

PORTFOLIO BUDGET STATEMENTS 2023–24
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 the Portfolio Budget Statements in support of the 2023-24 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 blue ink signature of Jason Clare, written in a cursive style.

Jason Clare

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

Anne Aly

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nfp	not for publication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 *2023-24 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.

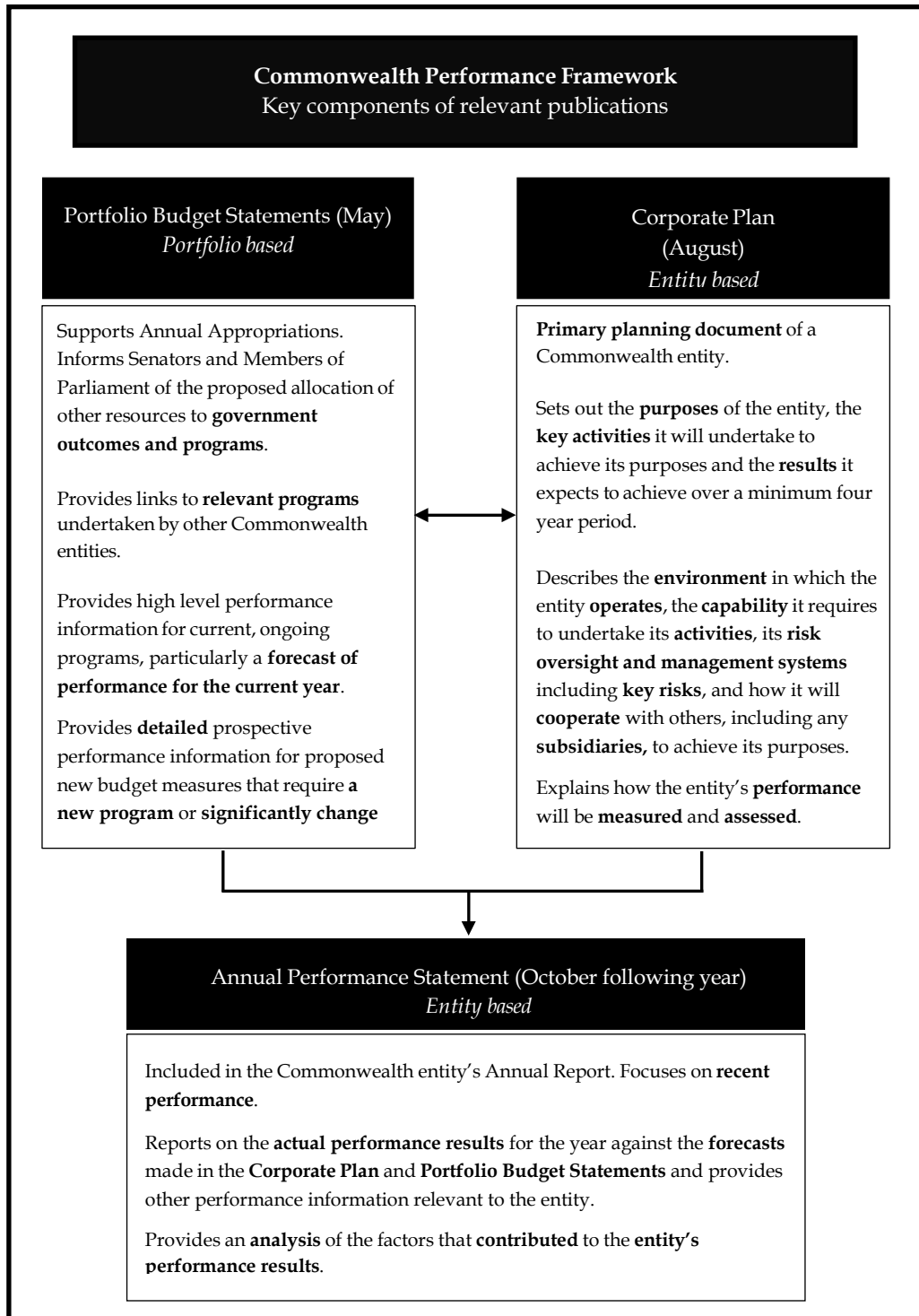
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2023-24 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2023-24 for the parliamentary departments). In this sense, the PB Statements are Budget related 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 comprises 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.

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

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

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.

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 Tony Cook PSM — Secretary</p> <p>Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and care, support, parent engagement, quality teaching and learning environments.</p> <p>Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.</p>		
<p>Australian Curriculum, Assessment and Reporting Authority David de Carvalho — Chief Executive Officer</p> <p>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</p> <p>Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.</p>		
<p>Australian Research Council Judi Zielke PSM — Chief Executive Officer</p> <p>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 Peter Coaldrake AO — Chief Commissioner</p> <p>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 contributes to Australia's economic prosperity and social wellbeing by creating opportunities and driving better outcomes through access to quality education. Investment in early childhood, schools, youth and higher education creates the foundation for a resilient and equitable society. The department aims to deliver an education system that is inclusive, accessible, and affordable for all Australians.

The department provides advice to its Ministers and effectively implements the Australian Government's 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:

- Improving education outcomes, particularly for those most at risk of falling behind, through access to, and effective transitions between, early childhood education and care, schools and higher education. This includes elevating the teaching profession and quality of teaching and learning environments
- Progressing the Priority Reforms of the National Agreement on Closing the Gap and transforming the way the department works with First Nations communities. This includes improving early childhood and education outcomes for First Nations children and fostering diversity and a culture of inclusion to create an equitable education system that honours our First Nations culture and languages
- Implementing changes to the Child Care Subsidy and broader reforms to improve the early childhood education and care system
- Creating strong partnerships and collaboration with states and territories to put every school on a path to its full and fair level of funding
- Promoting excellence in teaching and learning with policies to address teacher shortages and to attract the best and brightest to teaching to achieve strong student outcomes
- Developing the Australian Universities Accord for Australia's higher education sector, underpinned by collaboration and partnerships to ensure sustainability and certainty for the sector and to ensure the system remains world-class
- Continuing to support access to higher education with 20,000 additional Commonwealth Supported Places (CSPs) in 2023 and 2024 at universities, university colleges and institutes of higher education, and funding increases to enhance STEM workforce capabilities and build the technical workforce necessary to support Australia's engagement in AUKUS

- Sustainably growing Australia’s international education and research sector
- Strengthening inclusion and support for children and students with disability in early childhood, school and higher education through the implementation of Australia’s Disability Strategy 2021–2031.

Education Budget priorities

This Budget delivers on the Government’s commitments and provides additional funding to support key priorities for the Education portfolio, including targeted support for the most vulnerable Australians to access and benefit from education opportunities. The Australian Government has a strong commitment to developing and implementing policies and practices that acknowledge, respect, and celebrate the proud culture, heritage and history of First Nations Australians.

Record levels of support for early childhood education and care

In 2023-24, more than 1.2 million families will benefit from more affordable early childhood education and care. This will reduce barriers for parents – particularly women – to participate in the workforce, study or volunteer, providing wider benefits for families and the economy. From July 2023 the Government will also provide a minimum of 36 hours per fortnight of subsidised early childhood education and care for First Nations children. This will directly support Closing the Gap target 4, designed to improve early childhood outcomes for First Nations children.

The Government will provide \$55.3 billion of Child Care Subsidy (CCS) from 2023-24 to 2026-27, as well as support for preschool to ensure all children have access to 600 hours of preschool in the year before full-time school. Further resources will also be invested to reinforce and support safeguards to protect the CCS against fraud and non-compliance, building on the CCS Reforms Integrity Package from the October 2022-23 Budget.

Access to the Additional Child Care Subsidy will be improved to better support vulnerable families and children. Simplifying and streamlining the application process will deliver efficiencies and improve consistency in decision-making, reducing the risk of vulnerable children and families missing out on critical early childhood education and care support.

Action to build sector capacity, strengthen supply and build the early childhood education and care workforce

The Government will provide \$72.4 million over five years from 2022-23 to help support the skills and training of early childhood education and care educators by expanding access to quality professional development. Initiatives will particularly target providers and educators in regional, remote, or very remote communities and First Nations educators and services:

- \$34.4 million for professional development, by providing a subsidy to enable early childhood education and care services to backfill educators who attend mandatory and highly recommended training, with support for up to 75,000 educators
- \$33.1 million to support up to 6,000 educators to complete their studies in Initial

Teacher Education or post-graduate Early Childhood Teacher qualifications

- \$4.8 million to connect up to 2,000 students with services to undertake practicum placements and strengthen workforce supply.

These workforce measures also support the positive outcomes being delivered through the \$575.1 million Community Child Care Fund, which helps increase access to early childhood education and care services in communities experiencing disadvantage, and those in regional and remote areas to stay open, including when something unexpected happens.

Actions to address teacher shortages

The Budget builds on the Government's \$328 million investment to tackle teacher shortages, which includes:

- 4,000 additional university places for Initial Teacher Education
- funding for 5,000 scholarships and the High Achieving Teachers program to attract more high-quality candidates into teaching
- \$25 million over four years from 2022-23 for a new fund to work with states and territories to trial innovative ways to reduce teacher workload
- \$10 million over two years from 2022-23 for a national communications campaign to raise the status of the teaching profession
- \$10 million to support teachers in phonics, classroom behaviour management and expand access to quality professional development.

In 2022, the Government, along with state and territory governments, approved the National Teacher Workforce Action Plan to address teacher shortages across the country. The action plan includes 27 actions to improve teacher supply, strengthen initial teacher education, keep the teachers we have, elevate the profession and better understand future teacher workforce needs.

In this Budget, the Government will provide a further \$9.3 million over the forward estimates to implement a package of measures as part of its priority to address teacher shortages. This includes:

- \$4.0 million over 2023-24 to 2025-26 to the Australian Institute for Teaching and School Leadership to develop national guidelines for early career teachers and new school leaders including mentoring and induction, and to develop and support career pathways that value teachers
- \$3.0 million over 2023-24 to 2024-25 to the Australian Curriculum Assessment and Reporting Authority to support delivery of the national curriculum
- \$2.3 million from 2023-24 to 2026-27 to support the successful implementation of the action plan to ensure it leads to improvements to the teacher workforce.

Central Australia Plan: on country learning

The Government will provide \$40 million over two years from 2023–24 in additional funding for schools in Central Australia to increase school enrolment and engagement to improve learning outcomes. Tailored solutions will be developed to increase schools' ability to work with communities to maximise educational engagement of children and young people, sustain an effective workforce, and provide targeted wrap-around support and retention programs for students.

Clontarf Foundation

The Government will extend support for the Clontarf Foundation in the 2024 school year, with \$32.8 million across 2023–24 and 2024–25. This will enable Clontarf to continue supporting up to 12,500 First Nations boys and young men to improve their confidence and school engagement and contributes to the Government's efforts to close the gap in Year 12 attainment.

Supporting quality boarding

The Government, through the National Indigenous Australians Agency (NIAA), is providing \$38.4 million over four years to trial and pilot improvements to distance education for remote First Nations students and expand the junior rangers programs, together with \$21.6 million in 2023–24 for a one-year extension of NIAA's Indigenous Boarding Providers Grant program to support approximately 2,300 students across around 50 boarding providers.

The NIAA, in collaboration with the Department of Education, Department of Social Services, and Services Australia, is also undertaking a design review to identify systemic reform options to better support First Nations boarding students from rural and remote areas. This review will consider the appropriate funding mechanisms to enable boarding providers to support First Nations students and provide quality, culturally safe boarding environments for students completing secondary school.

Strengthening safeguards for non-government schools

In 2023, the Australian Government will provide \$27.3 billion in recurrent funding to Australian schools. To ensure funding is used for the purpose intended and reduce payment integrity risks, the Government will implement further safeguards to strengthen policy and financial assurance and compliance oversight in the non-government school sector.

Support for higher education

Universities play a critical role in tackling skills shortages and building the future workforce necessary to support Australia's industry capability. This Budget builds upon the existing 20,000 additional Commonwealth Supported Places measure, to give students from under-represented backgrounds the opportunity to study in areas of national priority, as well as 320 additional medical places over four years to bolster Australia's regional health workforce.

Expanding Australia’s sovereign workforce capability

The Government continues to prioritise efforts to meet Australia’s skills needs, including for a sovereign workforce. The Government will provide \$128.5 million over four years to deliver an additional 4,000 Commonwealth Supported Places to universities, including 800 places to South Australian universities. The additional places will focus on STEM disciplines in professional engineering (mechanical, electrical, chemical), computer science, mathematics, chemistry, physics, psychology and management, to support the AUKUS Program. This program will enhance Australia’s workforce skills and increase Australia’s sovereign capability in nuclear research and science.

Increased support for students with disability in higher education

The Government is committed to improving outcomes for students from underrepresented backgrounds, including students with disability. The Government will provide \$17.7 million over four years (\$4.3 million per annum, indexed) to the Disability Support Program to assist universities to better enable students with disability to access, participate and succeed in higher education. This will support universities to invest in assistive technologies, staff training and course modifications to ensure quality higher education is available to all.

Supporting women in STEM to fulfill their cadetship and advanced apprenticeships

The Government continues to advance gender equality as a national priority and closing the gender gaps in the community. Acknowledging the disruptions caused by COVID-19, the Women in STEM Cadetships and Advanced Apprenticeships program will be extended by two years to 2026-27. This will enable a continued focus on achieving greater diversity in Australia’s science and technology sectors and building Australia’s STEM workforce capabilities.

Shaping the future of education

The Government is working on reforms to provide a quality education for everyone – regardless of where they live, the income of their parents or their background. There are three pieces of work underway to inform reforms across early childhood education and care, schools and higher education to achieve this.

In early childhood education and care, the Productivity Commission's (PC) inquiry, co-led by Professor Deborah Brennan AM, is comprehensively examining the sector and will make recommendations that support affordable, accessible, equitable and high-quality early childhood education and care that support workforce participation and improve education outcomes for children. The Australian Competition and Consumer Commission (ACCC) is also undertaking an inquiry to investigate the drivers of costs and prices in the early childhood education and care sector.

To inform reforms to school education, Dr Lisa O’Brien AM is leading an expert panel to advise Education Ministers on practical measures needed to build a better and fairer education system that should be tied to funding in the next National School Reform Agreement.

The Australian Universities Accord (Accord), led by Professor Mary O’Kane AC, will deliver an interim report in mid-2023 before a final report in December 2023. The Accord aims to drive lasting and transformative reform in Australia’s higher education system and will include recommendations and performance targets that will improve the quality, accessibility, affordability and sustainability of higher education to achieve long-term security and prosperity for the sector and the nation.

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 *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.

Changes to indexation framework for various programs

The indexation framework for programs indexed by Wage Cost Indices, including for government supported services, has been updated to better align with wages and price movements.

Increased funding has been provided to the following programs:

- Community Child Care Fund
- Quality Outcomes
- Quality Indicators for Learning & Teaching (QILT)
- National Collaborative Research Infrastructure Strategy
- Increase Workforce Mobility (Training programs).

Table 1.1: Department of Education resource statement — Budget estimates for 2023-24 as at Budget May 2023

	2022-23 <i>Estimated actual</i> \$'000	2023-24 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	174,506	206,037
Departmental appropriation (c)	298,256	339,895
s74 External Revenue (d)	4,295	4,498
Departmental capital budget (e)	9,962	20,570
Annual appropriations - other services - non-operating (f)		
Prior year appropriations available (b)	15,353	-
Equity injection	5,555	25,039
Total departmental annual appropriations	<u>507,927</u>	<u>596,039</u>
Total departmental resourcing	507,927	596,039
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	682,510	615,344
Outcome 2	374,245	490,264
Annual appropriations - other services - specific payments to States, ACT, NT and local government (f)		
Outcome 1 (g)	466,608	172,738
Total administered annual appropriations	<u>1,523,363</u>	<u>1,278,346</u>
Total administered special appropriations	<u>55,215,738</u>	<u>59,817,175</u>
Special accounts (h)		
Opening balance	93,994	94,852
Appropriation receipts (i)	1,000	-
Non-appropriation receipts	6,800	9,935
Total special account receipts	<u>101,794</u>	<u>104,787</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	1,000	-
Total administered resourcing	56,839,895	61,200,308
Total resourcing for the Department of Education	57,347,822	61,796,347
	<u>2022-23</u>	<u>2023-24</u>
Average staffing level (number)	1,292	1,431

Table 1.1: Department of Education resource statement — Budget estimates for 2023-24 as at Budget May 2023 (continued)

	2022-23 <i>Estimated actual</i> \$'000	2023-24 Estimate \$'000
Payments made on behalf of Education		
Services Australia	10,732,360	12,674,081
Payments made to other entities for the provision of services (disclosed above) Department of Social Services	4,514	4,120
Receipts received from other entities for the provision of services (disclosed above in s74 External Revenue section above)	2,318	2,521
Payments made to corporate entities within the Portfolio		
Australian Curriculum, Assessment and Reporting Authority (annual appropriations - ordinary annual services)	17,758	19,010
Australian Institute for Teaching and School Leadership (annual appropriations - ordinary annual services)	9,844	10,561

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) 2023-24. Estimated actual excludes Appropriation Bill (No. 3) 2022-23, which is yet to receive Royal Assent - for further information, please see Education 2022-23 Portfolio Additional Estimates Statements.

