</b>
<b>Program 2.6 Research Capacity</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
National Collaborative Research Infrastructure Strategy	256,350	256,350	0
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
Centre for Augmented Reasoning	5,000	5,000	0
Collaboration Pilots – Warrnambool Hydrogen Transition Centre	1,500	1,500	0
Collaboration Pilots – Nowra Agribusiness Innovation Hub	1,500	1,500	0
Enhance Research Capacity of Regional Universities	3,075	0	3,075

**Table A.3: Expenses for Outcome 2, 2020–21 (continued)**

<b>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research</b>	<b>Budget* (2020–21) \$'000 A</b>	<b>Actual expenses (2020–21) \$'000 B</b>	<b>Variation (2020–21) \$'000 A–B</b>
Higher Education Research Promotion	5,649	5,648	1
Stawell Underground Physics Laboratory	2,050	2,050	0
Strategic University Reform Fund	10,000	0	10,000
<b>Total for Program 2.6</b>	<b>285,124</b>	<b>272,048</b>	<b>3,076</b>
<b>Program 2.7 International Education Support</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
International Education Support	27,095	23,535	3,560
<b>Special Account expenses</b>			
Overseas Student Tuition Fund	8,438	1,717	6,721
SOETM – Cheung Kong	1,104	9	1,095
<b>Total for Program 2.7</b>	<b>36,637</b>	<b>25,261</b>	<b>11,376</b>
<b>Outcome 2 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	316,994	308,445	8,549
Special appropriations	12,373,964	11,262,027	1,111,937
Special Accounts	12,113	1,905	10,208
<b>Departmental expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	120,460	107,596	12,864
Expenses not requiring appropriation in the Budget year <sup>1</sup>	11,834	11,791	43
<b>Total for Outcome 2</b>	<b>12,835,365</b>	<b>11,691,764</b>	<b>1,143,601</b>
<b>Average staffing level (number)</b>	<b>507</b>	<b>458</b>	<b>49</b>

\* Full-year budget, including any subsequent adjustment made to the 2020–21 Budget at Additional Estimates.

1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.



**Table A.4: Expenses for Outcome 3, 2020–21**

<b>Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training</b>	<b>Budget* (2020–21)</b>	<b>Actual expenses (2020–21)</b>	<b>Variation (2020–21)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Program 3.1 Building Skills and Capability</b>			
<b>Sub-Program 3.1.1: Skills Development</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
Australian Apprenticeship Support Network	277,772	219,096	58,676
Australian Apprenticeships Incentives Program	3,159,485	1,742,797	1,416,688
Commonwealth Scholarships Program for South Australia	4,113	981	3,132
Commonwealth Scholarships Program for Young Australians	3,868	3,878	(10)
Mid-Career Checkpoint	22,370	292	22,078
Skills Checkpoint for Older Workers Program	3,984	1,171	2,813
Trades Recognition Australia	31,344	21,832	9,512
<b>Special appropriations</b>			
<i>Trade Support Loans Act 2014</i>			
Trade Support Loans	41,094	64,463	(23,369)
<b>Total component 3.1.1</b>	<b>3,544,030</b>	<b>2,054,510</b>	<b>1,489,520</b>
<b>Sub-Program 3.1.2: Access to Training</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
Skills for Education and Employment	116,976	95,128	21,848
Foundation Skills for Your Future Program	14,283	2,572	11,711
Foundation Skills for Your Future – Remote Community Pilots	1,622	1,361	261
<b>Total component 3.1.2</b>	<b>132,881</b>	<b>99,061</b>	<b>33,820</b>

**Table A.4: Expenses for Outcome 3, 2020–21 (continued)**

Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
Sub-Program 3.1.3: Support for the National Training System			
Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)			
Australian Industry and Skills Committee	1,532	635	897
Industry Training Hubs	15,469	823	14,646
Industry Workforce Training	50,499	38,077	12,422
Integrated Information Service	1,799	1,294	505
Licensing of International Vocational Education and Training (VET) Courses	1,193	539	654
My Skills Website	577	608	(31)
National Careers Institute and Ambassador	6,312	5,291	1,021
National Centre for Vocational Education Research	706	706	0
National Skills Commission	7,804	2,411	5,393
National Training System Commonwealth Own Purpose Expenses (COPE)	38,591	36,746	1,845
Skills Communication Campaign	15,935	7,772	8,163
Skills Organisation Pilots	13,641	13,486	155
VET Data Streamlining	2,418	2,047	371
VET Information Strategy	1,591	1,540	51
Total component 3.1.3	158,067	111,975	46,092
Total for Program 3.1	3,834,978	2,265,546	1,569,432

**Table A.4: Expenses for Outcome 3, 2020–21 (continued)**

<b>Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training</b>	<b>Budget* (2020–21)</b>	<b>Actual expenses (2020–21)</b>	<b>Variation (2020–21)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Program 3.2: VET Student Loans</b>			
<b>Special appropriations</b>			
<i>Higher Education Support Act 2003</i>			
VET FEE-HELP	0	825,846	(825,846)
<i>VET Student Loans Act 2016</i>			
VET Student Loans	171,570	1,249	170,321
<b>Special Account expenses</b>			
VSL Tuition Protection Fund	2,290	179	2,111
<b>Total for Program 3.2</b>	<b>173,860</b>	<b>827,274</b>	<b>(653,414)</b>
<b>Outcome 3 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	3,793,884	2,201,083	1,592,801
Special appropriations	212,664	891,558	(678,894)
Special Accounts	2,290	179	2,111
<b>Departmental expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	173,684	152,250	21,434
Special Accounts	5,607	8,362	(2,755)
Expenses not requiring appropriation in the Budget year <sup>1</sup>	15,717	7,186	8,531
<b>Total for Outcome 3</b>	<b>4,203,846</b>	<b>3,260,618</b>	<b>943,228</b>
<b>Average staffing level (number)</b>	<b>778</b>	<b>800</b>	<b>(22)</b>

\* Full-year budget, including any subsequent adjustment made to the 2020–21 Budget at Additional Estimates.

1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

**Table A.5: Expenses for Outcome 4, 2020–21**

Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs	Budget* (2020–21) \$'000 A	Actual expenses (2020–21) \$'000 B	Variation (2020–21) \$'000 A–B
<b>Administered expenses</b>			
<b>Program 4.1 Employment Services</b>			
<b>Ordinary annual services (Supply Act No. 1, Appropriation Act Nos 1, 3 and 5)</b>			
jobactive	1,918,428	1,425,327	493,101
Seasonal Worker Programme	250	250	0
Transition to Work	237,509	244,798	(7,289)
Time to Work	3,401	2,917	484
ParentsNext	101,619	93,750	7,869
Skills and Training Incentive	6,530	5,221	1,309
Entrepreneurship Facilitators	5,027	5,002	25
Regional Employment Trials	3,097	2,264	833
Career Revive Initiative	500	498	2
Local Jobs – COVID-19 Recovery	16,365	4,127	12,238
<b>Total for Program 4.1</b>	<b>2,292,726</b>	<b>1,784,154</b>	<b>508,572</b>

**Table A.5: Expenses for Outcome 4, 2020–21 (continued)**

<b>Outcome 4: Foster a productive and competitive labour market through policies and programs that assist job seekers into work and meet employer needs</b>	<b>Budget* (2020–21)</b>	<b>Actual expenses (2020–21)</b>	<b>Variation (2020–21)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>A</b>	<b>B</b>	<b>A–B</b>
<b>Outcome 4 Totals by appropriation type</b>			
<b>Administered expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	2,292,726	1,784,154	508,572
<b>Departmental expenses</b>			
Ordinary annual services (Supply Act No. 1 and Appropriation Act Nos 1, 3 and 5)	413,492	356,445	57,047
Expenses not requiring appropriation in the Budget year <sup>1</sup>	49,932	52,497	(2,565)
<b>Total for Outcome 4</b>	<b>2,756,150</b>	<b>2,193,096</b>	<b>563,054</b>
<b>Average staffing level (number)</b>	<b>1,335</b>	<b>1,315</b>	<b>20</b>

\* Full-year budget, including any subsequent adjustment made to the 2020–21 Budget at Additional Estimates.

1. Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses and resources received free of charge.

## Appendix B – Annual Report of the Trade Support Loans program

Based on the requirements set out in the *Trade Support Loans Act 2014*, this report provides a summary of the administrative operation of the Trade Support Loans (TSL) program from 1 July 2020 to 30 June 2021.

### Overview

The Australian Government's TSL program provides Australian apprentices with access to an income-contingent loan over the course of their apprenticeship.

It meets the Australian Government's commitment to deliver improved productivity and competitiveness to the Australian economy by ensuring there are highly skilled individuals in priority trades where there are skills shortages.

The program provides financial support to eligible Australian apprentices to help with expenses associated with living, learning and completing an apprenticeship, and helps them focus on completing their trade qualification. To be eligible for TSL payments, Australian apprentices must:

- live in Australia and be an Australian citizen, or the holder of a permanent visa
- be undertaking one or more of the following
  - Certificate III or IV qualification that leads to an occupation on the TSL priority list
  - Certificate II, III or IV agricultural qualification specified on the TSL priority list
  - Certificate II, III or IV horticulture qualification specified on the TSL priority list, while working in rural or regional Australia
- meet the eligibility criteria outlined in the TSL program guidelines.

### Governance

The program is governed by the *Trade Support Loans Act 2014*. Two legislative instruments are in place to administer the program:

- Trade Support Loans Rules 2014, which provide for matters relating to qualification for trade support loans, granting loans, application forms and other matters
- Trade Support Loans Priority List 2014, which is established and maintained by the Minister for Employment, Workforce, Skills, Small and Family Business to determine occupations or qualifications that the minister considers a high priority.

The Australian Apprenticeship Support Network (AASN), Department of Education, Skills and Employment, and Australian Taxation Office jointly deliver the TSL program.

## Operation of the program

Under the TSL, apprentices apply for a loan through their local AASN provider. Monthly instalment amounts depend on which year of their apprenticeship they are in. The loan amounts are highest in the early years of training to support apprentices while their wages are lower. Apprentices who successfully complete their apprenticeship will have their loan reduced by 20%.

## TSL payment rates

The TSL lifetime limit is set at \$21,542 for 2020–21. The yearly and monthly instalment rates for Australian apprentices for 2020–21 are shown in Table B.1.

**Table B.1: TSL payment rates, 2020–21**

Apprentice year	Yearly rate (\$)	Monthly instalment rate (\$)
First	8,616	718.07
Second	6,463	538.56
Third	4,308	359.04
Fourth	2,154	179.52

Apprentices repay TSL through the taxation system when their income reaches the minimum income threshold. The threshold in 2020–21 was \$46,620. Apprentices may also choose to make voluntary payments on the loan before they reach the repayment threshold. TSL debts are indexed annually in line with the Consumer Price Index.

## Performance information

The TSL is in its seventh year and continues to provide eligible apprentices with substantial support, helping them with the costs of living and learning while undertaking an apprenticeship.

From program commencement to 30 June 2021, the department:

- approved 141,333 TSL applications
- made \$1.221 billion in payments to eligible apprentices.

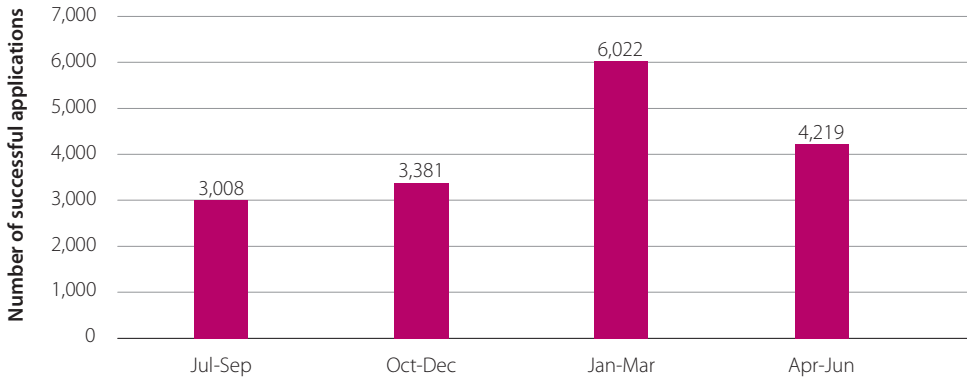
In 2020–21, the department:

- approved 16,630 TSL applications
- applied a completion discount to 11,127 apprentices who successfully completed their apprenticeship.

