

OCTOBER

PORTFOLIO BUDGET STATEMENTS 2022–23
BUDGET RELATED PAPER NO. 1.5

EDUCATION PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY ENTITY

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THE HON JASON CLARE MP
MINISTER FOR EDUCATION

THE HON DR ANNE ALY MP
MINISTER FOR EARLY CHILDHOOD EDUCATION
MINISTER FOR YOUTH

Senator the Hon Sue Lines
President of the Senate

The Hon Milton Dick MP
Speaker
House of Representatives

Parliament House
CANBERRA ACT 2600

Dear President
Dear Mr Speaker

We hereby submit October Portfolio Budget Statements in support of the
October 2022-23 Budget for the Education portfolio.

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

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

Yours sincerely

A large, stylized blue ink signature of Jason Clare, written over the words 'Yours sincerely' and 'Jason Clare'.
Jason Clare

A blue ink signature of Anne Aly, written in a cursive style.
Anne Aly

Parliament House, Canberra ACT 2600

Abbreviations and conventions

The following notation may be used:

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nfp	not for publication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

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

Enquiries

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

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

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

User guide

The purpose of the *October 2022–23 Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

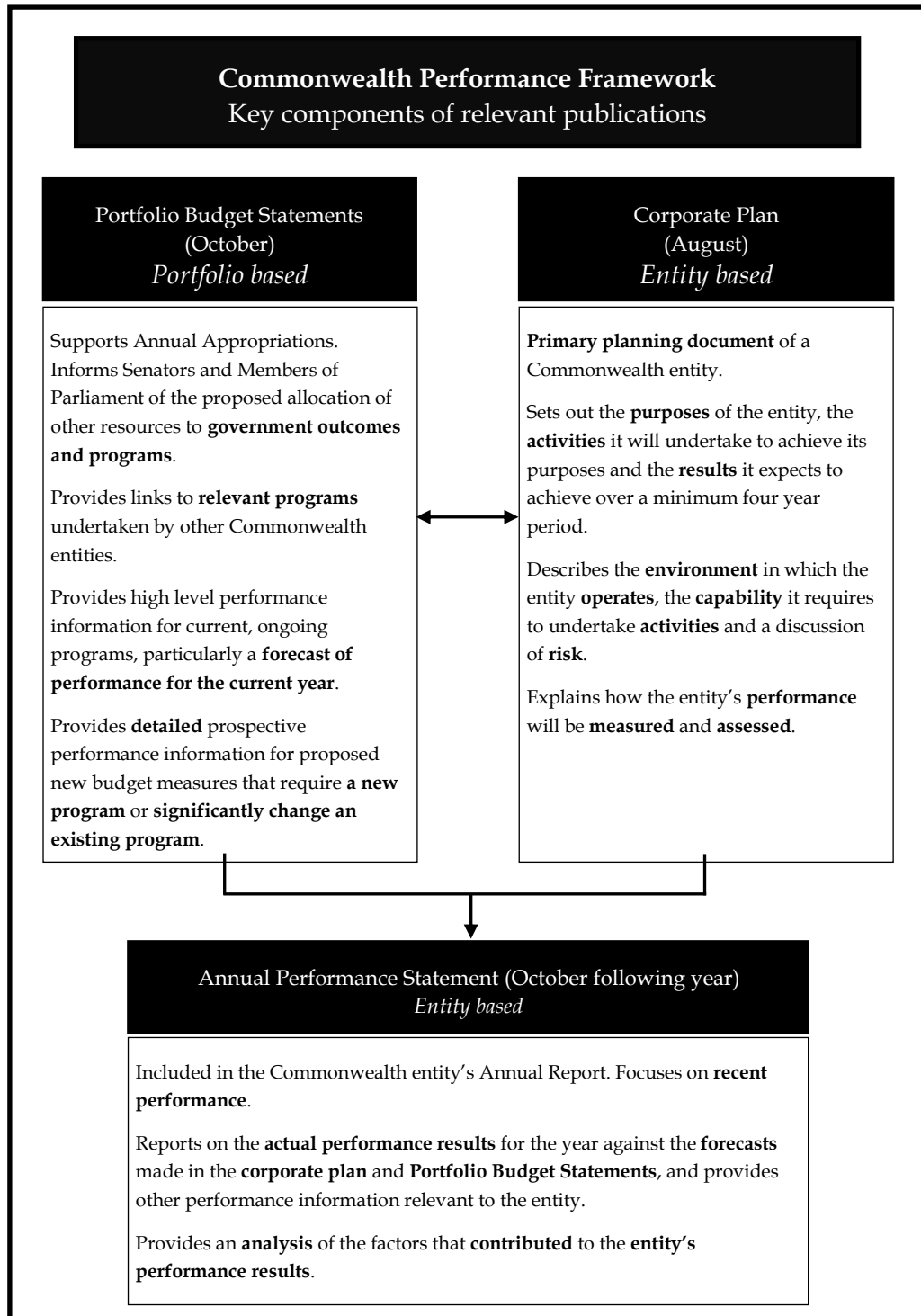
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in *Appropriation Bills (No. 1 and No. 2) 2022–23* (or *Appropriation (Parliamentary Departments) Bill (No. 1) 2022–23* for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be ‘relevant documents’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

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

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

The Commonwealth Performance Framework

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



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PORTFOLIO OVERVIEW

Portfolio Overview

Ministers and portfolio responsibilities

The Education portfolio's purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education.

The Education portfolio is comprised of the Department of Education (the department) and the following entities:

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

Agencies and statutory bodies within the Education portfolio are essential partners in meeting our policy, program and regulation responsibilities and delivering better outcomes for students, educators and teachers in Australia's early learning and care centres, schools, and higher education providers.

Our stakeholders are key partners in supporting the Government to deliver Education portfolio policies and programs. The department and portfolio entities work closely with other Australian Government agencies, international organisations, regulators, states and territories, business, education institutions, peak bodies, providers, industry, the non-government sector and the community. These partnerships are crucial to the delivery of outcomes, sharing the responsibility of improving Australia's education system.

We prioritise fostering strong engagement and working relationships with our stakeholders and the broader community. This ensures that our work in policy development, services and evaluation is grounded in, and reflects the needs and expectations of, our sectors, stakeholders and the Australian public.

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

A close partnership with states and territories is key to delivering quality education. That is why we work collaboratively to develop policy that responds to changing needs through transparent and effective national partnership agreements.

In accordance with the Administrative Arrangements Order of 23 June 2022, the Prime Minister, the Hon Anthony Albanese MP, announced changes to the structure of the Australian Public Service.

Under the Order, from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations.

Figure 1: Education portfolio structure and outcomes

<p>The Hon Jason Clare MP Minister for Education</p>	<p>The Hon Dr Anne Aly MP Minister for Early Childhood Education and Minister for Youth</p>	<p>Senator The Hon Anthony Chisholm Assistant Minister for Education</p>
<p>Department of Education Dr Michele Bruniges AM — Secretary 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.</p>		
<p>Australian Curriculum, Assessment and Reporting Authority David de Carvalho — Chief Executive Officer Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.</p>		
<p>Australian Institute for Teaching and School Leadership Mark Grant PSM — Chief Executive Officer Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.</p>		
<p>Australian Research Council Judi Zielke PSM — Chief Executive Officer Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.</p>		
<p>Tertiary Education Quality and Standards Agency Alistair Maclean — Chief Executive Officer Outcome 1: Contribute to a high quality higher education sector through streamlined and nationally consistent higher education regulatory arrangements; registration of higher education providers; accreditation of higher education courses; and investigation, quality assurance and dissemination of higher education standards and performance.</p>		
<p>Australian National University Professor Brian P. Schmidt AC — Vice-Chancellor, President and Chief Executive Officer</p>		

ENTITY RESOURCES AND PLANNED PERFORMANCE

Entity resources and planned performance

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DEPARTMENT OF EDUCATION

ENTITY RESOURCES AND PLANNED PERFORMANCE

Department of Education

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Department of Education

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Department of Education's (the department) purpose is to contribute to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education.

The department provides advice to its Ministers and effectively implements Government policies and programs. To do this, the department draws on the best available research, evidence and data, and works collaboratively across Government and with industry, stakeholders, and state and territory governments.

The focus of the department includes:

- Preparing children for school and their futures by supporting high-quality early learning and care that is affordable, accessible and supports parents and carers to work, study or volunteer
- Providing avenues for younger Australians to directly engage with government and contribute to policy development
- Preparing children and young people for further study and employment through access to quality schooling that provides the knowledge, skills and values for every student to achieve their potential
- Supporting lifelong learning and participation in the workforce, community, and society through access to higher education
- Ensuring the provision of high-quality international education and world-class research to enhance Australia's international reputation, competitiveness and resilience.

This Budget delivers the Government's election commitments, in particular the Government's Plan for Cheaper Child Care, funding for schools and the mental health of students and 20,000 more university places for areas of skills shortage.

The Government's Plan for Cheaper Child Care cuts the cost of and improves access to early education. This will help families with the cost of living, help parents – especially women – get back to paid work if they want to and unlock more skilled workers for our economy.

As part of this Plan, the Government will also provide a minimum level of 36 hours per fortnight of subsidised early childhood education and care to First Nations children to help meet Closing the Gap targets for early childhood education and development.

The Budget is supporting schools through extra investments in infrastructure and the mental health and well-being of students.

The Budget is tackling skills shortages with the delivery of 20,000 additional university places in areas of skills need to people underrepresented in our universities, like people from low socio-economic backgrounds, people from rural and remote Australia, people who are first in family to study at university, First Nations Australians, and people with a disability. The Government will also deliver a new Australian Universities Accord to ensure our higher education system is fit-for-purpose.

This Budget will also give young people a voice in decisions that impact their lives, providing young Australians with strong and formalised engagement in government and policy making through the new Youth Engagement model and a dedicated Office for Youth.

20,000 More University Places

The Government will provide \$485.5 million over the forward estimates to provide a one-off boost of 20,000 additional Commonwealth Supported Places in 2023 and 2024 at universities, university colleges, and institutes of higher education. These places will be directed to students from groups underrepresented in our universities, such as rural and regional students, First Nations students, students from low-socioeconomic backgrounds, students who are first in family to study at university, and students with a disability to increase their access to higher education.

These additional places will enable students to enrol in areas of identified workforce shortage. This measure will also strongly support the Government's commitment to boost higher education participation of under-represented equity groups, and allow these groups to more fully participate and share in the benefits of higher education.

More Affordable Early Childhood Education and Care

The Government will invest \$4.5 billion to increase Child Care Subsidy (CCS) rates from July 2023, protect the CCS against fraud and non-compliance, and provide a base level of 36 hours of subsidised early education and care per fortnight for First Nations children.²

More affordable early childhood education and care will reduce barriers for parents – particularly women – to participate in the workforce, study or volunteer, thereby providing wider benefits for families and the economy. Improved access will also benefit children, providing greater support in those early years irrespective of their background.

From July 2023, CCS rates will lift to 90% for families with a combined annual income of \$80,000 or less, and increase for all eligible families with combined annual incomes less than \$530,000. The higher CCS for families with a second and subsequent child aged five or under in care will also be retained.

² This figure is the net cost of the measures in the Cheaper Child Care Bill. The Budget Papers refer to an investment of \$4.7 billion, which includes all new spending measures on early education and care. It does not include savings from measures to increase integrity.

This measure will reduce out-of-pocket fees for around 96% of Australian families who use formal early childhood education and care services (around 1.26 million families) while ensuring no family will be worse off than under the current CCS settings. This will improve affordability, helping to ease cost of living pressures facing Australian families while supporting greater access to early childhood education and care for families.

Additional Hours of Subsidised Early Learning Support for First Nations Children

From July 2023, the Australian Government is also increasing subsidised early childhood education and care to a minimum of 36 hours per fortnight for families with First Nations children, regardless of activity levels. This additional investment of \$33.7 million over four years from 2022–23 will commence in tandem with broader CCS changes under the Government’s Plan for Cheaper Child Care. It will improve affordability by reducing out of pocket costs for the families with First Nations children who do not otherwise qualify for 36 subsidised hours per fortnight and support greater access for First Nations children, who are underrepresented in early learning relative to their share of the population. It is expected 6,600 First Nations families will benefit from this measure over the first year as their minimum level of subsidised hours increases from zero or 24 to 36 hours per fortnight.

CCS Record Funding

An estimated \$11 billion will be spent in 2022–23 on programs for early childhood education and care. After the commencement of the higher CCS rates from July 2023, expenditure is estimated to increase to \$13 billion in 2023–24, including almost \$12.8 billion in CCS expenditure.

Early Childhood Education and Care System Reviews

As part of an integrated approach to improving access to affordable early childhood education and care, the Government has commissioned the Australian Competition and Consumer Commission (ACCC) to investigate the drivers of rising prices. Findings from the ACCC inquiry will inform a broader Productivity Commission review of the early childhood education and care sector, with the aim of implementing a universal 90% subsidy for all families.

Improving the Transparency of Early Education

The Government is increasing transparency and accountability in the early childhood education and care sector by requiring all large providers to report their financial performance and leasing arrangements. Certain financial information about large providers will also be published online, providing families with greater visibility over how their fees are spent. Providers will also be prohibited from offering non-educational enrolment inducements.

Strengthening Payment Integrity

The Government will implement further safeguards to ensure the reforms and higher rates of CCS are not undermined by fraud and non-compliance and to future-proof integrity arrangements. These safeguards will also ensure providers doing the wrong thing do not gain an unfair market advantage over those doing the right thing. These safeguards build on previous experience, and are agile and adaptable to threats and the evolving nature of fraud against the program.

Integrated Early Childhood Education Policy

The Government has committed \$10.2 million over three years to establish the Early Childhood Care and Development Policy Partnership (the Partnership) between Australian governments and First Nations representatives. Co-chaired by the Secretariat of National Aboriginal and Islander Child Care, the Partnership will work with governments to develop community-led policies and programs that First Nations families need for their children to thrive. This new integrated approach will increase accountability for the wellbeing, education and development of Australia's First Nations children, and will be a key First Nations forum for the Government to engage in genuine shared decision-making, to support improved outcomes in early childhood education, maternal and child health and child safety.

The CCS system together with the Partnership will contribute to the development of the Early Years Strategy, as part of the Government's commitment to create a more integrated and coordinated approach to early childhood development.

Office for Youth

Young people in Australia will be able to influence the future of policy through a \$10.5 million new Youth Engagement model. The new Youth Engagement model will ensure young people from diverse and at-risk cohorts are specifically represented in consultations and engagement with government, including First Nations young people. The model will be co-designed with the Youth Steering Committee, comprised of 15 young people.

The new model includes the establishment of an Office for Youth, five youth advisory groups to work directly with Australian Government agencies on policy and program development and a Youth Engagement Strategy to be delivered in 2024. The Australian Youth Affairs Coalition (AYAC) will also be supported in its critical role in youth advocacy, engagement, and research.

Schools Funding

The Government is committed to supporting improved education outcomes for school students, particularly those most in need, First Nations students, and students in regional and remote areas. The Government will provide \$25.3 billion in 2022, and \$318.9 billion over 2018 to 2029 for recurrent funding to Australian schools, allocated on the basis of need.

A number of targeted measures complement recurrent funding and provide students with safe learning environments and address teacher workforce shortages.

Schools Upgrade Fund

The Government will invest \$270.8 million over two years in a Schools Upgrade Fund to improve school facilities and help keep students and teachers safe, which includes:

- \$215 million in 2023 to help public schools meet the cost of important infrastructure projects such as new classrooms, buildings, or other major refurbishments and upgrades, with the total amount available equal to the existing Capital Grants Program for non-government schools
- \$32 million to help improve ventilation and air quality and make small school improvements like building outdoor learning spaces, upgrading computing equipment, and refurbishing classrooms. This fund will be open to all schools, and
- \$18 million to support capital projects announced for government and non-government schools in the leadup to the 2022 election.

Student Wellbeing Boost

The effects of the COVID-19 pandemic continue to be felt by students. The Government will provide \$203.7 million over two years to 2023–24 to support the immediate mental health and wellbeing needs of school students.

- Schools will receive approximately \$20,000 to help deliver initiatives that best suit the immediate mental health needs of their students, which could include hiring extra school health professionals such as psychologists and school counsellors; or paying for camps, excursions, and other proven student wellbeing and mental health initiatives, and
- An investment of \$10.8 million will be made to develop a free online Voluntary Mental Health Check Tool to enable schools to assess students' mental health and wellbeing, in consultation with mental health experts, state and territory education authorities, peak bodies, parents and students.

Teacher Shortages

Teachers have the greatest in-school impact on student learning and improving the supply of quality teachers is vital to the success of Australia's schools and the outcomes of students. The Government will deliver a package of measures that seeks to address teacher shortages. This includes:

- \$56.2 million to provide up to 5,000 bursaries of up to \$40,000 over four years to encourage the best and brightest into teaching, including high-achieving school leavers with an ATAR of 80 or above (or equivalent), First Nations peoples and students from rural, regional, and remote areas
- \$68.3 million will be provided to expand the High Achieving Teachers program to support up to an additional 1,500 high-quality candidates, including mathematicians and scientists, to retrain as teachers, and
- \$27.6 million to implement recommendations from the Quality Initial Teacher Education (QITE) Review, with a focus on attracting quality candidates to study and become teachers, ensuring Initial Teacher Education programs and degrees are high-quality, and support the early career needs of new teachers to improve retention.

Respectful Relationships

School settings provide the opportunity to engage children and young people in how to make positive decisions and treat everyone with respect. The Government will invest \$83.5 million over six years from 2022–23 in funding for state and territory governments and non-government systems to provide consent education that is age-appropriate, evidence-based and developed by experts. This measure supports the Australian Curriculum and will be delivered in partnership with state, territory, and non-government school systems.

These initiatives will support the Respect@Work report recommendations, which the Government has committed to implementing in full.

Teaching First Nations Languages in Schools

The Australian Government has committed to a \$14.1 million plan over four years to 2025–26 to teach First Nations languages in primary schools across Australia, to help lift the uptake of First Nations language learning by young Australians and keep First Nations languages alive.

The funding will support local First Nations community and school partnerships, to enable the development and placement of 60 First Nations Educators to support the learning and teaching of First Nations languages in our schools. The Government is committed to developing this initiative in partnership with First Nations communities.

Australian Universities Accord

To ensure that Australia’s higher education system remains world-class into the future, the Government will provide \$2.7 million to review the higher education system and to identify opportunities for reform. The Accord will deliver a series of recommendations for Government, universities, and other stakeholders, to pursue meaningful reform based on a substantial review of policy, funding, and regulatory settings.

A panel of eminent Australians will be appointed to lead the review process. The Accord process will deliver a plan for Australia’s higher education sector, outlining clear recommendations for Government and relevant parties, underpinned by principles of collaboration and partnership to achieve long lasting reform.

Startup Year

The Government will invest \$15.4 million in a Startup Year program to foster innovation and entrepreneurship in university students and help turn their ideas into reality. The program will provide up to 2,000 income contingent loans each year to allow final-year undergraduate students and current postgraduate students to participate in a higher education-based incubator or accelerator program.

The program aims to build the pool of knowledgeable entrepreneurs and encourage the development of startups. It will drive innovation, building workforce capability and growing Australia's pool of entrepreneurs and develop closer links between universities, industry, and the startup community. Key stakeholders are currently being consulted, and the Startup Year initiative is anticipated to commence in July 2023.

Ending the 10% Upfront Fee Discount

This measure delivers on the Government's 2022 election commitment to increase equitable access to higher education. The Australian Government will save \$144 million by ending the 10% discount given to students who make an upfront payment to their HECS-HELP loans.

1.2 Entity resource statement

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

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

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

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

Table 1.1: Department of Education resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	364,540	174,506
Departmental appropriation (c)	900,336	298,260
s74 External Revenue (d)	31,735	6,232
Departmental capital budget (e)	65,044	9,962
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	51,643	15,353
Equity injection	102,851	5,555
Total departmental annual appropriations	<u>1,516,149</u>	<u>509,868</u>
Special accounts (g)		
Opening balance	4,717	6,892
Appropriation receipts (h)	5,523	-
Non-appropriation receipts	3,831	-
Adjustments	-	(6,892)
Total special accounts	<u>14,071</u>	<u>-</u>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>5,523</u>	<u>-</u>
Total departmental resourcing	<u>1,524,697</u>	<u>509,868</u>
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	565,066	682,510
Outcome 2	374,984	374,245
Outcome 3	4,693,295	-
Outcome 4	2,427,518	-
Annual appropriations - other services - specific payments to States, ACT, NT and local government (f)		
Outcome 1 (i)	175,934	466,608
Total administered annual appropriations	<u>8,236,797</u>	<u>1,523,363</u>
Total administered special appropriations	<u>54,927,682</u>	<u>55,477,947</u>
Special accounts (g)		
Opening balance	109,017	103,418
Appropriation receipts (h)	7,554	1,232
Non-appropriation receipts	4,875	6,850
Adjustments	-	(7,884)
Total special account receipts	<u>121,446</u>	<u>103,616</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	<u>7,554</u>	<u>1,232</u>
Total administered resourcing	<u>63,278,371</u>	<u>57,103,694</u>
Total resourcing for the Department of Education (j)	<u>64,803,068</u>	<u>57,613,562</u>
	<u>2021-22</u>	<u>2022-23</u>
Average staffing level (number) (j)	3,640	1,261

Table 1.1: Department of Education resource statement — Budget estimates for 2022–23 as at Budget October 2022 (continued)
Third party payments from and on behalf of other entities

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Payments made on behalf of Education		
Services Australia (k)	10,107,564	10,726,631
Payments made to other entities for the provision of services (disclosed above)	4,942	4,942
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	20,424	4,099
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (annual appropriations - ordinary annual services)	14,434	13,845
Australian Institute for Teaching and School Leadership (annual appropriations - ordinary annual services)	12,873	8,309

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

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

(a) *Appropriation Bill (No. 1) 2022–23, Supply Bill (No.3) 2022–23 and Supply Act (No. 1) 2022–23.*

(b) Includes prior-year appropriation and external revenue receipts under section 74 of the PGPA Act.

(c) Excludes departmental capital budget (DCB).

(d) Estimated external revenue receipts under section 74 of the PGPA Act.