(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) 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) 2023-24. Estimated actual excludes Appropriation Bill (No. 4) 2022-23, which is yet to receive Royal Assent - for further information, please see Education 2022-23 Portfolio Additional Estimates Statements.

(g) Relates to appropriations sought for payment to the States, ACT, NT and local governments in Appropriation Bill (No. 2) 2023-24. The Government continues to grow its investment in Australian Schools, this includes \$172.7 million for payments to states and territories in Appropriation Bill (No. 2) for: Program 1.3 - Additional Support for Northern Territory Schools (\$10.0 million), for Program 1.4 - Choice and Affordability Fund (\$117.0 million); Non-Government Representative Bodies (\$12.0 million); and for Program 1.5 - Literacy Support for Tasmanian Students (\$2.0 million); Building on Country Boarding Schools (\$7.8 million); Consent and Respectful Relationships Education (\$20.4 million); Schools Upgrade Fund Round 1 (\$3.6 million). Funding for the Additional Support for Northern Territory Schools is for Northern Territory only. The distribution of the funding under the Non-Government Representative Bodies program is based on advice from Independent Schools Australia and the National Catholic Education Commission. Funding under the Literacy Support for Tasmanian Students is for Tasmania only. The Adjustment Assistance program, which provides eligible ACT non-government schools with national adjustment assistance funding based on advice from the ACT Catholic system and ACT Association of Independent Schools, terminates in 2022-23 with the total allocation under the Australian Education Regulation 2013 fully expended. Funding under the Schools Upgrade Fund Round 1 will provide \$3.6 million in 2023-24, the round includes further support for capital projects as announced as part of the 2022 Federal Election. The Consent and Respectful Relationships Education program will provide funding for state and territory governments and non-government school systems to support the delivery of age appropriate, evidence-based consent and respectful relationships education, informed by experts.

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

(i) Amounts credited to the special account(s) from Department of Education's annual and special appropriations.

1.3 Budget measures

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

**Table 1.2: Department of Education 2023-24 Budget measures
Part 1: Measures announced since the 2022-23 October Budget**

Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
Receipt measures					
Improving the Administration of Student Loans(a)					
Administered receipt	(585)	(585)	(585)	(585)	(585)
Departmental receipt	-	-	-	-	-
Total	(585)	(585)	(585)	(585)	(585)
Nuclear Powered Submarine Program – initial implementation(b)					
Administered receipt	-	-	-	3	12
Departmental receipt	-	-	-	-	-
Total	-	-	-	3	12
Immigration Policy Settings for New Zealand Citizens(c)					
Administered receipt	-	-	-	6	27
Departmental receipt	-	-	-	-	-
Total	-	-	-	6	27
Visa and Migration System(c)					
Administered receipt	-	-	1	4	7
Departmental receipt	-	-	-	-	-
Total	-	-	1	4	7
Total receipt measures					
Administered	(585)	(585)	(584)	(572)	(539)
Departmental	-	-	-	-	-
Total	(585)	(585)	(584)	(572)	(539)
Payment measures					
Early Childhood Education and Care Workforce(f)					
Administered payment	-	24,354	24,858	8,460	6,232
Departmental payment	-	6,478	640	647	631
Total	-	30,832	25,498	9,107	6,863
Child Care Subsidy Reform – additional integrity					
Administered payment	-	(33,749)	(40,350)	(41,935)	(42,016)
Departmental payment	-	4,287	2,988	3,011	3,038
Total	-	(29,462)	(37,362)	(38,924)	(38,978)

Table 1.2: Department of Education 2023-24 Budget measures (continued)

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
Additional Child Care Subsidy – improving access	1.2					
Administered payment		-	6	-	-	-
Departmental payment		-	-	-	-	-
Total		-	6	-	-	-
Better, Safer Future for Central Australia Plan(a)	1.1;1.5					
Administered payment		(40,000)	-	-	-	-
Departmental payment		-	257	130	-	-
Total		(40,000)	257	130	-	-
Teacher Workforce Action Plan(f)	1.5					
Administered payment		-	(4,136)	(4,873)	(7,067)	-
Departmental payment		-	882	644	409	378
Total		-	(3,254)	(4,229)	(6,658)	378
Closing the Gap – further investment(d)	1.5					
Administered payment		-	-	-	-	-
Departmental payment		-	333	-	-	-
Total		-	333	-	-	-
First Nations – supporting education outcomes	1.5					
Administered payment		(2,195)	14,134	16,262	175	-
Departmental payment		-	226	94	-	-
Total		(2,195)	14,360	16,356	175	-
Nuclear Powered Submarine Program – initial implementation(b)	2.1;2.4; 2.8					
Administered payment		-	9,146	25,807	39,315	50,138
Departmental payment		-	1,814	1,121	563	568
Total		-	10,960	26,928	39,878	50,706
Higher Education Support – amendments	2.3					
Administered payment		(9,992)	4,952	2,129	925	342
Departmental payment		-	466	474	385	319
Total		(9,992)	5,418	2,603	1,310	661
Improving the Administration of Student Loans(a)(f)	2.4					
Administered payment		-	-	-	-	-
Departmental payment		-	11,484	12,640	7,505	1,943
Total		-	11,484	12,640	7,505	1,943
Education – reprioritisation	1.4;1.5; 2.3;2.6					
Administered payment		(14,053)	(19,707)	(13,198)	(14,958)	(8,082)
Departmental payment		-	4,272	4,156	4,274	4,173
Total		(14,053)	(15,435)	(9,042)	(10,684)	(3,909)

Table 1.2: Department of Education 2023-24 Budget measures (continued)

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
APS Capability Reinvestment						
Fund: 2023-24 projects funded under round one(d)						
	All					
	Administered payment	-	-	-	-	-
	Departmental payment	-	185	-	-	-
	Total	-	185	-	-	-
Strengthening the Capability of the Education Portfolio to Deliver Critical Functions						
	All					
	Administered payment	-	-	-	-	-
	Departmental payment	-	30,906	32,902	37,634	4,074
	Total	-	30,906	32,902	37,634	4,074
Immigration Policy Settings for New Zealand Citizens(c)(e)						
	1.3;1.4					
	Administered payment	-	-	-	-	-
	Departmental payment	-	-	-	-	-
	Total	-	-	-	-	-
Migration Program – 2023-24 planning levels(c)						
	1.3;1.4					
	Administered payment	-	(904)	(5,448)	(4,650)	(3,785)
	Departmental payment	-	-	-	-	-
	Total	-	(904)	(5,448)	(4,650)	(3,785)
Visa and Migration System(c)						
	2.4					
	Administered receipt	-	-	-	-	-
	Departmental receipt	-	-	-	-	-
	Total	-	-	-	-	-
Total payment measures						
	Administered	(66,240)	(5,904)	5,187	(19,735)	2,829
	Departmental	-	61,590	55,789	54,428	15,124
	Total	(66,240)	55,686	60,976	34,693	17,953

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 is a Cross Portfolio measure, the full measure description and package details appear in 2023-24 Budget Paper No. 2 under the Cross Portfolio section.

(b) The lead entity for this measure is the Department of Defence. The full measure description and package details appear in 2023-24 Budget Paper No. 2 under the Defence portfolio.

(c) The lead entity for this measure is the Department of Home Affairs. The full measure description and package details appear in 2023-24 Budget Paper No. 2 under the Home Affairs portfolio.

(d) The lead entity for this measure is the Department of the Prime Minister and Cabinet. The full measure description and package details appear in 2023-24 Budget Paper No. 2 under the Prime Minister and Cabinet portfolio.

(e) This measure is reported as having a nil financial impact in 2023-24 Budget Paper No. 2, as the funding has already been provided for by the Government.

(f) Refer to the Education 2022-23 Portfolio Additional Estimates Statements: Table 1.1: Department of Education 2022-23 additional estimates measures for the 2022-23 financial year impact and to 2023-24 Budget Paper No. 2 for the full measure impact.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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.

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 early childhood education and care, support, parent engagement, quality teaching and learning environments.

Linked programs

Department of Social Services
Programs <ul style="list-style-type: none">• Program 2.1 – Families and Communities• Program 3.1 – Disability and Carers
Contribution to Outcome 1 made by linked programs <p>Linked program 2.1 contributes to Outcome 1 by providing supports and services to families under the Families and Children Activity to improve the wellbeing of children and young people and enhance family functioning.</p> <p>Linked program 2.1 further contributes to Outcome 1 through the development of the whole-of-Commonwealth Early Years Strategy, which will support a more integrated and coordinated approach to the wellbeing, education and development of Australia's children.</p> <p>Linked program 3.1 contributes to Outcome 1 by providing key actions, under the Early Childhood Targeted Action Plan that supports Australia's Disability Strategy 2021-2031, and the Early Years Strategy (under development), 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, the National Early Childhood Program for children with disability or developmental concerns is being implemented across Australia. The program delivers a range of disability-specific online information, parent and carer workshops and supported playgroups and music groups for young children aged 0 to 8 years with disability or developmental concerns. Community-led initiatives supported by the Stronger Places, Stronger People initiative are engaging families, children and young people to elevate their voices on what works, and are using data and evidence to drive better outcomes through the service system, including the early childhood system.</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>

Department of the Treasury
Programs <ul style="list-style-type: none"> • Program 1.4 Commonwealth-State Financial Relations
Contribution to Outcome 1 made by linked program <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 First Nations students' school attendance, improved educational outcomes and access to further education, training and employment.</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 entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality early childhood education and 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)	347,323	344,210	339,900	318,111	317,961
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,700	4,000	4,000	4,000	4,000
Total expenses for program 1.1	355,023	348,210	343,900	322,111	321,961
Program 1.2: Child Care Subsidy					
Administered expenses					
Special appropriations					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	10,625,963	12,716,136	13,474,417	14,160,267	14,958,103
Total expenses for program 1.2	10,625,963	12,716,136	13,474,417	14,160,267	14,958,103
Program 1.3: Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	12,263	10,035	7,536	4,745	1,637
Special appropriations					
<i>Australian Education Act 2013</i>	10,251,595	10,835,067	11,258,849	11,671,186	12,106,035
Total expenses for program 1.3	10,263,858	10,845,102	11,266,385	11,675,931	12,107,672
Program 1.4: Non-Government Schools National Support					
Administered expenses					
Other services (Appropriation Bill No. 2)	154,220	128,961	121,292	124,580	128,256
Special appropriations					
<i>Australian Education Act 2013</i>	16,491,393	17,312,098	18,009,402	18,555,940	19,131,725
Total expenses for program 1.4	16,645,613	17,441,059	18,130,694	18,680,520	19,259,981
Program 1.5: Early Learning and Schools Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	235,374	251,789	184,622	132,075	126,508
Other services (Appropriation Bill No. 2)	106,125	33,742	22,367	22,367	10,250
Total expenses for program 1.5	341,499	285,531	206,989	154,442	136,758

Table 2.1.1 Budgeted expenses for Outcome 1 (continued)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	582,697	595,999	524,522	450,186	444,469
Other services (Appropriation Bill No. 2)	272,608	172,738	151,195	151,692	140,143
Special appropriations	37,376,651	40,867,301	42,746,668	44,391,393	46,199,863
Administered total	38,231,956	41,636,038	43,422,385	44,993,271	46,784,475
Departmental expenses					
Departmental appropriation	182,703	210,726	198,714	199,017	189,600
s74 External Revenue (a)	1,420	1,420	1,420	1,420	1,420
Expenses not requiring appropriation in the Budget year (b)	4,751	4,681	4,681	4,681	4,681
Departmental total	188,873	216,827	204,815	205,118	195,701
Total expenses for Outcome 1	38,420,829	41,852,865	43,627,200	45,198,389	46,980,176

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Movement of administered funds between years (c)					
Commonwealth Regional Scholarship Program	(2,000)	(1,250)	(1,750)	(200)	1,700
National School Resourcing Board	(479)	479	-	-	-
First Nations Languages in Schools	(2,223)	2,223	-	-	-
Community Child Care Fund	(9,528)	7,528	2,000	-	-
Support for the Child Care System	(605)	605	-	-	-
Total movement of administered funds	(14,835)	9,585	250	(200)	1,700

	2022-23	2023-24
Average staffing level (number)	799	928

(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.

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

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

Performance measure 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 the 2023-24 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 early childhood education and 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
Current 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 Data not yet available Data will be available at the end of the financial year. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	The proportion of services supported by the Community Child Care Fund (CCCF) and Inclusion Support Program (ISP) in socio-economically vulnerable and disadvantaged communities	Target: Increase on previous year
Forward Estimates 2024–27	As per 2023–2024	As per 2023–2024
Material changes to Program 1.1 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Early Childhood Education and Care Workforce • Child Care Subsidy Reform – additional integrity • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions • Better, Safer Future for Central Australia Plan 		

Program expenses 1.1: Support for the Child Care System

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Child Care Services Support	347,323	344,210	339,900	318,111	317,961
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999</i>	7,700	4,000	4,000	4,000	4,000
Total program expenses	355,023	348,210	343,900	322,111	321,961

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
Current year 2022–23	Proportion of accurate Child Care Subsidy payments to all services	Target: 90% or higher On track
	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 On track
Year	Performance measures	Planned performance results
Budget Year 2023–24	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 2024–27	As per 2023–2024	As per 2023–2024
Material changes to Program 1.2 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Additional Child Care Subsidy – improving access • Child Care Subsidy Reform – additional integrity • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program expenses 1.2: Child Care Subsidy

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>A New Tax System (Family Assistance) (Administration) Act 1999 (a)(b)</i>	10,625,963	12,716,136	13,474,417	14,160,267	14,958,103
Total program expenses	10,625,963	12,716,136	13,474,417	14,160,267	14,958,103

(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
Current year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	<p>Target: Lower than 2018 (8.6%) by the end of 2023</p> <p>Not on track (11.2% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Lower than 2018 (11.5%) by the end of 2023</p> <p>Not on track (14.6% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	<p>Target: Higher than 2018 (53.2%) by the end of 2023</p> <p>On track (53.8% in 2022)</p>
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Higher than 2018 (39.2%) by the end of 2023</p> <p>Not on track (34.1% in 2022)</p> <p>There has been a decrease in the proportion of students in the top two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students attending school 90% or more of the time	<p>Target: Higher than 2018 (75.2%) by the end of 2023</p> <p>Not on track (49.9% in 2022)</p> <p>The attendance level has been declining since the 2018 baseline. Attendance in Semester 1 2022 was affected by the COVID-19 Omicron variant, high Influenza season outbreaks and floods experienced in certain regions across Australia at that time.</p>

Year	Performance measures	Expected performance results
Current year 2022–23 (continued)	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 ²	Target: Increase to 96% by 2031 (from 89.4% in 2020) ³ On track (90.1% in 2022)
	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 ²	Target: Increase to 96% by 2031 (from 63.2% in 2016) ⁴ Not on track (68.1% in 2021) There has been substantial improvement in the proportion of Aboriginal and Torres Strait Islander young people with Year 12 or equivalent qualifications since 2016. However, based on current trends the target will not be met.

² From 2023–24, the performance measures *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* and *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* will be combined into one performance measure and used to measure Program 1.5 only.

³ This target reflects the National School Reform Agreement.

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 2023–24	Increase the proportion of students attending school 90% or more of the time	Target: Increase on previous year ⁵
	Recurrent funding payments to approved authorities for government schools under the <i>Australian Education Act 2013</i> are made in a timely manner ⁶	Target: 100%
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students ⁷	No target ⁸
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students ⁷	No target ⁸
Forward Estimates 2024–27	Increase the proportion of students attending school 90% or more of the time	No target ⁹
	Recurrent funding payments to approved authorities for government schools under the <i>Australian Education Act 2013</i> are made in a timely manner.	Target: 100%
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students	No target
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students	No target
Material changes to Program 1.3 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions • Immigration Policy Settings for New Zealand Citizens • Migration Program – 2023-24 planning levels 		

⁵ A new attendance target is required for 2023–24 as the existing target ends in 2023.

⁶ From 2023–24, the department will report on funding to government and non-government schools separately for Programs 1.3 and 1.4.

⁷ Due to changes to the NAPLAN assessment scale and timing for testing, NAPLAN results from 2023 will not be directly comparable with results from 2008 to 2022. The NAPLAN performance measures for 2023–24 have been amended to reflect these changes.

⁸ Data from 2023–24 will establish a baseline for future reporting for NAPLAN performance measures.

⁹ The new National School Reform Agreement will inform future reporting on student attendance.