There were 50,819 Australian apprentices who received a trade support loan payment during 2020–21.

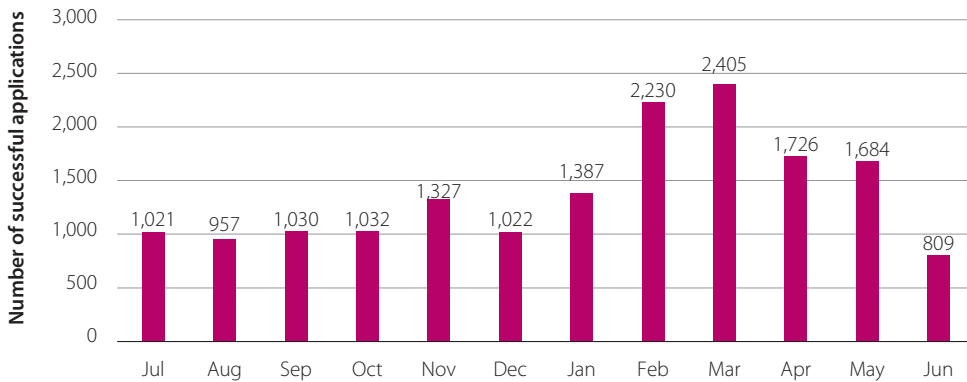
Figures B.1 to B.6 detail the number of successful TSL applications received by quarter, calendar month, apprenticeship stage, state and territory, and age, as well as the number of trade support loan payments made by quarter.

**Figure B.1: Number of successful trade support loan applications received by quarter, 2020–21**



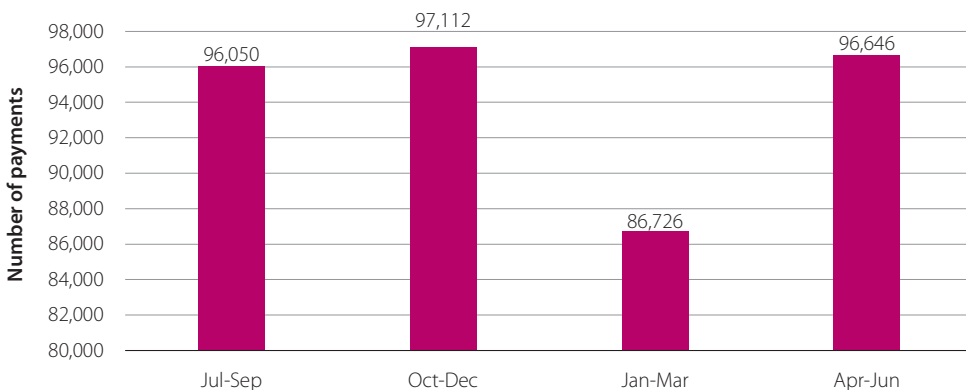
Data Source: Training and Youth Internal Management System (TYIMS) as at 1 July 2021.

**Figure B.2: Number of successful trade support loan applications received by month, 2020–21**

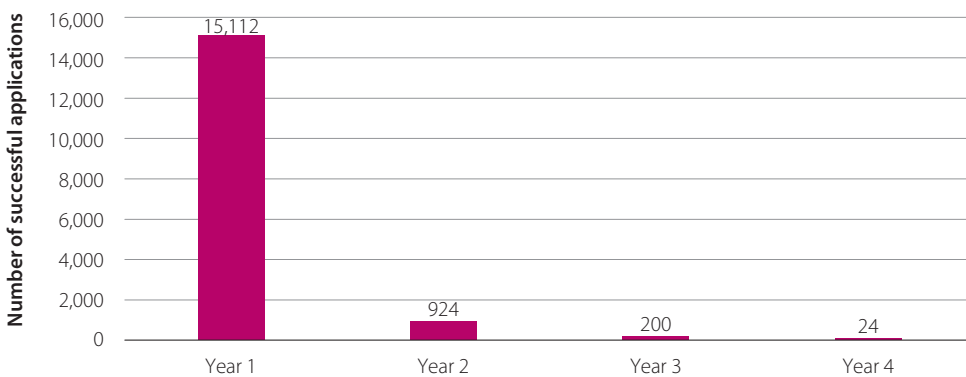


Data Source: TYIMS as at 1 July 2021.



**Figure B.3: Number of trade support loan payments made by quarter, 2020–21**

Data Source: TYIMS as at 1 July 2021.

**Figure B.4: Number of successful trade support loan applications received by apprenticeship stage, 2020–21**

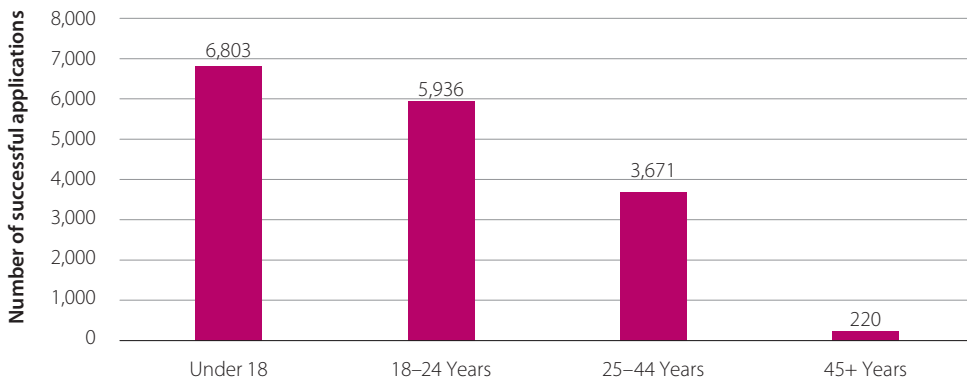
Data Source: TYIMS as at 1 July 2021.

**Figure B.5: Number of successful trade support loan applications received by apprenticeship state/territory, 2020–21**



Data Source: TYIMS as at 1 July 2021.

**Figure B.6: Number of successful trade support loan applications received by apprenticeship age category, 2020–21**



Data Source: TYIMS as at 1 July 2021.

## Appendix C – Annual Report of the Tuition Protection Service

Since 2012 the Tuition Protection Service (TPS) has assisted international students affected by the closure of an education provider or course termination. From 1 January 2021, the responsibilities of the TPS expanded to cover domestic higher education fee-paying students at non-government education providers.

This is an additional responsibility on top of those added in 2020 for students in receipt of income-contingent loans through the Vocational and Educational Training (VET) Student Loans (VSL) program or the Higher Education Loans Program (HELP).

The TPS helps students by placing them into a similar course with an alternative institution, by providing a refund of tuition fees paid in advance for parts of the course that were not provided to them, or by re-crediting their HELP balance. The TPS also helps international students who have not started their course or have withdrawn and are eligible for a refund of tuition fees paid in advance.

This report summarises the activities of the TPS from 1 July 2020 to 30 June 2021, in compliance with section 170B of the *Education Services for Overseas Students Act 2000*. It includes an assessment of issues affecting TPS operations, the outlook for the year ahead and any potential risks to the Overseas Students Tuition Fund (OSTF), the Higher Education Tuition Protection Fund and the VSL Tuition Protection Fund.

The 2020–21 financial year progressed in the shadow of the continuing COVID-19 pandemic. Fortunately, the large number of overseas students that were already in Australia when the borders closed were able to continue their studies and the expected economic fallout did not eventuate in the education sector. Many new students decided to study with Australian providers from their home countries, once again mitigating the financial effect of the pandemic. However, in the domestic sector, workplace learning and ‘hands on’ courses, particularly in the VET sector, were challenged by increasing social distance measures.

The TPS started the year prepared for provider closures across the higher education, VET and English Language Intensive Courses for Overseas Students (ELICOS) sectors. However, through a combination of Australian Government policy settings and prudent management on the part of providers the expected activity did not occur at the anticipated level.

Even when government programs to support small business through COVID-19 came to an end, the expected series of closures did not occur. Understandably, ELICOS providers were hardest hit and a number closed down, but generally the sector has managed to weather the financial setbacks caused by the decrease in the numbers of international students in Australia.

At the commencement of the domestic up-front payment tuition protection program on 1 January 2021, there were 130 higher education providers that charged up-front fees to students, covered by the TPS. These providers had just under 35,000 students. In 2020–21 there were 158 TPS VSL providers with approximately 13,000 VSL students, and approximately 90 TPS FEE HELP providers with some 64,000 FEE HELP and HECS HELP approved students.

## Tuition protection levies

The TPS is supported by 4 levies, one each for international and VET, and 2 for higher education. The levies are used to administer the TPS and to build reserves in the OSTF, the VSL Tuition Protection Fund and the Higher Education Tuition Protection Fund. The 3 funds are separate.

In formulating TPS levies settings, the TPS Advisory Board and the TPS Director aim for an appropriate balance between ensuring that there are sufficient reserves in the relevant funds to meet potential demand, and ensuring that the levy collected is reasonable for providers and that accumulated reserves are not excessive. In finding this balance, the board consults with stakeholders across the sector, including industry peak bodies, the regulators and the Australian Government Actuary.

As at 30 June 2021, the balance of the OSTF was \$46.4 million, which is within the TPS Advisory Board's strategic reserve target of \$35 million to \$60 million. Based on actuarial advice, the TPS Advisory Board has set the strategic reserve target for the VSL Tuition Protection Fund in a range of \$5.8 million and \$7.8 million, and that of the Higher Education Tuition Protection Fund between \$21 million and \$25 million. The board reviews these targets each year and adjusts them as necessary.

Due to the impact of COVID-19, in 2020 the collection of the international TPS levy was delayed from the usual collection timing of April–May to October 2020. On 30 September 2020 the Australian Government announced that the 2020 VSL and HELP tuition protection levies would be waived as a COVID-19 relief measure.

The 2020 international levy collection raised \$7.2 million. The 2021 levy collection took place at the usual time of April and May and raised \$3.3 million. The 2 collections combined raised \$10.5 million during the 2020–21 financial year.

The TPS Advisory Board provided advice to the TPS Director on the 2021 international levy in October 2020 and provided advice in the first half of 2021 to inform the levy settings for the risk-rated premium and special tuition protection components for the 2021 domestic levies.

VET and higher education levies for 2021 will be collected in the second half of 2021, and funds received will be paid into the VSL Tuition Protection Fund and the Higher Education Tuition Protection Fund. The balance of the VSL Tuition Protection Fund as at 30 June 2021 was \$7 million. The balance of the Higher Education Tuition Protection Fund as at 30 June 2021 was \$6.38 million.

## Tuition Protection Service governance

A statutorily appointed director manages the TPS. The TPS Advisory Board provides the TPS Director with advice regarding levy targets and settings. The TPS Director is also the Higher Education Tuition Protection Director (established under the *Higher Education Support Act 2003* and the *Tertiary Education Quality and Standards Agency Act 2011*) and the VSL Tuition Protection Director (established under the *VET Student Loans Act 2016*). Members of the TPS Advisory Board are also members of the Higher Education Tuition Protection Fund Advisory Board and the VSL Tuition Protection Fund Advisory Board established under the same Acts of Parliament.

Institutions delivering education services to international students pay annual levies, as do providers offering income-contingent loans or charging up-front fees to domestic higher education students. The advisory board's primary function is to provide advice and recommendations to the TPS Director on the risk-rated premium component and special tuition protection component of the 4 annual levies.

On 6 October 2020, the Minister for Education approved the appointments of 3 new members of the advisory board, Professor Elizabeth Deane, Professor Warren Bebbington and Mr Stephen Moir, who bring expertise related to the 3 new programs.