(e) Departmental capital budgets are not separately identified in Appropriation Bill (No.1) 2022–23, Supply Bill (No.3) 2022-23 and Supply Act (No.1) 2022–23 and form part of ordinary annual services items.

Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(f) *Appropriation Bill (No. 2) 2022–23, Supply Bill (No.3) 2022-23 and Supply Act (No.1) 2022-23.*

(g) Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *October Budget Paper No. 4 — Agency Resourcing*. See Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(h) Amounts credited to the special account(s) from Department of Employment, Skills and Employment (2021–22) and Department of Education (2022-23) annual and special appropriations.

(i) Relates to appropriations sought for payment to the States, ACT, NT and local governments in *Appropriation Bill (No. 2) 2022-23*. The Government continues to grow its investment in Australian Schools. This includes \$466.6 million for payments to states and territories in Appropriation Bill (No. 2), for Program 1.3 – Additional Support for Northern Territory Schools (\$12.3 million), for Program 1.4 – Adjustment Assistance (\$0.5 million); Choice and Affordability Fund (\$111.7 million); Non-Government Representative Bodies (\$42.0 million); and for Program 1.5 – Literacy Support for Tasmanian Students (\$2.0 million); Building on Country Boarding Schools (\$56.1 million); Schools Upgrade Fund (\$50.0 million); and Student Wellbeing Boost (\$192.0 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. Distribution of the Adjustment Assistance program will be determined following consideration of applications from eligible schools for national adjustment assistance funding and based on advice from the ACT Catholic system and ACT Association of Independent Schools for assistance to the ACT non-government sector. Distribution of the funding under the Non-Government Representative Bodies program is based on advice from Independent Schools Australia and the National Catholic Education Commission. Funding under the Literacy Support for Tasmanian Students is for Tasmania only. The Schools Upgrade Fund Round 1 will provide \$50 million in 2022–23, the round includes a grants opportunity open to all schools to apply for funding for small scale capital projects to improve ventilation, upgrading computing equipment and school facilities, as well as targeted grants for schools identified with priority needs in the leadup to the 2022 election. The Student Wellbeing Boost will provide additional funding to all schools registered under the *Australian Education Act 2013*. Terms and conditions are made under the authority from the *Australian Education Act 2013* and the Australian Education Regulation.

(j) The 2021–22 Estimated actual and ASL results reflect the Department of Education, Skills and Employment's 2021–22 Annual Report.

(k) 2021–22 relates to the Department of Education, Skills and Employment, and includes the PaTH Internship (\$0.6m).

1.3 Budget measures

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

Table 1.2: Department of Education 2022–23 October Budget measures

Part 1: Measures announced since the 2022–23 March Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Receipt measures						
Strengthening Australia's Higher Education Sector	2.1; 2.4					
Administered receipt		-	-	-	27	131
Departmental receipt		-	-	-	-	-
Total		-	-	-	27	131
Pacific Engagement Visa (a)	2.4					
Administered receipt		-	-	-	-	-
Departmental receipt		-	-	-	-	-
Total		-	-	-	-	-
Rural Health and Medical Training for Far North Queensland (b)	2.4					
Administered receipt		-	-	-	-	-
Departmental receipt		-	-	-	-	-
Total		-	-	-	-	-
Startup Year – establishment	2.4					
Administered receipt		-	-	-	-	12
Departmental receipt		-	-	-	-	-
Total		-	-	-	-	12
Total receipt measures						
Administered		-	-	-	27	143
Departmental		-	-	-	-	-
Total		-	-	-	27	143
Payment measures						
Plan for Cheaper Child Care	1.1; 1.2					
Administered payment		-	7,032	1,328,336	1,583,343	1,706,637
Departmental payment		-	6,080	5,234	3,610	2,297
Total		-	13,112	1,333,570	1,586,953	1,708,934
Child Care Subsidy Reforms Integrity Package	1.1; 1.2					
Administered payment		-	(39,287)	(54,942)	(58,173)	(59,970)
Departmental payment		-	5,011	12,745	11,379	10,221
Total		-	(34,276)	(42,197)	(46,794)	(49,749)
Fraud Fusion Taskforce (c)	1					
Administered payment		-	-	-	-	-
Departmental payment		-	304	432	399	365
Total		-	304	432	399	365

Table 1.2: Department of Education 2022–23 October Budget measures (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Support for Community Sector Organisations (c)	1.1					
Administered payment		-	678	670	668	666
Departmental payment		-	-	-	-	-
Total		-	678	670	668	666
Migration Program – 2022-23 planning levels (a)	1.3; 1.4					
Administered payment		-	1,808	11,686	14,423	17,335
Departmental payment		-	-	-	-	-
Total		-	1,808	11,686	14,423	17,335
Pacific Engagement Visa (a)	1.3; 1.4; 2.4					
Administered payment		-	796	5,770	10,848	15,983
Departmental payment		-	601	-	-	-
Total		-	1,397	5,770	10,848	15,983
Consent and Respectful Relationships Education	1.5					
Administered payment		-	-	20,367	20,367	20,367
Departmental payment		-	1,113	1,127	859	791
Total		-	1,113	21,494	21,226	21,158
Government Spending Audit – Education – efficiencies	1.5					
Administered payment		-	(6,376)	(896)	(898)	(1,063)
Departmental payment		-	(501)	(252)	(183)	(184)
Total		-	(6,877)	(1,148)	(1,081)	(1,247)
Office for Youth and Youth Engagement Strategy	1.5					
Administered payment		-	732	903	923	941
Departmental payment		-	1,199	1,923	1,945	1,962
Total		-	1,931	2,826	2,868	2,903
Schools Upgrade Fund	1.5					
Administered payment		-	50,000	-	-	-
Departmental payment		-	3,457	2,363	-	-
Total		-	53,457	2,363	-	-
Student Wellbeing Boost	1.5					
Administered payment		-	199,250	3,500	-	-
Departmental payment		-	761	237	-	-
Total		-	200,011	3,737	-	-

Table 1.2: Department of Education 2022–23 October Budget measures (continued)

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Teacher Shortages	1.5					
Administered payment		-	17,200	34,560	47,201	53,111
Departmental payment		-	573	1,961	1,952	1,902
Total		-	17,773	36,521	49,153	55,013
Teaching First Nations Languages in Schools	1.5					
Administered payment		-	3,223	4,500	4,650	150
Departmental payment		-	442	461	366	234
Total		-	3,665	4,961	5,016	384
Strengthening Australia's Higher Education Sector	2.1; 2.4					
Administered payment		-	33,736	109,907	123,192	71,228
Departmental payment		-	6,754	1,503	806	724
Total		-	40,490	111,410	123,998	71,952
Rural Health and Medical Training for Far North Queensland (b)	2.4					
Administered payment		-	-	320	982	1,680
Departmental payment		-	-	-	-	-
Total		-	-	320	982	1,680
Startup Year – establishment	2.4					
Administered payment		-	-	-	-	-
Departmental payment		-	1,625	33	33	34
Total		-	1,625	33	33	34
Responsible Investment to Grow Our Regions (d)	2.6					
Administered payment		-	25,000	25,650	26,291	26,922
Departmental payment		-	-	-	-	-
Total		-	25,000	25,650	26,291	26,922
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (e)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(5,269)	-	-	-
Total		-	(5,269)	-	-	-
An Ambitious and Enduring APS Reform Plan (f)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(98)	(272)	(327)	-
Total		-	(98)	(272)	(327)	-
Total payment measures						
Administered		-	293,792	1,490,331	1,773,817	1,853,987
Departmental		-	22,052	27,495	20,839	18,346
Total		-	315,844	1,517,826	1,794,656	1,872,333

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

(a) The lead entity for this measure is the Department of Home Affairs. The full measure description and package details appear in *Budget Paper No. 2* under the Home Affairs portfolio.

(b) The lead entity for this measure is the Department of Health and Aged Care. The full measure description and package details appear in *Budget Paper No. 2* under the Health and Aged Care portfolio.

(c) The lead entity for this measure is the Department of Social Services. The full measure description and package details appear in *Budget Paper No. 2* under the Social Services portfolio.

(d) The lead entity for this measure is the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. The full measure description and package details appear in *Budget Paper No. 2* under the Infrastructure, Transport, Regional Development, Communications and the Arts portfolio.

(e) The full measure and description and package details appear in *Budget Paper No.2* under Cross Portfolio.

(f) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No. 2* under the Prime Minister and Cabinet portfolio.

Table 1.2: Department of Education 2022–23 October Budget measures (continued)

Part 2: Other measures not previously reported in a portfolio statement

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures						
Virtual Production Pilot						
Program (a)						
	2.4, 3.1					
	Administered payment	-	-	-	-	-
	Departmental payment	-	-	-	-	-
	Total	-	-	-	-	-
Total payment measures						
	Administered	-	-	-	-	-
	Departmental	-	-	-	-	-
	Total	-	-	-	-	-

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

(a) This measure committed funding of \$5.0 million in 2021–22 to the Victorian College of Arts. The costs of this measure were met from within existing resources of the Department of Education, Skills and Employment.

Section 2: Outcomes and planned performance

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

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

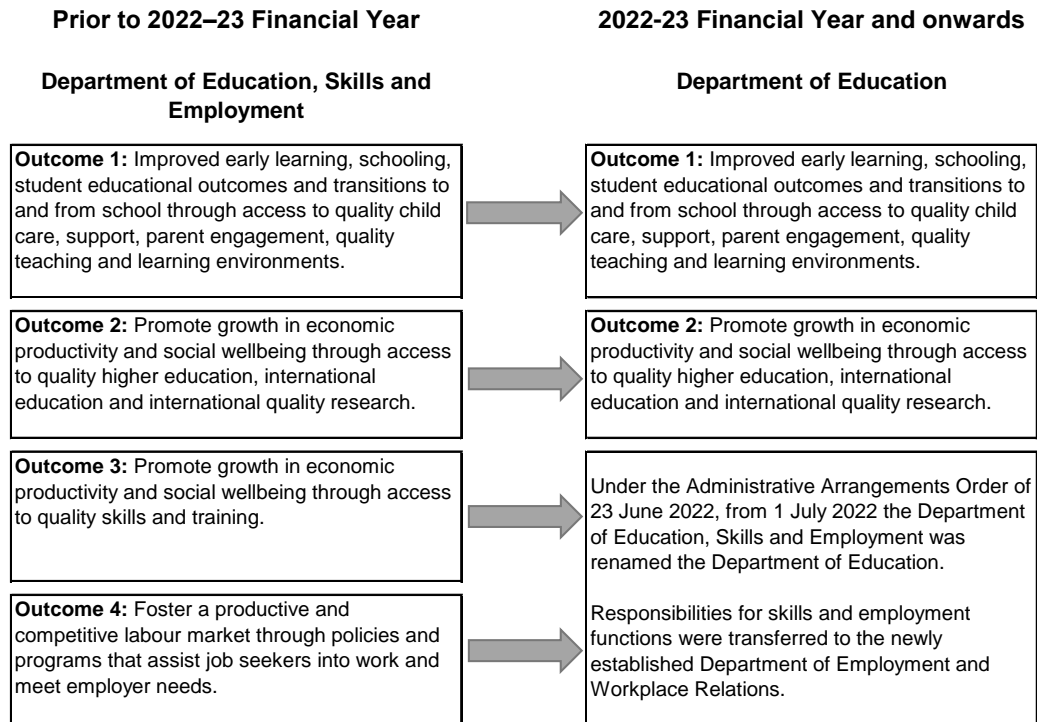
Note:

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

The most recent corporate plan for the Department of Education can be found at: www.education.gov.au

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

Figure 2: Department of Education outcome structure changes



2.1 Budgeted expenses and performance for Outcome 1

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

Linked programs

<p>Department of Social Services</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.1 – Families and Communities • Program 3.1 – Disability and Carers
<p>Contribution to Outcome 1 made by linked programs</p> <p>The linked programs contribute to Outcome 1 by providing key actions under the Early Childhood Targeted Action Plan that supports Australia’s Disability Strategy 2021-2031, to strengthen early identification, information, supports and pathways, as well as collaboration between programs and services. The program supports the development and wellbeing of children and helps them thrive across and between life stages.</p> <p>Complementing this, a new National Early Childhood Program for children with disability or developmental concerns is being established. The program will deliver a range of disability-specific information, workshops and supported playgroups for young children aged zero to eight years with disability or developmental concerns.</p> <p>The linked programs also contribute to the implementation of the National Plan to End Violence against Women and Children 2022-2032 (National Plan) as well as the prevention domain under the National Plan, which highlights the role of respectful relationships and consent education in stopping violence before it starts.</p>
<p>Department of the Treasury</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.9 – National Partnership Payments to the states
<p>Contribution to Outcome 1 made by linked program</p> <p>The linked program contributes to Outcome 1 by making National Partnership Payments to the states.</p>

National Indigenous Australians Agency
Programs <ul style="list-style-type: none">• Program 1.1 – Jobs, Land and the Economy• Program 1.2 – Children and Schooling
Contribution to Outcome 1 made by linked programs <p>The linked programs contribute to Outcome 1 by supporting school attendance, improved educational outcomes and access to further education, training and employment for Indigenous students.</p>
Services Australia
Programs <ul style="list-style-type: none">• Program 1.1 – Strategy and Corporate Enabling• Program 1.2 – Customer Service Delivery• Program 1.3 – Technology and Transformation
Contribution to Outcome 1 made by linked programs <p>The linked programs contribute to Outcome 1 by administering child care payments to eligible families.</p>

Budgeted expenses for Outcome 1

This table shows how much the Department of Education intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments.					
Program 1.1: Support for the Child Care System					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	266,842	398,159	309,671	307,683	303,467
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,227	7,700	4,000	4,000	4,000
Special accounts					
<i>Early Years Quality Fund Special Account Act 2013</i>	70	-	-	-	-
SOETM - Child Care	50	-	-	-	-
Total expenses for program 1.1	274,188	405,859	313,671	311,683	307,467
Program 1.2: Child Care Subsidy					
Administered expenses					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	9,796,463	10,633,127	12,768,090	13,488,807	14,133,286
Total expenses for program 1.2	9,796,463	10,633,127	12,768,090	13,488,807	14,133,286
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	14,242	12,263	10,035	7,536	4,745
Special appropriations					
<i>Australian Education Act 2013</i>	9,656,918	10,407,725	11,014,890	11,503,675	12,002,434
Total expenses for program 1.3	9,671,160	10,419,988	11,024,925	11,511,211	12,007,179
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	154,312	154,220	128,794	120,829	124,940
Special appropriations					
<i>Australian Education Act 2013</i>	15,210,901	16,211,219	17,130,309	17,827,696	18,452,728
Total expenses for program 1.4	15,365,213	16,365,439	17,259,103	17,948,525	18,577,668

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	145,879	273,601	234,632	173,605	138,657
Other services (Appropriation Bill No. 2)	2,000	300,125	32,142	22,517	22,367
Special accounts					
SOETM - Students with Disabilities	40	-	-	-	-
SOETM - National School Reform Agreement State Contributions	77	-	-	-	-
SOETM - Post-Schools Destinations	791	-	-	-	-
SOETM - Learner Profiles	250	-	-	-	-
Total expenses for program 1.5	149,038	573,726	266,774	196,122	161,024
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	412,721	671,760	544,303	481,288	442,124
Other services (Appropriation Bill No. 2)	170,554	466,608	170,971	150,882	152,052
Special appropriations	34,671,508	37,259,771	40,917,289	42,824,178	44,592,448
Special accounts	1,279	-	-	-	-
Administered total	35,256,062	38,398,139	41,632,563	43,456,348	45,186,624
Departmental expenses					
Departmental appropriation	168,985	171,037	185,299	186,187	180,710
s74 External Revenue (a)	4,964	3,633	3,299	3,275	3,275
Expenses not requiring appropriation in the Budget year (b)	1,868	3,883	3,831	3,831	3,831
Departmental total	175,817	178,553	192,429	193,293	187,816
Total expenses for Outcome 1	35,431,879	38,576,692	41,824,992	43,649,641	45,374,440

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Movement of administered funds between years (c)					
Preschools Data Framework	(2,031)	281	800	950	-
Schools Support - Closing the Gap Initiatives	(11,500)	38,200	(17,075)	(9,625)	-
Engaged Classrooms	(3,650)	1,500	2,150	-	-
Student Support Package	(18,802)	18,802	-	-	-
Supporting Australia's Teacher Workforce	(949)	949	-	-	-
National Schools Reform	(5,912)	3,662	2,250	-	-
Quality Outcomes	(740)	740	-	-	-
School Education Support	(7,500)	7,500	-	-	-
Respectful Relationships Education	(2,000)	1,000	1,000	-	-
Community Child Care Fund	(18,113)	14,104	4,009	-	-
Inclusion Support Program	(81,369)	81,369	-	-	-
Total movement of administered funds	(152,566)	168,107	(6,866)	(8,675)	-
	2021-22	2022-23			
Average staffing level (number)	810	795			

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

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

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

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

Performance measures for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved early learning, schooling, student educational outcomes and transitions to and from school, through access to quality child care, support, parent engagement, quality teaching and learning environments.		
Program 1.1 – Support for the Child Care System The program helps families to participate in the social and economic life of the community by promoting and supporting quality and affordable early childhood education and care, and assisting services to improve access and inclusion for vulnerable or disadvantaged children and families, including children with disabilities and their families.		
Key Activities	Provide targeted support to families, children and early childhood education and care centres who need it	
Year	Performance measures	Expected performance results
Prior year 2021–22	The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantaged communities	Target: Increase on previous year Achieved (19.6%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	The proportion of Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) support granted to socio-economically vulnerable and disadvantaged communities	Target: Increase on previous year
Forward Estimates 2023–26	As per 2022–23	Equal to or higher than 2022–23
Material changes to Program 1.1 resulting from October 2022–23 Budget measures: <ul style="list-style-type: none"> • Plan for Cheaper Child Care • Child Care Subsidy Reforms Integrity Package • Support for Community Sector Organisations 		

Program expenses 1.1: Support for the Child Care System

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support	266,842	398,159	309,671	307,683	303,467
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999 (a)</i>	7,227	7,700	4,000	4,000	4,000
Special account expenses:					
<i>Early Years Quality Fund Special Account Act 2013</i>	70	-	-	-	-
SOETM - Child Care	50	-	-	-	-
Total program expenses	274,188	405,859	313,671	311,683	307,467

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

Program 1.2 – Child Care Subsidy The Child Care Subsidy (CCS) aims to improve access to quality early childhood education and care by providing assistance to meet the cost of early childhood education and care for families engaged in work, training, study or other recognised activity.		
Key Activities	Support to families who rely on subsidised early childhood education and care to work, train, study or volunteer	
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of accurate Child Care Subsidy payments to all services	Target: 90% or higher. ³ Achieved (93%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of accurate Child Care Subsidy payments to all services	Target: 90% or higher
	Average early childhood education and care hours attended by children that are supported by Additional Child Care Subsidy	Target: Equal to or higher than the average child care hours attended by children that are supported by Child Care Subsidy
Forward Estimates 2023–26	As per 2022–23.	As per 2022–23
Material changes to Program 1.2 resulting from October 2022–23 Budget measures: <ul style="list-style-type: none"> • Plan for Cheaper Child Care • Child Care Subsidy Reforms Integrity Package 		

³ Payment accuracy is a defined measure based on independent actuarial assessment.

Program expenses 1.2: Child Care Subsidy

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999 (a)(b)</i>	9,796,463	10,633,127	12,768,090	13,488,807	14,133,286
Total program expenses	9,796,463	10,633,127	12,768,090	13,488,807	14,133,286

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

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

Program 1.3 – Government Schools National Support		
The program provides supplementary financial assistance to state and territory governments to facilitate the delivery of a quality education within government schools.		
Key Activities	Provide consistent, transparent and needs-based funding to government schools	
Year	Performance measures	Expected performance results
Prior year 2021–22	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023 Not on track (9.9%)
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023 Not on track (13.0%)
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023 On track (55.3%)
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023 Not on track (36.2%)
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023 Not on track (71.2%)
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above.	Target: Increase to 96% by 2031 (from 89.4% in 2020) On track (89.5%)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ⁴ Data not yet available

⁴ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Year	Performance measures	Planned performance results
Budget Year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 89.4% in 2020) ⁵
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ⁶
Forward Estimates 2023–26	As per 2022–23	For measures with targets ending by the end of 2023: Targets over the forward estimates period will continue to prioritise improvements in student outcomes Others as per 2022–23
Material changes to Program 1.3 resulting from October 2022–23 Budget measures: <ul style="list-style-type: none"> • Migration Program — 2022–23 planning levels • Pacific Engagement Visa 		

⁵ This target reflects the National School Reform Agreement.

⁶ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Program expenses 1.3: Government Schools National Support

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory	14,242	12,263	10,035	7,536	4,745
Special appropriations:					
<i>Australian Education Act 2013</i>	9,656,918	10,407,725	11,014,890	11,503,675	12,002,434
Total program expenses	9,671,160	10,419,988	11,024,925	11,511,211	12,007,179

Program 1.4 – Non-Government Schools National Support		
The program provides financial assistance to approved authorities for non-government schools to facilitate the delivery of a quality education within non-government schools.		
Key Activities	Provide consistent, transparent and needs-based funding to non-government schools	
Year	Performance measures	Expected performance results
Prior year 2021–22	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023 Not on track (9.9%)
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023 Not on track (13.0%)
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023 On track (55.3%)
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023 Not on track (36.2%)
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023 Not on track (71.2%)
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 89.4% in 2020) ⁷ On track (89.5%)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ⁸ Data not yet available

⁷ This target reflects the National School Reform Agreement.