Program expenses 1.3: Government Schools National Support

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Additional Support for Northern Territory	12,263	10,035	7,536	4,745	1,637
Special appropriations:					
<i>Australian Education Act 2013</i>	10,251,595	10,835,067	11,258,849	11,671,186	12,106,035
Total program expenses	10,263,858	10,845,102	11,266,385	11,675,931	12,107,672

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
Current year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	<p>Target: Lower than 2018 (8.6%) by the end of 2023</p> <p>Not on track (11.2% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Lower than 2018 (11.5%) by the end of 2023</p> <p>Not on track (14.6% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	<p>Target: Higher than 2018 (53.2%) by the end of 2023</p> <p>On track (53.8% in 2022)</p>
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Higher than 2018 (39.2%) by the end of 2023</p> <p>Not on track (34.1% in 2022)</p> <p>There has been a decrease in the proportion of students in the top two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students attending school 90% or more of the time	<p>Target: Higher than 2018 (75.2%) by the end of 2023</p> <p>Not on track (49.9% in 2022)</p> <p>The attendance level has been declining since the 2018 baseline. Attendance in Semester 1 2022 was affected by the COVID-19 Omicron variant, high Influenza season outbreaks and floods experienced in certain regions across Australia at that time.</p>

Year	Performance measures	Expected performance results
Current year 2022–23 (continued)	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 ¹⁰	Target: Increase to 96% by 2031 (from 89.4% in 2020) ¹¹ On track (90.1% in 2022)
	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 ¹⁰	Target: Increase to 96% by 2031 (from 63.2% in 2016) ¹² Not on track (68.1% in 2021) There has been substantial improvement in the proportion of Aboriginal and Torres Strait Islander young people with Year 12 or equivalent qualifications since 2016. However, based on current trends the target will not be met.

¹⁰ From 2023–24, the performance measures *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* and *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* will be combined into one performance measure and used to measure Program 1.5 only.

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 2023–24	Increase the proportion of students attending school 90% or more of the time	Target: Increase on previous year ¹³
	Recurrent funding payments to approved authorities for non-government schools under the <i>Australian Education Act 2013</i> are made in a timely manner ¹⁴	Target: 100%
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students ¹⁵	No target ¹⁶
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students ¹⁵	No target ¹⁶
Forward Estimates 2024–27	Increase the proportion of students attending school 90% or more of the time	No target ¹⁷
	Recurrent funding payments to approved authorities for non-government schools under the <i>Australian Education Act 2013</i> are made in a timely manner	Target: 100%
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students	No target
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students	No target
<p>Material changes to Program 1.4 resulting from 2023–24 Budget measures:</p> <ul style="list-style-type: none"> • Education – reprioritisation • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions • Immigration Policy Settings for New Zealand Citizens • Migration Program – 2023-24 planning levels 		

¹³ A new attendance target is required for 2023–24 as the existing target ends in 2023.

¹⁴ From 2023–24, the department will report on funding to government and non-government schools separately for Programs 1.3 and 1.4.

¹⁵ Due to changes to the NAPLAN assessment scale and timing for testing, NAPLAN results from 2023 will not be directly comparable with results from 2008 to 2022. The NAPLAN performance measures for 2023–24 have been amended to reflect these changes.

¹⁶ Data from 2023–24 will establish a baseline for future reporting for NAPLAN performance measures.

¹⁷ The new National School Reform Agreement will inform future reporting on student attendance.

Program expenses 1.4: Non-Government Schools National Support

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Other services (Appropriation Bill No. 2)					
Non-Government Representative Bodies	42,013	12,004	-	-	-
Adjustment Assistance	491	-	-	-	-
Choice and Affordability Fund	111,716	116,957	121,292	124,580	128,256
Special appropriations:					
<i>Australian Education Act 2013</i>	16,491,393	17,312,098	18,009,402	18,555,940	19,131,725
Total program expenses	16,645,613	17,441,059	18,130,694	18,680,520	19,259,981

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
Current 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	Targets: (a) Overall: 95% or higher (b) Indigenous: 95% or higher (c) Vulnerable and disadvantaged: 95% or higher (a) Data not yet available (b) Data not yet available (c) Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	Proportion of children enrolled in quality preschool programs in the year before full-time school who are enrolled for 600 hours per year	Targets: (a) Overall: 95% or higher (b) Indigenous: 95% or higher (c) Vulnerable and disadvantaged: 95% or higher
Forward Estimates 2024–27	As per 2023–24, with option to add an indicator based on attendance from 2025–26 ¹⁸	As per 2023–24, with option to add an indicator based on attendance from 2025–26

¹⁸ Under the Preschool Reform Agreement, the Commonwealth is working with state and territory governments to establish new preschool attendance targets. These new targets are expected to be in place from 2025.

Schools Support		
Year	Performance measures	Expected performance results
Current year 2022–23	Lower the proportion of students in the bottom two bands in NAPLAN for reading for Year 3 students	<p>Target: Lower than 2018 (8.6%) by the end of 2023</p> <p>Not on track (11.2% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Lower the proportion of students in the bottom two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Lower than 2018 (11.5%) by the end of 2023</p> <p>Not on track (14.6% in 2022)</p> <p>There has been an increase in the proportion of students in the bottom two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students in the top two bands in NAPLAN for reading for Year 3 students	<p>Target: Higher than 2018 (53.2%) by the end of 2023</p> <p>On track (53.8% in 2022)</p>
	Increase the proportion of students in the top two bands in NAPLAN for numeracy for Year 3 students	<p>Target: Higher than 2018 (39.2%) by the end of 2023</p> <p>Not on track (34.1% in 2022)</p> <p>There has been a decrease in the proportion of students in the top two bands since 2018, the baseline for the current National School Reform Agreement. If this trend continues the target will not be met.</p>
	Increase the proportion of students attending school 90% or more of the time	<p>Target: Higher than 2018 (75.2%) by the end of 2023</p> <p>Not on track (49.9% in 2022)</p> <p>The attendance level has been declining since the 2018 baseline. Attendance in Semester 1 2022 was affected by the COVID-19 Omicron variant, high Influenza season outbreaks and floods experienced in certain regions across Australia at that time.</p>

Schools Support		
Year	Performance measures	Expected performance results
Current year 2022–23 (continued)	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 ¹⁹	Target: Increase to 96% by 2031 (from 89.4% in 2020) ²⁰ On track (90.1% in 2022)
	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 ¹⁹	Target: Increase to 96% by 2031 (from 63.2% in 2016) ²¹ Not on track (68.1% in 2021) There has been substantial improvement in the proportion of Aboriginal and Torres Strait Islander young people with Year 12 or equivalent qualifications since 2016. However, based on current trends the target will not be met.

¹⁹ From 2023–24, the performance measures *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* and *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* will be combined into one performance measure and used to measure Program 1.5 only.

²⁰ This target reflects the National School Reform Agreement.

²¹ This target reflects Outcome 5 of the National Agreement on Closing the Gap and the National School Reform Agreement.

Year	Performance measures	Expected performance results
Budget Year 2023–24	Increase the proportion of students attending school 90% or more of the time	Target: Increase on previous year ²²
	Increase the proportion of people (age 20–24) attaining Year 12, or equivalent, or gaining a qualification at Certificate III or above	Targets: (a) 96% of all people in Australia by 2031 (b) 96% of Aboriginal and Torres Strait Islander people by 2031
	The Australian Government will deliver a new National School Reform Agreement with states and territories, focusing on driving real improvements in learning and wellbeing outcomes for students, with a focus on students from disadvantaged backgrounds ²³	A new National School Reform Agreement developed throughout 2023–24 in consultation with states and territories, so that the new agreement is operational by January 2025
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students ²⁴	No target ²⁵
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students ²⁴	No target ²⁵
Forward Estimates 2024–27	Increase the proportion of students attending school 90% or more of the time	No target ²⁶
	Increase the proportion of people (age 20–24) attaining Year 12, or equivalent, or gaining a qualification at Certificate III or above	Targets: (a) 96% of all people in Australia by 2031 (b) 96% of Aboriginal and Torres Strait Islander people by 2031
	Lower the proportion of students in the Needs additional support level in NAPLAN for reading for Year 3 students	No target
	Lower the proportion of students in the Needs additional support level in NAPLAN for numeracy for Year 3 students	No target
<p>Material changes to Program 1.5 resulting from 2023–24 Budget measures:</p> <ul style="list-style-type: none"> • Education – reprioritisation • Teacher Workforce Action Plan • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions • Better, Safer Future for Central Australia Plan • Closing the Gap – further investment • First Nations – supporting education outcomes 		

²² A new attendance target is required for 2023–24 as the existing target ends in 2023.

²³ The National School Reform Agreement performance measure is new for 2023–24 and the target will be reviewed following the development of the new Agreement.

²⁴ Due to changes to the NAPLAN assessment scale and timing for testing, NAPLAN results from 2023 will not be directly comparable with results from 2008 to 2022. The NAPLAN performance measures for 2023–24 have been amended to reflect these changes.

²⁵ Data from 2023–24 will establish a baseline for future reporting for NAPLAN performance measures.

²⁶ The new National School Reform Agreement will inform future reporting on student attendance.

Program expenses 1.5: Early Learning and Schools Support

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
Early Learning Support					
Australian Early Development Census	4,496	12,565	10,627	6,040	12,968
Preschools Data Framework	9,110	7,790	5,897	4,934	1,806
Universal Access	417	-	-	-	-
Total Early Learning Support	14,023	20,355	16,524	10,974	14,774
Schools Support					
Australian Education Research Organisation	10,000	10,000	10,000	10,000	10,000
Engaged Classrooms	1,750	1,750	-	-	-
First Nations Languages in Schools	1,000	6,723	4,650	150	-
Grants and Awards	1,430	1,479	1,507	1,534	1,562
Helping Children with Autism	6,237	6,449	6,572	6,690	6,811
High Achieving Teachers Program and Future Leaders Program	2,250	-	-	-	-
Life Education - Being Healthy, Being Active	900	1,700	1,700	1,700	-
National Assessment Reform	2,200	2,200	2,200	2,200	2,200
National Consent Survey	4,130	1,000	-	-	-
National Schools Reform	19,854	11,726	6,906	-	-
National School Resourcing Board	500	1,499	1,045	1,066	1,087
National Teacher Workforce Action Plan	9,580	42,137	46,420	50,395	48,733
Online Teaching and Learning Courses to Support Mathematics	2,824	-	-	-	-
Quality Outcomes	35,611	36,176	36,768	34,240	36,097
Respectful Interfaith School Education	500	-	-	-	-
School Education Support	26,615	29,765	19,565	5,855	-
Schools Support Closing the Gap Initiatives	24,994	14,505	3,994	2,075	-
Science, Technology, Engineering and Mathematics (STEM)	550	700	-	-	-
Students Support Package	59,282	54,728	21,882	-	-
Student Wellbeing Boost	7,250	3,500	-	-	-
Supporting Australia's Teacher Workforce	3,162	2,243	2,262	2,551	2,580
Supporting Quality Boarding for Rural and Remote Students	-	2,250	1,700	1,700	1,700
Youth Support	732	904	927	945	964
Other services (Appropriation Bill No. 2)					
Consent and Respectful Relationships Education	-	20,367	20,367	20,367	8,250
Literacy Support for Tasmanian Students	2,000	2,000	2,000	2,000	2,000
Schools Support Closing the Gap Initiatives	54,125	7,775	-	-	-
Schools Upgrade Fund	50,000	3,600	-	-	-
Total Schools Support	327,476	265,176	190,465	143,468	121,984
Total program expenses	341,499	285,531	206,989	154,442	136,758

2.2 Budgeted expenses and performance for Outcome 2

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

Linked programs

Australian Trade and Investment Commission (Austrade)
Programs <ul style="list-style-type: none">• Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy.
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by promoting the Australian education sector in international markets.</p>
Department of Employment and Workplace Relations
Programs <ul style="list-style-type: none">• Program 2.1 – Building Skills and Capability
Contribution to Outcome 2 made by linked programs <p>The linked program contributes to Outcome 2 by building skills and capabilities through vocational education and training (VET) which can provide pathways to higher education.</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>
Department of Social Services
<p>Programs</p> <ul style="list-style-type: none"> • Program 1.7 – 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>
National Indigenous Australians Agency
<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 First Nations students' school attendance, improved educational outcomes and access to further education and employment.</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 2 made by linked programs <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>
Department of Defence
Programs <ul style="list-style-type: none">• Program 2.16 Nuclear Powered Submarines
<p>The linked program contributes to Outcome 2 through the provision of expertise, advice and support in the delivery of Nuclear Powered Submarines capabilities.</p>

Budgeted expenses for Outcome 2

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

Table 2.2.1: 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.					
	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 2.1: Commonwealth Grant Scheme (a)					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	7,314,466	7,574,092	8,013,995	8,386,019	8,721,595
Total expenses for program 2.1	7,314,466	7,574,092	8,013,995	8,386,019	8,721,595
Program 2.2: Higher Education Superannuation Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	218,671	207,125	195,170	182,964	170,567
Total expenses for program 2.2	218,671	207,125	195,170	182,964	170,567
Program 2.3: Higher Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
	57,165	60,063	61,376	63,081	62,272
Special appropriations					
Higher Education Support Act 2003	898,070	849,251	877,117	896,944	924,197
Total expenses for program 2.3	955,235	909,314	938,493	960,025	986,469
Program 2.4: Higher Education Loan Program					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	3,346,662	2,480,609	2,216,928	2,325,579	2,427,704
Special accounts					
Higher Education Tuition Protection Fund	3,133	3,390	3,627	3,872	4,131
Total expenses for program 2.4	3,349,795	2,483,999	2,220,555	2,329,451	2,431,835

Table 2.2.1: Budgeted expenses for Outcome 2 (continued)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 2.5: Investment in Higher Education Research					
Administered expenses					
Special appropriations					
Higher Education Support Act 2003	2,043,954	2,160,193	2,287,225	2,366,215	2,391,862
Total expenses for program 2.5	2,043,954	2,160,193	2,287,225	2,366,215	2,391,862
Program 2.6: Research Capacity					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	289,162	405,748	507,094	467,350	377,352
Special appropriations					
Higher Education Support Act 2003	125,748	211,630	273,975	281,534	258,688
Total expenses for program 2.6	414,910	617,378	781,069	748,884	636,040
Program 2.7: International Education Support					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	26,686	24,223	23,217	23,116	23,136
Special accounts					
Overseas Students Tuition Fund	3,809	3,985	4,170	4,364	4,568
SOETM - Cheung Kong	2,000	980	979	977	975
Total expenses for program 2.7	32,495	29,188	28,366	28,457	28,679
Outcome 2 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	373,013	490,034	591,687	553,547	462,760
Special appropriations	13,947,571	13,482,900	13,864,410	14,439,255	14,894,613
Special accounts	8,942	8,355	8,776	9,213	9,674
Administered total	14,329,526	13,981,289	14,464,873	15,002,015	15,367,047
Departmental expenses					
Departmental appropriation (b)	113,892	131,362	123,874	122,292	116,422
s74 External Revenue (c)	885	885	885	885	885
Expenses not requiring appropriation in the Budget year (d)	2,961	2,918	2,918	2,918	2,918
Departmental total	117,739	135,165	127,677	126,095	120,225
Total expenses for Outcome 2	14,447,265	14,116,454	14,592,550	15,128,110	15,487,272
	2022-23	2023-24			
Average staffing level (number)	493	503			

(a) Includes an investment in Commonwealth Supported Places for the Nuclear Powered Submarine Program. Performance information for this is reported in Program 2.8 Nuclear Powered Submarine Program.

(b) Includes expenses for Program 2.8 Nuclear Powered Submarine Program for 2023–24 and 2024–25.

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

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

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

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

Performance measure 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 the 2023-24 Budget measures that have created new programs or materially changed existing programs are provided.