In April 2021, Ms Karen Howard's and Mr Peter Emmerton's terms as TPS Advisory Board members ended. The TPS Director wishes to acknowledge his appreciation of their service and insights during their 4 years as board members.

A small secretariat provided by the department supports the TPS Advisory Board and the TPS Director. The TPS is also supported by an external service provider for student claim management services following provider closures.

## Working with stakeholders

The TPS continues to maintain strong working relationships with education regulators and peak bodies to ensure it can respond to regulatory action in a proactive and constructive manner to achieve good outcomes for students.

The TPS also continues to work with the Office of the Commonwealth Ombudsman to resolve disputes between providers and international students over the payment of tuition fee refunds, as well as tuition protection related complaints from domestic VET students.

The TPS works closely with the 3 relevant policy areas in the Department of Education, Skills and Employment, providing feedback on the implementation of each of the tuition protection services to inform future policy development.

Stakeholder engagement continued to be affected by COVID-19 restrictions as usual face-to-face activities were abandoned and moved online because of travel restrictions and social distancing requirements. Stakeholder information sessions continue to be held online because of COVID-related restrictions.

## Outlook

While the general closure of international borders in March 2020 has hurt many providers of international education in Australia, the most feared predictions have not been realised. Many international students were already in the country when the Australian Government brought in border restrictions. Support mechanisms such as JobKeeper and regulatory fee and charges waivers assisted the sector through 2020 and into the first 3 months of 2021. These programs had a positive impact on the financial sustainability of providers. Nevertheless, continued travel restrictions into 2022 could see international education providers facing hardship particularly in the English language sector as graduating international students cannot be replaced by inbound international students.

In response to the COVID-19 pandemic and the government's response, many providers have moved to online-only teaching. As part of the gradual reopening and resumption of activities following the 2020 shutdown restrictions, some institutions have reopened their doors to students and are once again proceeding to teach in a blended learning environment.

From July 2020 to April 2021 international student enrolments decreased by 17%, a figure somewhat mitigated by an increase in the number of international students studying outside Australia. The full decrease was more than 100,000 students – from approximately 626,000 students enrolled in April 2020 to approximately 520,000 students enrolled in April 2021.

The TPS has worked with stakeholders to monitor financial viability during the COVID-19 situation. As at 30 June 2021 there have been few closures resulting in a call on the OSTF as a direct result of the pandemic.

## Tuition Protection Service placement and payment activity

There were no VSL or HELP provider defaults in the 2020–21 financial year. However, the TPS continues to assist domestic higher education students eligible for assistance under the department's interim tuition assurance arrangements that came to an end on 31 December 2019. The TPS monitors providers that have lost their VSL status to ensure students continue to be supported to the completion of their course.

Over the 12 months to 30 June 2021, 8 Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) providers defaulted, displacing 822 international students. Three of these providers defaulted following action by their regulator; the remaining 5 defaults were the result of business failure.

Only 4 of the 8 CRICOS provider defaults required the activation of the TPS. In 2020–21 the TPS made 183 placements or refunds to international students as a result of these 4 provider defaults. Tables C.1 and C.2 show the time taken by the TPS to place students and make payments from the OSTF in 2020–21.

**Table C.1: Time taken by the Tuition Protection Service to place students, 2020–21**

Number of students placed	Within 30 days	Over 30 days	Total
International	35	0	35

Thirty-five students were placed during 2020–21 and 724 students elected to receive a refund payment (782 such payments were made in 2020–21; see Table C.2). The majority of the students who received a refund from the TPS went on to continue their studies in Australia.

**Table C.2: Time taken to make payments from the Overseas Students Tuition Fund, 2020–21**

Payments made during 2020–21	Refunds to students		Placement payments to providers		Total paid \$'000
	Within 30 days	Over 30 days	Within 30 days	Over 30 days	
International	360	422	35	0	1,204

Notes: Payments relate to amounts expensed in 2020–21, regardless of when the provider default took place. The large number of refunds to students made after 30 days mostly relates to a single provider default where the determination of the payments was complex and the payments were administered by a third-party (liquidator). Some students received more than one payment.

**Table C.3: Financial status of the Overseas Students Tuition Fund, 2020–21**

	\$'000
Opening balance at 1 July 2020	37,326
TPS annual levy collected	10,474
Other receipts	224
<b>Total receipts</b>	<b>10,698</b>
Student and provider payments	1,257
TPS administrator services	250
Other operational/administrative payments	162
<b>Total payments</b>	<b>1,668</b>
Closing balance as at 30 June 2021	46,355

Note: The financial status of the OSTF is reported on a cash basis.

**Vipin Mahajan**

Director

Tuition Protection Service

# Appendix D – Annual Report of the Student Identifiers Registrar

## About the Unique Student Identifier

Since 2015, all students in the vocational education and training (VET) sector must have a Unique Student Identifier (USI). The requirement to have a USI was extended to new higher education students seeking Commonwealth financial assistance on 1 January 2021 and will apply to all graduating students by 2023.

At 30 June 2021, over 12 million students held a USI, and during 2020–21 more than 3,298 education and training providers and VET or higher education related entities were using our system.

The USI is a randomly generated number. Students provide their USI when applying for a VET Student Loan or financial assistance to undertake higher education. Students undertaking a nationally recognised VET course or completing an apprenticeship require a USI to receive their qualification. Registered training organisations affix USIs to training records sent to the National Centre for Vocational Education and Research, where they are stored. This enables the formation of a secure online record of the student's training and the production of an authenticated VET transcript. Students can use their transcript when applying for a job, seeking a credit transfer, or demonstrating training prerequisites.

The USI is a linkage key to enable more accurate data on vocational education enrolments, training completion and pathways. In this way it can support targeted policy making and resource allocation by the Commonwealth, state and territory governments.

## Authorising legislation

The *Student Identifiers Act 2014* provides for a Commonwealth statutory office holder, the Student Identifiers Registrar, to oversee the implementation and management of the USI nationally. The Registrar's functions include:

- assigning and verifying student identifiers
- preparing a student's authenticated transcript
- enabling students to give third parties access to their transcript
- protecting students' personal information from unauthorised access or misuse.

The Registrar is appointed on a full-time basis for up to 5 years by the Commonwealth Minister for Employment, Workforce, Skills, Small and Family Business after consulting state and territory ministers. Janette Dines is the current Student Identifiers Registrar and was appointed on 15 April 2019.



The Registrar is assisted by APS staff from the Department of Education, Skills and Employment, and by contractors. At 30 June 2021 there were 59 APS staff or contractors supporting the Registrar.

The Registrar manages the Student Identifiers Special Account for the purposes of the *Public Governance, Performance and Accountability Act 2013*. The appropriation for the 2020–21 financial year was \$8,772,158.00 and the total spend was \$8,362,727.52.

This report is prepared in compliance with section 51 of the Student Identifiers Act.

## Registrar overview

It was a pleasure to continue to support students and providers over the past year and contribute to the government's priorities in the education, skills and employment portfolio.

My focus this year was to continue to provide customers with a simple and secure service while implementing the government's legislative amendments introducing the USI to the higher education sector. This expansion brings in a potential 500,000 new students annually and 187 higher education providers.

Like workplaces around the country, we continued to face disruptions due to the COVID-19 pandemic. I am proud of, and grateful to, all my staff for quickly adapting to working from home without any reduction in our service levels. We have become adept at service delivery, staying connected and collaborating even when working remotely.





USI customers can choose online self-service, email or telephone support. Our USI registry system operates 24/7 and achieved 99.9% availability this year. On average 5,000 students and 1,000 providers or entities access our system daily, conducting 130,000 transactions. This year 97.2% (9.3 million) of transactions were completed through online self-service. We continued to pilot the use of myGovID for USI account creation or access, and in the past 12 months, 13,300 USI accounts were created or accessed using a digital identity.

In the past 12 months we experienced high levels of student activity in logins, account recovery and forgotten passwords. We also recorded a high level of USI verifications by organisations. This is consistent with a growing body of USI account holders returning to study and re-using their USI. When considerable time lapses between account creation and re-use, a student is more likely to face difficulties in accessing their account due to out-of-date contact details and forgetting their password and/or account security questions. This is a barrier to self-service and explains why this year we received just over 94,000 help requests, an increase of 64% from 2019–20. We pursue technology enhancements and procedural changes to minimise barriers to self-service – for example, this year we revised account security questions to improve self-service password recovery. Continued uptake of myGovID as a way to access a USI account will also reduce barriers to self-service.

Ideally we could engineer the need for a help request out of the system, but some students will always need help to create or find their USI. I am thrilled to report that by changing workflow and streamlining processes we improved our help request response time by 42% to now action 90% of help requests within 4 business hours. Our next initiative is a variable 7 am shift to respond more quickly to help requests that are submitted outside business hours.

We handled over 140,000 calls, which was 56,000 more than the previous year, and met 3 out of 4 performance targets for direct customer interactions. Our average call wait time was 3 minutes and 38 seconds, which failed our speed to answer target by 68 seconds. This result was driven by the second quarter, when our call wait time exceeded 6 minutes. With additional staff, including a part-time shift to cover peak periods, we lifted our performance in the third and fourth quarters of the financial year. Average call waiting time in Quarter 3 was 2 minutes and 57 seconds, and in Quarter 4 it decreased to 1 minute and 14 seconds.

**Table D.1: Student Identifiers Registrar performance measures, 2020–21**

Performance measure	Met
Average speed to answer does not exceed 2 minutes and 30 seconds	
Average quality score of 85% across all support channels	
85% of queries resolved with the first contact	
85% of callers surveyed are satisfied with our service	

Customers who call us report high satisfaction. Of 50,000 post-call surveys, 5% rated us 4 out of 5 stars and 90% gave us 5 stars. We received some great feedback such as:

*Had the most fantastic customer service yesterday ... extremely patient, helpful.*

*The staff were friendly and supportive. Thank you so much for your service.*

*It was my pleasure to speak with you over the phone this afternoon.*

We survey staff quarterly and receive evidence of a highly engaged workforce that feels enabled and supported to do their work. On average, 98% of staff said they understand what is expected of them in their current role, and 97% understand how their job contributes to the customer experience.

I am grateful for the chance to lead this high-performing team and look forward to continuing to support students and providers and contribute to the government's priorities in the education, skills and employment portfolio.

**Janette Dines**

Student Identifiers Registrar

## At a glance – 2020–21



**1,087,700**  
new USIs, bringing the  
total to 12,106,000



**9,286,676**  
self-service  
transactions



**931,583\***  
Transcript views/downloads  
(3% increase)



**10,165**  
USIs created using  
digital identity bringing  
the total to 10,268



**4,030**  
USI accounts accessed  
using digital identity



**29**  
USI exemptions  
granted



**140,407\***  
calls handled  
(56,225 more calls)



**7 minutes 31 seconds**  
average daily  
call handle time



**3 minutes 38 seconds**  
average daily  
call wait time



**94,056\***  
online help  
requests actioned  
(64% increase)



**0**  
notifiable data breaches reported  
to Office of the Australian  
Information Commissioner

\* compared to 2019–20 data.

## USI mission statement



## Performance information

### Goal 1: Know our market

#### ■ KPI: We know who our customers are and what they need from us

##### What we did

- Surveyed 50,000 customers post-call, yielding a 5-star rating from 90% of respondents.
- Developed student and provider profiles and held 6 all-staff workshops on what the profiles tell us about customer needs and service expectations.
- Participated in cultural awareness training.
- Reviewed user research, customer online journeys, complaints and help requests, resulting in:
  - a new website with improved content and navigation
  - the identification of 5 pain points or barriers to self-service
  - the design of new customer feedback mechanisms for the website and Student Portal.
- Held 2 meetings of the USI External Reference Group, comprising training providers, tertiary admissions centres and peak bodies representing employers and students.
- Met individually with state training authorities, higher education providers, tertiary admission centres and software management system providers across Australia.
- Participated in 10 expos/presentations with a total of 58,200 attendees.
- Released 5 e-news bulletins to a 7,500 subscriber list and added Facebook, Instagram and Twitter to our communication channels.