⁸ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Year	Performance measures	Planned performance results
Budget Year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 89.4% in 2020)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ⁹
Forward Estimates 2023–26	As per 2022–23	For measures with targets ending by the end of 2023: Targets over the forward estimates period will continue to prioritise improvements in student outcomes Others as per 2022–23
Material changes to Program 1.4 resulting from October 2022–23 Budget measures: <ul style="list-style-type: none"> • Migration Program — 2022–23 planning levels • Pacific Engagement Visa 		

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

Program expenses 1.4: Non-Government Schools National Support

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	44,954	42,013	12,004	-	-
Adjustment Assistance	1,676	491	-	-	-
Choice and Affordability Fund	107,681	111,716	116,790	120,829	124,940
Special appropriations:					
<i>Australian Education Act 2013</i>	15,210,901	16,211,219	17,130,309	17,827,696	18,452,728
Total program expenses	15,365,213	16,365,439	17,259,103	17,948,525	18,577,668

Program 1.5 – Early Learning and Schools Support		
This program supports initiatives that contribute to improved access to high quality teaching and learning in early learning and school education for all Australian students.		
Key Activities	<ul style="list-style-type: none"> • Support children to have access to quality early learning, particularly in the year before reaching school • Provide support for a range of curriculum, assessment, teaching and wellbeing programs • Provide national leadership and work with states on national policy reform 	
Early Learning Support		
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of Indigenous children enrolled in early childhood education in the year before full-time school who are enrolled for 600 hours per year	Target: 95% or higher Achieved (96.3%)
	Proportion of vulnerable and disadvantaged children enrolled in the year before full-time school who are enrolled for 600 hours per year	Target: 95% or higher Achieved (95.5%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year ¹⁰	(a) Overall: 95% or higher (b) Indigenous: 95% or higher (c) Vulnerable and disadvantaged: 95% or higher
Forward Estimates 2023–26	Future performance measures to align with the Preschool Reform Agreement	Targets for the measure beyond 2022–23 are yet to be agreed
Material changes to Program 1.5 Early Learning Support resulting from October 2022–23 Budget measures: Nil		

¹⁰ The Commonwealth, and State and Territory governments have agreed to the new Preschool Reform Agreement that will provide additional attendance targets and reporting by 2024. Future performance measure targets to be updated.

Schools Support		
Year	Performance measures	Expected performance results
Prior year 2021–22	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023 Not on track (9.9%)
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023 Not on track (13.0%)
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023 On track (55.3%)
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023 Not on track (36.2%)
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023 Not on track (71.2%)
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 89.4% in 2020) ¹¹ On track (89.5%)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ¹² Data not yet available

¹¹ This target reflects the National School Reform Agreement.

¹² This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Year	Performance measures	Planned performance results
Budget Year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	Target: Lower than 2018 (8.6%) by the end of 2023
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	Target: Lower than 2018 (11.5%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	Target: Higher than 2018 (53.2%) by the end of 2023
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	Target: Higher than 2018 (39.2%) by the end of 2023
	Increase the proportion of students attending school 90% or more of the time	Target: Higher than 2018 (75.2%) by the end of 2023
	Increase the proportion of people (age 20–24) who have completed Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 89.4% in 2020)
	Increase the proportion of Aboriginal and Torres Strait Islander people (age 20–24) attaining Year 12 or equivalent or gaining a qualification at Australian Qualifications Framework Certificate III or above	Target: Increase to 96% by 2031 (from 63.2% in 2016) ¹³
Forward Estimates 2023–26	As per 2022–23	For measures with targets ending by the end of 2023: Targets over the forward estimates period will continue to prioritise improvements in student outcomes Others as per 2022–23
<p>Material changes to Program 1.5 Schools Support resulting from October 2022–23 Budget measures:</p> <ul style="list-style-type: none"> • Consent and Respectful Relationships Education • Government Spending Audit — Education — efficiencies • Office for Youth and Youth Engagement Strategy • Schools Upgrade Fund • Student Wellbeing Boost • Teacher Shortages • Teaching First Nations Languages in Schools 		

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

Program expenses 1.5: Early Learning and Schools Support

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Early Learning Support					
Universal Access	2,695	417	-	-	-
Preschools Data Framework	739	9,184	7,721	5,765	4,941
Australian Early Development Census	11,013	4,496	12,565	10,621	6,038
Total Early Learning Support	14,447	14,097	20,286	16,386	10,979

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	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Schools Support					
English Language Learning for Indigenous Children (ELLIC)	1,043	-	-	-	-
Grants and Awards	975	1,430	1,476	1,501	1,527
Helping Children with Autism	5,808	6,237	6,437	6,546	6,658
High Achieving Teachers Program and Future Leaders Program	15,900	2,250	-	-	-
National Assessment Reform	2,200	2,200	2,200	2,200	2,200
National Schools Reform	23,344	23,821	16,018	6,906	-
Australian Education Research Organisation	10,000	10,000	10,000	10,000	10,000
National School Resourcing Board	230	979	1,019	1,041	1,061
Quality Outcomes	31,640	36,705	36,397	36,140	34,420
Science, Technology, Engineering and Mathematics (STEM)	550	550	700	-	-
Students Support Package	23,902	59,282	38,634	5,450	-
Delivering Respect Matters	1,122	-	-	-	-
Life Education - Being Healthy, Being Active	700	900	1,700	1,700	1,700
Online Teaching and Learning Courses to Support Mathematics	2,825	2,824	-	-	-
Rural Inspire Initiative	500	-	-	-	-
National Phonics Check	4,280	-	-	-	-
Respectful Interfaith School Education	1,000	500	-	-	-
Supporting Australia's Teacher Workforce	2,163	3,162	2,240	2,256	2,484
Schools Support Closing the Gap Initiatives	3,250	25,189	14,465	4,014	1,900
Supporting Quality Boarding for Rural and Remote Students	-	19,250	3,500	3,450	1,900
Engaged Classrooms	-	1,750	1,750	-	-
National Consent Survey	-	4,130	1,000	-	-
School Education Support	-	29,940	33,347	23,241	9,626
Teacher Shortages – Bursaries to attract high quality candidates into teaching	-	-	10,060	20,101	26,011
Teacher Shortages – Practical Pathways into teaching	-	7,900	18,400	21,000	21,000
Teacher Shortages – Responding to the QITE Review	-	9,300	6,100	6,100	6,100
First Nations Languages in Schools	-	3,223	4,500	4,650	150
Student Wellbeing Boost	-	7,250	3,500	-	-
Youth Support	-	732	903	923	941
Other services (Appropriation Bill No. 2)					
Literacy Support for Tasmanian Students	2,000	2,000	2,000	2,000	2,000
Schools Support Closing the Gap Initiatives	-	56,125	9,775	150	-
Student Wellbeing Boost	-	192,000	-	-	-
Consent and Respectful Relationships Education	-	-	20,367	20,367	20,367
Schools Upgrade Fund	-	50,000	-	-	-
Special account expenses:					
SOETM - Students with Disabilities	40	-	-	-	-
SOETM - National School Reform Agreement State Contributions	77	-	-	-	-
SOETM - Post-Schools Destinations	791	-	-	-	-
SOETM - Learner Profiles	250	-	-	-	-
Total Schools Support	134,591	559,629	246,488	179,736	150,045
Total program expenses	149,038	573,726	266,774	196,122	161,024

2.2 Budgeted expenses and performance for Outcome 2

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

Linked programs

Australian Trade and Investment Commission (Austrade)
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Promotion of Australia’s export and other international economic interests
<p>Contribution to Outcome 2 made by linked program</p> <p>The linked program contributes to Outcome 2 by promoting the Australian education sector in international markets.</p>
Department of Foreign Affairs and Trade
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Foreign Affairs and Trade Operations • Program 1.5 – New Colombo Plan – Transforming Regional Relationships
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by promoting international education through advocacy and coordination roles at overseas missions.</p>
Department of Home Affairs
<p>Programs</p> <ul style="list-style-type: none"> • Program 2.2 – Visas
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked program contributes to Outcome 2 by supporting a sustainable international education sector through administering student visas.</p>

<p>Department of Social Services</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.6 – Student Payments
<p>Contribution to Outcome 2 made by linked program</p> <p>The linked program contributes to Outcome 2 by providing financial support to individuals and families to undertake further education. This also includes enhancing educational outcomes for First Nations students by increasing their access and participation in further education.</p>
<p>National Indigenous Australians Agency</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Jobs, Land and the Economy • Program 1.2 – Children and Schooling
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by supporting school attendance, improved educational outcomes and access to further education and employment for First Nations students.</p>
<p>Services Australia</p>
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.1 – Strategy and Corporate Enabling • Program 1.2 – Customer Service Delivery • Program 1.3 – Technology and Transformation
<p>Contribution to Outcome 2 made by linked programs</p> <p>The linked programs contribute to Outcome 2 by administering payments to support eligible students to access tertiary education and making payments to eligible job seekers.</p>

Budgeted expenses for Outcome 2

This table shows how much the Department of Education intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 2

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.1: Commonwealth Grant Scheme					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	7,627,119	7,315,423	7,557,161	7,943,433	8,259,515
Total expenses for program 2.1	7,627,119	7,315,423	7,557,161	7,943,433	8,259,515
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	103,038	218,671	207,125	195,170	182,964
Total expenses for program 2.2	103,038	218,671	207,125	195,170	182,964
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	35,778	57,165	63,682	65,922	67,593
Special appropriations					
<i>Higher Education Support Act 2003</i>	830,067	920,184	825,895	850,677	874,335
Total expenses for program 2.3	865,845	977,349	889,577	916,599	941,928
Program 2.4: Higher Education Loan Program					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	5,419,570	4,033,859	3,001,740	2,391,245	2,602,351
Special accounts					
Higher Education Tuition Protection Fund	160	2,783	2,892	3,008	3,129
Total expenses for program 2.4	5,419,729	4,036,642	3,004,632	2,394,253	2,605,480

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations					
<i>Higher Education Support Act 2003</i>	1,999,840	2,043,954	2,158,114	2,275,151	2,341,431
Total expenses for program 2.5	1,999,840	2,043,954	2,158,114	2,275,151	2,341,431
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	273,567	289,162	403,474	503,765	462,752
Special appropriations					
<i>Higher Education Support Act 2003</i>	32,649	134,200	221,985	280,641	286,572
Total expenses for program 2.6	306,215	423,362	625,459	784,406	749,324
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	39,191	26,686	24,218	23,209	23,108
Special accounts					
Overseas Students Tuition Fund	1,597	3,809	3,985	4,170	4,364
SOETM - Cheung Kong	1,122	2,000	980	979	977
Total expenses for program 2.7	41,911	32,495	29,183	28,358	28,449

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	348,536	373,013	491,374	592,896	553,453
Special appropriations	16,012,282	14,666,291	13,972,020	13,936,317	14,547,168
Special accounts	2,879	8,592	7,857	8,157	8,470
Administered total	16,363,697	15,047,896	14,471,251	14,537,370	15,109,091
Departmental expenses					
Departmental appropriation	111,445	122,373	117,033	112,568	112,688
s74 External Revenue (a)	3,384	2,599	2,360	2,343	2,343
Expenses not requiring appropriation in the Budget year (b)	5,035	2,778	2,741	2,741	2,741
Departmental total	119,864	127,750	122,134	117,652	117,772
Total expenses for Outcome 2	16,483,561	15,175,646	14,593,385	14,655,022	15,226,863
Movement of administered funds between years (c)					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 2:					
International Education Support	(4,199)	3,167	1,032	-	-
Total movement of administered funds	(4,199)	3,167	1,032	-	-
Average staffing level (number)	512	466			

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

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

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

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

Performance measures for Outcome 2

This section details the performance measures for each program associated with Outcome 2. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 2 – Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</p>		
<p>Program 2.1 Commonwealth Grant Scheme A highly skilled workforce and educated community is important for economic productivity and social wellbeing. The Commonwealth Grant Scheme (CGS) contributes to achieving this objective through:</p> <ul style="list-style-type: none"> • making a direct contribution to the cost of educating Commonwealth-supported students enrolled in undergraduate and postgraduate degrees • increasing the number of regional students participating in higher education by providing additional funding to regional universities to meet the higher costs associated with delivery of higher education in regional locations • supporting educationally disadvantaged students to prepare for and successfully complete higher education through funding for enabling courses • meeting medical workforce training needs through the provision of targeted support for initial entry medical programs. 		
<p>Key Activities</p>	<ul style="list-style-type: none"> • Enhance the quality of the higher education system • Support students' access to higher education and transition to employment 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Prior year 2021–22</p>	<p>The proportion of the 25- to 34-year-old population with a tertiary qualification</p>	<p>Target: Increase from previous year Not Achieved (75.4%)</p>
	<p>The rate of attrition for domestic bachelor students</p>	<p>Target: Lower than 15% Achieved (12.8%)¹⁴</p>
	<p>Proportion of undergraduates who are employed within four months of completing a degree</p>	<p>Target: 85% or higher Not Achieved (84.8%)</p>

¹⁴ This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022.

Year	Performance measures	Planned performance results
Budget Year 2022–23	The proportion of the 25 to 34 year-old population with a tertiary qualification	Target: Increase from previous year
	The rate of attrition for domestic bachelor students	Target: Lower than 15%
	Proportion of undergraduates who are employed within four months of completing a degree	Target: 85% or higher
Forward Estimates 2023–26	As per 2022–23	As per 2022–23

Material changes to Program 2.1 resulting from October 2022–23 Budget measures:

- Strengthening Australia's Higher Education Sector

Program expenses 2.1: Commonwealth Grant Scheme

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	7,280,939	7,161,178	7,508,215	7,943,433	8,259,515
Transition Fund Loading	346,180	154,245	48,946	-	-
Total program expenses	7,627,119	7,315,423	7,557,161	7,943,433	8,259,515

Program 2.2 Higher Education Superannuation Program		
The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes. Cost-share arrangements are in place with relevant state governments and a proportion of Higher Education Superannuation Program (HESP) funding is recovered from these states as a result of their historical responsibilities for funding higher education. These schemes have been closed to new members for some time but are still active for existing members.		
Key Activities	Support eligible current and former university employees for certain superannuation expenses	
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of eligible universities able to meet specified superannuation expenses	Target: 100% Achieved (100%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of eligible universities able to meet specified superannuation expenses	Target: 100%
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 2.2 resulting from October 2022–23 Budget measures: Nil		

Program expenses 2.2: Higher Education Superannuation Program

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Superannuation Program	103,038	218,671	207,125	195,170	182,964
Total program expenses	103,038	218,671	207,125	195,170	182,964

Program 2.3 Higher Education Support		
The program aims to ensure the quality of our higher education system is maintained and improved, including improving the quality of training for teachers of mathematics and science. The program also aims to improve access to, and education outcomes for, students from disadvantaged backgrounds.		
Key Activities	<ul style="list-style-type: none"> Enhance the quality of the higher education system Support students' access to higher education and transition to employment 	
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)	Target: 16% or Higher Achieved (16.6%) ¹⁵
	Proportion of higher education students who are Indigenous	Target: 2% or higher Achieved (2.1%) ¹³
	Proportion of undergraduate students who rate the teaching quality at their institution positively	Target: 80% or higher Not Achieved (79%)
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills)	Target: 85% or higher Achieved (85%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of domestic undergraduates who are from a low socio-economic background (based on Statistical Area level 1)	Target: 16% or higher
	Proportion of higher education students who are Indigenous	Target: 2% or higher
	Proportion of undergraduate students who rate the teaching quality at their institution positively	Target: 80% or higher
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills)	Target: 85% or higher
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 2.3 resulting from October 2022–23 Budget measures: Nil		

¹⁵ This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022.

Program expenses 2.3: Higher Education Support

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Disability Coordination Officer	4,257	4,556	4,693	4,782	4,863
National Microcredentials Marketplace	1,060	530	-	-	-
Quality Indicators for Learning and Teaching	4,963	7,281	8,059	8,241	9,906
Rural and Regional Enterprise Scholarships	15,449	4,500	-	-	-
Tertiary Access Payment	10,049	40,298	50,930	52,899	52,824
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct	2,500	2,500	750	-	-
Central Queensland School of Mining and Manufacturing	10,100	6,400	-	-	-
Collaboration Pilots - Industry 4.0	1,714	4,986	-	-	-
Collaboration Pilots - Naval Shipbuilding	-	-	-	-	-
Disability Support Program	7,923	8,232	8,586	9,052	9,318
Higher Education and Offshore Microcredentials	-	7,350	7,915	4,962	7,302
Higher Education Relief Program	-	82,419	-	-	-
Improved Support for Regional Universities	7,836	17,046	12,886	15,458	15,393
Indigenous, Regional and Low SES Attainment Fund	250,627	281,529	280,028	294,146	302,792
Jobs and Growth in Tasmania	65,000	25,000	12,000	-	-
National Institutes	238,894	239,055	252,406	266,095	273,924
National Priorities and Industry Linkage Fund	230,663	231,255	244,171	257,413	264,987
Quality Initiatives	-	540	570	601	619
Tertiary Access Payment	14,280	-	-	-	-
Women in STEM	530	13,872	6,583	2,950	-
Total program expenses	865,845	977,349	889,577	916,599	941,928

Program 2.4 Higher Education Loan Program		
The program aims to remove the up-front cost barriers to tertiary education in order to increase access and participation. This is achieved through the provision of income contingent loans for students undertaking higher education courses.		
Key Activities	Support students' access to higher education and transition to employment	
Year	Performance measures	Expected performance results
Prior year 2021–22	The proportion of HELP debt not expected to be repaid	Target: Equal to or lower than previous year (15.07%) ¹⁶ Achieved (11.82%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	The proportion of HELP debt not expected to be repaid	Target: Equal to or lower than previous year
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 2.4 resulting from October 2022–23 Budget measures:		
<ul style="list-style-type: none"> • Strengthening Australia's Higher Education Sector • Pacific Engagement Visa • Rural Health and Medical Training for Far North Queensland • Startup Year — establishment 		

Program expenses 2.4: Higher Education Loan Program

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	5,419,570	4,033,859	3,001,740	2,391,245	2,602,351
Special account expenses:					
Higher Education Tuition Protection Fund	160	2,783	2,892	3,008	3,129
Total program expenses	5,419,729	4,036,642	3,004,632	2,394,253	2,605,480

¹⁶ The target published in the 2021–22 Corporate Plan was 'Equal to or lower than 2019–20 (14.69%)'. This has been corrected to 'Equal to or lower than the previous year', which is equivalent to 2020–21, when the final result was 15.07%.

Program 2.5 Investment in Higher Education Research		
The Australian Government is committed to a world-class research system, that encourages innovation and economic growth. Quality collaboration, engagement, diversity, impact and sustainability are the key priorities for the Government and drive its investment in Australian research and research capacity.		
Key Activities	Support the research sector, research training and national research infrastructure	
Year	Performance measures	Expected performance results
Prior year 2021–22	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals	Target: Above the OECD average Achieved (5.31%)
	Proportion of research postgraduates who are employed within four months of completing their degree	Target: 90% or higher Not Achieved (88.1%)
	Indigenous Higher Degree by Research (HDR) completions	Target: Increase from previous year Not Achieved (69%) ¹⁷
Year	Performance measures	Planned performance results
Budget Year 2022–23	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals	Target: Above the OECD average
	Proportion of research postgraduates who are employed within four months of completing their degree	Target: 90% or higher
	Indigenous Higher Degree by Research (HDR) completions	Target: Increase from previous year
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 2.5 resulting from October 2022–23 Budget measures: Nil		

Program expenses 2.5: Investment in Higher Education Research

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Research Support Program	930,659	951,188	1,004,314	1,058,779	1,089,934
Research Training Program	1,069,181	1,092,766	1,153,800	1,216,372	1,251,497
Total program expenses	1,999,840	2,043,954	2,158,114	2,275,151	2,341,431

¹⁷ This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022.

<p>Program 2.6 Research Capacity Research advances our knowledge and drives our potential for innovation, economic competitiveness, and social change. The program aims to increase the production, use and awareness of research knowledge and to improve collaboration between government, industry, and the research sector in the production of research knowledge.</p>		
Key Activities	Support the research sector, research training and national research infrastructure	
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs	Target: 90% or higher Unable to make an assessment ¹⁸
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs	Target: 90% or higher
Forward Estimates 2023–26	As per 2022–23	As per 2022–23
Material changes to Program 2.6 resulting from October 2022–23 Budget measures: <ul style="list-style-type: none"> Responsible Investment to Grow Our Regions 		

¹⁸ It has been identified that the department had not verified the third-party survey data.

Program expenses 2.6: Research Capacity

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Collaborative Research Infrastructure Strategy	273,567	286,043	400,028	499,848	458,338
Increase Workforce Mobility Training programs	-	3,119	3,446	3,917	4,414
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Centre for Augmented Reasoning	5,000	5,000	5,000	-	-
Enhance Research Capacity of Regional Universities	8,200	20,309	18,907	21,675	21,812
Higher Education Research Promotion	5,674	5,923	6,343	6,558	6,723
Strategic University Reform Fund	13,775	16,696	11,026	-	-
Trailblazer Universities Program	-	76,100	78,694	83,479	85,996
Increase Workforce Mobility	-	-	2,571	6,534	12,089
Launch Australia's Economic Accelerator	-	10,172	99,444	162,395	159,952
Total program expenses	306,215	423,362	625,459	784,406	749,324

Program 2.7 International Education Support		
International education is increasingly important to Australia's prosperity and our engagement with the world. The program aims to support the sustainable growth of Australia's high-quality international education, training and research through strong government-to-government engagement, international mobility, strategic policy, and legislation.		
Key Activities	Support a high-quality and sustainable international education sector	
Year	Performance measures	Expected performance results
Prior year 2021–22	Proportion of international students employed or enrolled in further study after graduation	Target: 85% or higher Not achieved (72.3%)
	Number of students enrolled in offshore and transnational education and training delivered by Australian providers	Target: Numbers stabilised Achieved (23.8%) ¹⁹
Year	Performance measures	Planned performance results
Budget Year 2022–23	Proportion of international students employed or enrolled in further study after graduation	Target: 85% or higher
	Number of students enrolled in offshore and transnational education and training delivered by Australian providers	Target: Numbers stabilised
Forward Estimates 2023–26	As per 2022–23	Target: Increase from previous year ²⁰
Material changes to Program 2.7 resulting from October 2022–23 Budget measures: Nil		

¹⁹ This result is based on preliminary 2021 information and will be updated when final 2021 information is available in Q4, 2022.

²⁰ From 2023–24 the target will be changed to 'increase from previous year' to track and inform the sector's progress in expanding education offerings offshore as part of the sector's recovery from the impacts of the COVID-19 pandemic.