Outcome 2 – Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research.		
Program 2.1 Commonwealth Grant Scheme		
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:		
<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. 		
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
Current year 2022–23	The proportion of the 25 to 34 year-old population with a tertiary qualification	Target: Increase from previous year Achieved
	The rate of attrition for domestic bachelor students	Target: Lower than 15% Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
	Proportion of undergraduates who are employed within four months of completing a degree	Target: 85% or higher Achieved

Year	Performance measures	Planned performance results
Budget Year 2023–24	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 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.1 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> Nuclear Powered Submarine Program – initial implementation Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program 2.1: Commonwealth Grant Scheme

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Special appropriations: <i>Higher Education Support Act 2003</i>					
Cluster Fund and Place Loadings	7,160,221	7,525,146	8,013,995	8,386,019	8,721,595
Transition Fund Loading	154,245	48,946	-	-	-
Total program expenses	7,314,466	7,574,092	8,013,995	8,386,019	8,721,595

Program 2.2 Higher Education Superannuation Program		
<p>The program provides supplementary funding to assist eligible universities to meet certain superannuation expenses for eligible current and former university employees who are members of identified state government emerging cost superannuation schemes. 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.</p>		
Key Activities	Support eligible current and former university employees for certain superannuation expenses	
Year	Performance measures	Expected performance results
Current year 2022–23	Proportion of eligible universities able to meet specified superannuation expenses	Target: 100% Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	Proportion of eligible universities able to meet specified superannuation expenses	Target: 100%
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.2 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program 2.2: Higher Education Superannuation Program

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Superannuation Program	218,671	207,125	195,170	182,964	170,567
Total program expenses	218,671	207,125	195,170	182,964	170,567

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
Current 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 Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
	Proportion of higher education students who are Indigenous	Target: 2% or higher Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
	Proportion of undergraduate students who rate the teaching quality at their institution positively	Target: 80% or higher Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
	Proportion of employers who are satisfied with the skills of graduates (overall across all skills)	Target: 85% or higher Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	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 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.3 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> Education – reprioritisation Higher Education Support – amendments Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program 2.3: Higher Education Support

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Disability Coordination Officer	4,556	-	-	-	-
National Microcredentials Marketplace	530	1,000	-	-	-
Quality Indicators for Learning and Teaching	7,281	8,133	8,477	10,257	10,456
Rural and Regional Enterprise Scholarships	4,500	-	-	-	-
Tertiary Access Payment	40,298	50,930	52,899	52,824	51,816
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Central Coast Health and Wellbeing Precinct	2,500	750	-	-	-
Central Queensland School of Mining and Manufacturing	6,400	-	-	-	-
Collaboration Pilots - Industry 4.0	4,986	-	-	-	-
Disability Support Program Higher Education and Offshore Microcredentials	7,994	13,060	13,411	13,902	14,321
Higher Education Relief Program	82,419	-	-	-	-
Improved Support for Regional Universities	17,046	12,899	15,539	15,557	16,375
Indigenous, Regional and Low SES Attainment Fund	264,104	288,528	303,260	306,831	315,120
Jobs and Growth in Tasmania	25,000	12,000	-	-	-
National Institutes	239,055	252,650	267,507	276,837	284,444
National Priorities and Industry Linkage Fund	237,686	251,088	265,854	275,126	282,686
Women in STEM	4,880	11,007	5,556	1,309	662
Total program expenses	955,235	909,314	938,493	960,025	986,469

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
Current year 2022–23	The proportion of HELP debt not expected to be repaid	Target: Equal to or lower than previous year Data not yet available Data will become available on receipt of the Australian Government Actuary HELP receivable advice letter for 2022–23. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	The proportion of HELP debt not expected to be repaid on new debt	Target: Equal to or lower than previous year
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.4 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Immigration Policy Settings for New Zealand Citizens • Improving the Administration of Student Loans • Nuclear Powered Submarine Program – initial implementation • Visa and Migration System • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program 2.4: Higher Education Loan Program

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Higher Education Loan Program	3,346,662	2,480,609	2,216,928	2,325,579	2,427,704
Special account expenses:					
Higher Education Tuition Protection Fund	3,133	3,390	3,627	3,872	4,131
Total program expenses	3,349,795	2,483,999	2,220,555	2,329,451	2,431,835

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
Current 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 On track
	Proportion of research postgraduates who are employed within four months of completing their degree	Target: 90% or higher Achieved
	Indigenous Higher Degree by Research (HDR) completions	Target: Increase from previous year Data not yet available Data is not yet available to make an assessment. Further information will be published in the department's 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	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 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.5 resulting from 2023–24 Budget measures:		
<ul style="list-style-type: none"> Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Program 2.5: Investment in Higher Education Research

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Special appropriations:					
Higher Education Support Act 2003					
Research Support Program	951,188	1,005,282	1,064,398	1,101,524	1,131,792
Research Training Program	1,092,766	1,154,911	1,222,827	1,264,691	1,260,070
Total program expenses	2,043,954	2,160,193	2,287,225	2,366,215	2,391,862

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.		
Key Activities	Support the research sector, research training and national research infrastructure	
Year	Performance measures	Expected performance results
Current year 2022–23	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals ²⁷	Target: Above the OECD average On track
Year	Performance measures	Planned performance results
Budget Year 2023–24	The proportion of research publications in Australia that are among the world's top 10% most highly-cited journals	Target: Above the OECD average
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.6 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • Education – reprioritisation • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

²⁷ The performance measure published in the October 2022–23 Portfolio Budget Statements (*Proportion of researchers who report that access to NCRIS facilities and projects improved their research quality and outputs*) has been replaced as the department is unable to verify the third-party survey data.

Program 2.6: Research Capacity

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1)					
National Collaborative Research Infrastructure Strategy	286,043	402,290	503,116	462,850	372,323
Increase Workforce Mobility (Training programs)	3,119	3,458	3,978	4,500	5,029
Special appropriations:					
<i>Higher Education Support Act 2003</i>					
Centre for Augmented Reasoning	5,000	5,000	-	-	-
Enhance Research Capacity of Regional Universities	20,309	18,925	13,813	14,063	20,193
Higher Education Research Promotion	5,923	6,355	6,615	6,807	6,984
Strategic University Reform Fund	8,244	521	-	-	-
Trailblazer Universities Program	76,100	78,718	83,723	86,792	-
Increase Workforce Mobility Launch Australia's Economic Accelerator	-	2,575	6,577	12,223	19,422
Launch Australia's Economic Accelerator	10,172	99,536	163,247	161,649	212,089
Total program expenses	414,910	617,378	781,069	748,884	636,040

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
Current year 2022–23	Proportion of international students employed or enrolled in further study after graduation	Target: 85% or higher Not achieved Student employment outcomes were affected by restrictions introduced due to the COVID-19 pandemic, which saw disruptions to the arrival of temporary graduate visa holders and declines in international students in Australia. However, there have been promising signs of recovery for this measure with the proportion improving from 72.3% in 2021 to 76.2% in 2022.
	Number of students enrolled in offshore and transnational education and training delivered by Australian providers	Target: Numbers stabilised Data not yet available Data is not yet available to make an assessment. Further information will be published in the department’s 2022–23 Annual Report.
Year	Performance measures	Planned performance results
Budget Year 2023–24	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: Increase from previous year ²⁸
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.7 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

²⁸ The target has been changed 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 2.7: International Education Support

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Annual administered expenses:					
Ordinary annual services (Appropriation Bill No. 1) International Education Support	26,686	24,223	23,217	23,116	23,136
Special account expenses:					
Overseas Students Tuition Fund	3,809	3,985	4,170	4,364	4,568
SOETM - Cheung Kong	2,000	980	979	977	975
Total program expenses	32,495	29,188	28,366	28,457	28,679

Program 2.8 Nuclear Powered Submarine Program		
The program aims to support AUKUS initiatives and broader sovereign capabilities through strategic engagement across government, building education pipelines and delivering targeted measures to support the nuclear workforce and supporting sectors.		
Key Activities	Support sovereign workforce development through broader access to education pipelines	
Year	Performance measures	Planned performance results
Budget Year 2023–24	<i>Allocate additional Commonwealth Supported Places (CSP), focused on STEM disciplines</i>	<i>Target: An additional 4000 CSP are allocated over four years from 2024</i>
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 2.8 resulting from 2023–24 Budget measures: <ul style="list-style-type: none"> • This is a new program resulting from Nuclear Powered Submarine Program – initial implementation • Strengthening the Capability of the Education Portfolio to Deliver Critical Functions 		

Performance information in Program 2.8 Nuclear Powered Submarine Program relates to investments in Commonwealth Supported Places reported in Program 2.1 Commonwealth Grant Scheme. The Government is making a total additional investment of \$128.5 million over 2023–24 to 2026–27 related to the Nuclear Powered Submarine Program in the Education Portfolio.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023–24 Budget year, including the impact of Budget measures, resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Differences between entity resourcing and financial statements

The difference between the entity resources table and the budgeted financial statements may arise because the entity resourcing table is presented on a resourcing basis, while the budgeted financial statements are based on Australian Accounting Standards. Further, the entity resourcing table excludes amounts in Bills 3 and 4 for 2022-23, as they are yet to receive Royal Assent.

3.1.2 Explanatory notes and analysis of budgeted financial statements

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

Budgeted departmental comprehensive income statement

The department's income statement reflects a deficit across the forward estimates. These deficits are attributed to depreciation and amortisation expenses. In 2023-24, total expenses are estimated to be \$352.0 million, an increase of \$45.4 million from 2022-23.

Budget departmental balance sheet

The estimated budgeted net asset position is \$243.7 million for 2023–24 this is an increase of \$40.3 million from \$203.4 million in 2022-23.

The structure of the balance sheet reflects the nature of the organisation. The key assets are computer software including intangibles and the 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 2023-24 administered revenue predominately relates to indexation on the Higher Education Loan Program (HELP) administered by the department.

Schedule of budgeted assets and liabilities administered on behalf of Government

Total administered assets are projected to increase by \$10.7 billion from \$52.3 billion to \$63.0 billion over the period 2022-23 to 2026–27, mainly attributable to HELP loans.

The total administered liabilities are projected to decrease by \$0.7 billion from \$5.7 billion to \$4.9 billion over the period 2022-23 to 2026–27, 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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	184,256	210,963	204,340	200,298	217,656
Suppliers	116,949	135,735	122,858	122,781	90,136
Depreciation and amortisation (a)	5,407	5,294	5,294	5,294	5,294
Total expenses	306,612	351,992	332,492	328,373	313,086
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	4,295	4,498	3,822	3,822	3,822
Other	2,305	2,305	2,305	2,305	2,305
Total own-source revenue	6,600	6,803	6,127	6,127	6,127
Total own-source income	6,600	6,803	6,127	6,127	6,127
Net (cost of)/contribution by services	(300,012)	(345,189)	(326,365)	(322,246)	(306,959)
Revenue from Government	294,605	339,895	321,071	316,952	301,665
Surplus/(deficit) attributable to the Australian Government	(5,407)	(5,294)	(5,294)	(5,294)	(5,294)
Total comprehensive income/(loss)	(5,407)	(5,294)	(5,294)	(5,294)	(5,294)
Total comprehensive income/(loss) attributable to the Australian Government	(5,407)	(5,294)	(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**

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss)					
- as per statement of Comprehensive Income	(5,407)	(5,294)	(5,294)	(5,294)	(5,294)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	5,407	5,294	5,294	5,294	5,294
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

(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.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,055	13,055	13,055	13,055	13,055
Trade and other receivables	133,362	133,362	133,362	133,362	133,362
Total financial assets	146,417	146,417	146,417	146,417	146,417
Non-financial assets					
Intangibles	127,684	167,999	214,734	260,279	274,856
Other non-financial assets	11,098	11,098	11,098	11,098	11,098
Total non-financial assets	138,782	179,097	225,832	271,377	285,954
Total assets	285,199	325,514	372,249	417,794	432,371
LIABILITIES					
Payables					
Suppliers	20,828	20,828	20,828	20,828	20,828
Other payables	873	873	873	873	873
Total payables	21,701	21,701	21,701	21,701	21,701
Provisions					
Employee provisions	60,074	60,074	60,074	60,074	60,074
Total provisions	60,074	60,074	60,074	60,074	60,074
Total liabilities	81,775	81,775	81,775	81,775	81,775
Net assets	203,424	243,739	290,474	336,019	350,596
EQUITY*					
Parent entity interest					
Contributed equity	423,609	469,218	521,247	572,086	591,957
Reserves	1,730	1,730	1,730	1,730	1,730
Retained surplus (accumulated deficit)	(221,915)	(227,209)	(232,503)	(237,797)	(243,091)
Total parent entity interest	203,424	243,739	290,474	336,019	350,596
Total equity	203,424	243,739	290,474	336,019	350,596

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

*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 2023-24)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	(221,915)	1,730	-	423,609	203,424
Opening Balance adjustments	-	-	-	-	-
Adjusted opening balance	(221,915)	1,730	-	423,609	203,424
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus/(deficit) for the period	(5,294)	-	-	-	(5,294)
Total comprehensive income	(5,294)	-	-	-	(5,294)
of which:					
Attributable to the Australian Government	(5,294)	-	-	-	(5,294)
Transactions with owners					
Contributions by owners					
Equity injection - Appropriation	-	-	-	25,039	25,039
Departmental Capital Budget (DCB)	-	-	-	20,570	20,570
Sub-total transactions with owners	-	-	-	45,609	45,609
Estimated closing balance as at 30 June 2024	(227,209)	1,730	-	469,218	243,739
Closing balance attributable to the Australian Government	(227,209)	1,730	-	469,218	243,739

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	312,834	339,895	321,071	316,952	301,665
Sale of goods and rendering of services	4,295	4,498	3,822	3,822	3,822
Total cash received	317,129	344,393	324,893	320,774	305,487
Cash used					
Employees	184,251	210,963	204,340	200,298	217,656
Suppliers	121,047	133,430	120,553	120,476	87,831
Total cash used	305,298	344,393	324,893	320,774	305,487
Net cash from/(used by) operating activities	11,831	-	-	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	23,974	45,609	52,029	50,839	19,871
Total cash used	23,974	45,609	52,029	50,839	19,871
Net cash from/(used by) investing activities	(23,974)	(45,609)	(52,029)	(50,839)	(19,871)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,993	45,609	52,029	50,839	19,871
Total cash received	16,993	45,609	52,029	50,839	19,871
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	16,993	45,609	52,029	50,839	19,871
Net increase/(decrease) in cash held	4,850	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	8,205	13,055	13,055	13,055	13,055
Cash and cash equivalents at the end of the reporting period	13,055	13,055	13,055	13,055	13,055

Prepared on Australian Accounting Standards basis.
Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	9,600	20,570	18,468	18,653	18,818
Equity injections - Bill 2	7,393	25,039	33,561	32,186	1,053
Total new capital appropriations	16,993	45,609	52,029	50,839	19,871
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>16,993</i>	<i>45,609</i>	<i>52,029</i>	<i>50,839</i>	<i>19,871</i>
Total items	16,993	45,609	52,029	50,839	19,871
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	10,092	25,039	33,561	32,186	1,053
Funded by capital appropriation - DCB (b)	13,882	20,570	18,468	18,653	18,818
TOTAL	23,974	45,609	52,029	50,839	19,871
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	23,974	45,609	52,029	50,839	19,871
Total cash used to acquire assets	23,974	45,609	52,029	50,839	19,871

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

(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).

Table 3.6: Statement of departmental asset movements (Budget year 2023-24)

	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2023		
Gross book value	245,284	245,284
Accumulated depreciation/ amortisation and impairment	(117,600)	(117,600)
Opening net book balance	127,684	127,684
Capital asset additions		
Estimated expenditure on new or replacement assets		
By purchase - appropriation equity (a)	25,039	25,039
By purchase - appropriation ordinary annual services (b)	20,570	20,570
Total additions	45,609	45,609
Other movements		
Depreciation/amortisation expense	(5,294)	(5,294)
Total other movements	(5,294)	(5,294)
As at 30 June 2024		
Gross book value	290,893	290,893
Accumulated depreciation/ amortisation and impairment	(122,894)	(122,894)
Closing net book balance	167,999	167,999

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023-24, including Collection Development Acquisition Budget.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2023-24 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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Grants	37,988,846	39,871,158	41,677,413	43,012,262	44,265,830
Personal benefits	10,684,279	12,767,066	13,527,316	14,213,091	15,009,919
Suppliers	201,285	192,263	172,239	163,808	179,803
Subsidies	139,640	98,989	98,075	97,465	97,582
Interest	218,696	207,150	195,195	182,989	170,592
Finance costs	745,442	837,200	907,225	951,661	993,625
Depreciation and amortisation	92	92	92	92	92
Fair value losses	2,583,202	1,643,409	1,309,703	1,373,918	1,434,079
Total expenses administered on behalf of Government	52,561,482	55,617,327	57,887,258	59,995,286	62,151,522
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	6,800	9,935	10,472	10,951	11,437
Total taxation revenue	6,800	9,935	10,472	10,951	11,437
Non-taxation revenue					
Interest	3,310,882	2,277,804	1,916,420	2,022,335	2,133,062
Other revenue	62,156	104,473	108,719	105,074	109,816
Total non-taxation revenue	3,373,038	2,382,277	2,025,139	2,127,409	2,242,878
Total own-source revenue administered on behalf of Government	3,379,838	2,392,212	2,035,611	2,138,360	2,254,315
Total own-sourced income administered on behalf of Government	3,379,838	2,392,212	2,035,611	2,138,360	2,254,315
Net (cost of)/contribution by services	(49,181,644)	(53,225,115)	(55,851,647)	(57,856,926)	(59,897,207)
Surplus/(deficit) before income tax	(49,181,644)	(53,225,115)	(55,851,647)	(57,856,926)	(59,897,207)
Surplus/(deficit) after income tax	(49,181,644)	(53,225,115)	(55,851,647)	(57,856,926)	(59,897,207)
Total comprehensive income/(loss)	(49,181,644)	(53,225,115)	(55,851,647)	(57,856,926)	(59,897,207)

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	95,422	97,167	99,017	100,888	102,681
Trade and other receivables	49,272,703	51,261,055	54,052,497	56,976,072	59,937,947
Other investments	2,921,184	2,921,184	2,921,184	2,921,184	2,921,184
Total financial assets	52,289,309	54,279,406	57,072,698	59,998,144	62,961,812
Non-financial assets					
Land and buildings	983	971	959	947	935
Total non-financial assets	983	971	959	947	935
Total assets administered on behalf of Government	52,290,292	54,280,377	57,073,657	59,999,091	62,962,747
LIABILITIES					
Payables					
Suppliers	15,211	15,211	15,211	15,211	15,211
Personal benefits	60,146	196,156	236,775	86,040	57,789
Grants	7,385	7,385	7,385	7,385	7,385
Other payables	3,864	3,864	3,864	3,864	3,864
Total payables	86,606	222,616	263,235	112,500	84,249
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	582,921	700,983	759,909	797,953	845,172
Grants provisions	5,019,266	4,784,768	4,538,276	4,282,001	4,017,432
Total provisions	5,602,187	5,485,751	5,298,185	5,079,954	4,862,604
Total liabilities administered on behalf of Government	5,689,807	5,709,381	5,562,434	5,193,468	4,947,867
Net assets/(liabilities)	46,600,485	48,570,996	51,511,223	54,805,623	58,014,880

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	1,639,838	1,724,749	1,794,558	1,849,503	1,907,129
Taxes	6,800	9,935	10,472	10,951	11,437
Other	31,276	31,541	31,765	23,750	23,750
Total cash received	1,677,914	1,766,225	1,836,795	1,884,204	1,942,316
Cash used					
Grant	40,028,813	42,056,887	43,932,144	45,319,553	46,626,965
Subsidies paid	139,640	98,989	98,075	97,465	97,582
Personal benefits	10,601,147	12,518,296	13,428,595	14,331,537	14,997,875
Suppliers	201,285	192,263	172,239	163,808	179,803
Interest payments on lease liability	25	25	25	25	25
Total cash used	50,970,910	54,866,460	57,631,078	59,912,388	61,902,250
Net cash from/(used by) operating activities	(49,292,996)	(53,100,235)	(55,794,283)	(58,028,184)	(59,959,934)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances and loans	5,893,856	5,657,216	5,386,900	5,676,487	6,041,482
Total cash received	5,893,856	5,657,216	5,386,900	5,676,487	6,041,482
Cash used					
Advances and loans made	6,969,528	7,770,139	8,401,072	8,816,227	9,205,009
Total cash used	6,969,528	7,770,139	8,401,072	8,816,227	9,205,009
Net cash from/(used by) investing activities	(1,075,672)	(2,112,923)	(3,014,172)	(3,139,740)	(3,163,527)
FINANCING ACTIVITIES					
Cash used					
Other	80	80	80	80	80
Total cash used	80	80	80	80	80
Net cash from/(used by) financing activities	(80)	(80)	(80)	(80)	(80)
Net increase/(decrease) in cash held	(50,368,748)	(55,213,238)	(58,808,535)	(61,168,004)	(63,123,541)
Cash and cash equivalents at beginning of reporting period	95,582	95,422	97,167	99,017	100,888
Cash from Official Public Account for:					
- Appropriations	56,470,064	61,095,520	64,426,444	67,080,600	69,417,203
Total cash from Official Public Account	56,470,064	61,095,520	64,426,444	67,080,600	69,417,203
Cash to Official Public Account for:					
- Appropriations	(6,101,476)	(5,880,537)	(5,616,059)	(5,910,725)	(6,291,869)
Total cash to Official Public Account	(6,101,476)	(5,880,537)	(5,616,059)	(5,910,725)	(6,291,869)
Cash and cash equivalents at end of reporting period	95,422	97,167	99,017	100,888	102,681

Prepared on Australian Accounting Standards basis.