### Goal 2: Deliver a simple and secure customer experience

##### What we did

- Produced 3 short videos for students and providers on how to create and use a USI.
- Updated account security questions to improve user experience in retrieving their USI.
- Promoted privacy awareness week internally and to students and providers.
- Digitised the USI exemption form, shortening response time by at least 7 days.
- Created a new web form to help third parties create a USI for Aboriginal and Torres Strait Islander students without identity documents.
- Created a new web form to make it easier for providers to obtain system access.
- Improved the overall functionality of the USI registry system, with a total of 8 system releases.

**■ KPI 2.1: Customers are satisfied with our service**

**Target:** 85% of callers surveyed are satisfied with our service.\*

**Achievement:**  90% of respondents gave us 5 out of 5 stars.

\* 50,000 customers took our post-call survey.

**■ KPI 2.2: Speed of service**

**Target:** Average speed to answer does not exceed **2 minutes and 30 seconds**.

**Achievement:**  Average call wait time of **3 minutes and 38 seconds**.

**■ KPI 2.3: Quality of service**

**Target:** Average quality score of 85% across all support channels.\*

**Achievement:**  94%

\* Service quality is assessed against 26 elements including adherence to policies and procedures, accuracy and the interpersonal skills displayed by our customer service officers in responding to calls, emails and system-generated help requests.

**■ KPI 2.4: First contact resolution**

**Target:** 85% of queries resolved with the first contact.

**Achievement:**  96%

**■ KPI 2.5: The USI registry system supports self-service**

**Target:** 90% of transactions are self-service.

**Achievement:**  97.3%

**■ KPI 2.6: The USI registry system is highly available**

**Target:** 99% of the time the Student Portal is available and operational.

**Achievement:**  99.9%\*

\* KPI commenced from April 2021 – this means the full financial year data is not available.

**■ KPI 2.7: Number of data breaches**

**Target:** 0 notifiable data breaches and no more than 2 non-notifiable data breaches.\*

**Achievement:**  0 notifiable breaches and 19 non-notifiable breaches.

\* Notifiable data breaches are those that may cause serious harm to an individual and therefore must be reported to the Office of the Australian Information Commissioner (OAIC).

**■ KPI 2.8: Staff protect students' personal information**

**Target:** 100% of staff are trained in, and aware of, their privacy obligations.

**Achievements:**

- 100% of staff completed mandatory privacy, security and fraud awareness training.
- 100% of staff completed data breach training in accordance with OAIC requirements and our data breach response plan.
- 95% of staff reported a strong privacy culture in team USI.

**Goal 3: Support the government and through it the nation****■ KPI 3.1: We support and enable government policy****What we did**

- To implement legislation extending the USI to the higher education sector we:
  - delivered new registry system functionality
  - onboarded 90 higher education providers to the registry system
  - partnered with tertiary admissions centres, to communicate with over 326,000 potential students through websites, newsletters, SMSs, social media, webinars and publications.
- To implement legislation introducing infringement notices and civil pecuniary penalties we released a compliance and enforcement policy to explain how we will exercise these new powers.
- Contributed to Commonwealth–state working groups and recommendations to education ministers on the expansion of the USI to the schools sector.
- Piloted the use of myGovID to create a USI or access an existing account.

**■ KPI 3.2: Government partners are satisfied**

**Target:** 90% of government agencies we interact with express satisfaction.

**Achievements:**

- 86% rated the experience of their last interaction with us as satisfied or positive.
- 86% indicated that their overall perception of us was satisfied or positive.

**■ KPI 3.3: Collaboration across government**

**What we did**

- Held 2 meetings of the USI Advisory Group, comprising all state/territory training authorities and the VET and higher education regulators.
- Participated on the Digital Identity and myGov Portfolio Board and Steering Committee.
- Supported DESE's VET Data Streamlining proof-of-concept project to integrate with the USI registry system and verify USIs.
- Contributed to research activities including the Longitudinal Surveys of Australian Youth, the VET Student Outcomes Survey and the Multi-Agency Data Integration Project.
- Processed 24 requests under the Student Identifiers Act for information relating to 218 individuals.\*

\* The Act authorises the collection, use or disclosure of a USI if reasonably necessary for law enforcement, the protection of the public revenue or court or tribunal proceedings.

**Goal 4: Innovate to improve our USI customer experience and do our work more efficiently**

**■ KPI: We are open to new ways of doing things**

**What we did**

- Changed workflow and reduced the number of steps in actioning online help requests, resulting in a 42% improvement in response time and 90% of help requests actioned within 4 business hours.
- Simplified caller proof of identity checks while maintaining customer privacy and account security.
- Identified 3 technology solutions to make it easier for students to share their USI transcript.
- Adapted procedure and technology to enable New Zealand offshore students to obtain a temporary USI.
- Held regular Innovation Committee meetings to consider ideas and suggestions made by staff.



## Goal 5: Enable and inspire team USI to take ownership and do its best work

### ■ KPI: Our culture supports staff

#### What we did

- Developed a culture statement to underpin everything we do and created a Culture Club so that staff can shape a program of events to promote and embed our cultural values.
- Held regular Innovation Committee meetings to consider ideas and suggestions made by staff.



**■ KPI: We are a good place to work**

**Target:** 100% of staff report role clarity, support, and a line of sight to our customers.

**Table D.2: Goal 5 performance measures, 2020–21**

Achievement	Annual average strongly/agreed*
I understand what is expected of me and my current role	98%
I understand how my job contributes to the customer experience	97%
I believe the USI team has a strong privacy culture	96%
I know who to ask if I need help with any aspects of my current role	95%
I have the necessary resources I need to perform my duties	91%
I feel that my manager sees my wellbeing as a priority	94%
I feel that my ideas are welcome	89%
I understand the link between my job and the USI mission statement	98%
I have discussed my learning and development needs with my manager	83%

\* Staff are surveyed quarterly – these percentages are an average of all 4 quarters where staff provided a response of either 'agreed' or 'strongly agreed'.

# Appendix E – Annual Child Safety Statement

## Commonwealth Child Safe Framework

### Commitment to child safety

The Commonwealth Royal Commission into Institutional Responses to Child Sexual Abuse highlighted the need to provide an environment:

- in which children and young people are safe, protected and respected
- where staff have the skills, confidence and knowledge to safeguard children.

In response to the Commonwealth Royal Commission, the Commonwealth Child Safe Framework (CCSF) was established in 2019. The Council of Australian Governments endorsed the National Principles for Child Safe Organisations in February 2019.

On 14 December 2020, the National Office for Child Safety within the Department of the Prime Minister and Cabinet published the second edition of the CCSF. The updated CCSF includes an additional requirement commencing in 2021 to publish an annual child safety statement. This is the first annual child safety statement for the department.

As national leaders in developing child care, early learning, education, training and employment policies and programs, the department has zero tolerance of child abuse, neglect and exploitation.

On 4 March 2020 the department launched the Child Safe Policy, which demonstrates its commitment to the safety and wellbeing of all young Australians.

Under the Child Safe Policy, the department implements the following strategies and practices to embed an organisational culture of child safety:

- Departmental staff must complete the mandatory Child Safe Framework e-learning module to build whole-of-department capability.
- Contract managers must consider child safety when entering into and managing procurement and grant agreements.
- When carrying out recruitment activities, staff must decide if the position should be classified as a child safe position.
- The department maintains a register of child safe positions and Working with Children Checks (WWCC).
- Staff must notify the Child Safe Framework Team of any child safety complaints made about the department or an individual staff member.

The department celebrated National Child Protection Week on 7 September 2020 to promote, empower and further embed the CCSF. The celebration included:

- a video of the department's Child Safety Champion and 4 other Senior Executive Service officers from across the department speaking about the importance of putting children first
- a presentation from the ACT Children and Young People Commissioner, Jodie Griffiths-Cook, titled 'Making Rights a Reality', which was live streamed to staff.

The department put in place measures to implement the child safety requirements consistent with the CCSF in relation to third parties delivering services or activities that relate to or may impact children and young people.

### Child safety training

The department has made the CCSF training mandatory for all staff and shared the training module across Commonwealth agencies. The department has also made the Australian Human Rights Commission Child Safe Organisation training modules available to all staff through its internal online training system. The additional training is mandatory for all staff working in identified child safe positions.

Throughout May 2021, the department delivered customised webinars covering mandatory reporting obligations and vicarious trauma informed practices training. In total 344 staff and contractors in roles which required a more in-depth knowledge of these topics attended the training.

### Child safety risk assessment

The department evaluates risks to child safety annually in relation to its activities and operations, and monitors the strategies implemented in managing identified risks. In December 2020 the department conducted an annual child safety risk assessment. In March 2021 it launched a new enterprise risk system (RiskNet). In recognition of the department's commitment to child safety, the issues identified in the Child Safe Risk Plan have been elevated to enterprise-wide risks in the new system.

### Compliance with the Commonwealth Child Safe Framework

In May 2021, the department's Internal Audit Team coordinated a review to assess the department's compliance with the CCSF, with a particular focus on the management of third-party relationships. The review concluded that the department is fully compliant with the requirements of the CCSF.

The next phase of the department's child safe journey will focus on reinforcing the importance and relevance of child safety when developing policies, delivering programs and funding research through third-party providers.

## Good practice examples

In 2020–21 the department put in place a number of tailored child safe initiatives across the organisation. Each initiative highlights how the department contributes to a child safe culture by applying the National Principles for Child Safe Organisations.

### Community Child Care Fund Restricted Non-Competitive program

The Community Child Care Fund Restricted Non-Competitive (CCCFR) program is designed to support specified child care services to remain financially viable and to increase Indigenous children's participation.

The department engaged with the Australian Children's Education and Care Quality Authority to develop and deliver the following training for child care providers:

- a series of training webinars on safety and supervision practices under the Child Care Subsidy Minister's Rules 2017
- professional development e-learning modules to build capability to enable improved outcomes for children over the longer term.

The department reviewed its serious incident notification and handling process for CCCFR services to better support the mandatory reporting legislation. As a result, a new serious incident notification process is now in place. The outcome will facilitate more accurate monitoring of the safety and wellbeing of children being cared for at these services.

### English Language Learning for Indigenous Children Trial

The English Language Learning for Indigenous Children (ELLIC) Trial helps Aboriginal and Torres Strait Islander preschool children for whom English is an additional language or dialect to learn English. The ELLIC Trial is underpinned by a series of digital learning play-based applications (apps) and can be used by preschool educators to support English literacy development.

The digital interactive apps are being co-designed with Aboriginal and Torres Strait Islander communities and subject-matter experts. As part of the development phase, the applications are being designed to protect the identities of the children with anonymous virtual characters (avatars). The avatars will:

- attract children's attention and create a more enjoyable learning environment
- provide a safe digital platform for the educator and children to identify themselves with their chosen activities
- facilitate the collection of de-identified data for program reporting purposes.

## Review of the Disability Standards for Education 2005

Throughout 2020, the department undertook public consultations for the Review of the Disability Standards for Education 2005. The review tested whether the standards are effective in supporting students with disability to access and participate in education on the same basis as students without disability.

Public consultations included measures to ensure the voices of young people could be heard. The department created the Young Person's Advisory Group to hear directly about the experiences of young people with disability participating in education. The department worked with peak bodies and existing networks of young people with disability to share information about the consultation. The consultation also captured the experiences of Aboriginal and Torres Strait Islander students with disability and culturally and linguistically diverse students with disability.

The consultation included:

- conducting 4 online focus groups aimed at young people to hear directly from them about their experiences
- hosting a discussion board for young people more comfortable with engaging through writing
- developing and presenting video vignettes, filmed during the webinars, about the experiences of young people. These were hosted on the online consultation hub to highlight their importance to the review.