Program expenses 2.7: International Education Support

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
International Education Support	39,191	26,686	24,218	23,209	23,108
Special account expenses:					
Overseas Students Tuition Fund	1,597	3,809	3,985	4,170	4,364
SOETM - Cheung Kong	1,122	2,000	980	979	977
Total program expenses	41,911	32,495	29,183	28,358	28,449

2.3 Budgeted expenses and performance for former Outcomes 3 and 4

Under the Administrative Arrangements Order of 23 June 2022, from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education, and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The department's outcome structure was updated to reflect these changes.

The following tables provide an overview of the total expenses for the former outcomes by program.

The budgeted estimates for the former outcomes for 2022–23 to 2025–26 will be reported in the Employment and Workplace Relations Portfolio Budget Statements.

Table 2.3.1: Budgeted expenses for former Outcome 3

	2021-22 Estimated actual \$'000	2022-23 Budget ^(a) \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 3: Promote growth in economic productivity and social wellbeing through access to quality skills and training.					
Program 3.1: Building Skills and Capability					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	4,359,471	-	-	-	-
Special appropriations <i>Trade Support Loans Act 2014</i>	214,454	-	-	-	-
Total expenses for program 3.1	4,573,925	-	-	-	-
Program 3.2: VET Student Loans					
Administered expenses					
Special appropriations <i>VET Student Loans Act 2016</i>	1,293,390	-	-	-	-
Special accounts VSL Tuition Protection Fund Special Account	159	-	-	-	-
Total expenses for program 3.2	1,293,549	-	-	-	-
Outcome 3 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	4,359,471	-	-	-	-
Special appropriations	1,507,844	-	-	-	-
Special accounts	159	-	-	-	-
Administered total	5,867,474	-	-	-	-
Departmental expenses					
Departmental appropriation	213,387	-	-	-	-
s74 External Revenue (b)	6,703	-	-	-	-
Special accounts Unique Student Identifiers Special Account - s80 PGPA Act 2013	7,179	-	-	-	-
Expenses not requiring appropriation in the Budget year (c)	10,151	-	-	-	-
Departmental total	237,420	-	-	-	-
Total expenses for Outcome 3	6,104,894	-	-	-	-

Table 2.3.1: Budgeted expenses for former Outcome 3 (continued)

Movement of administered funds between years (a)(d)	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 3:					
Accelerating Australian Apprenticeships Pilot	(2,935)	-	-	-	-
Migrant Skills Incentive	(7,734)	-	-	-	-
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	(600)	-	-	-	-
Industry Training Hubs	(1,250)	-	-	-	-
Industry Workforce Training	(82)	-	-	-	-
National Careers Institute and Ambassador	(1,790)	-	-	-	-
National Skills Commission	(3,027)	-	-	-	-
National Training System COPE	(17,155)	-	-	-	-
VET Data Streamlining	(14,042)	-	-	-	-
Total movement of administered funds	(48,615)	-	-	-	-
	2021-22	2022-23 ^(a)			
Average staffing level (number)	879	-			

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

(a) Due to the Administrative Arrangements Order commencing 1 July 2022, budget estimates, movement of funds and average staffing levels for 2022–23 to 2025–26 will be reported in the Department of Employment and Workplace Relations Portfolio Budget Statements.

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

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

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

Former Program 3.1: Building Skills and Capability

	2021-22 Estimated actual \$'000	2022-23 Budget ^(a) \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Sub-program 3.1.1 - Skills Development					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Apprenticeship Support Network	305,809	-	-	-	-
Australian Apprenticeships Incentives Program	3,795,838	-	-	-	-
Commonwealth Scholarships Program for South Australia	110	-	-	-	-
Commonwealth Scholarships Program for Young Australians	4,593	-	-	-	-
Mid-Career Checkpoint	2,062	-	-	-	-
Skills Checkpoint for Older Workers Program	4,296	-	-	-	-
Trades Recognition Australia Accelerating Australian Apprenticeships Pilot	26,551	-	-	-	-
Migrant Skills Incentive	20	-	-	-	-
3,742	-	-	-	-	-
Special appropriations:					
<i>Trade Support Loans Act 2014</i>					
Trade Support Loans (b)	214,454	-	-	-	-
Total component 3.1.1 expenses	4,357,475	-	-	-	-
Sub-program 3.1.2 - Access to Training					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Skills for Education and Employment	89,301	-	-	-	-
Foundation Skills for Your Future Program	4,125	-	-	-	-
Foundation Skills for Your Future - Remote Community Pilots	3,200	-	-	-	-
Total component 3.1.2 expenses	96,626	-	-	-	-

	2021-22 Estimated actual \$'000	2022-23 Budget ^(a) \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Sub-program 3.1.3 - Support for the National Training System					
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Australian Industry and Skills Committee	438	-	-	-	-
Industry Training Hubs	3,167	-	-	-	-
Industry Workforce Training	34,655	-	-	-	-
Integrated Information Service	2,188	-	-	-	-
Licensing of International Vocational Education and Training (VET) Courses	657	-	-	-	-
My Skills Website	543	-	-	-	-
National Careers Institute and Ambassador	12,219	-	-	-	-
National Centre for Vocational Education Research	715	-	-	-	-
National Skills Commission	4,173	-	-	-	-
National Training System COPE	29,165	-	-	-	-
Skills Communication Campaign	12,603	-	-	-	-
Skills Organisation Pilots	15,195	-	-	-	-
VET Data Streamlining	2,069	-	-	-	-
VET Information Strategy	791	-	-	-	-
VET Student Loans Cost Recovery	8	-	-	-	-
Nationally Consistent and Accessible Subsidy and Apprenticeship Information	-	-	-	-	-
Industry Clusters	1,238	-	-	-	-
Total component 3.1.3 expenses	119,824	-	-	-	-
Total program expenses	4,573,925	-	-	-	-

(a) Due to the Administrative Arrangements Order commencing 1 July 2022, budget estimates for 2022–23 to 2025–26 will be reported in the Department of Employment and Workplace Relations Portfolio Budget Statements.

(b) Subject to the passing of legislation, the Trade Support Loans Scheme will transition to the Australian Apprenticeship Support Loans Scheme from 1 January 2023.

Former Program 3.2: VET Student Loans

Program 3.2: VET Student Loans

	2021-22 Estimated actual \$'000	2022-23 Budget ^(a) \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>VET Student Loans Act 2016</i>					
VET Student Loans	1,293,390	-	-	-	-
Special account expenses:					
VSL Tuition Protection Fund	159	-	-	-	-
Special Account (b)					
Total program expenses	1,293,549	-	-	-	-

(a) Due to the Administrative Arrangements Order commencing 1 July 2022, budget estimates for 2022–23 to 2025–26 will be reported in the Department of Employment and Workplace Relations Portfolio Budget Statements.

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

Table 2.4.1: Budgeted expenses for former Outcome 4

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

	2021-22 Estimated actual \$'000	2022-23 Budget ^(a) \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 4.1: Employment Services					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
jobactive	1,508,273	-	-	-	-
Workforce Australia (b)	3,249	-	-	-	-
Seasonal Worker Programme (c)	500	-	-	-	-
Transition to Work	208,945	-	-	-	-
Time to Work	3,134	-	-	-	-
ParentsNext	111,089	-	-	-	-
Skills and Training Incentive	5,646	-	-	-	-
Entrepreneurship Facilitators	4,831	-	-	-	-
Career Revive Initiative	937	-	-	-	-
Local Jobs - COVID-19 Recovery	23,147	-	-	-	-
Administered total	1,869,751	-	-	-	-
Total expenses for program 4.1	1,869,751	-	-	-	-
Outcome 4 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,869,751	-	-	-	-
Administered total	1,869,751	-	-	-	-
Departmental expenses					
Departmental appropriation	398,758	-	-	-	-
s74 External Revenue (d)	13,729	-	-	-	-
Expenses not requiring appropriation in the Budget year (e)	73,809	-	-	-	-
Departmental total	486,296	-	-	-	-
Total expenses for Outcome 4	2,356,047	-	-	-	-

Table 2.4.1: Budgeted expenses for former Outcome 4 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Movement of administered funds between years (a)(f)					
Outcome 4:					
Employment Services	(6,930)	-	-	-	-
Total movement of administered funds	(6,930)	-	-	-	-
	2021-22	2022-23 ^(a)			
Average staffing level (number)	1,439	-			

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

(a) Due to the Administrative Arrangements Order commencing 1 July 2022, budget estimates, movement of funds and average staffing levels for 2022–23 to 2025–26 will be reported in the Department of Employment and Workplace Relations Portfolio Budget Statements.

(b) Formerly reported as New Employment Services Model.

(c) Expenses reflect the period to 28 January 2022. Expenses for this program for the remainder of 2021–22 are reported by the Department of Foreign Affairs and Trade.

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

(e) Expenses not requiring appropriation in the Budget Year are made up of depreciation/amortisation expenses, make good expenses and audit fees

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

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 Budget Year, including the impact of Budget measures, resourcing on financial statements and changes to the Administrative Arrangements Order.

When making comparisons between the 2021–22 Estimated Actual and 2022–23 Budget and forward estimates, please note that under the Administrative Arrangements Order, from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The difference between the entity resources table and the budgeted financial statements may arise because the entity resourcing table is presented on a resourcing basis while the budgeted financial statements are based on Australian Accounting Standards.

3.1.2 Explanatory notes and analysis of budgeted financial statements

An analysis of the department's budgeted financial statements, which consists of the budgeted departmental statements and administered schedules, is provided below.

Budgeted departmental comprehensive income statement

Total expenses for 2022-23 are estimated to be \$306.3 million. The department's income statement reflects a deficit across the forward estimates. These deficits are solely attributed to amortisation expenses.

Budget departmental balance sheet

In accordance with the Administrative Arrangement Order, effective from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The finalisation of net asset transfers is ongoing at the timing of this publication. Estimates for 2022-23 opening balances have been used.

The estimated budgeted net asset position is \$179.5 million for 2022–23 and is stable across the forward estimates.

The structure of the balance sheet reflects the nature of the organisation. The key assets are computer software, included in intangibles, and liabilities predominantly relate to employees and the leave provisions that are accrued.

Schedule of budgeted income and expenses administered on behalf of Government

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

The 2022-23 administered revenue predominately relates to indexation on loan programs administered by the department, such as the Higher Education Loan Program (HELP).

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase from \$52.9 billion to \$60.5 billion over the period 2022-23 to 2025-26, mainly attributable to HELP loans.

The total administered liabilities are projected to decrease from \$5.6 billion to \$5.2 billion over the period 2022-23 to 2025-26, and predominantly relate to the unfunded superannuation provision for Australian Universities.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	479,058	180,144	194,163	189,778	188,412
Suppliers	385,730	120,752	115,106	115,873	111,882
Depreciation and amortisation (a)	145,557	5,407	5,294	5,294	5,294
Finance costs	9,052	-	-	-	-
Total expenses	1,019,397	306,303	314,563	310,945	305,588
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	24,727	6,232	5,659	5,618	5,618
Rental income	4,052	-	-	-	-
Other	2,949	1,254	1,278	1,278	1,278
Total own-source revenue	31,728	7,486	6,937	6,896	6,896
Gains					
Other	6	-	-	-	-
Total gains	6	-	-	-	-
Total own-source income	31,734	7,486	6,937	6,896	6,896
Net (cost of)/contribution by services	(987,663)	(298,817)	(307,626)	(304,049)	(298,692)
Revenue from Government	905,325	293,410	302,332	298,755	293,398
Surplus/(deficit) attributable to the Australian Government	(82,338)	(5,407)	(5,294)	(5,294)	(5,294)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	(82,338)	(5,407)	(5,294)	(5,294)	(5,294)
Total comprehensive income/(loss) attributable to the Australian Government	(82,338)	(5,407)	(5,294)	(5,294)	(5,294)

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June (continued)**Note: Impact of net cash appropriation arrangements**

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(82,338)	(5,407)	(5,294)	(5,294)	(5,294)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	87,913	5,407	5,294	5,294	5,294
plus: depreciation/amortisation expenses for ROU assets (b)	57,644	-	-	-	-
less: lease principal repayments (b)	61,409	-	-	-	-
Net Cash Operating Surplus/ (Deficit)	1,810	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

(b) Applies leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,205	13,055	13,055	13,055	13,055
Trade and other receivables	428,892	112,141	112,141	112,141	112,141
Total financial assets	437,097	125,196	125,196	125,196	125,196
Non-financial assets					
Land and buildings	330,175	-	-	-	-
Property, plant and equipment	65,644	-	-	-	-
Intangibles	322,528	124,985	122,370	113,072	103,955
Other non-financial assets	32,787	11,098	11,098	11,098	11,098
Total non-financial assets	751,134	136,083	133,468	124,170	115,053
Total assets	1,188,231	261,279	258,664	249,366	240,249
LIABILITIES					
Payables					
Suppliers	61,756	20,828	20,828	20,828	20,828
Other payables	16,766	873	873	873	873
Total payables	78,522	21,701	21,701	21,701	21,701
Interest bearing liabilities					
Leases	313,324	-	-	-	-
Total interest bearing liabilities	313,324	-	-	-	-
Provisions					
Employee provisions	162,792	60,074	60,074	60,074	60,074
Total provisions	162,792	60,074	60,074	60,074	60,074
Total liabilities	554,638	81,775	81,775	81,775	81,775
Net assets	633,593	179,504	176,889	167,591	158,474
EQUITY*					
Parent entity interest					
Contributed equity	876,850	377,626	385,943	386,136	386,510
Reserves	1,379	1,379	1,379	1,379	1,379
Retained surplus (accumulated deficit)	(244,636)	(199,501)	(210,433)	(219,924)	(229,415)
Total parent entity interest	633,593	179,504	176,889	167,591	158,474
Total equity	633,593	179,504	176,889	167,591	158,474

Prepared on Australian Accounting Standards basis.

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

Note: In accordance with the Administrative Arrangement Order, effective from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The finalisation of net asset transfers is ongoing at the timing of this publication. Estimates for 2022-23 opening balances have been used.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2022–23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	(244,636)	1,379	-	876,850	633,593
Opening Balance adjustments	-	-	-	-	-
Adjusted opening balance	(244,636)	1,379	-	876,850	633,593
Comprehensive income					
Surplus/(deficit) for the period	(5,407)				(5,407)
Total comprehensive income	(5,407)	-	-	-	(5,407)
of which:					
Attributable to the Australian Government	(5,407)	-	-	-	(5,407)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	5,555	5,555
Departmental Capital Budget (DCB)	-	-	-	9,962	9,962
Restructuring	50,542	-	-	(514,741)	(464,199)
Sub-total transactions with owners	50,542	-	-	(499,224)	(448,682)
Estimated closing balance as at 30 June 2023	(199,501)	1,379	-	377,626	179,504
Closing balance attributable to the Australian Government	(199,501)	1,379	-	377,626	179,504

Prepared on Australian Accounting Standards basis.

Note: In accordance with the Administrative Arrangement Order, effective from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The finalisation of net asset transfers is ongoing at the timing of this publication. Estimates for 2022-23 opening balances have been used.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	928,016	304,636	302,332	298,755	293,398
Sale of goods and rendering of services	27,913	6,232	5,659	5,618	5,618
Net GST received	53,623	8,226	8,168	-	-
Other	13,159	-	-	-	-
Total cash received	1,022,711	319,094	316,159	304,373	299,016
Cash used					
Employees	480,001	179,539	194,163	189,778	188,412
Suppliers	443,299	127,724	121,996	114,595	110,604
Interest payments on lease liability	3,771	-	-	-	-
Section 74 receipts transferred to the OPA	31,735	-	-	-	-
Other	302	-	-	-	-
Total cash used	959,108	307,263	316,159	304,373	299,016
Net cash from/(used by) operating activities	63,603	11,831	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	78	-	-	-	-
Total cash received	78	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	179,374	22,498	25,116	18,396	18,562
Total cash used	179,374	22,498	25,116	18,396	18,562
Net cash from/(used by) investing activities	(179,296)	(22,498)	(25,116)	(18,396)	(18,562)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	179,566	15,517	25,116	18,396	18,562
Total cash received	179,566	15,517	25,116	18,396	18,562
Cash used					
Principal payments on lease liability	61,409	-	-	-	-
Total cash used	61,409	-	-	-	-
Net cash from/(used by) financing activities	118,157	15,517	25,116	18,396	18,562
Net increase/(decrease) in cash held	2,464	4,850	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,741	8,205	13,055	13,055	13,055
Cash and cash equivalents at the end of the reporting period	8,205	13,055	13,055	13,055	13,055

Prepared on Australian Accounting Standards basis.

Note: In accordance with the Administrative Arrangement Order, effective from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The finalisation of net asset transfers is ongoing at the timing of this publication. Estimates for 2022–23 opening balances have been used.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	65,044	9,962	19,314	18,396	18,562
Equity injections - Bill 2	102,851	5,555	5,802	-	-
Total new capital appropriations	167,895	15,517	25,116	18,396	18,562
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>167,895</i>	<i>15,517</i>	<i>25,116</i>	<i>18,396</i>	<i>18,562</i>
Total items	167,895	15,517	25,116	18,396	18,562
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	113,092	8,788	5,802	-	-
Funded by capital appropriation - DCB (b)	76,482	13,710	19,314	18,396	18,562
Funded internally from departmental resources (c)	355	-	-	-	-
TOTAL	189,929	22,498	25,116	18,396	18,562
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	189,929	22,498	25,116	18,396	18,562
Total cash used to acquire assets	189,929	22,498	25,116	18,396	18,562

Prepared on Australian Accounting Standards basis.

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

(b) Includes purchases from current and previous years' Departmental capital budgets (DCBs).

(c) Includes the following s74 external receipts:

- sponsorship, subsidy, gifts or similar contribution;
- internally developed assets; and
- proceeds from the sale of assets.

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022		
Gross book value	630,101	630,101
Accumulated depreciation/amortisation and impairment	(307,573)	(307,573)
Opening net book balance	322,528	322,528
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation equity (a)	8,788	8,788
By purchase - appropriation ordinary annual services (b)	13,710	13,710
Total additions	22,498	22,498
Other movements		
Depreciation/amortisation expense	(5,407)	(5,407)
From disposal of entities or operations (including restructuring)	(213,411)	(213,411)
Total other movements	(218,818)	(218,818)
As at 30 June 2023		
Gross book value	242,585	242,585
Accumulated depreciation/amortisation and impairment	(117,600)	(117,600)
Closing net book balance	124,985	124,985

Prepared on Australian Accounting Standards basis.

Note: In accordance with the Administrative Arrangement Order, effective from 1 July 2022 the Department of Education, Skills and Employment was renamed the Department of Education and responsibilities for skills and employment functions were transferred to the newly established Department of Employment and Workplace Relations. The finalisation of net asset transfers is ongoing at the timing of this publication.

Estimates for 2022-23 opening balances have been used.

(a) 'Appropriation equity' refers to equity injections appropriations provided through *Appropriation Bill (No. 2) 2022–23*, including Collection Development Acquisition Budget.

(b) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2022–23* for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Grants	36,089,078	38,124,112	39,787,923	41,594,186	43,061,574
Personal benefits	9,929,824	10,690,871	12,819,021	13,541,705	14,186,110
Suppliers	2,202,458	216,211	188,913	173,244	165,166
Subsidies	4,135,599	179,640	98,976	98,050	97,433
Interest	102,000	218,696	207,150	195,195	182,989
Impairment loss on financial assets	184,010	-	-	-	-
Finance costs	28,064	781,092	869,583	937,282	977,533
Depreciation and amortisation	97	92	92	92	92
Fair value losses	6,685,532	3,235,321	2,132,156	1,453,964	1,624,818
Employee benefits	321	-	-	-	-
Total expenses administered on behalf of Government	59,356,983	53,446,035	56,103,814	57,993,718	60,295,715
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	17	6,100	11,272	11,533	11,790
Total taxation revenue	17	6,100	11,272	11,533	11,790
Non-taxation revenue					
Sale of goods and rendering of services	34,820	-	-	-	-
Interest	953,593	3,201,824	2,002,390	1,278,274	1,450,638
Other revenue	139,900	61,541	108,099	110,008	104,282
Total non-taxation revenue	1,128,313	3,263,365	2,110,489	1,388,282	1,554,920
Total own-source revenue administered on behalf of Government	1,128,330	3,269,465	2,121,761	1,399,815	1,566,710
Gains					
Other gains	899,745	-	-	-	-
Total gains administered on behalf of Government	899,745	-	-	-	-
Total own-sourced income administered on behalf of Government	2,028,075	3,269,465	2,121,761	1,399,815	1,566,710
Net (cost of)/contribution by services	(57,328,908)	(50,176,570)	(53,982,053)	(56,593,903)	(58,729,005)
Surplus/(deficit) before income tax	(57,328,908)	(50,176,570)	(53,982,053)	(56,593,903)	(58,729,005)
Surplus/(deficit) after income tax	(57,328,908)	(50,176,570)	(53,982,053)	(56,593,903)	(58,729,005)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	19,896	-	-	-	-
Total other comprehensive income	19,896	-	-	-	-
Total comprehensive income/(loss)	(57,309,012)	(50,176,570)	(53,982,053)	(56,593,903)	(58,729,005)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	103,466	95,072	98,652	102,182	105,635
Trade and other receivables	51,832,847	49,914,847	52,222,341	54,789,170	57,453,852
Other investments	2,921,184	2,921,184	2,921,184	2,921,184	2,921,184
Total financial assets	54,857,497	52,931,103	55,242,177	57,812,536	60,480,671
Non-financial assets					
Land and buildings	995	983	971	959	947
Other non-financial assets	758	-	-	-	-
Total non-financial assets	1,753	983	971	959	947
Total assets administered on behalf of Government	54,859,250	52,932,086	55,243,148	57,813,495	60,481,618
LIABILITIES					
Payables					
Suppliers	167,456	15,211	15,211	15,211	15,211
Subsidies	49,013	-	-	-	-
Personal benefits	30,511	60,185	198,993	239,150	88,633
Grants	8,229	7,385	7,385	7,385	7,385
Other payables	3,864	3,864	3,864	3,864	3,864
Total payables	259,073	86,645	225,453	265,610	115,093
Interest bearing liabilities					
Leases	1,014	1,014	1,014	1,014	1,014
Total interest bearing liabilities	1,014	1,014	1,014	1,014	1,014
Provisions					
Personal benefit provisions	526,228	583,275	701,782	758,731	794,241
Grants provisions	5,176,000	5,019,266	4,784,768	4,538,276	4,282,001
Total provisions	5,702,228	5,602,541	5,486,550	5,297,007	5,076,242
Total liabilities administered on behalf of Government	5,962,315	5,690,200	5,713,017	5,563,631	5,192,349
Net assets/(liabilities)	48,896,935	47,241,886	49,530,131	52,249,864	55,289,269

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	1,841,092	1,600,404	1,710,373	1,780,162	1,843,043
Levies	17	6,100	11,272	11,533	11,790
Other	53,107	31,277	31,540	31,766	23,750
Total cash received	1,894,216	1,637,781	1,753,185	1,823,461	1,878,583
Cash used					
Grant	39,085,122	40,136,061	41,955,456	43,830,701	45,358,580
Subsidies paid	4,149,396	179,640	98,976	98,050	97,433
Personal benefits	9,110,673	10,607,346	12,566,869	13,445,113	14,306,988
Suppliers	2,341,907	216,211	188,913	173,244	165,166
Interest payments on lease liability	-	25	25	25	25
Total cash used	54,687,098	51,139,283	54,810,239	57,547,133	59,928,192
Net cash from/(used by) operating activities	(52,792,882)	(49,501,502)	(53,057,054)	(55,723,672)	(58,049,609)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	5,198,096	4,787,593	4,845,566	5,078,370	5,325,924
Total cash received	5,198,096	4,787,593	4,845,566	5,078,370	5,325,924
Cash used					
Advances and loans made	7,627,471	7,302,852	8,070,686	8,679,416	9,055,915
Total cash used	7,627,471	7,302,852	8,070,686	8,679,416	9,055,915
Net cash from/(used by) investing activities	(2,429,375)	(2,515,259)	(3,225,120)	(3,601,046)	(3,729,991)
FINANCING ACTIVITIES					
Cash used					
Other	-	7,964	80	80	80
Total cash used	-	7,964	80	80	80
Net cash from/(used by) financing activities	-	(7,964)	(80)	(80)	(80)
Net increase/(decrease) in cash held	(55,222,257)	(52,024,725)	(56,282,254)	(59,324,798)	(61,779,680)
Cash and cash equivalents at beginning of reporting period	104,319	103,466	95,072	98,652	102,182
Cash from Official Public Account for:					
- Appropriations	62,443,399	57,011,546	61,354,441	64,634,878	67,342,524
Total cash from Official Public Account	62,443,399	57,011,546	61,354,441	64,634,878	67,342,524
Cash to Official Public Account for:					
- Appropriations	(7,221,995)	(4,995,215)	(5,068,607)	(5,306,550)	(5,559,391)
Total cash to Official Public Account	(7,221,995)	(4,995,215)	(5,068,607)	(5,306,550)	(5,559,391)
Cash and cash equivalents at end of reporting period	103,466	95,072	98,652	102,182	105,635

Prepared on Australian Accounting Standards basis.