Table has been prepared inclusive of 2022-23 Additional Estimates Statements

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

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

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

The department 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 December 2022, are:

National Curriculum

- provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by all Education Ministers

National Assessment

- provide a quality, comprehensive and reliable national measurement framework

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
- pursue the national education agenda with jurisdictions, the non-government education sector and relevant stakeholders' agenda and identify opportunities for reform.

ACARA's budget is agreed to by all Education Ministers and provided in accordance with an agreed national funding formula. Revisions to ACARA's 2023-24 to 2025-26 work plan and budget and its new fourth year out (2026-27) work plan and related annual budget are yet to be endorsed by Education Ministers.

Priorities for ACARA during 2023-24 are ensuring directions agreed by all Education Ministers relating to the National Assessment Program are undertaken. This includes work relating to the Australian Curriculum Version 9, such as collecting and annotating new work samples, ensuring enhancements are made to the functionality of the new Australian Curriculum website, and reviewing and revising the Australian Curriculum: Languages F-10 in the remaining languages for endorsement. ACARA will also be focusing on making available to teachers optional support to assist the implementation of the national curriculum, as agreed to by all Education Ministers as part of Action 19 of the National Teacher Workforce Action Plan.

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

1.2 Entity resource statement

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

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

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

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

Table 1.1: ACARA resource statement — Budget estimates for 2023-24 as at Budget May 2023

	2022-23 <i>Estimated actual</i>	2023-24 Estimate
	\$'000	\$'000
Opening balance/cash reserves at 1 July	5,972	7,235
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	17,758	19,010
Total amounts received from related entities	17,758	19,010
Total funds from Government	17,758	19,010
Funds from other sources		
Interest	100	180
Other	15,365	15,372
Total funds from other sources	15,465	15,552
Total net resourcing for Australian Curriculum, Assessment and Reporting Authority	39,195	41,797
	2022-23	2023-24
Average staffing level (number)	101	102

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 2023-24 Budget Measures for the Australian Curriculum, Assessment and Reporting Authority.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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: <https://www.acara.edu.au>

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

2.1 Budgeted expenses and performance for Outcome 1

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

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: National Curriculum					
Revenue from Government					
Payment from related entities	3,617	8,769	3,719	3,011	-
Revenues from other independent sources	2,855	3,031	3,755	3,047	-
Total expenses for Program 1.1	6,472	11,800	7,474	6,058	-
Program 1.2: National Assessment					
Revenue from Government					
Payment from related entities	9,713	9,054	9,054	9,054	-
Revenues from other independent sources	9,407	9,164	9,164	9,164	-
Total expenses for Program 1.2	19,120	18,218	18,218	18,218	-
Program 1.3: National Data Collection and Reporting					
Revenue from Government					
Payment from related entities	1,979	1,994	1,994	1,994	-
Revenues from other independent sources	1,993	2,018	2,018	2,018	-
Total expenses for Program 1.3	3,972	4,012	4,012	4,012	-
Program 1.4: National Collaboration and Leadership					
Revenue from Government					
Payment from related entities	952	959	959	959	-
Revenues from other independent sources	958	971	971	971	-
Total expenses for Program 1.4	1,910	1,930	1,930	1,930	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	16,261	20,776	15,726	15,018	
Revenues from other independent sources	15,214	15,183	15,907	15,199	
Total expenses for Outcome 1	31,475	35,959	31,633	30,217	-
	2022-23	2023-24			
Average staffing level (number)	101	102			

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

Performance measure 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 the 2023-24 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 Curriculum²⁹		
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"> • Developing, updating, and maintaining the Australian Curriculum and supporting its implementation • 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
Current year 2022–23	Maintain and enhance the curriculum support resources available on, and the online functionality of, the new Australian Curriculum, Version 9.0 website (released in May 2022)	This first tranche of work samples were released on Version 9.0 of the Australian Curriculum website in December 2022. Implementation support activities continue to be delivered through the Australian Curriculum website
	Maintain research into international and national curriculum trends and developments and conducting annual monitoring processes to inform future refinements to the Australian Curriculum	Advice on the review cycle of the Australian Curriculum being developed
	Refinements to the F–10 Australian Curriculum in 10 Languages subjects undertaken in collaboration with jurisdictions and stakeholders	German, Spanish, Modern Greek, Indonesian and Korean approved and published with work continuing on the remaining languages during 2023
	Refinements to the Health and Physical Education curriculum in relation to mental health are undertaken	Recommendations about next steps around the Health and Physical Education curriculum in relation to mental health were presented to Education Ministers in October 2022

²⁹ Key activities, performance measures and targets have been amended in line with ACARA’s 2022–23 Corporate Plan.

Year	Performance measures	Planned Performance Results
Budget Year 2023–24	Maintain and enhance the curriculum support resources available on, and the online functionality of, the new Australian Curriculum, Version 9.0 website (released in May 2022)	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
	Maintain research into international and national curriculum trends and developments and conduct annual monitoring processes to inform future refinements to the Australian Curriculum	Research and monitoring activities are completed
	Refinements to the F–10 Australian Curriculum in remaining 4 Languages subjects are undertaken in collaboration with jurisdictions and stakeholders	F–10 Australian Curriculum in the remaining 4 Languages subjects reviewed, and revised version published on Australian Curriculum, Version 9.0 website as agreed by education ministers
Forward Estimates 2024– 27	Maintain and enhance the curriculum support resources available on, and the online functionality of, the new Australian Curriculum, Version 9.0 website (released in May 2022)	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
	Maintain research into international and national curriculum trends and developments and conduct annual monitoring processes to inform future refinements to the Australian Curriculum	Research and monitoring activities that have been endorsed by Education Ministers as part of ACARA's work plan are completed
	Work samples for all learning areas are made available on Australian Curriculum, Version 9.0 website	Work samples are published on Australian Curriculum, Version 9.0 website to support teachers to develop a consistent interpretation of the standards
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil		

Program 1.2 – National Assessment³⁰		
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.		
Key Activities	<ul style="list-style-type: none"> • Implementing National Assessment Program (NAP) reforms • Researching, developing, and supporting activities required for high-quality 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) • 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
Current year 2022–23	National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers	National reports on results of NAPLAN and NAP sample assessments are reviewed by jurisdictions and published
	NAPLAN assessments are conducted earlier in the year, as agreed by Education Ministers	Test Administration Authorities to receive all results in June 2023
Year	Performance measures	Planned Performance Results
Budget Year 2023–24	National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers	National reports on results of NAPLAN and NAP sample assessments are reviewed by jurisdictions and published
	Proficiency standards as agreed by Education Ministers introduced for NAPLAN 2023 reports	NAPLAN scale reset and results reported against proficiency standards in NAPLAN reports
	Approved enhancements to NAP, as agreed by Education Ministers, are implemented	Enhancements approved and agreed by Education Ministers implemented for NAP Science
Forward Estimates 2024– 27	National Assessment Program (NAP) – NAPLAN and NAP sample assessments delivered as agreed by Education Ministers	National reports on results of NAPLAN and NAP sample assessments are reviewed by jurisdictions and published
	An enhanced writing assessment model for NAPLAN, as agreed by Education Ministers, is implemented	Test Administration Authorities receive results from the enhanced writing model
	Continued implementation of approved enhancements to NAP, as agreed by Education Ministers, takes place	Enhancements approved and agreed by Education Ministers are implemented for NAP civics and citizenship
	NAP opt-in tests for science and civics and citizenship are available for schools	Schools that opt-in to NAP science and civics and citizenship assessments are able to access their reports
Material changes to Program 1.2 resulting from 2023-24 Budget Measures: Nil		

³⁰ Key activities, performance measures and targets have been amended in line with ACARA's 2022–23 Corporate Plan.

Program 1.3 – National Data and Reporting³¹		
<p>The program aims to provide public reporting to promote accountability and engagement in school education. Provision of quality information on schooling is important for schools and their students, for parents and their families and for the community and governments.</p>		
Key Activities	<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 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
Current year 2022–23	The National Report on Schooling in Australia is published	The National Report on Schooling 2021 was published on 20 February 2023 and the National Report on Schooling data portal updated in December 2022 and April 2023
	Level of stakeholder satisfaction with the My School website	The My School website satisfaction survey is delayed as progress displays are not reflected on the site this reporting period due to cancellation of NAPLAN in 2020
Year	Performance measures	Planned Performance Results
Budget Year 2023–24	The National Report on Schooling in Australia is published	The National Report on Schooling is published, and the National Report on Schooling data portal is updated
	The Measurement Framework for Schooling in Australia is reviewed and updated, in consultation with stakeholders and advisory groups	Revised Measurement Framework for Schooling in Australia is published
Forward Estimates 2024– 27	The National Report on Schooling in Australia is published	The National Report on Schooling is published, and the National Report on Schooling data portal is updated
	Report on the adequacy of ACARA's Review of reporting website and mechanisms is undertaken	Revision of ACARA reporting mechanisms commenced
	Level of stakeholder satisfaction with the My School website improves	Usability of website shows improvement
Material changes to Program 1.3 resulting from 2023-24 Budget Measures: Nil		

³¹ Key activities, performance measures and targets have been amended in line with ACARA's 2022–23 Corporate Plan.

Program 1.4 – National Collaboration and Leadership		
<p>The program aims to ensure ACARA works in a transparent and collaborative manner with Commonwealth/state/territory departments of education and government and, non-government school authorities. ACARA will share its proposals and work with a range of advisory groups to enable all stakeholders to provide input.</p>		
Key Activities	<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, Australian Education Research Organisation and other stakeholder groups, and ensure liaison with key stakeholders across all matters relating to curriculum, assessment, and reporting 	
Year	Performance measures	Expected Performance Results
Current year 2022–23	An advisory structure that is fit for purpose is in place	Advisory structure is reviewed in 2023
	A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions	Progress reports against the annual work plan submitted to EMM and AESOC in September 2022 and at each meeting of the ACARA Board, and all advice provided when requested
	Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained	A high frequency of engagement evident – with additional meetings held in addition to scheduled meetings of advisory groups. ACARA's attendance at key working groups and peak body opportunities is high, and communication with international education bodies evident
	Research relating to either curriculum, assessment or reporting to advance ACARA's work in these areas commissioned and published	One piece of research available through ACARA's website(s) and availability communicated to stakeholders by end of June 2023
Year	Performance measures	Planned Performance Results
Budget Year 2023–24	An advisory structure that is fit for purpose is in place	Level of satisfaction in ACARA's advisory structure at 65% or above
	A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions	Progress reports against the annual work plan submitted to EMM and AESOC in September 2023 and at each meeting of the ACARA Board, and all advice provided when requested
	Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained	A high frequency of engagement evident – with additional meetings held in addition to scheduled meetings of advisory groups. ACARA's attendance at key working groups and peak body opportunities is high, and communication with international education bodies evident
	Research relating to either curriculum, assessment or reporting to advance ACARA's work in these areas commissioned and published	One piece of research available through ACARA's website(s) and availability communicated to stakeholders by end of June 2024

Year	Performance measures	Planned Performance Results
Forward Estimates 2024/27	An advisory structure that is fit for purpose is in place	Advisory structure reviewed 2024, 2025, 2026 and 2027 with level of satisfaction in ACARA's advisory structure at 65% or above reported on in 2025–26
	A transparent reporting process and structure are maintained and timely provision of advice to jurisdictions	Progress reports against the annual work plan submitted to EMM and AESOC in September 2024, 2025, 2026 and 2027 and at each meeting of the ACARA Board, and all advice provided when requested
	Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained	A high frequency of engagement evident – with additional meetings held in addition to scheduled meetings of advisory groups. ACARA's attendance at key working groups and peak body opportunities is high, and communication with international education bodies evident
	Research relating to either curriculum, assessment or reporting to advance ACARA's work in these areas commissioned and published	One piece of research available through ACARA's website(s) and availability communicated to stakeholders by end of June 2025, June 2026 and June 2027
Material changes to Program 1.4 resulting from 2023-24 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 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. Revisions to ACARA's 2023-24 to 2025-26 work plan and budget and its new fourth year out (2026-27) work plan and related annual budget are yet to be endorsed by Education Ministers.

ACARA is forecast to report an operating surplus of \$1.7 million in 2022-23. This surplus is a technical operating surplus and has arisen because of revenue recognised in the 2022-23 financial year that was agreed, in regard to work and expenses that will be incurred in 2023-24. ACARA is budgeting a technical operating deficit in 2023-24 of \$1.7 million which will utilise the technical operating surplus from 2022-23.

3.2 Budgeted financial statements tables

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	17,503	21,628	19,829	19,546	-
Suppliers	12,065	12,570	10,070	8,961	-
Depreciation and amortisation	1,848	1,710	1,702	1,694	-
Finance costs	59	51	32	16	-
Total expenses	31,475	35,959	31,633	30,217	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	100	180	180	180	-
Other	15,365	15,010	15,010	15,010	-
Total own-source revenue	15,465	15,190	15,190	15,190	-
Total own-source income	15,465	15,190	15,190	15,190	-
Net (cost of)/contribution by services	(16,010)	(20,769)	(16,443)	(15,027)	-
Revenue from Government	17,758	19,010	16,510	15,010	-
Surplus/(deficit) attributable to the Australian Government	1,748	(1,759)	67	(17)	-
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	1,748	(1,759)	67	(17)	-
Total comprehensive income/(loss) attributable to the Australian Government	1,748	(1,759)	67	(17)	-

Note: Impact of net cash appropriation arrangements

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	1,748	(1,759)	67	(17)	-
plus: depreciation/amortisation expenses for ROU assets (a)	972	972	972	972	-
less: lease principal repayments (a)	967	1,044	1,110	1,179	-
Net Cash Operating Surplus/ (Deficit)	1,753	(1,831)	(71)	(224)	-

Prepared on Australian Accounting Standards basis.