The Hon Alan Tudge MP, Minister for Education and Youth, released the final report on 12 March 2021. The department is working with state and territory governments to implement the recommendations from the review. The Young Person's Advisory Group will be re-formed to hear the views of young people with disability as the recommendations are implemented.

## National Customer Service Line

The National Customer Service Line (NCSL) provides a mechanism for job seekers, employers and the public to ask questions and provide feedback about employment, education and skilling services. The callers include job seekers aged 15 years and older.

During the reporting period the NCSL:

- implemented a referral process for callers aged 15 to 17 to speak with staff who have a WWCC and have completed child safe mandatory training
- developed and put in place an NCSL-specific WWCC protocol and a mandatory reporting of abuse and neglect protocol. These protocols will help all NCSL staff understand their child safe responsibilities
- captured the details of calls from people aged 15 to 17 to look at ways to better meet their needs
- put in place a process whereby any non-compliance with the protocols will be investigated and documented
- conducted a series of random reviews of records to assess their accuracy and the quality of the engagement with children and young people.

## Appendix F – Annual Report of the National Skills Commissioner

This report provides information about the performance of the National Skills Commissioner's functions and the exercise of the Commissioner's powers during 2020–21. This is the first time the information has been included in the Department of Education, Skills and Employment annual report.

### About the National Skills Commissioner

The National Skills Commissioner provides advice to the Minister for Employment, Workforce, Skills, Small and Family Business and the Secretary on:

- Australia's current, emerging and future workforce skills needs
- the development of efficient prices for vocational education and training (VET) courses
- the public and private return on government investment in VET
- the performance of Australia's system for providing VET
- issues affecting the state of the Australian and international labour markets
- opportunities to improve VET in regional, rural and remote Australia.

The Commissioner also informs the public on these matters and is required to publish a report each calendar year on Australia's current, emerging and future workforce skills needs.

Establishing the National Skills Commission was a key recommendation from the report of the 2019 review by the Hon Steven Joyce, *Strengthening Skills: Expert Review of Australia's Vocational Education and Training System*. The Australian Government established the commission in the 2019–20 Budget as part of the Delivering Skills for Today and Tomorrow Skills Package. The July 2020 Economic and Fiscal Outlook included further funding as part of the Skills Reform Package.

The *National Skills Commissioner Act 2020* received Royal Assent on 2 September 2020.

### Governance

In October 2019 the Australian Government appointed Mr Adam Boyton as Interim National Skills Commissioner. Mr Boyton led the early work to stand up the commission, which was launched on 1 July 2020.

On 23 September 2020 the then Minister for Employment, Skills, Small and Family Business, Senator the Hon Michaelia Cash, appointed Mr Boyton as the inaugural National Skills Commissioner from 13 October 2020 for a period of 5 years.

The Commissioner delivers his functions with resources provided by the department. As at 30 June 2021, 145 staff and contractors across Australia assisted the Commissioner's work.

More information about the commission and its publications are available at:

**[www.nationalskillscommission.gov.au](http://www.nationalskillscommission.gov.au)**

## Commissioner's review

In its first year of operation, the commission made rapid progress to deliver on the priorities of the Australian Government.

### Responding to COVID-19

The commission played a significant role in the national response to COVID-19 by:

- powering new digital tools in response to COVID-19, including the Jobs in Demand by Location application on Jobs Hub and the Job Switch tool on the jobactive website, through the Jobs and Education Data Infrastructure Project (JEDI)
- adapting its employer surveys to focus on the impacts of the pandemic on the labour market. These insights proved to be a unique real-time data source to inform policy and decision makers
- supporting the JobTrainer program, including agreeing qualification lists and prices with the states and territories
- publishing *The shape of Australia's post COVID-19 workforce*, which modelled scenarios for recovery from COVID-19. This was the first major report on Australia's current, emerging and future workforce skills needs in response to COVID-19.

### Australia's current, emerging and future workforce skills needs

JEDI provides a real-time view of the Australian labour market, drawing complex data from multiple sources into its data engine, and transforming this into meaningful insights. JEDI data insights provide valuable intelligence to service the broader government response to the COVID-19 pandemic and the economic recovery. JEDI data currently powers digital tools for job seekers and underpins the Your Future Career application on the National Careers Institute (NCI) digital platform.

The commission published the *Emerging occupations* report in August 2020. The report used JEDI insights to identifying emerging skills and look at how these skills change existing jobs, in order to identify emerging or new jobs in the labour market. Ongoing work in this space is informing the Australian Bureau of Statistics' review of the Australian and New Zealand Standard Classification of Occupations.

In March 2021 the commission released the data-driven Australian Skills Classification (ASC) interactive tool to the public. The ASC is a key building block of JEDI but has broader application by providing a common language and a new way of thinking about a range of skills, linked to occupations and qualifications.

In April 2021 the commission developed a digital tool for New South Wales Government concierge service staff to direct job seekers to JobTrainer courses best suited to them.



The commission published the Skills Priority List (SPL) on its website on 30 June 2021 after extensive consultation with peak bodies, industry groups, professional organisations, unions, and regional representative bodies, as well as with state, territory and Australian government agencies. Formal consultation for the SPL involves a twice-yearly online survey as well as face-to-face or online engagement with representative bodies year round. The survey seeks to capture information from stakeholders on recruitment challenges and skills needs across a wide range of occupations and industries. The SPL is a critical piece of the commission's analysis, supplying a single source of advice on occupations that are in shortage and their expected future demand. The SPL provides an important starting point when considering policies to meet Australia's skills needs, including training funding, skilled migration and other related initiatives and incentives.

To inform future iterations of the SPL, the commission has expanded the scope of the Survey of Employers Who Have Recently Advertised. The expansion maximises the possible coverage of occupations, increasing the accuracy and depth of knowledge about shortages across Australia.

The SPL informed the development of the commission's initial VET Course Priority List (VCPL). As well as the SPL, the composition of the VCPL draws on existing state and territory funded course lists, course educational characteristics, regulatory requirements and state and territory feedback. The VCPL will be updated on an ongoing basis to capture rapidly emerging skills needs.

On 16 July 2021 the commission released the Nowcast of Employment by Region and Occupation (NERO). NERO uses traditional and non-traditional data to provide timely information on employment in 355 occupations across 88 regions in Australia. This is the first time nowcasting (predicting the present) techniques have provided estimates of the labour market at disaggregated levels.

### **Issues affecting the state of the Australian and international labour markets**

The commission provides the minister and the department with research and analysis on a broad range of labour market conditions. This is a key contribution by the commission to the evidence base underpinning policy advice and program development and implementation.

The commission produces and publishes the Internet Vacancy Index (IVI) monthly. The IVI is the only publicly available source of detailed data on online vacancies, including for around 350 occupations (at all skill levels), as well as for all states and territories and 37 regions. The commission recently added a preliminary release to the IVI publication schedule. This will give more timely insights into recruitment activity.

The commission also conducts the Recruitment Experiences and Outlook Survey to learn about employers' recruitment needs and to better connect job seekers with employment opportunities. Insights from employers are used to develop resources to gain insights into labour market conditions, and for job seekers wanting to understand what employers are looking for. In February 2021 the commission commenced publishing a monthly *Recruitment Insights Report* to track developments in recruitment activity.

The commission provides the evidence base for the Local Jobs Program (recently expanded to cover all 51 employment regions) and provides labour market advice for job seekers at Jobs Fairs.

The commission continues to provide guidance on the future direction of the labour market. It produced the 2020 5-yearly employment projections by industry (released on 22 March 2021) and by occupation and skill level (released on 10 May 2021).

The commission also published substantive reports on the labour market in July 2020 and December 2020. The report released on 1 July 2020, *A snapshot in time: The Australian labour market and COVID-19*, was the first report released by the commission and focused on the impact of COVID-19 on Australia's labour market. In December 2020, *The shape of Australia's post COVID-19 workforce* analysed the impact of the pandemic on the Australian labour market, through scenario modelling, and profiled a resilient occupations framework.

### **The development of efficient prices for VET courses**

In 2020–21 the commission developed key elements of a new national pricing framework for VET courses.

In March 2021 the commission published the first national collection of information on VET qualification subsidies, fees and prices across Australia. The database forms a starting point from which to understand the variability in VET qualification pricing nationally for government-subsidised qualifications. It is the first step in the pathway to developing more nationally consistent prices for VET.

The commission provided draft efficient prices for 50 priority qualifications to the department and to the states and territories in March 2021. In June 2021 the commission provided the department and the states and territories with draft efficient prices and fee and subsidy bands for all current government-funded qualifications. The draft efficient prices are informed by the first national cost survey of registered training organisations. Fee and subsidy bands are informed by the efficient cost as well as analysis of the private and public benefits of undertaking VET.

The commission also supplied the department and the states and territories with draft loadings to address the additional costs of delivery in regional and remote areas and to disadvantaged cohorts, as well as the methodology for pricing new courses and maintaining prices over time.

These elements, along with the VCPL referred to above, provide sufficient detail to the states and territories to allow for a comprehensive assessment of the impact of a national activity-based funding framework. The commission will continue to refine its prices, fee and subsidy bands, and other pricing framework elements.

## The performance of Australia's system for providing VET

The commission has begun to evaluate the impact of qualifications on students' income and employment-related outcomes. This will inform an investment approach to VET, and better inform students through the NCI.

The Australian Government agreed to the development of a new VET National Data Asset (VNDA) in the Mid-Year Economic and Fiscal Outlook 2020–21. The commission established the VNDA with the Australian Bureau of Statistics, and Stage 1 data became available on 20 April 2021. Work is underway to develop course-level outcomes indicators. Data from the VNDA (along with other data) will inform the commission's assessment of Australia's VET system.

## Care Workforce Labour Market Study

In March 2021 the Australian Government requested the Commissioner to undertake a study on the care workforce. Supported by the department and other agencies, the commission set up a taskforce to conduct an in-depth study into the factors affecting the supply and demand for care workers in the near term and out to 2050. The commission is supplementing existing work across governments, industry, academia and peak bodies with further detailed research and analysis. The report is due to the Australian Government by 30 September this year.

## Informing the public

Throughout the year, the commission has actively provided the public with information on current, emerging and future workforce and skills needs. In addition to regular reports and data releases, the commission released several substantive reports, which are available on its website.

The Commissioner and other subject-matter experts have presented at a range of public conferences, briefed the National Cabinet and provided evidence to a number of government committees.

As the National Skills Commission enters its second year of operation, it is building on the foundations laid in 2020–21. It will continue to use innovative and dynamic approaches to provide expert advice and national leadership on the Australian labour market and current, emerging and future workforce skills needs.

### **Adam Boyton**

National Skills Commissioner

## Appendix G – Workforce statistics

Table G.1: All ongoing employees, 2020–21

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	77	2	79	60	18	78	–	–	–	157
Qld	26	3	29	56	14	70	–	–	–	99
SA	28	3	31	54	26	80	–	–	–	111
Tas	7	3	10	12	4	16	–	–	–	26
Vic	31	1	32	45	18	63	–	–	–	95
WA	13	–	13	19	15	34	–	–	–	47
ACT	1,125	63	1,188	1,461	424	1,885	–	–	–	3,073
NT	2	–	2	15	3	18	–	–	–	20
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	3	–	3	5	–	5	–	–	–	8
<b>Total</b>	<b>1,312</b>	<b>75</b>	<b>1,387</b>	<b>1,727</b>	<b>522</b>	<b>2,249</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,636</b>

Note: Includes employees on leave without pay. Excludes the Secretary.