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

The Department of Education has no administered capital budget statement therefore Table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget Year 2022-23)

The Department of Education has no administered asset movements therefore Table 3.11 is not presented.

**AUSTRALIAN CURRICULUM,
ASSESSMENT AND REPORTING
AUTHORITY**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

Australian Curriculum, Assessment and Reporting Authority

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Australian Curriculum, Assessment and Reporting Authority

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

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

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

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

National Curriculum

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

National Assessment

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

National Data and Reporting

- provide and apply a comprehensive and reliable national measurement framework
- facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols
- present detailed, accessible, timely and meaningful school education performance information.

National Collaboration and Leadership

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

ACARA's budget is agreed to by all Education Ministers and provided in accordance with an agreed national funding formula. ACARA's 2021–22 to 2025–26 work plan was endorsed by Education Ministers in August and its related budget was approved in October 2022. Additional funding to improve the NAP was endorsed by Education Ministers in November 2021.

Priorities for ACARA during 2022–23 are ensuring directions agreed by all Education Ministers relating to the NAP are undertaken, work relating to the Australian Curriculum Version 9, such as maintaining the Australian Curriculum Version 9 website, and updating existing support services and advice.

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

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

1.2 Entity resource statement

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

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

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

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

Table 1.1: ACARA resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Opening balance/cash reserves at 1 July	10,418	5,972
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	14,434	13,845
Amounts from other entities	-	-
Total amounts received from related entities	14,434	13,845
Total funds from Government	14,434	13,845
Funds from other sources		
Interest	28	100
Other	13,909	14,211
Total funds from other sources	13,937	14,311
Total net resourcing for ACARA	38,789	34,128
	2021-22	2022-23
Average staffing level (number)	98	101

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

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

1.3 Budget measures

There are no 2022–23 October Budget measures for ACARA.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 Budgeted expenses and performance for Outcome 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	3,669	2,620	2,665	2,710	2,710
Revenues from other independent sources	3,375	2,639	2,691	2,737	2,737
Total expenses for Program 1.1	7,044	5,259	5,356	5,447	5,447
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	8,314	8,073	8,211	8,350	8,350
Revenues from other independent sources	7,829	8,498	8,291	8,432	8,432
Total expenses for Program 1.2	16,143	16,571	16,502	16,782	16,782
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	2,055	2,128	2,164	2,201	2,201
Revenues from other independent sources	2,059	2,143	2,186	2,222	2,222
Total expenses for Program 1.3	4,114	4,271	4,350	4,423	4,423
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	988	1,023	1,041	1,059	1,059
Revenues from other independent sources	991	1,031	1,051	1,069	1,069
Total expenses for Program 1.4	1,979	2,054	2,092	2,128	2,128

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	15,026	13,844	14,081	14,320	14,320
Revenues from other independent sources	14,255	14,311	14,219	14,460	14,460
Total expenses for Outcome 1	29,281	28,155	28,300	28,780	28,780
<hr/>					
Average staffing level (number)	2021-22 98	2022-23 101			

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

Performance measures for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.		
Program 1.1 – National Curriculum		
The program aims to improve the quality, equity, and transparency of Australia’s education system. A national curriculum ensures that every child in Australia, regardless of where they live or the school they attend, has access to a world-class curriculum.		
Key Activities	<ul style="list-style-type: none"> • Delivering the Foundation – Year 10 and Senior Secondary Australian Curriculum • Supporting implementation of the Foundation – Year 10 Australian Curriculum • Providing authoritative Australian Curriculum advice to stakeholders and facilitating information sharing, collaboration, and support for the Australian Curriculum • Monitoring the effectiveness of the Australian Curriculum and undertaking research to inform national policy and practice 	
Year	Performance measures	Expected performance results
Prior year 2021–22	<ul style="list-style-type: none"> • Agreed refinements to the F–10 Australian Curriculum undertaken • Refinements to the F–10 Australian Curriculum undertaken in collaboration with jurisdictions and stakeholders • Activities related to maintaining and enhancing the curriculum support resources available, and the functionality of, the new Australian Curriculum website (released in January 2022) completed each year 	<ul style="list-style-type: none"> • Actions for refinements to the F–10 Australian Curriculum undertaken and completed • F–10 Australian Curriculum reviewed and approved by all Education Ministers and the revised version published on updated Australian Curriculum website as agreed by Education Ministers • Implementation support activities that have been endorsed by Education Ministers as part of ACARA’s work plan delivered and accessible through the Australian Curriculum website – with release of the website deferred in line with timing of Education Ministers’ Meeting date for consideration of revisions to the curriculum

Year	Performance measures	Planned performance results
Budget Year 2022–23	<ul style="list-style-type: none"> Activities related to maintaining and enhancing the curriculum support resources available on, and the online functionality of, the new Australian Curriculum website completed each year Refinements to the F–10 Australian Curriculum in all Languages subjects undertaken in collaboration with jurisdictions and stakeholders 	<ul style="list-style-type: none"> Implementation support activities that have been endorsed by Education Ministers as part of ACARA's work plan delivered and accessible through the Australian Curriculum website F–10 Australian Curriculum in the remaining 12 Languages subjects reviewed, and revised version published on Australian Curriculum website as agreed by Education Ministers
Forward Estimates 2023–26	<ul style="list-style-type: none"> Activities related to maintaining and enhancing the curriculum support resources available on, and the online functionality of, the new Australian Curriculum website completed each year Maintain research into international and national curriculum trends and developments and conduct annual monitoring processes to inform future refinements to the Australian Curriculum 	<ul style="list-style-type: none"> Implementation support activities that have been endorsed by Education Ministers as part of ACARA's work plan delivered and accessible through the Australian Curriculum website Research and monitoring activities that have been endorsed by Education Ministers as part of ACARA's work plan are completed
Material changes to Program 1.1 resulting from October 2022–23 Budget measures: Nil		

Program 1.2 – National Assessment		
<p>The program aims to provide school education leaders, teachers, and parents with the means to periodically assess students against previous performance, national benchmarks and their peers using an objective measure.</p>		
Key Activities	<ul style="list-style-type: none"> • Researching, developing, and supporting activities required for assessment, especially online testing • Managing the planning and development and overseeing the delivery and reporting for the National Assessment Program (NAP) – Literacy and Numeracy (NAPLAN), including the transition from pencil and paper to online delivery • Managing the development and overseeing the delivery of assessments and reporting for the National Assessment Program (NAP) sample assessments 	
Year	Performance measures	Expected performance results
Prior year 2021–22	<ul style="list-style-type: none"> • National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers • Transition to NAPLAN Online completed, as agreed by Education Ministers 	<ul style="list-style-type: none"> • National NAPLAN summary and 2020 NAPLAN reports were reviewed by jurisdictions and published in the reporting period • There was no 2020 NAP sample assessment report published in 2021 as the 2020 sample was not held due to COVID-19 • NAPLAN online undertaken in May 2021 by all schools
Year	Performance measures	Planned performance results
Budget Year 2022–23	<ul style="list-style-type: none"> • National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers • An enhanced writing assessment model for NAPLAN implemented on timeframe determined by Education Ministers 	<ul style="list-style-type: none"> • National reports on results of NAPLAN and NAP sample assessments are reviewed by jurisdictions and published • An enhanced NAPLAN writing model to submit to Education Ministers in the second half of 2022–23
Forward Estimates 2023–26	<ul style="list-style-type: none"> • National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers • Proficiency standards as agreed by Education Ministers introduced for NAPLAN 2023 reports • Approved enhancements to NAP, as agreed by Education Ministers, are implemented 	<ul style="list-style-type: none"> • National reports on results of NAPLAN and NAP sample assessments are reviewed by jurisdictions and published • NAPLAN scale reset and results reported against proficiency standards in NAPLAN reports • Enhancements approved and agreed by Education Ministers implemented for NAP
Material changes to Program 1.2 resulting from October 2022–23 Budget measures: Nil		

<p>Program 1.3 – National Data and Reporting The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.</p>		
<p>Key Activities</p>	<ul style="list-style-type: none"> • Monitoring and, where necessary, reviewing the existing national key performance measures for schools, and producing a comprehensive and authoritative national report on schooling in Australia related to national key performance measures • Managing the collection and quality assurance of data, and providing national school information including through the My School website • Managing the sharing and dissemination of data 	
Year	Performance measures	Expected performance results
Prior year 2021–22	<ul style="list-style-type: none"> • The National Report on Schooling in Australia is published • The redesign of ACARA's suite of websites includes a reporting channel 	<ul style="list-style-type: none"> • Publication of the 2020 National Report on Schooling before the end of 2021–22 and updates made to the National Report on Schooling data portal • Re-build of the reporting channel has commenced
Year	Performance measures	Planned performance results
Budget Year 2022–23	<ul style="list-style-type: none"> • The National Report on Schooling in Australia is published • Level of stakeholder satisfaction with the My School website 	<ul style="list-style-type: none"> • The National Report on Schooling is published and the National Report on Schooling data portal is updated • Level of satisfaction with the My School website is at 60% or above
Forward Estimates 2023–26	<ul style="list-style-type: none"> • The National Report on Schooling in Australia is published • The Measurement Framework for Schooling in Australia is reviewed and updated, in consultation with stakeholders and advisory groups • Review of reporting website and mechanisms 	<ul style="list-style-type: none"> • The National Report on Schooling is published and the National Report on Schooling data portal is updated • Publication of Revised Measurement Framework for Schooling in Australia • Revision of ACARA reporting mechanisms commenced
<p>Material changes to Program 1.3 resulting from October 2022–23 Budget measures: Nil</p>		

<p>Program 1.4 – National Collaboration and Leadership The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education and government and, non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.</p>		
<p>Key Activities</p>	<ul style="list-style-type: none"> • Communicating information about ACARA’s work and achievements to partners, stakeholders, and the broader community • Providing national leadership in curriculum, assessment, data collection and reporting directly and in collaboration with the Commonwealth, states, territories, non-government sector, the Australian Institute for Teaching and School Leadership, Education Services Australia and other stakeholder groups. and ensure liaison with key stakeholders across all matters relating to curriculum, assessment, and reporting 	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Prior year 2021–22</p>	<ul style="list-style-type: none"> • An advisory structure that is fit for purpose is in place • A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions • Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained • Research relating to either curriculum, assessment or reporting to advance ACARA’s work in these areas commissioned and published 	<ul style="list-style-type: none"> • Advisory structure reviewed in September 2021 with 72% of stakeholders agreeing ACARA’s governance and advisory structure was clear and fit for purpose • Progress reports against the annual work plan submitted to Education Ministers’ Meeting (EMM)/Australian Education Senior Officials Committee (AESOC) at the end of 2021 and at each meeting of the ACARA Board, with advice provided to these groups as requested throughout the reporting period • Increased frequency of engagement evident through ACARA holding meetings with groups/experts/peak bodies relating to the Review of the Australian Curriculum and holding joint forums of the Schools Policy Group (SPG) and the National Assessment, Data, Analysis and Reporting Reference Group in addition to regular meetings with advisory groups. ACARA attends all meetings of SPG, AESOC and Education Ministers Meetings in relation to ACARA’s work and meets with peak bodies and key stakeholders • Two pieces of research (Socio-Education Advantage analysis and parental perspectives of NAPLAN Online) available through ACARA’s website(s) and availability communicated to stakeholders by end of June 2022

Year	Performance measures	Planned performance results
Budget Year 2022–23	<ul style="list-style-type: none"> • As above 	<ul style="list-style-type: none"> • As above
Forward Estimates 2023–26	<ul style="list-style-type: none"> • An advisory structure that is fit for purpose is in place; and • As above 	<ul style="list-style-type: none"> • Advisory structure reviewed and level of satisfaction received is at 65% or above as measured through surveys in 2023 and 2025; and • As above
Material changes to Program 1.4 resulting from October 2022–23 Budget measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 Budget Year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

ACARA's work is undertaken through agreement by all Education Ministers and set through its Charter, its rolling quadrennial plan, and any other written instructions from Education Ministers. ACARA's budget is agreed to by Education Ministers and provided in accordance with Ministers agreed funding formula. ACARA's 2021–22 to 2025–26 work plan was endorsed by Education Ministers in August and its related budget was approved in October 2022. Additional funding to improve the National Assessment Program was endorsed by Education Ministers in November 2021.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	15,493	16,386	16,248	16,669	17,102
Suppliers	12,580	9,866	10,079	10,136	9,713
Depreciation and amortisation	1,136	1,859	1,937	1,943	1,949
Finance costs	72	44	36	32	16
Total expenses	29,281	28,155	28,300	28,780	28,780
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	28	100	140	140	140
Other	29,175	28,055	28,160	28,640	28,640
Total own-source revenue	29,203	28,155	28,300	28,780	28,780
Total gains	-	-	-	-	-
Total own-source income	29,203	28,155	28,300	28,780	28,780
Net (cost of)/contribution by services	(78)	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	(78)	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(78)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(78)	-	-	-	-

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

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of Comprehensive Income	(78)	-	-	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	959	983	983	983	983
less: lease principal repayments (a)	947	1,008	1,069	1,132	1,173
Net Cash Operating Surplus/ (Deficit)	(66)	(25)	(86)	(149)	(190)

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,972	5,457	5,865	6,416	6,926
Trade and other receivables	218	218	218	218	218
Other financial assets	350	350	350	350	350
Total financial assets	6,540	6,025	6,433	6,984	7,494
Non-financial assets					
Land and buildings	4,006	4,176	3,193	2,210	1,227
Property, plant and equipment	126	136	132	132	132
Intangibles	4,367	4,431	3,731	3,031	2,331
Other non-financial assets	506	506	506	506	506
Total non-financial assets	9,005	9,249	7,562	5,879	4,196
Total assets	15,545	15,274	13,995	12,863	11,690
LIABILITIES					
Payables					
Suppliers	3,425	3,004	2,788	2,788	2,788
Total payables	3,425	3,004	2,788	2,788	2,788
Interest bearing liabilities					
Leases	4,473	4,618	3,549	2,417	1,244
Total interest bearing liabilities	4,473	4,618	3,549	2,417	1,244
Provisions					
Employee provisions	2,930	2,930	2,930	2,930	2,930
Other provisions	444	449	455	455	455
Total provisions	3,374	3,379	3,385	3,385	3,385
Total liabilities	11,272	11,001	9,722	8,590	7,417
Net assets	4,273	4,273	4,273	4,273	4,273
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	4,273	4,273	4,273	4,273	4,273
Total parent entity interest	4,273	4,273	4,273	4,273	4,273
Total equity	4,273	4,273	4,273	4,273	4,273

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2022–23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	4,273	-	-	-	4,273
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	4,273	-	-	-	4,273
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Estimated closing balance as at 30 June 2023	4,273	-	-	-	4,273
Closing balance attributable to the Australian Government	4,273	-	-	-	4,273

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	28,343	28,056	28,160	28,640	28,640
Interest	28	100	140	140	140
Net GST received	209	-	-	-	-
Total cash received	28,580	28,156	28,300	28,780	28,780
Cash used					
Employees	15,569	16,387	16,248	16,669	17,102
Suppliers	11,944	10,287	10,295	10,151	9,734
Interest payments on lease liability	72	44	36	32	16
Total cash used	27,585	26,718	26,579	26,852	26,852
Net cash from/(used by) operating activities	995	1,438	1,721	1,928	1,928
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	4,494	945	244	245	245
Total cash used	4,494	945	244	245	245
Net cash from/(used by) investing activities	(4,494)	(945)	(244)	(245)	(245)
Cash used					
Principal payments on lease liability	947	1,008	1,069	1,132	1,173
Total cash used	947	1,008	1,069	1,132	1,173
Net cash from/(used by) financing activities	(947)	(1,008)	(1,069)	(1,132)	(1,173)
Net increase/(decrease) in cash held	(4,446)	(515)	408	551	510
Cash and cash equivalents at the beginning of the reporting period	10,418	5,972	5,457	5,865	6,416
Cash and cash equivalents at the end of the reporting period	5,972	5,457	5,865	6,416	6,926

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	-	2,571	4,481	7,052
Gross book value - ROU assets	6,721	-	-	6,721
Accumulated depreciation/ amortisation and impairment	-	(2,445)	(114)	(2,559)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,715)	-	-	(2,715)
Opening net book balance	4,006	126	4,367	8,499
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - ROU assets	1,153	-	-	-
By purchase - other	-	250	700	950
Total additions	1,153	250	700	950
Other movements				
Depreciation/amortisation expense	-	(240)	(636)	(876)
Depreciation/amortisation on ROU assets	(983)	-	-	(983)
Total other movements	(983)	(240)	(636)	(1,859)
As at 30 June 2023				
Gross book value	-	2,821	5,181	8,002
Gross book value - ROU assets	7,874	-	-	7,874
Accumulated depreciation/ amortisation and impairment	-	(2,685)	(750)	(3,435)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,698)	-	-	(3,698)
Closing net book balance	4,176	136	4,431	8,743

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget Year 2022–23)

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

**AUSTRALIAN INSTITUTE FOR
TEACHING AND SCHOOL
LEADERSHIP**

**ENTITY RESOURCES AND PLANNED
PERFORMANCE**

Australian Institute for Teaching and School Leadership

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Australian Institute for Teaching and School Leadership

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

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

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

AITSL plays a key role in leading significant national educational reform so that teachers and school leaders have the maximum impact on student learning in all Australian schools. AITSL continues to lead significant reforms in initial teacher education, to promote national certification of highly accomplished and lead teachers, and to provide support to teachers and school leaders in their important work. The experience of remote learning through the COVID-19 pandemic has increased public appreciation of the role teachers play, and AITSL has focused on providing support specific to the challenges teachers and school leaders have faced in 2021–22.

AITSL's 2022–2026 Corporate Plan identifies the following strategic priorities for its work:

- Shaping expertise – To lead a high quality and nationally consistent approach to teaching and leadership in schools and education settings
- Influencing expertise – To encourage the national adoption of practices and policies that help lift quality teaching and leadership in schools and education settings
- Enhancing expertise – To provide solutions, informed by evidence and practice, to help the profession implement the national standards and frameworks
- Esteeming expertise – To recognise and raise awareness of the lasting impact of teacher and leader expertise
- Supporting expertise – To have a healthy, high-performing culture, and strong and adaptive operational foundations, that support our purpose.