(a) Applies leases under AASB 16 Leases.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,235	6,062	6,551	6,654	6,654
Trade and other receivables	218	201	201	201	201
Other financial assets	350	5	5	5	5
Total financial assets	7,803	6,268	6,757	6,860	6,860
Non-financial assets					
Land and buildings	4,187	3,215	2,243	1,271	1,271
Property, plant and equipment	136	188	378	576	576
Intangibles	4,431	3,761	3,091	2,421	2,421
Other non-financial assets	506	450	525	675	675
Total non-financial assets	9,260	7,614	6,237	4,943	4,943
Total assets	17,063	13,882	12,994	11,803	11,803
LIABILITIES					
Payables					
Suppliers	3,004	2,500	2,600	2,700	2,700
Total payables	3,004	2,500	2,600	2,700	2,700
Interest bearing liabilities					
Leases	4,659	3,615	2,505	1,326	1,326
Total interest bearing liabilities	4,659	3,615	2,505	1,326	1,326
Provisions					
Employee provisions	2,930	3,050	3,100	3,000	3,000
Other provisions	449	455	460	465	465
Total provisions	3,379	3,505	3,560	3,465	3,465
Total liabilities	11,042	9,620	8,665	7,491	7,491
Net assets	6,021	4,262	4,329	4,312	4,312
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	6,021	4,262	4,329	4,312	4,312
Total parent entity interest	6,021	4,262	4,329	4,312	4,312
Total equity	6,021	4,262	4,329	4,312	4,312

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 2023-24)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	6,021	-	-	-	6,021
Adjusted opening balance	6,021	-	-	-	6,021
Comprehensive income					
Surplus/(deficit) for the period	(1,759)	-	-	-	(1,759)
Total comprehensive income	(1,759)	-	-	-	(1,759)
Estimated closing balance as at 30 June 2024	4,262	-	-	-	4,262
Closing balance attributable to the Australian Government	4,262	-	-	-	4,262

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	33,123	34,037	31,520	30,020	-
Interest	100	180	180	180	-
Other	-	345	-	-	-
Total cash received	33,223	34,562	31,700	30,200	-
Cash used					
Employees	17,503	21,508	19,779	19,646	-
Suppliers	12,486	13,018	10,045	9,011	-
Interest payments on lease liability	59	51	32	16	-
Total cash used	30,048	34,577	29,856	28,673	-
Net cash from/(used by) operating activities	3,175	(15)	1,844	1,527	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	945	114	245	245	-
Total cash used	945	114	245	245	-
Net cash from/(used by) investing activities	(945)	(114)	(245)	(245)	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	967	1,044	1,110	1,179	-
Total cash used	967	1,044	1,110	1,179	-
Net cash from/(used by) financing activities	(967)	(1,044)	(1,110)	(1,179)	-
Net increase/(decrease) in cash held	1,263	(1,173)	489	103	-
Cash and cash equivalents at the beginning of the reporting period	5,972	7,235	6,062	6,551	6,654
Cash and cash equivalents at the end of the reporting period	7,235	6,062	6,551	6,654	6,654

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 2023-24)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 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	(3,687)	-	-	(3,687)
Opening net book balance	4,187	136	4,431	8,754
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - other	-	120	-	120
Total additions	-	120	-	120
Other movements				
Depreciation/amortisation expense	-	(68)	(670)	(738)
Depreciation/amortisation on ROU assets	(972)	-	-	(972)
Total other movements	(972)	(68)	(670)	(1,710)
As at 30 June 2024				
Gross book value	-	2,941	5,181	8,122
Gross book value - ROU assets	7,874	-	-	7,874
Accumulated depreciation/ amortisation and impairment	-	(2,753)	(1,420)	(4,173)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,659)	-	-	(4,659)
Closing net book balance	3,215	188	3,761	7,164

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 income and expenses 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 2023-24)

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 2022-23.

AITSL has been provided with additional funding to deliver key actions in the National Teacher Workforce Action Plan (NTWAP), including to address data gaps that will improve understanding of demand and supply in the teacher workforce, and to develop new guidelines to strengthen mentoring of new teachers and school leaders.

We have also been recently funded to refine, identify enhancements, evaluate and maximise uptake of the Cultural Responsiveness Toolkit which was completed as a key product of the Indigenous Cultural Competency in the Australian Teaching Workforce Project in 2022.

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 *Budget Paper No. 4 – Agency Resourcing*.

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

Table 1.1: AITSL resource statement - Budget estimates for 2023-24 as at Budget May 2023

	2022-23 Estimated actual \$'000	2023-24 Estimate \$'000
Opening balance/cash reserves at 1 July	9,936	10,119
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department (a)	9,844	10,561
Total amounts received from related entities	9,844	10,561
Total funds from Government	9,844	10,561
Funds from other sources		
Interest	211	245
Sale of goods and services	6,794	4,120
Total funds from other sources	7,005	4,365
Total net resourcing for AITSL	26,785	25,045
	2022-23	2023-24
Average staffing level (number)	69	70

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 2023-24 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 which contribute to government outcomes over the Budget and forward years.

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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.

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.

Table 2.1.1: Budgeted expenses for Outcome 1

Outcome 1: Enhance the quality of teaching and school leadership through developing standards, recognising teaching excellence, providing professional development opportunities and supporting the teaching profession.					
	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: Assistance for Quality Teaching and Learning					
Revenue from Government					
Payment from related entities	9,529	14,234	9,119	-	-
Revenues from other independent sources	7,005	4,365	3,585	-	-
Total expenses for Program 1.1	16,534	18,599	12,704	-	-
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	9,529	14,234	9,119	-	-
Revenues from other independent sources	7,005	4,365	3,585	-	-
Total expenses for Outcome 1	16,534	18,599	12,704	-	-
	2022-23	2023-24			
Average staffing level (number)	69	70			

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

Performance measure 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 the 2023-24 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 Assistance for Quality Teaching and Learning</p> <p>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>Current year 2022–23</p>	<p>AITSL continues to promote excellence in the profession of teaching and school leadership</p>	<p>Initial Teacher Education Programs in Australia</p> <p>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>

<p>Current year 2022–23 (continued)</p>		<ul style="list-style-type: none"> • Promote access to key tools and resources <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>
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Year	Performance measures	Planned Performance Results
Budget Year 2023–24	AITSL continues to promote excellence in the profession of teaching and school leadership	<p>Initial Teacher Education Programs in Australia</p> <p>Implement Education Ministers' decisions on national quality assurance, consistency, and transparency of initial teacher education</p> <p>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 <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
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 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 2021-22 to 2022-23.

In April 2023 AITSL was provided with \$1.535 million of funding to work on Cultural Competency (\$1.035 million) and Action 14 (\$0.500 million) of the National Teacher Workforce Action Plan (NTWAP) for the years 2023-24. Also, in April 2023 AITSL was provided with \$4.020 million from NTWAP funding to work on Actions 25, 26 and 27 (\$3.058 million) for the years 2022-23 to 2024-25, and Action 5 (\$0.212 million), Action 14 (\$0.550 million) and Action 15 (\$0.200 million) for the year 2023-24.

The funding for the 2023-24 Budget Year will be \$10.561 million. The comparative funding in the 2022-23 year is \$9.844 million. In the 2022–23 year the income from Overseas Skills Assessment is budgeted at \$1.55 million and \$3.25 million is included for contributing to create a longitudinal data set on the teaching workforce. Comparative income from other sources in the 2022-23 year included \$3.631 million from Overseas Skills Assessment and \$2.35 million to create a longitudinal data set. The income for 2022-23 of \$3.631 million for Overseas Skills Assessment is considered to be an extraordinary year and for budgeted amounts in the future years an average of the previous four years has been used which excludes the extraordinary year.

AITSL is reporting an operating surplus of \$0.315 million 2022-23. This surplus is a technical operating surplus and has arisen because of revenue recognised in the 2022-23 financial year that was agreed in regard to work and expenses that will be incurred in 2023-24. AITSL is budgeting for a technical deficit in 2023-24 of \$3.673 million which will utilise the technical surplus from 2022-23 and 2021-22 (\$3.187 million).

The net asset position at 30 June 2023 is \$8.646 million. Total assets are \$12.585 million, comprising \$10.649 million of financial assets and \$1.936 million of non-financial assets. Total liabilities at 30 June 2023 are \$3.939 million, of which \$1.193 million is accrued employee

provisions, \$0.538 million is supplier payables, \$1.797 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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	10,652	13,236	9,619	-	-
Suppliers	4,938	4,553	2,282	-	-
Depreciation and amortisation	880	785	778	-	-
Finance costs	64	25	25	-	-
Total expenses	16,534	18,599	12,704	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	6,794	4,120	3,385	-	-
Interest	211	245	200	-	-
Other	9,844	10,561	9,119	-	-
Total own-source revenue	16,849	14,926	12,704	-	-
Total own-source income	16,849	14,926	12,704	-	-
Net (cost of)/contribution by services	315	(3,673)	-	-	-
Revenue from Government	-	-	-	-	-
Surplus/(deficit) attributable to the Australian Government	315	(3,673)	-	-	-
Total other comprehensive income	315	(3,673)	-	-	-
Total comprehensive income/(loss)	315	(3,673)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	315	(3,673)	-	-	-

Note: Impact of net cash appropriation arrangements

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	315	(3,673)	-	-	-
plus: depreciation/amortisation expenses for ROU assets (b)	679	709	709	-	-
less: lease principal repayments (b)	656	736	720	-	-
Net Cash Operating Surplus/ (Deficit)	338	(3,700)	(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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	10,119	6,412	6,439	6,439	6,439
Trade and other receivables	66	70	49	49	49
Other investments	464	464	464	464	464
Total financial assets	10,649	6,946	6,952	6,952	6,952
Non-financial assets					
Land and buildings	1,673	964	255	255	255
Property, plant and equipment	247	171	140	140	140
Other non-financial assets	16	16	16	16	16
Total non-financial assets	1,936	1,151	411	411	411
Assets held for sale	-	-	-	-	-
Total assets	12,585	8,097	7,363	7,363	7,363
LIABILITIES					
Payables					
Suppliers	538	497	584	584	584
Personal benefits	385	347	277	277	277
Other payables	104	104	104	104	104
Total payables	1,027	948	965	965	965
Interest bearing liabilities					
Leases	1,797	1,061	341	341	341
Total interest bearing liabilities	1,797	1,061	341	341	341
Provisions					
Employee provisions	808	808	808	808	808
Other provisions	307	307	276	276	276
Total provisions	1,115	1,115	1,084	1,084	1,084
Total liabilities	3,939	3,124	2,390	2,390	2,390
Net assets	8,646	4,973	4,973	4,973	4,973
EQUITY*					
Parent entity interest					
Reserves	8,331	8,646	4,973	4,973	4,973
Retained surplus (accumulated deficit)	315	(3,673)	-	-	-
Total parent entity interest	8,646	4,973	4,973	4,973	4,973
Total equity	8,646	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 2023-24)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	8,646	-	-	-	8,646
Adjusted opening balance	8,646	-	-	-	8,646
Comprehensive income					
Other comprehensive income					-
Surplus/(deficit) for the period	(3,673)	-	-	-	(3,673)
Total comprehensive income	(3,673)	-	-	-	(3,673)
of which:					
Attributable to the Australian Government	(3,673)	-	-	-	(3,673)
Estimated closing balance as at 30 June 2024	4,973	-	-	-	4,973
Less: non-controlling interests*					-
Closing balance attributable to the Australian Government	4,973	-	-	-	4,973

Prepared on Australian Accounting Standards basis.

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

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	9,855	10,561	9,119	-	-
Sale of goods and rendering of services	6,803	4,120	3,385	-	-
Interest	200	230	200	-	-
Net GST received	424	329	310	-	-
Total cash received	17,282	15,240	13,014	-	-
Cash used					
Employees	10,600	13,274	9,689	-	-
Suppliers	5,495	4,912	2,484	-	-
Interest payments on lease liability	64	25	25	-	-
Total cash used	16,159	18,211	12,198	-	-
Net cash from/(used by) operating activities	1,123	(2,971)	816	-	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	(284)	-	(69)	-	-
Total cash used	(284)	-	(69)	-	-
Net cash from/(used by) investing activities	(284)	-	(69)	-	-
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	656	736	720	-	-
Total cash used	656	736	720	-	-
Net cash from/(used by) financing activities	656	736	720	-	-
Net increase/(decrease) in cash held	183	(3,707)	27	-	-
Cash and cash equivalents at the beginning of the reporting period	9,936	10,119	6,412	-	-
Cash and cash equivalents at the end of the reporting period	10,119	6,412	6,439	-	-

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 2023-24)

	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2023					
Gross book value	-	2,528	16	168	2,712
Gross book value - ROU assets	4,428	-	-	-	-
Accumulated depreciation/ amortisation and impairment	-	(2,281)	-	-	(2,281)
Accumulated depreciation/amortisation and impairment - ROU assets	(2,755)	-	-	-	(2,755)
Opening net book balance	1,673	247	16	168	(2,324)
Other movements					
Depreciation/amortisation expense	-	(76)	-	-	(76)
Depreciation/amortisation on ROU assets	(709)	-	-	-	(709)
Total other movements	(709)	(76)	-	-	(785)
As at 30 June 2024					
Gross book value	-	2,528	16	168	2,712
Gross book value - ROU assets	4,428	-	-	-	4,428
Accumulated depreciation/ amortisation and impairment	-	(2,357)	-	(168)	(2,525)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,464)	-	-	-	(3,464)
Closing net book balance	964	171	16	-	1,151

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 2023-24)

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), by 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. In the 2022 Statement of Expectations, the Minister for Education asked that the ARC discontinue preparations for the 2023 ERA round. The ARC has developed a transition plan, in consultation with the sector and the Department of Education, to a modern, data-driven approach informed by expert review.

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 will continue working with the Department of Education to develop research engagement and impact indicators to inform the assessment of quality and impact.

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.

Through its Strategy 2022-2025, the ARC is delivering a refreshed approach to helping shape an 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 2023-24 include:

- further streamlining NCGP arrangements by leveraging best-practice principles and an outcomes-focused culture and continuing to work with the research sector to

design and implement enhanced processes and procedures, including with increased transparency and specified scheme timelines

- providing high-quality advice to the Minister for Education and implementing the Government's response to the Review of the Australian Research Council Act 2001, including transitioning to a modern, data-driven approach to assessing research and impact assessment, informed by expert review
- continuing to broaden and deepen the role of the ARC in strengthening relationships with the university research sector, industry, and government, including through support to the Australian Universities Accord review
- working with the Department of Education to undertake a policy review of the NCGP to take a fresh look at the significant policy drivers for supporting university research and the associated impact on Australia culturally, environmentally and economically
- ensuring ARC activities support a diverse and inclusive research sector and the participation by all eligible researchers, including First Nations, women, and early and mid-career researchers in NCGP schemes
- highlighting and promoting the value of First Nations research and engagement with First Nations perspectives and increasing the visibility of First Nations research and its important contribution to Australia
- promoting and broadening the ARC's research grants administration expertise and services, including through the provision of Research Grant Services
- utilising data analytics and reporting 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.

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 the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to the *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 2023-24 as at Budget May 2023

	2022-23 <i>Estimated actual</i> \$'000	2023-24 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available	14,608	14,165
Departmental appropriation (b)	23,401	22,426
s74 External Revenue (c)	1,328	842
Departmental capital budget (d)	1,240	1,280
Total departmental annual appropriations	<u>40,577</u>	<u>38,713</u>
Total departmental resourcing	40,577	38,713
Administered		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	1,786	1,786
Outcome 1	9,185	10,831
Total administered annual appropriations	<u>10,971</u>	<u>12,617</u>
Special Appropriation (e)	831,594	899,520
Total administered special appropriations	<u>831,594</u>	<u>899,520</u>
Special accounts (f)		
Opening balance	2,252	2,252
Total special account receipts	<u>2,252</u>	<u>2,252</u>
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	-	-
Total administered resourcing	844,817	914,389
Total resourcing for entity Australian Research Council	885,394	953,102
	<u>2022-23</u>	<u>2023-24</u>
Average staffing level (number)	140	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) 2023-24.

(b) Excludes departmental capital budget (DCB).

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

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

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

(f) 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 accounts.

1.3 Budget measures

There are no 2023-24 Budget measures for ARC.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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 ARC can be found at: www.arc.gov.au.

The most recent annual performance statement can be found 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 the 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	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: Discovery - Research and Research Training					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,240	1,358	1,397	1,434	1,470
Special appropriations <i>Australian Research Council Act 2001</i>	511,074	552,390	599,499	629,581	646,895
Total expenses for program 1.1	512,314	553,748	600,896	631,015	648,365
Program 1.2: Linkage - Cross Sector Research Partnerships					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	1,847	2,027	2,086	2,140	2,196
Special appropriations <i>Australian Research Council Act 2001</i>	317,251	343,808	373,989	402,784	430,918
Special accounts ARC Research Endowment Account - s80 PGPA Act 2013 (s62 Australian Research Council Act 2001)	2,252	2,252	2,252	2,252	2,252
Total expenses for program 1.2	321,350	348,087	378,327	407,176	435,366
Program 1.3: Excellence in Research for Australia					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	6,098	7,446	4,036	3,779	3,873
Total expenses for program 1.3	6,098	7,446	4,036	3,779	3,873

Table 2.1.1: Budgeted expenses for Outcome 1 (continued)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ARC - Departmental					
Departmental expenses					
Departmental appropriation	22,902	22,426	22,971	23,305	23,769
s74 External Revenue (a)	1,328	842	571	29	12
Expenses not requiring appropriation in the Budget year (b)	5,098	2,012	1,930	2,382	2,082
Total expenses for Departmental	29,328	25,280	25,472	25,716	25,863
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)	9,185	10,831	7,519	7,353	7,539
Special appropriations	828,325	896,198	973,488	1,032,365	1,077,813
Special accounts	2,252	2,252	2,252	2,252	2,252
Administered total	839,762	909,281	983,259	1,041,970	1,087,604
Departmental expenses					
Departmental appropriation	22,902	22,426	22,971	23,305	23,769
s74 External Revenue (a)	1,328	842	571	29	12
Expenses not requiring appropriation in the Budget year (b)	5,098	2,012	1,930	2,382	2,082
Departmental total	29,328	25,280	25,472	25,716	25,863
Total expenses for Outcome 1	869,090	934,561	1,008,731	1,067,686	1,113,467
	2022-23	2023-24			
Average staffing level (number)	140	140			

(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 excluding depreciation on RoU assets, make good expenses and audit fees.