**Table G.2: All non-ongoing employees, 2020–21**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	–	1	1	–	3	3	–	–	–	4
Qld	2	2	4	2	1	3	–	–	–	7
SA	4	–	4	6	2	8	–	–	–	12
Tas	–	1	1	1	–	1	–	–	–	2
Vic	–	–	–	–	3	3	–	–	–	3
WA	–	–	–	1	2	3	–	–	–	3
ACT	24	9	33	44	14	58	–	–	–	91
NT	–	–	–	–	–	–	–	–	–	–
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	2	–	2	–	–	–	2
<b>Total</b>	<b>30</b>	<b>13</b>	<b>43</b>	<b>56</b>	<b>25</b>	<b>81</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>124</b>

**Table G.3: All ongoing employees, 2019–20**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	86	3	89	59	21	80	–	–	–	169
Qld	26	2	28	57	20	77	–	–	–	105
SA	28	3	31	53	23	76	–	–	–	107
Tas	8	2	10	14	3	17	–	–	–	27
Vic	31	–	31	49	20	69	–	–	–	100
WA	13	–	13	23	14	37	–	–	–	50
ACT	1,082	60	1,142	1,335	404	1,739	–	–	–	2,881
NT	2	–	2	15	3	18	–	–	–	20
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	2	–	2	7	–	7	–	–	–	9
<b>Total</b>	<b>1,278</b>	<b>70</b>	<b>1,348</b>	<b>1,612</b>	<b>508</b>	<b>2,120</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,468</b>

Note: Includes employees on leave without pay. Excludes the Secretary.

**Table G.4: All non-ongoing employees, 2019–20**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
NSW	2	1	3	5	–	5	–	–	–	<b>8</b>
Qld	–	–	–	1	–	1	–	–	–	<b>1</b>
SA	1	–	1	4	–	4	–	–	–	<b>5</b>
Tas	–	–	–	1	1	2	–	–	–	<b>2</b>
Vic	–	–	–	–	–	–	–	–	–	–
WA	–	1	1	1	–	1	–	–	–	<b>2</b>
ACT	20	7	27	44	12	56	–	–	–	<b>83</b>
NT	–	–	–	1	–	1	–	–	–	<b>1</b>
External territories	–	–	–	–	–	–	–	–	–	–
Overseas	–	–	–	1	–	1	–	–	–	<b>1</b>
<b>Total</b>	<b>23</b>	<b>9</b>	<b>32</b>	<b>58</b>	<b>13</b>	<b>71</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>103</b>

**Table G.5: APS ongoing employees by classification, gender and employment status, 2020–21**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	3	–	3	3	–	3	–	–	–	<b>6</b>
SES 2	12	–	12	16	–	16	–	–	–	<b>28</b>
SES 1	34	–	34	51	3	54	–	–	–	<b>88</b>
Principal Government Lawyer	9	–	9	10	2	12	–	–	–	<b>21</b>
Senior Government Lawyer	7	–	7	23	9	32	–	–	–	<b>39</b>
Government Lawyer	4	–	4	9	2	11	–	–	–	<b>15</b>
EL 2	148	7	155	197	38	235	–	–	–	<b>390</b>
EL 1 IT	17	–	17	3	–	3	–	–	–	<b>20</b>
EL 1	429	30	459	516	183	699	–	–	–	<b>1,158</b>
APS 6	349	29	378	436	170	606	–	–	–	<b>984</b>
APS 5	154	4	158	255	71	326	–	–	–	<b>484</b>
APS 4	84	5	89	135	38	173	–	–	–	<b>262</b>
APS 3	19	–	19	21	6	27	–	–	–	<b>46</b>
APS 2	2	–	2	3	–	3	–	–	–	<b>5</b>
APS 1	–	–	–	–	–	–	–	–	–	<b>–</b>
Graduates	38	–	38	38	–	38	–	–	–	<b>76</b>
Trainees	3	–	3	11	–	11	–	–	–	<b>14</b>
<b>Total</b>	<b>1,312</b>	<b>75</b>	<b>1,387</b>	<b>1,727</b>	<b>522</b>	<b>2,249</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,636</b>

Note: Includes employees on leave without pay. Excludes the Secretary. Trainees are at APS 1 classification.

**Table G.6: APS non-ongoing employees by classification, gender and employment status, 2020–21**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	–	–	–	–	–	–	–	–	–	–
SES 2	–	–	–	–	–	–	–	–	–	–
SES 1	–	–	–	1	–	1	–	–	–	<b>1</b>
EL 2	2	1	3	3	1	4	–	–	–	<b>7</b>
EL 1	5	3	8	4	6	10	–	–	–	<b>18</b>
APS 6	3	4	7	11	6	17	–	–	–	<b>24</b>
APS 5	3	1	4	12	–	12	–	–	–	<b>16</b>
APS 4	9	–	9	16	4	20	–	–	–	<b>29</b>
APS 3	5	1	6	3	7	10	–	–	–	<b>16</b>
APS 2	3	3	6	6	1	7	–	–	–	<b>13</b>
APS 1	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>30</b>	<b>13</b>	<b>43</b>	<b>56</b>	<b>25</b>	<b>81</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>124</b>



**Table G.7: APS ongoing employees, 2019–20**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	3	–	3	4	–	4	–	–	–	7
SES 2	10	–	10	14	–	14	–	–	–	24
SES 1	36	–	36	50	3	53	–	–	–	89
Principal Government Lawyer	7	–	7	10	3	13	–	–	–	20
Senior Government Lawyer	8	–	8	20	9	29	–	–	–	37
Government Lawyer	1	–	1	7	–	7	–	–	–	8
EL 2	144	3	147	198	28	226	–	–	–	373
EL 1 IT	13	–	13	2	–	2	–	–	–	15
EL 1	429	32	461	437	169	606	–	–	–	1,067
APS 6	311	24	335	417	166	583	–	–	–	918
APS 5	170	4	174	237	82	319	–	–	–	493
APS 4	100	5	105	144	39	183	–	–	–	288
APS 3	22	2	24	32	9	41	–	–	–	65
APS 2	1	–	1	3	–	3	–	–	–	4
APS 1	1	–	1	7	–	7	–	–	–	8
Graduates	21	–	21	28	–	28	–	–	–	49
Trainees	1	–	1	2	–	2	–	–	–	3
<b>Total</b>	<b>1,278</b>	<b>70</b>	<b>1,348</b>	<b>1,612</b>	<b>508</b>	<b>2,120</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,468</b>

Note: Includes employees on leave without pay. Excludes the Secretary. Trainees are at APS 1 classification.

**Table G.8: APS non-ongoing employees, 2019–20**

	Male			Female			Indeterminate			Total
	Full-time	Part-time	Total male	Full-time	Part-time	Total female	Full-time	Part-time	Total indeterminate	
SES 3	-	-	-	-	-	-	-	-	-	-
SES 2	-	-	-	-	-	-	-	-	-	-
SES 1	-	-	-	-	-	-	-	-	-	-
Principal Government Lawyer	-	-	-	-	-	-	-	-	-	-
Senior Government Lawyer	-	1	1	-	-	-	-	-	-	<b>1</b>
Government Lawyer	-	-	-	-	-	-	-	-	-	-
EL 2	-	-	-	1	1	2	-	-	-	<b>2</b>
EL 1	1	2	3	9	2	11	-	-	-	<b>14</b>
APS 6	6	1	7	3	1	4	-	-	-	<b>11</b>
APS 5	5	-	5	23	1	24	-	-	-	<b>29</b>
APS 4	7	1	8	18	3	21	-	-	-	<b>29</b>
APS 3	3	2	5	4	3	7	-	-	-	<b>12</b>
APS 2	1	2	3	-	2	2	-	-	-	<b>5</b>
APS 1	-	-	-	-	-	-	-	-	-	-
Graduates	-	-	-	-	-	-	-	-	-	-
Trainees	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23</b>	<b>9</b>	<b>32</b>	<b>58</b>	<b>13</b>	<b>71</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103</b>

**Table G.9: APS employees by classification and employment status, 2020–21**

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time non-ongoing	Total	
SES 3	6	–	6	–	–	–	<b>6</b>
SES 2	28	–	28	–	–	–	<b>28</b>
SES 1	85	3	88	1	–	1	<b>89</b>
Principal Government Lawyer	19	2	21	–	–	–	<b>21</b>
Senior Government Lawyer	30	9	39	–	–	–	<b>39</b>
Government Lawyer	13	2	15	–	–	–	<b>15</b>
EL 2	345	45	390	5	2	7	<b>397</b>
EL 1 IT	20	–	20	–	–	–	<b>20</b>
EL 1	945	213	1,158	9	9	18	<b>1,176</b>
APS 6	785	199	984	14	10	24	<b>1,008</b>
APS 5	409	75	484	15	1	16	<b>500</b>
APS 4	219	43	262	25	4	29	<b>291</b>
APS 3	40	6	46	8	8	16	<b>62</b>
APS 2	5	–	5	9	4	13	<b>18</b>
APS 1	–	–	–	–	–	–	<b>–</b>
Graduates	76	–	76	–	–	–	<b>76</b>
Trainees	14	–	14	–	–	–	<b>14</b>
<b>Total</b>	<b>3,039</b>	<b>597</b>	<b>3,636</b>	<b>86</b>	<b>38</b>	<b>124</b>	<b>3,760</b>

Note: Includes employees on leave without pay. Excludes the Secretary. Trainees are at APS 1 classification.

**Table G.10: APS employees by classification and employment status, 2019–20**

	Ongoing			Non-ongoing			Total
	Full-time	Part-time	Total ongoing	Full-time	Part-time non-ongoing	Total	
SES 3	7	–	7	–	–	–	<b>7</b>
SES 2	24	–	24	–	–	–	<b>24</b>
SES 1	86	3	89	–	–	–	<b>89</b>
Principal Government Lawyer	17	3	20	–	–	–	<b>20</b>
Senior Government Lawyer	28	9	37	–	1	1	<b>38</b>
Government Lawyer	8	–	8	–	–	–	<b>8</b>
EL 2	342	31	373	1	1	2	<b>375</b>
EL 1 IT	15	–	15	–	–	–	<b>15</b>
EL 1	866	201	1,067	10	4	14	<b>1,081</b>
APS 6	728	190	918	9	2	11	<b>929</b>
APS 5	407	86	493	28	1	29	<b>522</b>
APS 4	244	44	288	25	4	29	<b>317</b>
APS 3	54	11	65	7	5	12	<b>77</b>
APS 2	4	–	4	1	4	5	<b>9</b>
APS 1	8	–	8	–	–	–	<b>8</b>
Graduates	49	–	49	–	–	–	<b>49</b>
Trainees	3	–	3	–	–	–	<b>3</b>
<b>Total</b>	<b>2,890</b>	<b>578</b>	<b>3,468</b>	<b>81</b>	<b>22</b>	<b>103</b>	<b>3,571</b>

Note: Includes employees on leave without pay. Excludes the Secretary. Trainees are at APS 1 classification.

**Table G.11: APS ongoing and non-ongoing employees by location, 2020–21**

	Ongoing	Non-ongoing	Total
NSW	157	4	<b>161</b>
Qld	99	7	<b>106</b>
SA	111	12	<b>123</b>
Tas	26	2	<b>28</b>
Vic	95	3	<b>98</b>
WA	47	3	<b>50</b>
ACT	3,073	91	<b>3,164</b>
NT	20	–	<b>20</b>
External territories	–	–	–
Overseas	8	2	<b>10</b>
<b>Total</b>	<b>3,636</b>	<b>124</b>	<b>3,760</b>

Note: Includes employees on leave without pay. Excludes the Secretary.

**Table G.12: APS ongoing and non-ongoing employees by location, 2019–20**

	Ongoing	Non-ongoing	Total
NSW	169	8	<b>177</b>
Qld	105	1	<b>106</b>
SA	107	5	<b>112</b>
Tas	27	2	<b>29</b>
Vic	100	–	<b>100</b>
WA	50	2	<b>52</b>
ACT	2,881	83	<b>2,964</b>
NT	20	1	<b>21</b>
External territories	–	–	–
Overseas	9	1	<b>10</b>
<b>Total</b>	<b>3,468</b>	<b>103</b>	<b>3,571</b>

Note: Includes employees on leave without pay. Excludes the Secretary.