1.2 Entity resource statement

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

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

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

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

Table 1.1: AITSL resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Opening balance/cash reserves at 1 July	5,624	9,936
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	12,873	8,309
Total amounts received from related entities	12,873	8,309
Total funds from Government	12,873	8,309
Funds from other sources		
Interest	111	110
Sale of goods and services	5,051	4,395
Total funds from other sources	5,162	4,505
Total net resourcing for AITSL	23,659	22,750
	2021-22	2022-23
Average staffing level (number)	69	69

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

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

1.3 Budget measures

There are no 2022–23 October Budget measures for AITSL.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 Budgeted expenses and performance for Outcome 1

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

Table 2.1.1 Budgeted expenses for Outcome 1

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

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	9,690	11,667	8,049	8,111	-
Revenues from other independent sources	5,162	4,505	3,504	3,538	-
Total expenses for Program 1.1	14,852	16,172	11,553	11,649	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	9,690	11,667	8,049	8,111	-
Revenues from other independent sources	5,162	4,505	3,504	3,538	-
Total expenses for Outcome 1	14,852	16,172	11,553	11,649	-
	2021-22	2022-23			
Average staffing level (number)	69	69			

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

Performance measures for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 – Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.</p>		
<p>Program 1.1 This program enables AITSL to work collaboratively with the eight state and territory education departments and their Ministers, the Catholic and independent school sectors, teacher educators, teacher regulatory authorities, teacher unions, professional and community organisations and teachers and principals throughout Australia to strengthen the profession.</p>		
<p>Key Activities</p>	<p>The program includes a range of targeted initiatives which lead, shape, and complement the work of other education agencies, to enhance the quality of initial teacher education, teaching and school leadership</p>	
<p>Year</p>	<p>Performance measures</p>	<p>Expected performance results</p>
<p>Prior year 2021–22</p>	<p>AITSL continues to promote excellence in the profession of teaching and school leadership</p>	<p>Initial Teacher Education Programs in Australia Implement Education Minister’s decisions on national quality assurance, consistency, and transparency of initial teacher education</p> <p>Quality Teaching</p> <ul style="list-style-type: none"> • Develop and maintain high-quality resources to support teachers and school leaders to work with the <i>Australian Professional Standards for Teachers</i> and the <i>Australian Professional Standard for Principals</i> • Support and promote the National Certification of Highly Accomplished and Lead Teachers • Support teachers and school leaders to improve their cultural responsiveness <p>School Leadership</p> <ul style="list-style-type: none"> • Support improvements to the quality of preparation and professional learning of school leaders aligned to the <i>Australian Professional Standard for Principals</i> • Promote access to key tools and resources

Year	Performance measures	Expected performance results
		<p>Undertake and engage with national and international research and innovation developments in best practice</p> <p>Strengthen the evidence base for AITSL's work through enhanced research and involvement with national and international agencies and experts</p> <p>Assessment for Migration</p> <p>Perform the role of assessing authority under the Migration Regulations 1994 for the purpose of skilled migration to Australia, for relevant teaching occupations successfully fulfilled</p>
Year	Performance measures	Planned performance results
Budget Year 2022–23	As per 2021–22	As per 2021–22
Forward Estimates 2023–26	As per 2021–22	As per 2021–22
Material changes to Program 1.1 resulting from October 2022–23 Budget measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022–23 Budget Year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

In October 2021 the Department of Education provided AITSL with a new funding agreement of \$36.871 million for the financial years 2021–22 to 2024–25. The purpose of the funding is to enable AITSL to continue to pursue its objectives in teaching and school leadership. In April 2022 AITSL was provided with \$0.462 million in funding to work on the Disability Standards for Education financial years 2020–21 to 2021–22.

The funding for the 2022–23 Budget Year will be \$8.309 million. The comparative funding in the 2021–22 year is \$12.873 million. In the 2022–23 year the income from Overseas Skills Assessment is budgeted at \$1.675 million and \$1.85 million is included for contributing to create a longitudinal data set on the teaching workforce. Comparative income from other sources in the 2021–22 year included \$1.915 million from Overseas Skills Assessment and \$2.050 million to create a longitudinal data set.

AITSL reported a surplus of \$3.187 million in the financial year 2021–22. This surplus is a technical surplus and has arisen because of revenue recognised in the 2021–22 year that was in regard to work and expenses that will be incurred in 2022–23. AITSL is budgeting a technical deficit in 2022–23 of \$3.358 million which will utilise the technical surplus from 2021–22 and prior years.

The net asset position at 30 June 2022 is \$8.331 million. Total assets are \$13.043 million, comprising \$10.511 million of financial assets and \$2.532 million of non-financial assets.

Total liabilities at 30 June 2022 are \$4.712 million, of which \$1.141 million is accrued employee provisions, \$0.707 million is supplier payables, \$2.453 million of lease liabilities, and \$0.411 million of other provisions and liabilities.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	9,260	10,334	7,583	7,956	-
Suppliers	4,583	4,894	3,160	2,890	-
Depreciation and amortisation	962	880	785	778	-
Finance costs	47	64	25	25	-
Total expenses	14,852	16,172	11,553	11,649	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,051	4,395	3,409	3,443	-
Interest	111	110	95	95	-
Other	12,873	8,309	8,049	8,111	-
Total own-source revenue	18,035	12,814	11,553	11,649	-
Total own-source income	18,035	12,814	11,553	11,649	-
Net (cost of)/contribution by services	3,183	(3,358)	-	-	-
Revenue from Government	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	3,183	(3,358)	-	-	-
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	4	-	-	-	-
Total other comprehensive income	4	-	-	-	-
Total comprehensive income/(loss)	3,187	(3,358)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	3,187	(3,358)	-	-	-

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	3,187	(3,358)	-	-	-
plus: depreciation/amortisation expenses for ROU assets (a)	692	679	709	709	-
less: lease principal repayments (a)	649	656	736	720	-
Net Cash Operating Surplus/ (Deficit)	3,230	(3,335)	(27)	(11)	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	9,936	6,181	6,276	6,335	6,335
Receivables and other financial assets	575	490	462	452	452
Total financial assets	10,511	6,671	6,738	6,787	6,787
Non-financial assets					
Property, plant and equipment	2,532	1,936	1,151	411	411
Total non-financial assets	2,532	1,936	1,151	411	411
Assets held for sale	-	-	-	-	-
Total assets	13,043	8,607	7,889	7,198	7,198
LIABILITIES					
Payables					
Suppliers	707	440	412	402	402
Other payables	104	104	104	104	104
Total payables	811	544	516	506	506
Interest bearing liabilities					
Leases	2,453	1,797	1,061	341	341
Total interest bearing liabilities	2,453	1,797	1,061	341	341
Provisions					
Employee provisions	1,141	986	1,001	1,009	1,009
Other provisions	307	307	338	369	369
Total provisions	1,448	1,293	1,339	1,378	1,378
Total liabilities	4,712	3,634	2,916	2,225	2,225
Net assets	8,331	4,973	4,973	4,973	4,973
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	8,331	4,973	4,973	4,973	4,973
Total parent entity interest	8,331	4,973	4,973	4,973	4,973
Total equity	8,331	4,973	4,973	4,973	4,973

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2022–23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	8,331	-	-	-	8,331
Adjusted opening balance	8,331	-	-	-	8,331
Comprehensive income					
Surplus/(deficit) for the period	(3,358)	-	-	-	(3,358)
Total comprehensive income	(3,358)	-	-	-	(3,358)
of which:					
Attributable to the Australian Government	(3,358)	-	-	-	(3,358)
Estimated closing balance as at 30 June 2023	4,973	-	-	-	4,973
Closing balance attributable to the Australian Government	4,973	-	-	-	4,973

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	14,153	8,329	8,049	8,111	-
Sale of goods and rendering of services	4,885	4,395	3,409	3,443	-
Interest	115	110	95	95	-
Net GST received	677	453	346	299	-
Total cash received	19,830	13,287	11,899	11,948	-
Cash used					
Employees	9,405	10,489	7,568	7,948	-
Suppliers	5,296	5,549	3,506	3,189	-
Other	23	64	25	25	-
Total cash used	14,724	16,102	11,099	11,162	-
Net cash from/(used by) operating activities	5,106	(2,815)	800	786	-
INVESTING ACTIVITIES					
Cash received					
Investments	-	-	31	-	-
Total cash received	-	-	31	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	100	284	-	7	-
Investments	45	-	-	-	-
Total cash used	145	284	-	7	-
Net cash from/(used by) investing activities	(145)	(284)	31	(7)	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	649	656	736	720	-
Total cash used	649	656	736	720	-
Net cash from/(used by) financing activities	(649)	(656)	(736)	(720)	-
Net increase/(decrease) in cash held	4,312	(3,755)	95	59	-
Cash and cash equivalents at the beginning of the reporting period	5,624	9,936	6,181	6,276	-
Cash and cash equivalents at the end of the reporting period	9,936	6,181	6,276	6,335	-

Prepared on Australian Accounting Standards basis.

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

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

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022					
Gross book value	-	2,244	16	168	2,428
Gross book value - ROU assets	4,428	-	-	-	4,428
Accumulated depreciation/ amortisation and impairment	-	(2,080)	-	(168)	(2,248)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,076)	-	-	-	(2,076)
Opening net book balance	2,352	164	16	-	2,532
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - other	-	284	-	-	284
Total additions	-	284	-	-	284
Other movements					
Depreciation/amortisation expense	-	(193)	-	-	(193)
Depreciation/amortisation on ROU assets	(679)	-	-	-	(679)
Total other movements	(679)	(193)	-	-	(872)
As at 30 June 2023					
Gross book value	-	2,528	16	168	2,712
Gross book value - ROU assets	4,428	-	-	-	4,428
Accumulated depreciation/ amortisation and impairment	-	(2,281)	-	(168)	(2,449)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,755)	-	-	-	(2,755)
Closing net book balance	1,673	247	16	-	1,936

Prepared on Australian Accounting Standards basis.

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

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

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

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

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

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

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

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

Table 3.11: Statement of administered asset movements (Budget Year 2022–23)

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

AUSTRALIAN RESEARCH COUNCIL

ENTITY RESOURCES AND PLANNED PERFORMANCE

Australian Research Council

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Australian Research Council

Section 1: Entity overview and resources

1.1 Strategic direction statement

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

Through the NCGP, the ARC supports excellent research and research training for the benefit of Australians, across all disciplines (excluding pre-clinical or clinical medical or health research), awarding funding based on a competitive peer review process. The NCGP comprises two programs, Discovery and Linkage, which fund a range of complementary schemes that provide funding for basic and applied research, research training, research collaboration and research infrastructure.

The ARC administers Excellence in Research for Australia (ERA), which evaluates the quality of research by discipline, against international benchmarks. ERA is an established evaluation framework that reflects the Government's commitment to a transparent and streamlined approach to research evaluation. In the 2022 Statement of expectations, the Minister for Education asked that the ARC discontinue preparations for the 2023 ERA round and commence work to develop a transition plan, in consultation with the sector and the Department of Education.

The ARC is also responsible for administering the Engagement and Impact (EI) assessment, which examines the translation of university research into appreciable outcomes beyond academia, determining what economic, social, environmental, and cultural benefits arise from Australian research.

The ARC is focused on driving world-class research and innovation for the advancement of Australian society. The ARC plays a critical role in providing ongoing investment in university research and encouraging the adoption and translation of that knowledge, to increase its impact and achieve greater national benefit for Australia.

Consistent with this, the ARC is delivering the new Industry Fellowships Program. The Program will create a pathway to support academic researchers in establishing careers in industry, and industry-based researchers to work in university settings, with the aim of increased two-way mobility and skill-building in research collaboration, translation, and commercialisation.

Through its new 2022–2025 Strategy, the ARC will deliver a refreshed approach to helping shape the Australian research system that delivers better outcomes for the research community and government. The ARC's strategic priorities: World Class Advice and Engagement; Research System Excellence; and Empowered People; are designed to build trust in its operations, advice, and people.

To support its programs and the implementation of the Strategy, the ARC's priorities for 2022–23 include:

- delivering the NCGP effectively and efficiently to support excellent research in the national interest
- completing the NCGP process review, and working with the research sector to design and implement enhanced processes and procedures
- collaborating with the research sector to strengthen understanding of the value and processes relating to the National Interest Test
- delivering the new Industry Fellowships Program
- providing high quality advice to the Minister, and engaging strategically across government, and with the research sector, including universities, researchers, industry, and other research users
- implementing outcomes of the review of ERA and EI by transitioning ERA to a more modern, data driven approach informed by expert review
- developing research engagement and impact indicators to inform the Engagement and Impact assessments
- ensuring ARC grant activities and research assessments, and data obtained from these activities, support the participation by all researchers, including First Nations researchers, women researchers, and early and mid-career researchers
- promoting the ARC's research grants administration expertise and services, including through the provision of Research Grant Services

- establishing a data strategy and service unit to identify, analyse and share the value from ARC and other data sets across government and with the research community
- continuing to work with universities and other stakeholders to safeguard the integrity and credibility of Australian research
- supporting the independent legislative review of the ARC.

1.2 Entity resource statement

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

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

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

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

Table 1.1: Australian Research Council resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Prior year appropriations available	17,868	13,106
Departmental appropriation (a)	20,226	23,401
s74 External Revenue (b)	236	1,328
Departmental capital budget (c)	1,235	1,240
Total departmental annual appropriations	39,565	39,075
Total departmental resourcing	39,565	39,075
Administered		
Annual appropriations - ordinary annual services		
Prior year appropriations available	-	-
Outcome 1	5,896	9,185
Total administered annual appropriations	5,896	9,185
Special Appropriation (d)	803,695	831,594
Total administered special appropriations	803,695	831,594
Special accounts (e)		
Opening balance	2,426	2,253
Appropriation receipts	-	-
Total special account receipts	2,426	2,253
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total administered resourcing	812,017	843,032
Total resourcing for Australian Research Council	851,582	882,107
	2021-22	2022-23
Average staffing level (number)	127	140

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

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

(a) Appropriation Bill (No. 1) 2022-23, Supply Bill (No.3) 2022-23 and Supply Act (No.1) 2022-23.

Departmental appropriation excludes departmental capital budgets (DCB), see also note (c). The 2022–23 figure includes \$0.499 million 2021–22 funding the ARC received from Investing in Australia's University Research Commercialisation measure during 2022-23 March budget.

(b) Estimated external revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(c) Departmental capital budgets (DCBs) are not separately identified in *Appropriation Bill (No. 1) 2022-23*, *Supply Bill (No.3) 2022-23* and *Supply Act (No. 1) 2022-23* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(d) Special Appropriation funded under the *Australian Research Council Act 2001* (ARC Act).

(e) ARC Research Endowment Account - s80 of the PGPA Act (s62 of the ARC Act). Excludes trust moneys held in Services for Other Entities and Trust Moneys (SOETM) and other special accounts. For further information on special accounts, please refer to *Budget Paper No. 4 - Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special account.

1.3 Budget measures

Budget measures in Table 1.2 relating to the ARC are detailed in *October Budget Paper No. 2* and are summarised below.

Table 1.2: Australian Research Council October 2022–23

Part 1: Measures announced since the 2022–23 March Budget

Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Payment measures					
EC Savings					
Departmental payment (a)	-	(195)	-	-	-
Total	-	(195)	-	-	-
APS Reform					
Departmental payment (b)	-	(8)	(22)	(27)	-
Total	-	(8)	(22)	(27)	-
Total measures					
Departmental	-	(203)	(22)	(27)	-
Total	-	(203)	(22)	(27)	-

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

(a) The full measure and description and package details appear in *Budget Paper No.2* under Cross Portfolio.

(b) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No. 2* under the Prime Minister and Cabinet portfolio.

Section 2: Outcomes and planned performance

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

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

Note:

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

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

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

2.1 Budgeted expenses and performance for Outcome 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice					
	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	825	1,240	1,346	1,380	1,416
Special appropriations <i>Australian Research Council Act 2001</i>	506,735	511,074	551,867	596,388	622,986
Total expenses for program 1.1	507,560	512,314	553,213	597,768	624,402
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,010	1,847	2,010	2,060	2,114
Special appropriations <i>Australian Research Council Act 2001</i>	292,543	319,503	345,731	374,289	400,792
Special accounts ARC Research Endowment Account - s80 PGPA Act 2013 (s62 <i>Australian Research Council Act 2001</i>)	173	-	-	-	-
Total expenses for program 1.2	293,726	321,350	347,741	376,349	402,906
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	785	6,098	7,382	3,986	3,732
Total expenses for program 1.3	785	6,098	7,382	3,986	3,732
ARC - Departmental					
Departmental expenses					
Departmental appropriation	23,353	21,938	22,665	22,916	21,800
s74 External Revenue (a)	409	1,328	600	336	29
Expenses not requiring appropriation in the Budget year (b)	4,356	4,548	1,822	1,860	1,848
Total expenses for Departmental	28,118	27,814	25,087	25,112	23,677

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	2,620	9,185	10,738	7,426	7,262
Special appropriations	799,278	830,577	897,598	970,677	1,023,778
Special accounts	173	-	-	-	-
Administered total	802,071	839,762	908,336	978,103	1,031,040
Departmental expenses					
Departmental appropriation	23,353	21,938	22,665	22,916	21,800
s74 External Revenue (a)	409	1,328	600	336	29
Expenses not requiring appropriation in the Budget year (b)	4,356	4,548	1,822	1,860	1,848
Departmental total	28,118	27,814	25,087	25,112	23,677
Total expenses for Outcome 1	830,189	867,576	933,423	1,003,215	1,054,717
	2021-22	2022-23			
Average staffing level (number)	127	140			

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

(b) Expenses not requiring appropriation in the Budget Year are made up of depreciation/amortisation expenses excluding depreciation on ROU assets, make good expenses, and audit fees.

Performance measures for Outcome 1

This section details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 1 – Growth of knowledge and innovation through managing research funding schemes, measuring research excellence and providing advice.		
Program 1.1 – Discovery – Research and Research Training		
Through the Discovery Program, the ARC aims to build Australia's research capacity by supporting excellent, internationally competitive research projects, fellowships, and awards. This contributes to Outcome 1 by: supporting excellent, internationally competitive research; providing training and career opportunities for current and emerging researchers; fostering international engagement; and encouraging research that aligns with national priorities.		
Key Activities	Fund high quality and impactful research	
Year	Performance measures	Expected performance results
Prior year 2021–22	NCGP applications and assessment processes are conducted in a timely manner	Target: 100% of Discovery Program scheme rounds recommendations are made to the Minister within eight months of scheme round closing dates Actual performance: 75% – Not achieved
	ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards	Target: 100% of Discovery Program grant opportunities and grant awards are published on GrantConnect Actual performance: 100% – Achieved
	ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines	Target: The percentage of upheld appeals against administrative processes related to Discovery Program applications is less than 1% of submitted applications Actual performance: 1.5% – Not achieved
	Proportion of ARC-funded research projects that involved international collaboration	Target: 70% of Discovery Program research projects involve international collaboration Actual performance: 83.4% – Achieved

Year	Performance measures	Expected performance results
	Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas	<p>Target: 60% of Discovery Program research projects contribute to the Australian Government's National Science and Research Priority areas</p> <p>Actual performance: 62.4% – Achieved</p>
Budget Year 2022–23	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Discovery Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Discovery Program research projects involve international collaboration
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Discovery Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Program 1.2 – Linkage – Cross sector research partnerships		
<p><i>Through the Linkage Program, the ARC aims to build Australia’s research and innovation capacity by supporting excellent, internationally competitive research projects, infrastructure, and centres of excellence that involve collaboration among researchers within and beyond the research sector.</i></p> <p><i>This contributes to Outcome 1 by: supporting excellent collaborative research; providing training and career opportunities for current and emerging researchers; fostering industry and other end-user engagement; supporting international collaboration; and encouraging research that will strengthen Australia’s capacity in areas of national priority.</i></p>		
Key Activities	Fund high quality and impactful research	
Year	Performance measures	Expected performance results
Prior year 2021–22	NCGP applications and assessment processes are conducted in a timely manner	<p>Target: 100% of Linkage Projects application recommendations are made to the Minister within six months of scheme round closing dates</p> <p>Actual performance: 33.3% – Not achieved</p>
	ARC meets Commonwealth Grants Rules and Guidelines (CGRG) requirements to publish information about grant opportunities and grant awards	<p>Target: 100% of Linkage Program grant opportunities and grant awards are published on GrantConnect</p> <p>Actual performance: 100% – Achieved</p>
	ARC manages NCGP application and assessment processes fairly and in accordance with Grant Guidelines	<p>Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of submitted applications</p> <p>Actual performance: 1.3% – Not achieved</p>
	Proportion of Linkage Program funding to support industrial research training under the Industrial Transformation Training Centres (ITTC) scheme	As per the ARC Corporate Plan 2021–22, this is no longer a performance measure and will be reported as a Key Performance Indicator in the Annual Performance Statement
	Proportion of ARC-funded research projects that involved international collaboration	<p>Target: 70% of Linkage Program research projects involve international collaboration</p> <p>Actual performance: 66.5% – Substantially achieved</p>
	Proportion of co-funding from partner organisations involved in ARC-funded research for every \$1 of ARC’s funding. (<i>Linkage Projects</i> scheme)	<p>Target: Partner Organisations contribute \$1 or more to ARC Linkage Projects for every ARC dollar awarded</p> <p>Actual performance: \$1.59 – Achieved</p>

Year	Performance measures	Expected performance results
	Proportion of participating organisations satisfied with the research partnership supported through the Linkage Program (<i>Linkage Projects</i> scheme)	Target: 90% of partner organisations who participate on an ARC Linkage Project report satisfaction with the research partnership supported by the grant Actual performance: 96.6% – Achieved
	Proportion of ARC-funded research projects that indicate their research will involve research in one of the Australian Government's National Science and Research Priority areas	Target: 60% of Linkage Program research contribute to the Australian Government's National Science and Research Priority areas Actual performance: 82.4% – Achieved
Budget Year 2022–23	The percentage of ARC schemes completed in time to meet ARC published timeframes	Target: 100% of Linkage Program scheme rounds outcomes are announced within the published timeframes on the ARC website
	The percentage of appeals upheld against NCGP application assessment processes for all applications submitted	Target: The number of upheld appeals against administrative processes related to Linkage Program applications is less than 1% of all submitted applications
	The percentage of ARC funded research projects involving international collaboration for all ARC funded research projects	Target: More than 70% of Linkage Program research projects involve international collaboration.
	The percentage of submitted progress, End of Year and final reports reviewed on time	Target: More than 90% of Linkage Program completed final grant reports and submitted End of Year Reports, Progress / Annual Reports are reviewed by the ARC within 90 days of submission
	The total contribution from partner organisations for all research projects funded under the Linkage Projects scheme	Target: Average dollar contribution is more than or equal to the previous year.
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Program 1.3 – Excellence in Research Australia		
<p><i>Through the Excellence in Research for Australia (ERA) program the ARC aims to improve Australia's research capacity by evaluating research at eligible Australian higher education institutions against international benchmarks and identifying excellence across the full spectrum of research activities. The program includes both the research quality evaluation framework, Excellence in Research for Australia, and the Engagement and Impact (EI) assessment framework, which assesses the engagement of researchers with end-users, and shows how universities are translating their research into economic, social, environmental, cultural, and other impacts. The ARC is working to implement the outcomes of the review of ERA and EI by transitioning ERA to a more modern, data driven approach informed by expert review. This contributes to Outcome 1 by: providing a unique, evidence-based resource to inform Australian government research policy and the strategic direction of higher education institutions; and encouraging researchers to produce high-quality and impactful research with real world benefits.</i></p>		
Key Activities	Assess research quality, engagement, and impact	
Year	Performance measures	Expected performance results
Prior year 2021–22	Use of ERA program data to assist in the development of Australian Government policies	<p>Target: ERA program reports and activities inform Australian Government policy</p> <p>Actual performance: Achieved</p>
	Use of ERA program data to inform the strategic planning of Australian universities	<p>Target: ERA program reports and activities inform strategic planning at eligible Australian universities</p> <p>Actual performance: Achieved</p>
	Review outcomes are implemented through revised ERA methodology, where required	<p>Target: Publication of ERA 2023 submission and assessment documentation</p> <p>Actual performance: Substantially achieved</p>
Budget Year 2022–23	Use of ERA program data to inform and support the needs of Australian universities and the Australian Government	<p>Target: ERA program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities</p>
	Use of EI program data to inform and support the needs of Australian universities and the Australian Government	<p>Target: EI program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities</p>
Forward Estimates 2023-26	As per 2022–23	As per 2022–23

Please note performance measures have been updated to reflect the 2022–23 ARC Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of ARC's finances for the 2022–23 Budget Year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements tables 3.1.1 Differences between entity resourcing and financial statements

The major change to the ARC's budget estimates from the March 2022-23 Budget Estimates is Research Commercialisation Package re-profiling.