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

Performance measure 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 the 2023–24 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
Current 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 On track
	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 Discovery Program applications is less than 1% of all submitted applications On track
	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 On track
	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 On track

Year	Performance measures	Planned Performance Results
Budget Year 2023–24	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 Discovery 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 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil		

Program 1.2 – Linkage – Cross sector research partnerships		
<p>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. 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.</p>		
Key Activities	Fund high-quality and impactful research	
Year	Performance measures	Expected Performance Results
Current 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 Not on track
	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 On track
	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 On track
	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 On track
	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 On track
Budget Year 2023–24	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

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	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
Year	Performance measures	Planned Performance Results
Forward Estimates 2024–27	As per 2023–24	As per 2023–24
Material changes to Program 1.2 resulting from 2023-24 Budget Measures: Nil		

Program 1.3 – Excellence in Research for Australia³²		
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 next ERA and EI rounds are not currently scheduled as the ARC is working to transition ERA to a more modern, data driven approach informed by expert review. This program 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.		
Key Activities	Assess research quality, engagement, and impact	
Year	Performance measures	Expected Performance Results
Current year 2022–23	Use of ERA program data to inform and support the needs of Australian universities and the Australian Government	Target: ERA program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities On track
	Use of EI program data to inform and support the needs of Australian universities and the Australian Government	Target: EI program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities On track
Budget Year 2023–24	Use of ERA program data to inform and support the needs of Australian universities and the Australian Government	Target: ERA program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities
	Use of EI program data to inform and support the needs of Australian universities and the Australian Government	Target: EI program reports and activities assist in the development of Australian Government policies and the strategic planning of Australian universities
Forward Estimates 2024-27	As per 2023–24	As per 2023–24
Material changes to Program 1.3 resulting from 2023-24 Budget Measures: Nil		

³² The 2023 Excellence in Research for Australia (ERA) round was discontinued and the ARC has developed a transition plan for the development of a modern data-driven approach to research evaluation, informed by expert review. Depending on the outcome of this work and the *Review of the Australian Research Council Act 2001*, the program and performance measures may be amended in the future. Further details will be provided in the 2023–24 ARC Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of the ARC's finances for the 2023-24 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 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 attributable to the depreciation and amortisation expenses for the year. 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 \$11.96 million for 2023-24 represents a decrease of \$0.67 million from 2022-23 and 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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	18,896	18,212	18,165	18,132	18,099
Suppliers	3,118	2,755	2,982	4,661	5,746
Depreciation and amortisation (a)	7,126	4,195	4,277	2,910	2,018
Finance costs	188	118	48	13	-
Total expenses	29,328	25,280	25,472	25,716	25,863
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,328	842	571	29	12
Other	64	64	64	64	64
Total own-source revenue	1,392	906	635	93	76
Total own-source income	1,392	906	635	93	76
Net (cost of)/contribution by services	(27,936)	(24,374)	(24,837)	(25,623)	(25,787)
Revenue from Government	22,902	22,426	22,971	23,305	23,769
Surplus/(deficit) attributable to the Australian Government	(5,034)	(1,948)	(1,866)	(2,318)	(2,018)
Total comprehensive income/(loss)	(5,034)	(1,948)	(1,866)	(2,318)	(2,018)
Total comprehensive income/(loss) attributable to the Australian Government	(5,034)	(1,948)	(1,866)	(2,318)	(2,018)

Note: Impact of net cash appropriation arrangements

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(5,034)	(1,948)	(1,866)	(2,318)	(2,018)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	5,178	2,251	2,333	2,304	2,018
plus: depreciation/amortisation expenses for ROU assets (b)	1,948	1,944	1,944	606	-
less: lease principal repayments (b)	2,092	2,247	2,411	592	-
Net Cash Operating Surplus/ (Deficit)	-	-	-	-	-

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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	822	392	392	392	392
Trade and other receivables	14,425	12,926	12,934	12,299	12,299
Total financial assets	15,247	13,318	13,326	12,691	12,691
Non-financial assets					
Land and buildings	4,829	2,737	646	-	-
Property, plant and equipment	634	1,015	1,154	629	84
Intangibles	4,222	5,018	3,992	3,547	3,396
Other non-financial assets	158	158	158	158	158
Total non-financial assets	9,843	8,928	5,950	4,334	3,638
Assets held for sale					
Total assets	25,090	22,246	19,276	17,025	16,329
LIABILITIES					
Payables					
Suppliers	757	757	757	757	757
Other payables	301	372	380	455	455
Total payables	1,058	1,129	1,137	1,212	1,212
Interest bearing liabilities					
Leases	5,250	3,003	592	-	-
Total interest bearing liabilities	5,250	3,003	592	-	-
Provisions					
Employee provisions	5,449	5,449	5,449	5,449	5,449
Other provisions	710	710	710	-	-
Total provisions	6,159	6,159	6,159	5,449	5,449
Total liabilities	12,467	10,291	7,888	6,661	6,661
Net assets	12,623	11,955	11,388	10,364	9,668
EQUITY*					
Parent entity interest					
Contributed equity	42,449	43,729	45,028	46,338	47,660
Reserves	16	16	16	-	-
Retained surplus (accumulated deficit)	(29,842)	(31,790)	(33,656)	(35,974)	(37,992)
Total parent entity interest	12,623	11,955	11,388	10,364	9,668
Total equity	12,623	11,955	11,388	10,364	9,668

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 2023-24)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	(29,842)	16	-	42,449	12,623
Adjusted opening balance	(29,842)	16	-	42,449	12,623
Comprehensive income					
Surplus/(deficit) for the period	(1,948)	-	-	-	(1,948)
Total comprehensive income	(1,948)	-	-	-	(1,948)
of which:					
Attributable to the Australian Government	(31,790)	16	-	42,449	10,675
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCB)	-	-	-	1,280	1,280
Sub-total transactions with owners	-	-	-	1,280	1,280
Transfers between equity					
Estimated closing balance as at 30 June 2024	(31,790)	16	-	43,729	11,955
Less: non-controlling interests*					-
Closing balance attributable to the Australian Government	(31,790)	16	-	43,729	11,955

Prepared on Australian Accounting Standards basis

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

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,376	23,925	22,963	23,940	23,769
Sale of goods and rendering of services	1,328	842	571	29	12
Net GST received	581	546	568	577	604
Total cash received	26,285	25,313	24,102	24,546	24,385
Cash used					
Employees	18,986	18,141	18,157	18,057	18,099
Suppliers	3,054	2,691	2,918	4,597	5,682
Net GST paid	581	546	568	577	604
Interest payments on lease liability	188	118	48	13	-
Total cash used	22,809	21,496	21,691	23,244	24,385
Net cash from/(used by) operating activities	3,476	3,817	2,411	1,302	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,125	3,280	1,299	2,020	1,322
Total cash used	2,125	3,280	1,299	2,020	1,322
Net cash from/(used by) investing activities	(2,125)	(3,280)	(1,299)	(2,020)	(1,322)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,240	1,280	1,299	1,310	1,322
Total cash received	1,240	1,280	1,299	1,310	1,322
Cash used					
Principal payments on lease liability	2,092	2,247	2,411	592	-
Total cash used	2,092	2,247	2,411	592	-
Net cash from/(used by) financing activities	(852)	(967)	(1,112)	718	1,322
Net increase/(decrease) in cash held	499	(430)	-	-	-
Cash and cash equivalents at the beginning of the reporting period	323	822	392	392	392
Cash and cash equivalents at the end of the reporting period	822	392	392	392	392

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,240	1,280	1,299	1,310	1,322
Total new capital appropriations	1,240	1,280	1,299	1,310	1,322
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	1,240	1,280	1,299	1,310	1,322
Total items	1,240	1,280	1,299	1,310	1,322
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations (a)	1,240	1,280	1,299	1,310	1,322
Funded internally from departmental resources (c)	1,220	2,000	-	-	-
TOTAL	2,460	3,280	1,299	1,310	1,322
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,460	3,280	1,299	1,310	1,322
Total cash used to acquire assets	2,460	3,280	1,299	1,310	1,322

Prepared on Australian Accounting Standards basis.

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

b) 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 2023-24)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2023				
Gross book value	614	1,230	22,926	24,770
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/ amortisation and impairment	(279)	(600)	(18,704)	(19,583)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,258)	(16)	-	(9,274)
Opening net book balance	4,829	634	4,222	9,685
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity (a)	-	850	430	1,280
By purchase - appropriation ordinary annual services (b)	-	-	2,000	2,000
Total additions	-	850	2,430	3,280
Other movements				
Depreciation/amortisation expense	(148)	(469)	(1,634)	(2,251)
Depreciation/amortisation on ROU assets	(1,944)	-	-	(1,944)
Total other movements	(2,092)	(469)	(1,634)	(4,195)
As at 30 June 2024				
Gross book value	614	2,080	25,356	28,050
Gross book value - ROU assets	13,752	20	-	13,772
Accumulated depreciation/ amortisation and impairment	(427)	(1,069)	(20,338)	(21,834)
Accumulated depreciation/amortisation and impairment - ROU assets	(11,202)	(16)	-	(11,218)
Closing net book balance	2,737	1,015	5,018	8,770

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023-24, including Collection Development Acquisition Budget.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2023-24 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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Suppliers	9,185	10,831	7,519	7,353	7,539
Grants	830,577	898,450	975,740	1,034,617	1,080,065
Total expenses administered on behalf of Government	839,762	909,281	983,259	1,041,970	1,087,604
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Other revenue	9,721	9,721	9,721	9,721	9,721
Total non-taxation revenue	9,721	9,721	9,721	9,721	9,721
Total own-source revenue administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Total own-sourced income administered on behalf of Government	9,721	9,721	9,721	9,721	9,721
Net (cost of)/contribution by services	830,041	899,560	973,538	1,032,249	1,077,883
Surplus/(deficit) before income tax	(830,041)	(899,560)	(973,538)	(1,032,249)	(1,077,883)
Surplus/(deficit) after income tax	(830,041)	(899,560)	(973,538)	(1,032,249)	(1,077,883)
Total comprehensive income/(loss)	(830,041)	(899,560)	(973,538)	(1,032,249)	(1,077,883)

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,252	2,252	2,252	2,252	2,252
Trade and other receivables	69	69	69	69	69
Total financial assets	2,321	2,321	2,321	2,321	2,321
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	2,506	2,506	2,506	2,506	2,506
LIABILITIES					
Payables					
Suppliers	574	574	574	574	574
Grants	241,813	240,743	240,743	240,743	240,743
Total payables	242,387	241,317	241,317	241,317	241,317
Total liabilities administered on behalf of Government	242,387	241,317	241,317	241,317	241,317
Net assets/(liabilities)	(239,881)	(238,811)	(238,811)	(238,811)	(238,811)

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Net GST received	1,924	1,956	1,956	1,956	1,956
Other	9,721	9,721	9,721	9,721	9,721
Total cash received	11,645	11,677	11,677	11,677	11,677
Cash used					
Grant	831,594	899,520	975,740	1,034,617	1,080,065
Suppliers	9,185	10,831	7,519	7,353	7,539
Net GST paid	1,924	1,956	1,956	1,956	1,956
Total cash used	842,703	912,307	985,215	1,043,926	1,089,560
Net cash from/(used by) operating activities	(831,058)	(900,630)	(973,538)	(1,032,249)	(1,077,883)
Net increase/(decrease) in cash held					
	(831,058)	(900,630)	(973,538)	(1,032,249)	(1,077,883)
Cash and cash equivalents at beginning of reporting period	2,252	2,252	2,252	2,252	2,252
Cash from Official Public Account for: - Appropriations	842,703	912,307	985,215	1,043,926	1,087,604
<i>Total cash from Official Public Account</i>	<i>842,703</i>	<i>912,307</i>	<i>985,215</i>	<i>1,043,926</i>	<i>1,087,604</i>
Cash to Official Public Account for: - Appropriations	11,645	11,677	11,677	11,677	9,721
<i>Total cash to Official Public Account</i>	<i>11,645</i>	<i>11,677</i>	<i>11,677</i>	<i>11,677</i>	<i>9,721</i>
Cash and cash equivalents at end of reporting period	2,252	2,252	2,252	2,252	2,252

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 2023–24)

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 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.

The COVID-19 pandemic tested the resilience of the higher education system, while driving disruptive change. It provided some salutary lessons about reliance on familiar models of international education and even the traditional notion of a campus.

As a result of the pandemic and associated border closures, most higher education providers rapidly transitioned their offerings to fully online delivery. While this supported continuity in delivery and innovation, challenges to quality also emerged, resulting in reduced student engagement. Other challenges also emerged, such as academic support, practical and work integrated learning, and ensuring academic integrity.

As the sector emerges from the pandemic, business models for higher education are more heavily focused on online delivery, including through third party arrangements, with attendant risks and opportunities. The challenge for TEQSA, as the regulator, will be to support innovation while ensuring the quality and integrity of Australian higher education and the capabilities of graduates.

The higher education sector is also facing several key challenges and risks that will require attention, including from the regulator. These include changes in the international student marketplace, threats to academic integrity (including from artificial intelligence), cyber-security vulnerabilities and foreign interference, lack of admissions transparency and integrity, and student safety and wellbeing.

It will be incumbent upon TEQSA to ensure that providers can evidence the policies, systems, governance oversight and external, as well as internal, assurance activities required of them to manage sector and provider specific risks. In this manner, TEQSA can proportionately reduce the regulatory demands of providers that have mature systems and consistently exceed threshold standards and protections – and focus regulatory effort on providers and risks that are poorly managed.

TEQSA has also commenced 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.

More specifically, there are several key challenges to effective regulation of higher education, on which TEQSA will be prioritising its work, including:

- Addressing the multiple regulatory and other requirements of providers by reducing regulatory burden, through incorporating or acknowledging the outcomes of other legislative obligations, such as financial reporting. This is especially the case for dual sector providers and the intersection of TEQSA’s regulatory work with that of Australian Skills Quality Authority (ASQA), the vocational education regulator.
- Working to ensure our activities are informed by an understanding of the concerns of students, including First Nations students, those who live with disability, international students and others who experience challenges participating in higher education.
- Ensuring regulation keeps pace with the evolution of an Australian qualification, especially with changing trends in delivery and the demand from students as consumers of higher education for quality and value for money.
- Maintaining the integrity of provider categories, in recognition of the clear distinctions between an Institute of Higher Education, a University College, an Australian University or an Overseas University. This is particularly relevant with the research requirements of an Australian University.
- Improving clarity for students about where to turn to resolve individual disputes or concerns, and where support can be obtained and provided.

- Providing systematic and timely access to data, to monitor performance and risks to individual providers, as well as analysis of emerging and known risks across the higher education sector.

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 *Budget Paper No. 4 – Agency Resourcing*.

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

Table 1.1: TEQSA resource statement — Budget estimates for 2023-24 as at Budget May 2023

	2022-23 <i>Estimated actual \$'000</i>	2023-24 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	12,580	10,601
Departmental appropriation (c)	20,009	20,462
s74 External Revenue (d)	515	650
Departmental capital budget (e)	1,563	916
Total departmental annual appropriations	<u>34,667</u>	<u>27,742</u>
Total departmental resourcing	34,667	27,742
Administered		
Total administered special appropriations	200	200
Total administered resourcing	200	200
Total resourcing for teqsa	34,867	27,942
<hr/>		
	2022-23	2023-24
Average staffing level (number)	<u>102</u>	<u>107</u>

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

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

a) Appropriation Bill (No. 1) 2023-24.

b) Excludes departmental capital budget (DCB).

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

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

1.3 Budget measures

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

Table 1.2: Entity 2023-24 Budget measures

Part 1: Measures announced since the 2022-23 October Budget

TEQSA has no measures announced since the 2022-23 October Budget. Therefore, this table is not presented.

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

TEQSA has no measures announced that were not previously reported in a portfolio statement. Therefore, this table is not presented.