**Table G.13: APS ongoing and non-ongoing employees by Indigenous status, 2020–21**

	<b>Total</b>
Ongoing	<b>104</b>
Non-ongoing	<b>3</b>
<b>Total</b>	<b>107</b>

**Table G.14: APS ongoing and non-ongoing employees by Indigenous status, 2019–20**

	<b>Total</b>
Ongoing	<b>112</b>
Non-ongoing	<b>–</b>
<b>Total</b>	<b>112</b>

**Table G.15: Employment arrangements of SES and non-SES employees, 2020–21**

	<b>SES</b>	<b>Non-SES</b>	<b>Total</b>
Enterprise Agreement	–	3,637	<b>3,637</b>
Section 24(1) determinations	123	–	<b>123</b>
<b>Total</b>	<b>123</b>	<b>3,637</b>	<b>3,760</b>

Note: Excludes the Secretary as remuneration arrangements for departmental secretaries are determined by the Remuneration Tribunal.

**Table G.16: APS salary ranges by classification level (minimum/maximum), 2020–21**

	Minimum salary \$	Maximum salary \$
SES 3	321,606	403,000
SES 2	232,833	295,832
SES 1	175,730	272,124
Principal Government Lawyer	144,936	156,876
Senior Government Lawyer	108,350	132,728
Government Lawyer	67,971	96,895
EL 2	127,501	153,049
EL 1 IT	125,738	131,725
EL 1	108,350	119,750
APS 6	88,114	96,895
APS 5	78,377	83,793
APS 4	70,988	75,918
APS 3	65,258	67,971
APS 2	58,435	62,270
APS 1	29,851	54,399
<b>Minimum/maximum range</b>	<b>29,851</b>	<b>403,000</b>

Note: Graduates at APS 3 and APS 4 levels are at the respective pay points. APS 1 salary includes Trainees classification.

**Table G.17: Remuneration for key management personnel, 2020–21**

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration <sup>1</sup>	Term as KMP <sup>2</sup>
		Base salary <sup>3</sup>	Bonuses	Other benefits and allowances <sup>4</sup>	Superannuation contributions <sup>5</sup>	Long service leave <sup>6</sup>	Other long-term benefits			
		\$	\$	\$	\$	\$	\$	\$	\$	
Dr Michele Bruniges	Secretary	704,098	0	71,404	107,944		17,276	0	900,722	Full term
Dr Roslyn Baxter	Deputy Secretary	315,298	0	34,966	66,666		6,762	0	423,692	Full term
Ms Alexandra Gordon	Deputy Secretary	330,810	0	36,960	66,502		4,519	0	438,791	Full term
Mr Robert Heferen	Deputy Secretary	390,206	0	2,071	75,764		(6,685)	0	461,356	Full term
Mr Marcus Markovic	Deputy Secretary	372,083	0	36,960	66,502		9,347	0	484,892	Full term
Mr Nathan Smyth	Deputy Secretary	362,293	0	16,372	67,961		29,325	0	475,951	Full term
Ms Nadine Williams	Deputy Secretary	353,183	0	34,966	53,674		3,982	0	445,805	Full term
Dr Jillian Charker	Deputy Secretary	134,275	0	13,144	22,025		0	222,590	392,034	Part term to 12 November 2020
<b>Totals</b>		<b>2,962,246</b>	<b>0</b>	<b>246,843</b>	<b>527,038</b>		<b>64,526</b>	<b>0</b>	<b>222,590</b>	<b>4,023,243</b>

2. Total remuneration is calculated on an accrual basis in accordance with AASB1119 Employee Benefits except for superannuation and non-monetary benefits. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in the table.
3. The full term for key management personnel (KMPs) was 1 July 2020 to 30 June 2021, for KMPs in the Department of Education, Skills and Employment.
4. Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued and higher duties allowances.
5. Other benefits and allowances include monetary benefits such as allowances and non-monetary benefits such as provision of a vehicle and car park.
6. Defined contribution schemes (for example PSSap and Super Choice) includes superannuation contribution amounts. Defined benefits schemes (for example CSS and PSS) includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.
7. Long service leave comprises the amount of leave accrued and taken for the period. Periods paid out on termination are not included.

Notes:

- This table was prepared on an accrual basis and reports the average total remuneration of KMPs paid during the reporting period.
- Short-term benefits comprise:
  - base salary (including paid and accrued; paid while on leave; paid while on sick leave; temporary performance allowance; and purchased annual leave)
  - bonuses payable within 12 months
  - other benefits and allowances including Executive Vehicle Allowance or equivalent and accommodation allowances.
- Other long-term benefits is the average amount of long service leave accrued and deferred (more than 12 months) for the reporting period. It also includes the average of any salary paid while on long service leave.



**Table G.18: Remuneration for senior executives, 2020–21**

Total remuneration bands \$	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration <sup>1</sup>
		Average base salary <sup>2</sup> \$	Average bonuses \$	Average other benefits and allowances <sup>3</sup> \$	Average superannuation contributions <sup>4</sup> \$	Average long service leave <sup>5</sup> \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$0 – \$220,000	51	106,337	0	11,095	16,800	(1,739)	0	0	132,493
\$220,001 – \$245,000	24	171,611	0	27,105	33,301	(2,991)	0	8,511	237,537
\$245,001 – \$270,000	36	197,892	0	25,369	36,816	(3,222)	0	0	256,855
\$270,001 – \$295,000	12	218,447	0	27,041	39,629	(2,874)	0	0	282,243
\$295,001 – \$320,000	12	221,524	0	24,987	45,240	(3,079)	0	17,617	306,289
\$320,001 – \$345,000	9	261,622	0	25,305	48,234	(5,436)	0	0	329,725
\$345,001 – \$370,000	7	281,916	0	24,089	48,019	(3,292)	0	0	350,732
\$370,001 – \$395,000	2	302,011	0	31,856	56,265	(5,214)	0	0	384,918
\$445,001 – \$470,000	1	189,865	0	24,712	31,042	0	0	211,403	457,022
\$495,001 – \$520,000	1	186,207	0	296,780	35,598	(1,629)	0	0	516,956
\$520,001 – \$545,000	1	234,364	0	260,395	55,409	(10,974)	0	0	539,194

1. Remuneration is calculated on an accrual basis in accordance with *AASB 119 Employee Benefits* except for superannuation and non-monetary benefits. This means there is a difference between the remuneration determined by the Remuneration Tribunal and the remuneration disclosed in this table.
2. Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued and higher duties allowances.
3. Other benefits and allowances include monetary benefits such as allowances and non-monetary benefits such as provision of a car park, overseas posting allowances, such as cost of overseas living adjustment (COLA), cost of overseas posting allowance (COPA), provision of housing, and associated reportable fringe benefits tax (RFBT) and departmental FBT.
4. For individuals in a defined contribution scheme (for example PSSap and Super Choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefits scheme (for example CSS and PSS), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.
5. Long service leave comprises the amount of leave accrued and taken for the period.

Notes:

- This table includes any substantive SES employed by the department during the period and those employees acting in SES positions for 3 months or longer.
- Short-term benefits comprise:
  - base salary (including paid and accrued; paid while on leave; paid while on sick leave; temporary performance allowance and purchased annual leave)
  - bonuses payable within 12 months
  - other benefits and allowances including Executive Vehicle Allowance or equivalent and accommodation allowances.
- Other long-term benefits is the average amount of long service leave accrued and deferred (more than 12 months) for the reporting period. It also includes the average of any salary paid while on long service leave.

**Table G.19: Remuneration for other highly paid employees, 2020–21**

Total remuneration bands	Number of other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary <sup>1</sup> \$	Average bonuses \$	Average other benefits and allowances <sup>2</sup> \$	Average superannuation contributions <sup>3</sup> \$	Average long service leave <sup>4</sup> \$	Average other long-term benefits \$	Average termination benefits \$	Average total remuneration \$
\$245,001 – \$270,000	3	199,657	0	30,769	33,131	(2,251)	0	0	261,306
\$270,001 – \$295,000	1	140,311	0	130,879	20,814	(2,635)	0	0	289,370
\$295,001 – \$320,000	2	145,396	0	132,896	28,252	(3,774)	0	0	302,771
\$345,001 – \$370,000	1	308,846	0	11,189	27,801	417	0	0	348,253
\$420,001 – \$445,000	1	91,159	0	328,583	20,555	(1,561)	0	0	438,736
\$545,001 – \$570,000	1	102,773	0	426,984	22,133	2,044	0	0	553,935

1. Base salary includes salary paid and accrued, salary paid while on annual leave, salary paid while on personal leave, annual leave accrued and higher duties allowances.
2. Other benefits and allowances include monetary benefits such as allowances and non-monetary benefits such as provision of a car park, overseas posting allowances, such as cost of overseas living adjustment (COLA), cost of overseas posting allowance (COPA), provision of housing, and associated RFBT and departmental FBT.
3. For individuals in a defined contribution scheme (for example PSSap and Super Choice), superannuation includes superannuation contribution amounts. For individuals in a defined benefits scheme (for example CSS and PSS), superannuation includes the relevant Notional Employer Contribution Rate and Employer Productivity Superannuation Contribution.
4. Long service leave comprises the amount of leave accrued and taken for the period.

Notes:

- This table includes holders of public office paid by the department.
- Short-term benefits comprise:
  - base salary (including paid and accrued; paid while on leave; paid while on sick leave; temporary performance allowance and purchased annual leave)
  - bonuses payable within 12 months
  - other benefits and allowances including Executive Vehicle Allowance or equivalent and accommodation allowances.
- Other long-term benefits is the average amount of long service leave accrued and deferred (more than 12 months) for the reporting period. It also includes the average of any salary paid while on long service leave.

## Appendix H – Corrigendum

Table H.1 outlines errors that were published in the print version of the Department of Education, Skills and Employment 2019–20 Annual Report. It also provided the corrected information and the reason for correction.

**Table H.1: Corrections to the Annual Performance Statement – Proportion of accurate child care payments to all services**

Incorrect wording	Correct wording	Reason for change	Page number 2019–20 annual report
The department imposed sanctions and penalties on 87 services in 2019–20, including cancelling 32 services, and suspending six services.	The department imposed 80 sanctions and penalties on services in 2019–20, including cancelling 47 services, and suspending 11 services.	Correction.	31





# 06

## Indexes

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## List of requirements

The table below contains a list of annual report requirements—prepared in accordance with paragraph 17AJ(d) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)—and page references for the department’s compliance with these requirements.