There are minor variances between resourcing and expenses, which reflects timing differences between expenses and cash expenditure relating to the NCGP.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

The ARC's income statement reflects a deficit across the forward estimates. These deficits are predominantly attributable to the depreciation and amortisation expense for the year. In 2022–23, Appropriation Bill (No.1) includes a reclassification of \$1.1 million 2021–22 DCB to *Appropriation Act (No. 1) - Operating*.

Budgeted departmental balance sheet

The budgeted net asset position of \$14.1 million for 2022–23 represents a decrease of \$1.2 million from 2021–22, the majority of which relates to a reduction in non-financial assets and leases liabilities.

Schedule of budgeted income and expenses administered on behalf of Government

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

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

Schedules of budgeted assets and liabilities administered on behalf of government

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

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	17,131	18,146	18,504	18,868	19,240
Suppliers	4,397	3,046	2,761	2,454	2,032
Depreciation and amortisation (a)	6,136	6,434	3,704	3,742	2,392
Finance costs	287	188	118	48	13
Write-down and impairment of assets	167	-	-	-	-
Total expenses	28,118	27,814	25,087	25,112	23,677
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	410	1,328	600	336	29
Other	64	62	62	62	62
Gains					
Gains from sale of assets	1	-	-	-	-
Total own-source revenue	475	1,390	662	398	91
Total own-source income	475	1,390	662	398	91
Net (cost of)/contribution by services	(27,643)	(26,424)	(24,425)	(24,714)	(23,586)
Revenue from Government	20,226	22,902	22,650	22,901	23,123
Surplus/(deficit) attributable to the Australian Government	(7,417)	(3,522)	(1,775)	(1,813)	(463)
Total comprehensive income/(loss) attributable to the Australian Government	(7,417)	(3,522)	(1,775)	(1,813)	(463)

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

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of Comprehensive Income	(7,417)	(3,522)	(1,775)	(1,813)	(463)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	4,142	4,486	1,760	1,798	1,786
plus: depreciation/amortisation expenses for ROU assets (b)	1,994	1,948	1,944	1,944	606
less: lease principal repayments (b)	1,706	2,092	2,247	2,411	600
Net Cash Operating Surplus/ (Deficit)	(2,987)	820	(318)	(482)	1,329

Prepared on Australian Accounting Standards basis.

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

(b) Applies to leases under AASB 16 Leases.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	323	822	822	822	822
Trade and other receivables	14,800	14,910	14,663	14,189	15,593
Total financial assets	15,123	15,732	15,485	15,011	16,415
Non-financial assets					
Land and buildings	6,920	4,829	2,737	646	11
Property, plant and equipment	828	969	1,285	1,496	1,041
Intangibles	6,937	4,914	4,265	3,697	3,699
Prepayments	158	158	158	158	158
Total non-financial assets	14,843	10,870	8,445	5,997	4,909
Total assets	29,966	26,602	23,930	21,008	21,324
LIABILITIES					
Payables					
Suppliers	757	757	757	757	757
Other payables	393	301	372	380	455
Total payables	1,150	1,058	1,129	1,137	1,212
Interest bearing liabilities					
Leases	7,342	5,250	3,003	592	(8)
Total interest bearing liabilities	7,342	5,250	3,003	592	(8)
Provisions					
Employee provisions	5,449	5,449	5,449	5,449	5,449
Other provisions	709	710	710	710	710
Total provisions	6,158	6,159	6,159	6,159	6,159
Total liabilities	14,650	12,467	10,291	7,888	7,363
Net assets	15,316	14,135	13,639	13,120	13,961
EQUITY*					
Parent entity interest					
Contributed equity	41,208	42,448	43,727	45,021	46,325
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(25,909)	(29,431)	(31,205)	(33,018)	(33,481)
Total parent entity interest	15,316	13,034	12,539	12,020	12,861
Total equity	15,316	13,034	12,539	12,020	12,861

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2022–23)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	(25,909)	17	41,208	15,316
Adjusted opening balance	(25,909)	17	41,208	15,316
Comprehensive income				
Surplus/(deficit) for the period	(3,522)	-	-	(3,522)
Total comprehensive income	(3,522)	-	-	(3,522)
of which:				
Attributable to the Australian Government	(29,431)	17	41,208	11,794
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCB)	-	-	1,240	1,240
Sub-total transactions with owners	-	-	1,240	1,240
Estimated closing balance as at 30 June 2023	(29,431)	17	42,448	13,034
Closing balance attributable to the Australian Government	(29,431)	17	42,448	13,034

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,045	25,219	23,497	23,711	21,748
Sale of goods and rendering of services	236	1,328	600	336	29
Net GST received	717	581	570	570	570
Other	221	-	-	-	-
Total cash received	25,219	27,128	24,667	24,617	22,347
Cash used					
Employees	17,337	18,236	18,433	18,860	19,165
Suppliers	4,009	2,984	2,699	2,392	1,970
Net GST paid	764	581	570	570	570
Interest payments on lease liability	284	188	118	48	13
s74 External Revenue transferred to the OPA	236	1,328	600	336	29
Total cash used	22,630	23,317	22,420	22,206	21,747
Net cash from/(used by) operating activities	2,589	3,811	2,247	2,411	600
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Total cash received	1	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,187	2,460	1,279	1,294	1,304
Total cash used	2,187	2,460	1,279	1,294	1,304
Net cash from/(used by) investing activities	(2,186)	(2,460)	(1,279)	(1,294)	(1,304)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,235	1,240	1,279	1,294	1,304
Total cash received	1,235	1,240	1,279	1,294	1,304
Cash used					
Principal payments on lease liability	1,990	2,092	2,247	2,411	600
Total cash used	1,990	2,092	2,247	2,411	600
Net cash from/(used by) financing activities	(755)	(852)	(968)	(1,117)	704
Net increase/(decrease) in cash held	(352)	499	-	-	-
Cash and cash equivalents at the beginning of the reporting period	675	323	822	822	822
Cash and cash equivalents at the end of the reporting period	323	822	822	822	822

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,235	1,240	1,279	1,294	1,304
Total new capital appropriations	1,235	1,240	1,279	1,294	1,304
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,235	1,240	1,279	1,294	1,304
Total items	1,235	1,240	1,279	1,294	1,304
ASSETS					
Funded by capital appropriation - DCB (a)	1,235	1,240	1,279	1,294	1,304
Funded internally from departmental resources (b)	1,600	1,220	-	-	-
TOTAL	2,835	2,460	1,279	1,294	1,304
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,835	2,460	1,279	1,294	1,304
Total cash used to acquire assets	2,835	2,460	1,279	1,294	1,304

Prepared on Australian Accounting Standards basis.

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

(b) Includes the following sources of funding:

- internally developed assets; and
- s74 external receipts – proceeds from the sale of goods and rendering of services.

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2022				
Gross book value	614	1,125	20,906	22,645
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/ amortisation and impairment	(131)	(304)	(13,970)	(14,405)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,314)	(12)	-	(7,326)
Opening net book balance	6,921	829	6,936	14,686
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	-	440	2,020	2,460
Total additions	-	440	2,020	2,460
Other movements				
Depreciation/amortisation expense	(148)	(296)	(4,042)	(4,486)
Depreciation/amortisation on ROU assets	(1,944)	(4)	-	(1,948)
Total other movements	(2,092)	(300)	(4,042)	(6,434)
As at 30 June 2023				
Gross book value	614	1,565	22,926	25,105
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/amortisation and impairment	(279)	(600)	(18,012)	(18,891)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,258)	(16)	-	(9,274)
Closing net book balance	4,829	969	4,914	10,712

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through *Appropriation Bill (No. 1) 2022–23* for depreciation/amortisation expenses, DCBs or other operational expenses.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Suppliers	2,620	9,185	10,738	7,426	7,262
Grants	799,451	830,577	897,598	970,677	1,023,778
Total expenses administered on behalf of Government	802,071	839,762	908,336	978,103	1,031,040
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	14,761	9,721	9,721	9,721	9,721
Total non-taxation revenue	14,761	9,721	9,721	9,721	9,721
Total own-source revenue administered on behalf of Government	14,761	9,721	9,721	9,721	9,721
Total own-sourced income administered on behalf of Government	14,761	9,721	9,721	9,721	9,721
Net (cost of)/contribution by services	787,310	830,041	898,615	968,382	1,021,319
Surplus/(deficit) before income tax	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)
Surplus/(deficit) after income tax	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)
Total comprehensive income/(loss)	(787,310)	(830,041)	(898,615)	(968,382)	(1,021,319)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,253	2,253	2,253	2,253	2,253
Trade and other receivables	69	69	69	69	69
Total financial assets	2,322	2,322	2,322	2,322	2,322
Non-financial assets					
Other non-financial assets	185	185	185	185	185
Total non-financial assets	185	185	185	185	185
Total assets administered on behalf of Government	2,507	2,507	2,507	2,507	2,507
LIABILITIES					
Payables					
Suppliers	577	574	574	574	574
Grants	242,830	241,813	240,743	240,743	240,743
Total payables	243,407	242,387	241,317	241,317	241,317
Total liabilities administered on behalf of Government	243,407	242,387	241,317	241,317	241,317
Net assets/(liabilities)	(240,900)	(239,880)	(238,810)	(238,810)	(238,810)

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	577	1,924	1,956	1,956	1,956
Other	14,890	9,721	9,721	9,721	9,721
Total cash received	15,467	11,645	11,677	11,677	11,677
Cash used					
Grant	803,868	831,594	898,668	970,677	1,023,778
Suppliers	2,644	9,185	10,738	7,426	7,262
Net GST paid	550	1,924	1,956	1,956	1,956
Total cash used	807,062	842,703	911,362	980,059	1,032,996
Net cash from/(used by) operating activities	(791,595)	(831,058)	(899,685)	(968,382)	(1,021,319)
Net increase/(decrease) in cash held					
	(791,595)	(831,058)	(899,685)	(968,382)	(1,021,319)
Cash and cash equivalents at beginning of reporting period	2,426	2,253	2,253	2,253	2,253
Cash from Official Public Account for:					
- Appropriations	806,889	842,703	911,362	980,059	1,032,996
<i>Total cash from Official Public Account</i>	<i>806,889</i>	<i>842,703</i>	<i>911,362</i>	<i>980,059</i>	<i>1,032,996</i>
Cash to Official Public Account for:					
- Appropriations	15,467	11,645	11,677	11,677	11,677
<i>Total cash to Official Public Account</i>	<i>15,467</i>	<i>11,645</i>	<i>11,677</i>	<i>11,677</i>	<i>11,677</i>
Cash and cash equivalents at end of reporting period	2,253	2,253	2,253	2,253	2,253

Prepared on Australian Accounting Standards basis.

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

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

Table 3.11: Statement of administered asset movements (Budget Year 2022–23)

ARC has no administered assets therefore Table 3.11 is not presented.

TERTIARY EDUCATION QUALITY AND STANDARDS AGENCY

ENTITY RESOURCES AND PLANNED PERFORMANCE

Tertiary Education Quality and Standards Agency

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Tertiary Education Quality and Standards Agency

Section 1: Entity overview and resources

1.1 Strategic direction statement

The Tertiary Education Quality and Standards Agency (TEQSA) is Australia's independent national quality assurance and regulatory agency for higher education. It was established under the *Tertiary Education Quality and Standards Agency Act 2011* (the Act), which sets out TEQSA's purpose as to protect the interests of students and the reputation of Australia's higher education sector.

Under the Act, all providers of higher education qualifications in, or from, Australia must be registered by TEQSA. Where a provider does not have the authority to accredit its own courses, it must have courses of study accredited by TEQSA. TEQSA also has responsibilities under the *Education Services for Overseas Students Act 2000* (ESOS Act) for higher education providers offering courses to overseas students, Foundation Programs and English Language Intensive Courses.

TEQSA conducts risk, compliance and other assessments of providers and the sector more generally against the *Higher Education Standards Framework (Threshold Standards) 2021*. TEQSA also provides advice and recommendations to the Minister and collects, analyses, interprets and disseminates information relating to trends, risks and opportunities in quality assurance of higher education.

While public universities continue to dominate the sector in terms of student numbers, significant growth is occurring in the independent higher education sector. In the next 10 years, there will be a greater diversity of providers offering education in specialised fields and those fields that have been underserved by larger institutions.

Higher education has continued to be significantly disrupted by the COVID-19 pandemic, which has accelerated changes in the sector, some of which were already under way. These changes have been accompanied by a large proportion of international students choosing to remain offshore and access courses online.

Online, off-shore and third-party delivery of courses is challenging the more traditional delivery of face-to-face, on-campus learning. Based on 2020 figures, modelling commissioned by TEQSA in 2021 predicts that international student enrolments will fall 25% by 2025.

The higher education sector is also facing exacerbated integrity threats, in part as a result of the changes brought on the sector by the pandemic, such as large-scale academic (or contract) cheating services and cyber-security and foreign interference threats.

TEQSA will be implementing up to 90% cost recovery from the higher education sector for its regulatory services, from 1 January 2023. This represents a significant change – and opportunity – for both TEQSA and providers as the regulatory model and practice evolves.

The broad challenge for TEQSA is in monitoring change, anticipating risks and ensuring our regulatory model remains fit for purpose and in keeping with developments in both regulatory practice and higher education. TEQSA also faces significant resource and capacity challenges, including in the nature and adaptability of its workforce, for which it is developing comprehensive enterprise and workforce planning.

TEQSA's priorities include:

- reviewing and adapting TEQSA's regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders
- maintaining a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students
- further developing the capacity of TEQSA's Higher Education Integrity Unit in relation to risk in areas such as commercial academic cheating, cyber security and foreign interference
- further developing TEQSA's risk and compliance focus in relation to student wellbeing, such as mental health and safety
- working closely with the Department of Education and the Higher Education Standards Panel on priority projects such as modes of delivery, admissions transparency and research quality
- investing in our workforce and enabling systems, to build and maintain a sustainable basis to TEQSA's regulatory practice and organisational capacity
- implementing strategies to improve the timeliness and responsiveness of regulatory assessments and decisions.

TEQSA has reviewed and refined its performance measures and targets to improve its assessment and reporting: these are reflected in *TEQSA's 2022-26 Corporate Plan*.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to TEQSA for its operations in delivering its regulatory services and functions on behalf of the Government.

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

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

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

Table 1.1: TEQSA resource statement — Budget estimates for 2022–23 as at Budget October 2022

	2021-22 <i>Estimated actual</i> \$'000	2022-23 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	12,580	10,580
Departmental appropriation (b)	20,198	20,009
s74 External Revenue (c)	308	976
Departmental capital budget (d)	1,955	1,563
Total departmental annual appropriations	35,041	33,128
Total departmental resourcing	35,041	33,128
Total administered special appropriations	200	200
Total administered resourcing	200	200
Total resourcing for TEQSA	35,241	33,328
Average staffing level (number)		
	102	102

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

(a) *Appropriation Bill (No. 1) 2022–23, Supply Bill (No. 3) 2022–23 and Supply Act (No. 1) 2022–23.*

(b) Excludes departmental capital budget (DCB).

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

(d) Departmental capital budgets are not separately identified in *Appropriation Bill (No. 1) 2022-23, Supply Bill (No.3) 2022-23 and Supply Act (No. 1) 2022-23* and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

1.3 Budget measures

Budget measures in Part 1 relating to TEQSA are detailed in *October Budget Paper No. 2* and are summarised below.

Table 1.2: Entity 2022–23 October Budget measures

Part 1: Measures announced since the 2022–23 March Budget

	Program	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses (a)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(357)	-	-	-
Total		-	(357)	-	-	-
An Ambitious and Enduring APS Reform Plan (b)	All					
Administered payment		-	-	-	-	-
Departmental payment		-	(7)	(21)	(25)	-
Total		-	(7)	(21)	(25)	-
Total payment measures						
Administered		-	-	-	-	-
Departmental		-	(364)	(21)	(25)	-
Total		-	(364)	(21)	(25)	-

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

(a) The full measure and description and package details appear in *Budget Paper No.2* under Cross Portfolio.

(b) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in *Budget Paper No. 2* under the Prime Minister and Cabinet portfolio.

Section 2: Outcomes and planned performance

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

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

Note:

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

TEQSA's Corporate Plan 2022-26 and Annual Report 2021–22 can be found at www.teqsa.gov.au.

2.1 Budgeted expenses and performance for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: 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.

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Regulatory and Quality Assurance					
Departmental expenses					
Departmental appropriation	17,569	23,447	19,668	19,739	19,980
s74 External Revenue (a)	308	976	700	700	700
Expenses not requiring appropriation in the Budget year (b)	1,984	1,450	2,062	2,096	2,016
Departmental total	19,861	25,873	22,430	22,535	22,696
Total expenses for program 1.1	19,861	25,873	22,430	22,535	22,696
	2021-22	2022-23			
Average staffing level (number)	102	102			

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget Year as government priorities change. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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

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

Performance measures for Outcome 1

This section summarises the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022–23 Budget measures that have created new programs or materially changed existing programs are provided.

<p>Outcome 1 - Contribute to a high-quality higher education sector through:</p> <ul style="list-style-type: none"> • streamlined and nationally consistent higher education regulatory arrangements • registration of higher education providers • accreditation of higher education courses • investigation, quality assurance and dissemination of higher education standards and performance.
<p>Program 1.1 Regulation and Quality Assurance TEQSA provides higher education regulation and quality assurance with reference to standards established under the TEQSA and ESOS Acts:</p> <ul style="list-style-type: none"> • Objective 1: Promote and support good practice and effective self-assurance across the sector • Objective 2: Identify, analyse, and respond to risks in the sector • Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation

Objective 1: Promote and support good practice and effective self-assurance across the sector	
Key Activities	<ul style="list-style-type: none"> • Develop and publish education and guidance materials, in consultation with the sector, to support good practice and provider self-assurance • Engage with higher education peak bodies, registered providers, and students, to uphold student interests and support effective regulation and quality assurance • Work closely with the Department of Education and the Higher Education Standards Panel on joint projects regarding the HESF 2021 • Advise and make recommendations to the Minister on matters relating to the quality and regulation of higher education providers

Year	Performance measures	Expected performance results
Prior year 2021–22	Support material and initiatives are highly rated by providers	Mostly achieved (>75%)
	Resources developed to support providers are consistently accessed by them	Achieved (100%)
	80% or more of providers from across the sector participate annually in TEQSA engagement activities	Mostly achieved (>75%)
	The student section of the TEQSA website is increasingly accessed	Achieved (>100%)

Year	Performance measures	Planned performance results
Budget Year 2022–23	Number of website visits to TEQSA developed resources	10% increase in website visits to TEQSA developed education and guidance materials compared to previous years
	Website-based guidance is current and relevant to providers	<ul style="list-style-type: none"> • Publication of 3-4 sector guidance notes or resource packs annually • 50% of the website pages visited most frequently (top 30% visits) reviewed and refreshed within the last 12 months
	Extent of stakeholder satisfaction with TEQSA-developed resources	Majority of providers are satisfied with TEQSA good practice materials and guidance
	Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: <ul style="list-style-type: none"> i. sector trends, risks, and challenges ii. applications for registration and accreditation iii. implementation of cost recovery iv. the annual conference and other events 	Most peak bodies report constructive and effective engagement with TEQSA
		Peak bodies and providers understand and accept TEQSA's published priorities
		Peak bodies and providers understand TEQSA's regulatory model and practice review process
		Peak bodies representing majority of providers participate in an online discussion or submit written feedback during consultation on the amended cost recovery model
	Engage high risk providers in free online events to promote and support good practice	<ul style="list-style-type: none"> • 80% of stakeholders are satisfied as per Conference Survey • Webinar feedback and Provider Survey results Increase of student attendance at the conference compared to previous years
Engage high risk providers in free online events to promote and support good practice	<ul style="list-style-type: none"> • Commence and determine a baseline in 2023 • 40% of high-risk providers participate in at least 1 free online event that promotes and supports good practice 	
Number of visits to the 'Students' section of TEQSA's website	50% of providers include information and links to TEQSA's students' webpages on their website	
Participation and substantive contribution to joint projects	TEQSA participates in project teams and provides written advice on at least three projects across the Department and HESP each year	
Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	Three to four briefs provided to the Minister on key trends, risks, and issues across the sector and regarding high-risk providers	