PGPA Rule Reference	Description	Requirement	Page
<b>17AD(g) Letter of transmittal</b>			
17AI	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii
<b>17AD(h) Aids to access</b>			
17AJ(a)	Table of contents	Mandatory	vi–vii
17AJ(b)	Alphabetical index	Mandatory	276
17AJ(c)	Glossary of abbreviations and acronyms	Mandatory	268
17AJ(d)	List of requirements	Mandatory	258
17AJ(e)	Details of contact officer	Mandatory	ii
17AJ(f)	Entity’s website address	Mandatory	ii
17AJ(g)	Electronic address of report	Mandatory	ii
<b>17AD(a) Review by accountable authority</b>			
17AD(a)	A review by the accountable authority of the entity	Mandatory	2–5
<b>17AD(b) Overview of the entity</b>			
17AE(1)(a)(i)	A description of the role and functions of the entity	Mandatory	7
17AE(1)(a)(ii)	A description of the organisational structure of the entity	Mandatory	10–11

PGPA Rule Reference	Description	Requirement	Page
17AE(1)(a)(iii)	A description of the outcomes and programs administered by the entity	Mandatory	15–16
17AE(1)(a)(iv)	A description of the purposes of the entity as included in corporate plan	Mandatory	15, 142
17AE(1)(aa)(i)	Name of the accountable authority or each member of the accountable authority	Mandatory	7
17AE(1)(aa)(ii)	Position title of the accountable authority or each member of the accountable authority	Mandatory	7
17AE(1)(aa)(iii)	Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	7
17AE(1)(b)	An outline of the structure of the portfolio of the entity	Portfolio departments, mandatory	7–9
17AE(2)	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, mandatory	n/a
<b>17AD(c)</b>	<b>Report on the performance of the entity</b>		
	<b>Annual Performance Statements</b>		
17AD(c)(i); 16F	Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule	Mandatory	13–90
<b>17AD(c)(ii)</b>	<b>Report on Financial Performance</b>		
17AF(1)(a)	A discussion and analysis of the entity's financial performance	Mandatory	111
17AF(1)(b)	A table summarising the total resources and total payments of the entity	Mandatory	190–205 (Appendix A)



PGPA Rule Reference	Description	Requirement	Page
17AF(2)	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, mandatory	n/a
<b>17AD(d)</b>	<b>Management and accountability</b>		
	<b>Corporate governance</b>		
17AG(2)(a)	Information on compliance with section 10 (fraud systems)	Mandatory	101–102
17AG(2)(b)(i)	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	iii (Transmittal letter)
17AG(2)(b)(ii)	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	iii (Transmittal letter)
17AG(2)(b)(iii)	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	iii (Transmittal letter)
17AG(2)(c)	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	94–102
17AG(2)(d) – (e)	A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
<b>Audit Committee</b>			
17AG(2A)(a)	A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	95
17AG(2A)(b)	The name of each member of the entity's audit committee	Mandatory	96–99
17AG(2A)(c)	The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	96–99
17AG(2A)(d)	Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	96–99
17AG(2A)(e)	The remuneration of each member of the entity's audit committee	Mandatory	96–99
<b>External Scrutiny</b>			
17AG(3)	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	120–122
17AG(3)(a)	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, mandatory	123
17AG(3)(b)	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman	If applicable, mandatory	120
17AG(3)(c)	Information on any capability reviews on the entity that were released during the period	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
<b>Management of Human Resources</b>			
17AG(4)(a)	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	103–109
17AG(4)(aa)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:  (a) statistics on full-time employees (b) statistics on part-time employees (c) statistics on gender (d) statistics on staff location	Mandatory	236–247
17AG(4)(b)	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:  (a) statistics on staffing – classification level (b) statistics on full-time employees (c) statistics on part-time employees (d) statistics on gender (e) statistics on staff location (f) statistics on employees who identify as Indigenous	Mandatory	236–247
17AG(4)(c)	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>	Mandatory	105
17AG(4)(c)(i)	Information on the number of SES and non-SES employees covered by agreements etc identified in paragraph 17AG(4)(c)	Mandatory	105
17AG(4)(c)(ii)	The salary ranges available for APS employees by classification level	Mandatory	247

PGPA Rule Reference	Description	Requirement	Page
17AG(4)(c)(iii)	A description of non-salary benefits provided to employees	Mandatory	248–253
17AG(4)(d)(i)	Information on the number of employees at each classification level who received performance pay	If applicable, mandatory	105
17AG(4)(d)(ii)	Information on aggregate amounts of performance pay at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iii)	Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, mandatory	n/a
17AG(4)(d)(iv)	Information on aggregate amount of performance payments	If applicable, mandatory	n/a
<b>Assets management</b>			
17AG(5)	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n/a
<b>Purchasing</b>			
17AG(6)	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory	112
<b>Reportable consultancy contracts</b>			
17AG(7)(a)	A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	113

PGPA Rule Reference	Description	Requirement	Page
17AG(7)(b)	A statement that 'During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].'	Mandatory	113
17AG(7)(c)	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	113
17AG(7)(d)	A statement that 'Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.'	Mandatory	113
<b>Reportable non-consultancy contracts</b>			
17AG(7A)(a)	A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)	Mandatory	114
17AG(7A)(b)	A statement that 'Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website.'	Mandatory	114

PGPA Rule Reference	Description	Requirement	Page
<b>17AD(daa)</b>	<b>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts</b>		
17AGA	Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts	Mandatory	113–114
<b>Australian National Audit Office Access Clauses</b>			
17AG(8)	If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract	If applicable, mandatory	n/a
<b>Exempt contracts</b>			
17AG(9)	If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters	If applicable, mandatory	n/a

PGPA Rule Reference	Description	Requirement	Page
<b>Small business</b>			
17AG(10)(a)	A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website.”	Mandatory	112
17AG(10)(b)	An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	112
17AG(10)(c)	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website.”	If applicable, mandatory	112
<b>Financial Statements</b>			
17AD(e)	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	125–186
<b>Executive Remuneration</b>			
17AD(da)	Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule	Mandatory	248–253

PGPA Rule Reference	Description	Requirement	Page
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	If the entity conducted advertising campaigns, a statement that <i>'During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website.'</i>	If applicable, mandatory	1115–116
17AH(1)(a)(ii)	If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, mandatory	n/a
17AH(1)(b)	A statement that <i>'Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website].'</i>	If applicable, mandatory	115
17AH(1)(c)	Outline of mechanisms of disability reporting, including reference to website for further information	Mandatory	123
17AH(1)(d)	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of the <i>Freedom of Information Act 1982</i> can be found	Mandatory	123
17AH(1)(e)	Correction of material errors in previous annual report	If applicable, mandatory	254
17AH(2)	Information required by other legislation	Mandatory	206–210, 211–215, 216–226, 227–230, 231–235



## Abbreviations and acronyms

<b>AAC</b>	Audit and Assurance Committee
<b>AAO</b>	Administrative Arrangements Order
<b>AASB</b>	Australian Accounting Standards Board
<b>AASN</b>	Australian Apprenticeship Support Network
<b>ABS</b>	Australian Bureau of Statistics
<b>ACCS</b>	Additional Child Care Subsidy
<b>ACSF</b>	Australian Core Skills Framework
<b>ACT</b>	Australian Capital Territory
<b>ADMS</b>	Apprenticeships Data Management System
<b>AERO</b>	Australian Education Research Organisation
<b>AGA</b>	Australian Government Actuary
<b>AGD</b>	Attorney-General's Department
<b>ANAO</b>	Australian National Audit Office
<b>ANU</b>	Australian National University
<b>APS</b>	Australian Public Service
<b>APSC</b>	Australian Public Service Commission
<b>ASC</b>	Australian Skills Classification
<b>ASQA</b>	Australian Skills Qualification Authority
<b>CCCF</b>	Community Child Care Fund
<b>CCCFR</b>	Community Child Care Fund Restricted Non-Competitive program
<b>CCS</b>	Child Care Subsidy
<b>CCSF</b>	Commonwealth Child Safe Framework
<b>CFO</b>	Chief Financial Officer
<b>CO<sub>2-e</sub></b>	Carbon dioxide equivalent

<b>COLA</b>	Cost of overseas living adjustment
<b>COPA</b>	Cost of overseas posting allowance
<b>COPE</b>	Commonwealth Own-Purpose Expenses
<b>CPA</b>	Certified Practising Accountant
<b>CRF</b>	Consolidated Revenue Fund
<b>CRICOS</b>	Commonwealth Register of Institutions and Courses for Overseas Students
<b>CSS</b>	Commonwealth Superannuation Scheme
<b>DESE</b>	Department of Education, Skills and Employment
<b>DISER</b>	Department of Industry, Science, Energy and Resources
<b>DLSF</b>	Digital Literacy Skills Framework
<b>DNER</b>	HELP debt not expected to be repaid
<b>DSS</b>	Department of Social Services
<b>eCAF</b>	Electronic Commonwealth assistance form
<b>ECEC</b>	Early childhood education and care
<b>EFTSL</b>	Equivalent Full Time Study Load
<b>EL</b>	Executive Level
<b>EL2</b>	Executive Level 2
<b>ELLIC</b>	English Language Learning for Indigenous Children Trial
<b>ELICOS</b>	English Language Intensive Courses for Overseas Students
<b>FBT</b>	Fringe Benefits Tax
<b>FRR</b>	PGPA (Financial Reporting) Rule 2015
<b>FTE</b>	Full-time equivalent
<b>GST</b>	Goods and Services Tax
<b>HDR</b>	Higher Degrees by Research
<b>HECS</b>	Higher Education Contribution Scheme
<b>HELP</b>	Higher Education Loan Program

<b>HEPPP</b>	Higher Education Participation and Partnerships Program
<b>HESP</b>	Higher Education Superannuation Program
<b>IAGDP</b>	Indigenous Australian Government Development Program
<b>ICT</b>	Information and Communications Technology
<b>IDF</b>	Inclusion Development Fund
<b>ISP</b>	Inclusion Support Program
<b>IVI</b>	Internet Vacancy Index
<b>JETCCFA</b>	Jobs, Education and Training, Child Care Fee Assistance
<b>JEDI</b>	Jobs and Education Data Infrastructure Project
<b>KMP</b>	Key Management Personnel
<b>KPI</b>	Key Performance Indicators
<b>MJ/FTE</b>	Megajoule/Full-time equivalent
<b>MOU</b>	Memorandum of understanding
<b>NAIDOC</b>	National Aborigines and Islanders Day Observance Committee
<b>NAPLAN</b>	National Assessment Program – Literacy and Numeracy
<b>NATSIHS</b>	National Aboriginal and Torres Strait Islander Health Survey
<b>NATSISS</b>	National Aboriginal and Torres Strait Islander Social Survey
<b>NCI</b>	National Careers Institute
<b>NCRIS</b>	National Collaborative Research Infrastructure Strategy
<b>NCSL</b>	National Customer Service Line
<b>NCVER</b>	National Centre for Vocational Education Research
<b>NEIS</b>	New Employment Incentive Scheme
<b>NERO</b>	Nowcast of Employment by Region and Occupation
<b>NESM</b>	New Employment Services Model
<b>NEST</b>	New Employment Service Trial
<b>NIAA</b>	National Indigenous Australians Agency

<b>NSA</b>	National Skills Agreement
<b>OAIC</b>	Office of the Australian Information Commissioner
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OES</b>	Online Employment Services
<b>OPA</b>	Official Public Account
<b>OSTF</b>	Overseas Student Tuition Fund
<b>PaTH</b>	Prepare, Trial, Hire
<b>PBS</b>	Portfolio Budget Statements
<b>PGPA Act</b>	<i>Public Governance Performance and Accountability Act 2013</i>
<b>PGPA Rule</b>	Public Governance Performance and Accountability Rule 2014
<b>PMC</b>	Department of the Prime Minister and Cabinet
<b>PSS</b>	Public Sector Superannuation Scheme
<b>PSSap</b>	PSS accumulation plan
<b>QILT</b>	Quality Indicators for Learning and Teaching
<b>RAP</b>	Reconciliation Action Plan
<b>RFBT</b>	Reportable Fringe Benefits Tax
<b>ROU</b>	Right of use
<b>RSGC</b>	Risk, Security and Governance Committee
<b>RTO</b>	Registered training organisations
<b>SAT</b>	Supporting Apprentices and Trainees program
<b>SciVal/Scopus</b>	Bibliography tools that enables users to benchmark and analyse publication output at an individual, group and institutional level.
<b>SEE</b>	Skills for Education and Employment
<b>SES</b>	Senior Executive Service
<b>SME</b>	Small and medium enterprise
<b>SOETM</b>	Services for Other Entities and Trust Money

<b>SPL</b>	Skills Priority List
<b>STEM</b>	Science, Technology, Engineering and Mathematics
<b>TCSI</b>	Tertiary Collection of Student Information
<b>TPS</b>	Tuition Protection Service
<b>TRA</b>	Trades Recognition Australia
<b>TSL</b>	Trade Support Loans
<b>TtW</b>	Transition to Work
<b>TWES</b>	Time to Work Employment Service
<b>TYIMS</b>	Training and Youth Internet Management System
<b>USI</b>	Unique Student Identifier
<b>VCPL</b>	VET Course Priority List
<b>VET</b>	Vocational Education and Training
<b>VETSES</b>	VET Student Experience Survey
<b>VFH</b>	VET FEE-HELP
<b>VNDA</b>	VET National Data Asset
<b>VSL</b>	VET Student Loans
<b>WfD</b>	Work for the Dole
<b>WWCC</b>	Working with Children Checks

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