Year	Performance measures	Planned performance results
Forward Estimates 2023–26	Number of website visits to TEQSA developed resources	10% increase in website visits to TEQSA developed education and guidance materials compared to previous years
	Website-based guidance is current and relevant to providers	<ul style="list-style-type: none"> • Publication of 3-4 sector guidance notes or resource packs annually • 100% of the website pages visited most frequently (top 30% visits) have been reviewed and (if required) updated within the last 12 months
	Extent of stakeholder satisfaction with TEQSA-developed resources	Peak bodies and providers report substantive contribution to TEQSA's good practice materials and guidance
	Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to: i. sector trends, risks, and challenges ii. applications for registration and accreditation iii. implementation of cost recovery iv. the annual conference and other events	Peak bodies and providers generally report constructive and effective engagement with TEQSA
		Peak bodies and providers report substantive contribution to TEQSA's identification and response of sector trends and risks
		Peak bodies and providers report substantive contribution to reformed TEQSA regulatory model and practice
		Peak bodies register satisfaction with engagement on, and further development of the cost recovery model
	Engage high risk providers in free online events to promote and support good practice	<ul style="list-style-type: none"> • 80% of stakeholders are satisfied as per Conference Survey • Webinar feedback • Provider Survey results Increase of student attendance at the conference compared to previous years
	Number of visits to the 'Students' section of TEQSA's website	10% year on year increase in participation of high-risk providers in online provider information events
Participation and substantive contribution to joint projects	10% year on year increase of website visits to the 'Students' section of the TEQSA website compared to previous years	
Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	TEQSA annually participates and substantively contributes to at least three joint projects aligned with the HESF 2021	
	Provide advice and recommendations to four to five policy initiatives relevant to on key trends, risks, and issues across the sector per annum	

Objective 2: Identify, analyse, and respond to risks in the sector		
Key Activities	<ul style="list-style-type: none"> • Monitor the performance of registered providers, identify risks, assess provider responses and where necessary, take regulatory or other action • Maintain a risk assessment focus on the financial viability of providers, particularly in relation to providers heavily reliant on overseas students • Develop TEQSA's risk and compliance focus in relation to student wellbeing, such as mental health and the issues raised by sexual assault and sexual harassment • Further develop the activity of the TEQSA Higher Education Integrity Unit in relation to commercial academic cheating, cyber security, and foreign interference 	
Year	Performance measures	Expected performance results
Prior Year 2021–22	Annual risk assessment of the sector is completed and key themes are shared with the sector	Mostly achieved (>75%)
	TEQSA's risk monitoring activities contribute to the setting of its risk priorities	Mostly achieved (>75%)
	An annual assessment of the progress and outcomes of projects is undertaken and the results are shared with stakeholders, students, and other agencies	Mostly achieved (>75%)
Year	Performance measures	Planned performance results
Budget Year 2022–23	Complete and report on the annual risk assessment of providers and share key themes with the sector	Publish of TEQSA's annual (CY) Compliance Report by 30 March, and Annual Report by 15 October
	TEQSA's sector risk monitoring activity contributes to the setting of its risk priorities and is shared with the sector – emphasising opportunities for improvement	<ul style="list-style-type: none"> • Complete 1 sector risk monitoring or compliance activity in 2022–23 • Findings of sector risk monitoring activities are shared with the sector in written and seminar format by September 2023
	Assess provider financial risk as part of the annual risk assessments	A modified risk assessment will be undertaken in 2022–23, due to delays in receipt of provider data
	Sector compliance activity involving student wellbeing	Annual Compliance Plan will include at least one activity focused on student wellbeing

Year	Performance measures	Planned performance results
	Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks	<ul style="list-style-type: none"> • First successful proceedings under section 114A or 114B of the TEQSA Act • 100 websites that advertise or offer commercial academic cheating websites blocked • 500 posts and accounts removed from social media platforms for offering or advertising cheating services • Online course for deterring and detecting commercial academic cheating launched • Half day workshops to enhance cyber security awareness in Institutes of Higher Education delivered • Resources to enhance cyber security maturity at Institutes of Higher Education in development
Year	Performance measures	Planned performance results
Forward Estimates 2023–26	<p>Complete and report on the annual risk assessment of providers and share key themes with the sector</p> <p>TEQSA’s sector risk monitoring activity contributes to the setting of its risk priorities and is shared with the sector – emphasising opportunities for improvement</p> <p>Assess provider financial risk as part of the annual risk assessments</p> <p>Sector compliance activity involving student wellbeing</p> <p>Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks</p>	<p>Publish TEQSA’s annual (CY) Compliance Report by 30 March, and Annual Report by 30 September</p> <ul style="list-style-type: none"> • Complete 2 Compliance Annual Plan sector risk monitoring or compliance activities • Findings of the annual sector risk monitoring activities are shared with the sector in written and seminar format by end of FY <p>Financial risk assessment will be completed for providers who have been in operation for >3 years, as part of annual risk assessment</p> <p>Annual Compliance Plan will be modified each year to target relevant priority issues</p> <ul style="list-style-type: none"> • Additional prosecutions under Section 114 of the TEQSA Act • 90% of websites advertising or offering commercial academic cheating services blocked • Ongoing program of work to remove posts and accounts from social media, with a target of at least 500 removals per financial year • 80% of providers have had at least one staff member complete the master class in deterring and detecting commercial academic cheating • Comprehensive suite of resources delivered to Institutes of Higher Education to support enhanced cyber security awareness and maturity

Objective 3: Ensure compliance with applicable legislation through effective and efficient regulation		
Key Activities	<ul style="list-style-type: none"> • Review and adapt TEQSA’s regulatory model and practice, in keeping with established principles of regulatory best practice and reform, in close consultation with stakeholders • Align risk and compliance approach with legislated requirements and principles of regulatory necessity, risk and proportionality • Ensure regulatory assessments are streamlined and coordinated to ensure regulatory activity is undertaken efficiently • Recover regulatory costs consistent with CRIS and relevant framework or guidelines • Implement key strategic projects in relation to organisational capability 	
Year	Performance measures	Expected performance results
Prior Year 2021–22	TEQSA takes action to ensure that serious non-compliance by registered and non-registered providers is disrupted and addressed	Mostly achieved (>75%)
	The year-on-year trend in processing times demonstrates improvement	Not achieved (no progress made)
	Increase in positive ratings from providers with regard to TEQSA’s efforts to reduce administrative burden	Achieved (100%)
	TEQSA engages annually with all providers to address issues and assist providers in understanding their obligations	Achieved (100%)

Year	Performance measures	Planned performance results
Budget Year 2022–23	Stakeholder acceptance of process and outcomes for regulatory reform	<ul style="list-style-type: none"> Initial review and streamlining of existing processes complete Completion of supervisory risk statement for sector
	Proportion of compliance assessments undertaken to address noncompliance and restore compliance (registered and non-registered) providers	Establishing baseline in 2022–23 Proportion of compliance assessments that conclude with provider compliance (by regulatory action, provider education, court or tribunal order)
	TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach, and implements improvements	TEQSA's annual report includes details of improvement opportunities and the steps taken by TEQSA to implement identified improvements
	Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy or information security obligations	100% compliance with relevant obligations, requirements or requests
	Yearly trend in processing times	Median assessment times within legislative deadline in TEQSA Act
	Percentage of providers satisfied TEQSA is reducing administrative burden	In 2022–23 implement outcomes of regulatory process improvement project
	Percentage of assessments completed within legislative deadlines as required under the TEQSA Act	80% of registration and courses assessments are concluded within legislated timeframes, and 20% concluded within extension period where this relates to issues outside TEQSA's control
	Recovery consistent with approved CRIS and with support of providers	<ul style="list-style-type: none"> Increased cost recovery by TEQSA commences on the 1 January 2023 Provider resources including guides and FAQs are available on the website before implementation date TEQSA staff adequately supported through systems and change management
	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> Provider management solution (PMS) vendors selected and project substantially implemented Records management project completed, and integrated with PMS Student records project substantially implemented Human Resource Management Information Systems (HRMIS), including payroll, substantially implemented Website redevelopment complete Organisational culture plan and initiatives serve as 'living' documents to inform improvements through 2022–23

Year	Performance measures	Planned performance results
Forward Estimates 2023–26	Stakeholder acceptance of process and outcomes for regulatory reform	Revised regulatory model and practice accepted by range of stakeholders as effective and reflective of modern regulatory practice, in particular by encouraging and facilitating sector innovation
	Proportion of compliance assessments undertaken to address noncompliance and restore compliance (registered and non-registered) providers	90% of compliance assessments conclude with provider compliance (by regulatory action, provider education, court or tribunal order)
	TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach, and implements improvements	TEQSA's annual report includes details of improvement opportunities and the steps taken by TEQSA to implement identified improvements
	Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy or information security obligations	100% compliance and no adverse findings with respect to relevant obligations, requirements or requests
	Yearly trend in processing times	Median assessment times within legislative deadline in TEQSA Act
	Percentage of providers satisfied TEQSA is reducing administrative burden	In 2024, a 30% increase in positive ratings from providers for 'regulation by TEQSA does not necessarily impede efficient operation of higher education providers' in the stakeholder survey
	Percentage of assessments completed within legislative deadlines as required under the TEQSA Act	90% of registration and courses assessments are concluded within legislated timeframes, and 10% concluded within extension period where this relates to issues outside TEQSA's control
	Recovery consistent with approved CRIS and with support of providers	<ul style="list-style-type: none"> • Full implementation of CRIS, as amended through annual consultation framework • 70% provider ratings in annual survey rate the process as transparent and information or consultation as good. • TEQSA systems mature and efficient
	Strategic projects progressively implemented, on time and on budget	<ul style="list-style-type: none"> • PMS fully implemented and mature, with full consideration of further updates Records management fully digitised and consistent with archival and other requirements • Student records for provider closures complete and available on demand HRMIS effectively utilised and further modules considered and implemented TEQSA's external facing communications tools reflect best practice, including in accessibility • TEQSA employees report strong and positive organisational culture reflecting APS best-practice

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of TEQSA's finances for the 2022–23 Budget Year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

TEQSA's resource statement is prepared on a cash accounting basis and the budgeted financial statements have been prepared on an accrual basis.

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

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted departmental comprehensive income statement

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

For the 2021–22 financial year, TEQSA recorded a surplus of \$0.69 million compared to a surplus of \$2.78 million in the previous year. This was largely due to higher than expected supplier costs and increased use of contract staff for projects and business operations.

For the 2022–23 financial year, TEQSA has budgeted a deficit of \$4.83 million, primarily driven by expenses in relation to enabling systems, and to address performance improvement in processing timeframes.

Budgeted departmental balance sheet

This statement presents TEQSA’s financial position: its assets, liabilities and equity.

Total assets have increased from \$16.67 million in 2021–22 to \$19.14 million in 2022–23, principally on account of leasehold changes and fixed asset improvements for new accommodation. Budgeted liabilities as at 30 June 2023 are estimated to be \$10.46 million.

The statement shows that TEQSA is able to maintain sufficient assets to meet employee and supplier commitments as and when they fall due.

Budgeted departmental statement of budgeted cash flows

The statement of budgeted cash flows provides information on cash movements by category, principally operating, investment and financing activities. There are no significant year on year variances.

Departmental capital budget statement

The capital budget statement shows purchase of non-financial assets has increased by \$1.40 million from 2021–22 to 2022–23, principally due to investments in leasehold fixed asset improvements and enabling systems (records management) drawing on prior year capital appropriations.

Schedules of budgeted income and expenses and administered cash flow

The scheduled increase in administered revenue from \$0.39 million in 2021–22 to \$5.43 million in 2022–23 and \$14.94 million in 2023–24 reflects a phased implementation of up to 90% cost recovery for TEQSA’s regulatory services from higher education providers, to take effect from 1 January 2023. The income from cost recovery goes to consolidated revenue, rather than to TEQSA.

3.2. Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	10,479	16,610	12,584	12,811	13,041
Suppliers	7,365	7,718	7,728	7,586	7,611
Depreciation and amortisation (a)	1,938	1,397	2,009	2,043	1,963
Finance costs	68	148	109	95	81
Losses from asset sales	11	-	-	-	-
Total expenses	19,861	25,873	22,430	22,535	22,696
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	181	976	700	700	700
Rental income	127	-	-	-	-
Total own-source revenue	308	976	700	700	700
Gains					
Other	46	53	53	53	53
Total gains	46	53	53	53	53
Total own-source income	354	1,029	753	753	753
Net (cost of)/contribution by services	(19,507)	(24,844)	(21,677)	(21,782)	(21,943)
Revenue from Government	20,198	20,009	20,808	20,928	21,137
Surplus/(deficit) attributable to the Australian Government	691	(4,835)	(869)	(854)	(806)
Total comprehensive income/(loss)	691	(4,835)	(869)	(854)	(806)
Total comprehensive income/(loss) attributable to the Australian Government	691	(4,835)	(869)	(854)	(806)

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

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of Comprehensive Income	691	(4,835)	(869)	(854)	(806)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	991	608	1,218	1,254	1,174
plus: depreciation/amortisation expenses for ROU assets (b)	947	789	791	789	789
less: lease principal repayments (b)	978	512	641	686	732
Net Cash Operating Surplus/ (Deficit)	1,651	(3,950)	499	503	425

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

(b) Applies leases under AASB 16 Leases.

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	563	2,012	3,152	4,341	5,498
Trade and other receivables	12,308	8,414	7,889	6,707	5,559
Total financial assets	12,871	10,426	11,041	11,048	11,057
Non-financial assets					
Land and buildings	1,622	5,656	4,865	4,076	3,287
Property, plant and equipment	279	476	476	476	476
Intangibles	1,464	2,146	1,733	1,852	1,977
Other non-financial assets	436	436	436	436	436
Total non-financial assets	3,801	8,714	7,510	6,840	6,176
Total assets	16,672	19,140	18,551	17,888	17,233
LIABILITIES					
Payables					
Suppliers	1,931	1,924	1,924	1,924	1,924
Other payables	255	255	255	255	255
Total payables	2,186	2,179	2,179	2,179	2,179
Interest bearing liabilities					
Leases	-	5,757	5,122	4,444	3,720
Total interest bearing liabilities	-	5,757	5,122	4,444	3,720
Provisions					
Employee provisions	1,931	1,931	1,931	1,931	1,931
Other provisions	605	595	595	595	595
Total provisions	2,536	2,526	2,526	2,526	2,526
Total liabilities	4,722	10,462	9,827	9,149	8,425
Net assets	11,950	8,678	8,724	8,739	8,808
EQUITY*					
Parent entity interest					
Contributed equity	14,852	16,415	17,330	18,199	19,074
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(2,919)	(7,754)	(8,623)	(9,477)	(10,283)
Total parent entity interest	11,950	8,678	8,724	8,739	8,808
Total equity	11,950	8,678	8,724	8,739	8,808

Prepared on Australian Accounting Standards basis.

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

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget Year 2022–23)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	(2,919)	17	-	14,852	11,950
Adjusted opening balance	(2,919)	17	-	14,852	11,950
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(4,835)				(4,835)
Total comprehensive income	(4,835)	-	-	-	(4,835)
Contributions by owners					
Other				1,563	1,563
Sub-total transactions with owners	-	-	-	1,563	1,563
Transfers between equity					
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2023	(7,754)	17	-	16,415	8,678
Closing balance attributable to the Australian Government	(7,754)	17	-	16,415	8,678

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,448	20,412	20,829	20,953	21,137
Sale of goods and rendering of services	176	976	700	700	700
Net GST received	739	516	446	-	-
Other	215	14	-	-	-
Total cash received	22,578	21,918	21,975	21,653	21,837
Cash used					
Employees	11,302	12,361	12,584	12,811	13,041
Suppliers	6,955	7,402	7,501	6,872	6,826
Interest payments on lease liability	4	148	109	95	81
Other	1,248	10	-	-	-
Total cash used	19,509	19,921	20,194	19,778	19,948
Net cash from/(used by) operating activities	3,069	1,997	1,781	1,875	1,889
INVESTING ACTIVITIES					
Cash received					
	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,500	2,788	915	869	875
Total cash used	2,500	2,788	915	869	875
Net cash from/(used by) investing activities	(2,500)	(2,788)	(915)	(869)	(875)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	750	2,736	915	869	875
Total cash received	750	2,736	915	869	875
Cash used					
Principal payments on lease liability	978	496	641	686	732
Total cash used	978	496	641	686	732
Net cash from/(used by) financing activities	(228)	2,240	274	183	143
Net increase/(decrease) in cash held	341	1,449	1,140	1,189	1,157
Cash and cash equivalents at the beginning of the reporting period	222	563	2,012	3,152	4,341
Cash and cash equivalents at the end of the reporting period	563	2,012	3,152	4,341	5,498

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,955	1,563	915	869	875
Equity injections - Bill 2	-	-	-	-	-
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	1,955	1,563	915	869	875
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,955	1,563	915	869	875
Total items	1,955	1,563	915	869	875
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded by capital appropriation - DCB (a)	1,385	2,788	915	869	875
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	1,385	2,788	915	869	875
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	9,979	-	-	-
less: ROU Additions	-	(9,668)	-	-	-
Total cash used to acquire assets	-	311	-	-	-

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget Year 2022–23)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022				
Gross book value	2,384	754	5,354	8,492
Gross book value - ROU assets	3,223	-	-	3,223
Accumulated depreciation/ amortisation and impairment	(761)	(475)	(3,890)	(5,126)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,224)	-	-	(3,224)
Opening net book balance	1,622	279	1,464	3,365
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase	-	297	1,190	1,487
By purchase - appropriation equity - ROU assets	6,445	-	-	6,445
Total additions	6,445	297	1,190	7,932
Other movements				
Depreciation/amortisation expense	(1,623)	(100)	(508)	(2,231)
Depreciation/amortisation on ROU assets	(789)	-	-	(789)
Total other movements	(2,412)	(100)	(508)	(3,020)
As at 30 June 2023				
Gross book value	2,384	1,051	6,544	9,979
Gross book value - ROU assets	9,668	-	-	9,668
Accumulated depreciation/ amortisation and impairment	(2,384)	(575)	(4,398)	(7,357)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,013)	-	-	(4,013)
Closing net book balance	5,655	476	2,146	8,277

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue	-	-	-	-	-
Taxation revenue	-	-	-	-	-
Total taxation revenue	-	-	-	-	-
Non-taxation revenue					
Fees and fines	399	5,427	14,937	14,505	14,147
Total non-taxation revenue	399	5,427	14,937	14,505	14,147
Total own-source revenue administered on behalf of Government	399	5,427	14,937	14,505	14,147
Gains	-	-	-	-	-
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	399	5,427	14,937	14,505	14,147
Net (cost of)/contribution by services	399	5,427	14,937	14,505	14,147
Surplus/(deficit) before income tax	399	5,427	14,937	14,505	14,147
Income tax expense	-	-	-	-	-
Surplus/(deficit) after income tax	399	5,427	14,937	14,505	14,147
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	399	5,427	14,937	14,505	14,147

Prepared on Australian Accounting Standards basis.

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

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

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	399	5,427	14,937	14,505	14,147
Total cash received	399	5,427	14,937	14,505	14,147
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	399	5,427	14,937	14,505	14,147
Net increase/(decrease) in cash held	399	5,427	14,937	14,505	14,147
Cash and cash equivalents at end of reporting period	399	5,427	14,937	14,505	14,147

Prepared on Australian Accounting Standards basis.

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

TEQSA has no administered capital budget therefore table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget Year 2022–23)

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

Portfolio Glossary and Acronyms

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

Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expenses	Total value of all the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	Valuation methodology: The amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward estimates	A system of rolling three-year financial estimates. After the budget is passed, the first year of the forward estimates becomes the base for the next year's budget bid, and another out-year is added to the forward estimates.
Liabilities	Liabilities represent amounts owing on goods or services that have been received but not yet paid for. A liability shows the future commitment of an agency's assets.
Net annotated appropriation	Section 74 Receipts, also known as net annotated appropriations, are a form of appropriation which allows a department access to certain money it receives in payment of services. These monies are known as Section 74 Receipts, reflecting their authority under Section 74 of the PGPA Act.
Official Public Account	The Australian Government maintains a group of bank accounts at the Reserve Bank of Australia, known as the Official Public Account (OPA), the aggregate balance of which represents its daily cash position.
Operating result	Equals revenue less expenses.

Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
Portfolio Budget Statements	Statements prepared by portfolios to explain the budget appropriations in terms of outcomes.
<i>Public Governance, Performance and Accountability Act 2013</i>	The <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act) replaced the <i>Financial Management and Accountability (FMA) Act 1997</i> and the <i>Commonwealth Authorities and Companies (CAC) Act 1997</i> as of 1 July 2014.
Receipts	The total or gross amount received by the Australian Government. Each receipt item is either revenue, an offset within outlays, or a financing transaction. Receipts include taxes, interest, charges for goods and services, borrowings and Government Business Enterprise (GBE) dividends received.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Section 74 Receipts	See net annotated appropriation.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations (PGPA Act, s78 and s80). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special accounts can only be established by a written determination of the Finance Minister (s78 of the <i>PGPA Act 2013</i>) or through an Act of Parliament (referred to in s80 of the <i>PGPA Act 2013</i>).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

Portfolio Acronyms

Term	Definition
ABS	Australian Bureau of Statistics
AC	Companion of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACCS	Additional Child Care Subsidy
ACSF	Australian Core Skills Framework
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
AMSI	Australian Mathematical Sciences Institute
ARC	Australian Research Council
CCCF	Community Child Care Fund
CCS	Child Care Subsidy
COPE	Commonwealth own-purpose expense
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DESE	Department of Education, Skills and Employment
DLSF	Digital Literacy Skills Framework
ELLA	Early Learning Languages Australia
ELLIC	English Language Learning for Indigenous Children
ERA	Excellence in Research for Australia
ESOS Act	<i>Education Services for Overseas Students Act 2000</i>
GST	Goods and Services Tax
HELP	Higher Education Loan Program
Low SES	Low socio-economic status
MYEFO	Mid-Year Economic and Fiscal Outlook
NAP	National Assessment Program
NAPLAN	National Assessment Program – Literacy and Numeracy
NCGP	National Competitive Grants Program
NSC	National Skills Commission
NUHEP	Non-University Higher Education Provider
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ROU	Right of use
SEE	Skills for Education and Employment

Term	Definition
SOETM	Services for Other Entities and Trust Moneys
STEM	Science, technology, engineering and mathematics
TEQSA	Tertiary Education Quality and Standards Agency
TRA	Trades Recognition Australia
USI	Unique Student Identifier