Section 2: Outcomes and planned performance

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

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

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance 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 TEQSA can be found at: www.teqsa.gov.au/corporate-plan-and-performance-reporting

The most recent annual performance statement can be found at: <https://www.teqsa.gov.au/about-us/reporting-and-accountability/annual-report>

2.1 Budgeted expenses and performance 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.

Budgeted expenses for Outcome 1

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

Table 2.1.1: Budgeted expenses for Outcome 1

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.					
	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: Regulatory and Quality Assurance					
Departmental expenses					
Departmental appropriation	20,212	19,911	20,235	20,472	20,826
s74 External Revenue (a)	515	650	650	650	650
Expenses not requiring appropriation in the Budget year (b)	1,152	1,367	1,289	1,155	1,054
Departmental total	21,879	21,928	22,174	22,277	22,530
Total expenses for program 1.1	21,879	21,928	22,174	22,277	22,530
Outcome 1 Totals by appropriation type					
Departmental expenses					
Departmental appropriation	20,212	19,911	20,235	20,472	20,826
s74 External Revenue (a)	515	650	650	650	650
Expenses not requiring appropriation in the Budget year (b)	1,152	1,367	1,289	1,155	1,054
Departmental total	21,879	21,928	22,174	22,277	22,530
Total expenses for Outcome 1	21,879	21,928	22,174	22,277	22,530

	2022-23	2023-24
Average staffing level (number)	102	107

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

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

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

Table 2.1.2: Performance measure 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 the 2023-24 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: 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>	
<p>Program 1.1 Regulation and Quality Assurance</p> <p>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. 	
<p>Objective 1: Promote and support good practice and effective self-assurance across the sector</p>	
<p>Key Activities</p>	<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 Higher Education Standards Framework (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
Current year 2022–23	Number of website visits to TEQSA developed resources	<p>Target: 10% increase in website visits to TEQSA developed education and guidance materials compared to previous years</p> <p><u>Achieved</u> Substantial increase in website visits to TEQSA developed education and guidance materials of at least 30 percent (against 10 percent target).</p>
	Website-based guidance is current and relevant to providers	<p>Target:</p> <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. <p><u>Achieved</u></p> <ul style="list-style-type: none"> • 5-6 sector guidance notes expected to be published by end 2022-23, with a further 12 expected next year (against a target of 3-4) • TEQSA's website has been renewed. The project completed in December 2022.
	Extent of stakeholder satisfaction with TEQSA-developed resources	<p>Target: Majority of providers are satisfied with TEQSA good practice materials and guidance</p> <p><u>Achieved</u> Strong sector feedback on online resources, such as transnational education toolkit released in November 2022.</p>

Year	Performance measures	Expected performance results
<p>Current year 2022-23 (continued)</p>	<p>Extent of satisfaction with TEQSA's engagement with peak bodies and providers, including in relation to:</p> <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 	<p>Target: Most peak bodies report constructive and effective engagement with TEQSA</p> <ul style="list-style-type: none"> i. Peak bodies and providers understand and accept TEQSA's published priorities. ii. Peak bodies and providers understand TEQSA's regulatory model and practice review process. iii. Peak bodies representing majority of providers participate in an online discussion or submit written feedback during consultation on the amended cost recovery model. iv. <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. <p><u>Substantially achieved</u> Qualitative research project in July 2022 found general peak body satisfaction with TEQSA engagement:</p> <ul style="list-style-type: none"> i. 7 in 10 providers have rated published materials as good or excellent. ii. peak bodies and providers understand TEQSA's regulatory practice but remain concerned with regulatory performance. iii. peak bodies and providers understand cost recovery rationale and impacts but seek service charter specifically linked to fees and charges. iv. Strong positive responses to TEQSA conference and other events, with recorded 94 percent satisfaction rate.10 percent of delegates to the annual conference were students.
	<p>Engage high risk providers in free online events to promote and support good practice</p>	<p>Target:</p> <ul style="list-style-type: none"> • Commence and determine a baseline in 2023 • 40% of high-risk providers participate in at least one free online event that promotes and supports good practice. <p><u>Substantially achieved</u> TEQSA's focus in online interaction has been on cost recovery, as well as contract cheating and impacts of artificial intelligence.</p>

Year	Performance measures	Expected performance results
Current year 2022-23 (continued)	Number of visits to the 'Students' section of TEQSA's website	<p>Target: 50% of providers include information and links to TEQSA's students' webpages on their website</p> <p><u>Partly achieved</u> TEQSA expects to record an increase of approx. 25%, rather than the 50 percent target.</p>
	Participation and substantive contribution to joint projects	<p>Target: TEQSA participates in project teams and provides written advice on at least three projects across the Department and HESP each year</p> <p><u>Achieved</u> TEQSA has contributed written submissions to parliamentary inquiries into international education and departmental consultations on the ESOS National Code. TEQSA has contributed to ARC ERA and HESP admissions transparency reviews, and the Universities Accord. TEQSA participated in the Minister's delegation to India.</p>
	Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	<p>Target: Three to four briefs provided to the Minister on key trends, risks, and issues across the sector and regarding high-risk providers</p> <p><u>Achieved</u> TEQSA has specifically briefed the Minister on matters such as academic cheating, artificial intelligence, admissions transparency, third party course delivery, ESOS compliance, and cost recovery, as well as provider specific and external review matters.</p>

Year	Performance measures	Planned performance results
Budget Year 2023–24	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
		<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.
		Engage high risk providers in free online events to promote and support good practice
	Number of visits to the 'Students' section of TEQSA's website	10% year-on-year increase of website visits to the 'Students' section of the TEQSA website compared to previous years
Participation and substantive contribution to joint projects	TEQSA annually participates and substantively contributes to at least three joint projects aligned with the HESF	
Provide advice to the Minister regarding key trends, risks and issues across the sector and high-risk providers	Provide advice and recommendations to four to five policy initiatives relevant to on key trends, risks, and issues across the sector per annum	
Forward Estimates 2024–27	As per 2023-24	As per 2023-24

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
Current Year 2022–23	Complete and report on the annual risk assessment of providers and share key themes with the sector	<p>Target: Publish of TEQSA’s annual (CY) Compliance Report by 30 March, and Annual Report by 15 October</p> <p><u>Achieved</u> TEQSA will publish its annual compliance report in March, and follow-up with information materials and sessions for the sector.</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>Target:</p> <ul style="list-style-type: none"> • Complete one 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. <p><u>Partly achieved</u> TEQSA will complete a student wellbeing compliance program in late 2023.</p>
	Assess provider financial risk as part of the annual risk assessments	<p>Target: A modified risk assessment will be undertaken in 2022–23, due to delays in receipt of provider data</p> <p><u>Partly achieved</u> A modified risk assessment is being undertaken in 2022–23, due to systemic delays in receipt of verified provider data.</p>
	Sector compliance activity involving student wellbeing	<p>Target: Annual Compliance Plan will include at least one activity focused on student wellbeing</p> <p><u>Partly achieved</u> TEQSA’s student wellbeing compliance project has commenced but will not be completed until late 2023.</p>

Year	Performance measures	Expected performance results
	<p>Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks</p>	<p>Target:</p> <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. <p><u>Achieved</u> TEQSA has undertaken significant and high-profile interactions with the sector on academic cheating, including through successful proceedings to block commercial cheating websites and remove posts and accounts from social media platforms. TEQSA has engaged the sector on cybersecurity threats through a series of half day workshops. TEQSA has also worked with Deakin University to develop webinars on the impacts of artificial intelligence on higher education.</p>

Year	Performance measures	Planned performance results
Budget Year 2023–24	Complete and report on the annual risk assessment of providers and share key themes with the sector	Publish TEQSA’s annual Compliance Report by 30 March, and Annual Report by 30 September
	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 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.
	Assess provider financial risk as part of the annual risk assessments	Financial risk assessment will be completed for providers who have been in operation for >3 years, as part of annual risk assessment
	Sector compliance activity involving student wellbeing	Annual Compliance Plan will be modified each year to target relevant priority issues
	Demonstrated improvements in sector awareness, identification, analysis, and response to integrity risks	<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.
Forward Estimates 2024–27	As per 2023-24	As per 2023-24

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 Cross Recovery Implementation Statement (CRIS) and relevant framework or guidelines. • Implement key strategic projects in relation to organisational capability.

Year	Performance measures	Expected performance results
Current Year 2022–23	Stakeholder acceptance of process and outcomes for regulatory reform	<p>Target:</p> <ul style="list-style-type: none"> • Initial review and streamlining of existing processes complete • Completion of supervisory risk statement for sector. <p><u>Partly achieved</u> TEQSA has commenced a regulatory risk framework project and accompanying consultations with the sector. This will not be complete until late in 2023.</p>
	Proportion of compliance assessments undertaken to address non-compliance and restore compliance (registered and non-registered) providers	<p>Target: Establish baseline in 2022–23. Proportion of compliance assessments that conclude with provider compliance (by regulatory action, provider education, court or tribunal order)</p> <p><u>Not achieved</u> Work to establish a baseline and record progress against this measure has commenced but will not be completed this financial year.</p>
	TEQSA reviews cases in which its decisions are externally reviewed, identifies any opportunities for improvement in TEQSA's regulatory approach, and implements improvements	<p>Target: TEQSA's annual report includes details of opportunities and steps taken by TEQSA to implement identified improvements</p> <p><u>Partly achieved</u> A formal process of external review outcomes work has commenced but will not be fully instituted before late 2023.</p>

	Extent to which TEQSA meets relevant legislated and/or statutory freedom of information, privacy, or information security obligations	<p>Target: 100% compliance with relevant obligations, requirements, or requests</p> <p><u>Achieved</u> TEQSA will have met all such obligations.</p>
	Yearly trend in processing times	<p>Target: Median assessment times within legislative deadline in TEQSA Act</p> <p><u>Not or partly achieved</u> Assessment times have been impacted by high volumes of applications before the 1 January introduction of cost recovery. There will likely only be limited improvement before 30 June.</p>
	Percentage of providers satisfied TEQSA is reducing administrative burden	<p>Target: In 2022–23 implement outcomes of regulatory process improvement project</p> <p><u>Partly or substantially achieved</u> Results from stakeholder survey reflect broad provider satisfaction with TEQSA’s performance, partly driven by some rationalising of assessment processes.</p>
	Percentage of assessments completed within legislative deadlines as required under the TEQSA Act	<p>Target: 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</p> <p><u>Substantially achieved</u> To date all applicable assessments have been completed within legislative deadlines, although not all assessment types are covered by legislated deadlines. TEQSA has reasonable confidence this will continue through to 30 June.</p>
	Recovery consistent with approved CRIS and with support of providers	<p>Target:</p> <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.

		<p><u>Achieved</u> Cost recovery commenced on 1 January and annual charge invoices were issued on 10 February. TEQSA undertook extensive consultation, including through a range of online and other guides and FAQs. TEQSA will consult the sector on its schedule of fees and charges (CRIS) in early 2023-24.</p>
	<p>Strategic projects progressively implemented, on time and on budget</p>	<p>Target:</p> <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. <p><u>Substantially achieved</u></p> <ul style="list-style-type: none"> • TEQSA has completed its office relocation and website renewal projects. Records management and student records projects are expected to be completed by 30 June. A contract for a risk framework review consultancy has been signed, and negotiations for a provider management solution contract are expected to be completed before May.

Year	Performance measures	Planned performance results
Budget Year 2023–24	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 non-compliance 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 them
	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 deadlines 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.

Year	Performance measures	Planned performance results
	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.
Forward Estimates 2024–27	As per 2023-24	As per 2023-24

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2023-24 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 financial statements have been prepared on an accrual basis.

There are no material differences between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Departmental

Revenue from Government in 2023-24 is estimated to be \$20.5 million. This is an increase of \$0.5 million compared to \$20.0 million in 2022-23.

Expenses in 2023-24 are estimated to be \$21.9 million, comprising \$13.0 million in employee expenses, \$7.4 million in supplier expenses, \$1.3 million in depreciation and amortisation expenses, and \$0.2 million in finance expenses.

TEQSA is budgeting for a balanced budget in the forward years, after adjusting for depreciation and amortisation expenses and accounting for lease principal repayments.

Administered

Administered revenue in the schedule of budgeted income and expenses represent the fees and levies collected by TEQSA from their regulatory services.

Administered revenue is expected to increase from \$5.4 million in 2022-23 to \$14.9 million in 2023-24, reflecting the entity's transition to an increased cost recovery for most of their regulatory and quality assurance activities.

3.2 Budgeted financial statements tables

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	11,425	13,004	13,423	13,856	14,303
Suppliers	9,180	7,418	7,346	7,174	7,108
Depreciation and amortisation (a)	1,099	1,314	1,236	1,102	1,001
Finance costs	175	192	169	145	118
Total expenses	21,879	21,928	22,174	22,277	22,530
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	515	650	650	650	650
Total own-source revenue	515	650	650	650	650
Gains					
Other	53	53	53	53	53
Total gains	53	53	53	53	53
Total own-source income	568	703	703	703	703
Net (cost of)/contribution by services	(21,311)	(21,225)	(21,471)	(21,574)	(21,827)
Revenue from Government	20,009	20,462	20,839	21,131	21,545
Surplus/(deficit) attributable to the Australian Government	(1,302)	(763)	(632)	(443)	(282)
Total comprehensive income/(loss)	(1,302)	(763)	(632)	(443)	(282)
Total comprehensive income/(loss) attributable to the Australian Government	(1,302)	(763)	(632)	(443)	(282)

Note: Impact of net cash appropriation arrangements

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Total comprehensive income/(loss) - as per statement of Comprehensive Income	(1,302)	(763)	(632)	(443)	(282)
plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) (a)	681	799	723	589	590
plus: depreciation/amortisation expenses for ROU assets (b)	418	515	513	513	411
less: lease principal repayments (b)	424	551	604	659	719
Net Cash Operating Surplus/ (Deficit)	(627)	-	-	-	-

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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	563	563	563	563	563
Trade and other receivables	10,434	9,412	9,139	9,139	9,139
Total financial assets	10,997	9,975	9,702	9,702	9,702
Non-financial assets					
Land and buildings	8,239	7,512	6,687	5,862	5,139
Property, plant and equipment	731	835	1,068	1,317	1,215
Intangibles	1,711	1,936	2,164	2,517	3,228
Other non-financial assets	436	436	436	436	436
Total non-financial assets	11,117	10,719	10,355	10,132	10,018
Assets held for sale					
Total assets	22,114	20,694	20,057	19,834	19,720
LIABILITIES					
Payables					
Suppliers	1,924	902	629	629	629
Other payables	255	255	255	255	255
Total payables	2,179	1,157	884	884	884
Interest bearing liabilities					
Leases	5,198	4,647	4,043	3,384	2,665
Total interest bearing liabilities	5,198	4,647	4,043	3,384	2,665
Provisions					
Employee provisions	1,931	1,931	1,931	1,931	1,931
Other provisions	595	595	595	595	595
Total provisions	2,526	2,526	2,526	2,526	2,526
Total liabilities	9,903	8,330	7,453	6,794	6,075
Net assets	12,211	12,364	12,604	13,040	13,645
EQUITY*					
Parent entity interest					
Contributed equity	16,415	17,331	18,203	19,082	19,969
Reserves	17	17	17	17	17
Retained surplus (accumulated deficit)	(4,221)	(4,984)	(5,616)	(6,059)	(6,341)
Total parent entity interest	12,211	12,364	12,604	13,040	13,645
Total equity	12,211	12,364	12,604	13,040	13,645

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 2023-24)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	(4,221)	17	-	16,415	12,211
Adjusted opening balance	(4,221)	17	-	16,415	12,211
Comprehensive income					
Other comprehensive income					-
Surplus/(deficit) for the period	(763)				(763)
Total comprehensive income	(763)	-	-	-	(763)
Contributions by owners					
Departmental Capital Budget (DCB)				916	916
Sub-total transactions with owners	-	-	-	916	916
Estimated closing balance as at 30 June 2024	(4,984)	17	-	17,331	12,364
Closing balance attributable to the Australian Government	(4,984)	17	-	17,331	12,364

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,868	21,484	21,112	21,131	21,545
Sale of goods and rendering of services	515	650	650	650	650
Net GST received	1,176	584	637	656	630
Other	4	-	-	-	-
Total cash received	23,563	22,718	22,399	22,437	22,825
Cash used					
Employees	11,425	13,004	13,423	13,856	14,303
Suppliers	9,134	8,387	7,566	7,121	7,055
Net GST paid	1,165	584	637	656	630
Interest payments on lease liability	175	192	169	145	118
Other	10	-	-	-	-
Total cash used	21,909	22,167	21,795	21,778	22,106
Net cash from/(used by) operating activities	1,654	551	604	659	719
INVESTING ACTIVITIES					
Cash received					
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	2,793	916	872	879	887
Total cash used	2,793	916	872	879	887
Net cash from/(used by) investing activities	(2,793)	(916)	(872)	(879)	(887)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,563	916	872	879	887
Total cash received	1,563	916	872	879	887
Cash used					
Principal payments on lease liability	424	551	604	659	719
Total cash used	424	551	604	659	719
Net cash from/(used by) financing activities	1,139	365	268	220	168
Net increase/(decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	563	563	563	563	563
Cash and cash equivalents at the end of the reporting period	563	563	563	563	563

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,563	916	872	879	887
Total new capital appropriations	1,563	916	872	879	887
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>(1,563)</i>	<i>(916)</i>	<i>(872)</i>	<i>(879)</i>	<i>(887)</i>
Total items	(1,563)	(916)	(872)	(879)	(887)
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB (a)	(2,793)	(916)	(872)	(879)	(887)
TOTAL	(2,793)	(916)	(872)	(879)	(887)
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,793	916	872	879	887
less: additions by creditors / borrowings					
plus: borrowing / finance costs					
less: ROU Additions					
less: gifted assets					
less: s75 / restructuring					
Total cash used to acquire assets	2,793	916	872	879	887

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 2023-24)

	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2023				
Gross book value	4,057	1,320	5,908	11,285
Gross book value - ROU assets	8,845			8,845
Accumulated depreciation/ amortisation and impairment	(1,021)	(589)	(4,197)	(5,807)
Accumulated depreciation/amortisation and impairment - ROU assets	(3,642)			(3,642)
Opening net book balance	8,239	731	1,711	10,681
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	100	221	595	916
Total additions	100	221	595	916
Other movements				
Depreciation/amortisation expense	(312)	(117)	(370)	(799)
Depreciation/amortisation on ROU assets	(515)	-	-	(515)
Total other movements	(827)	(117)	(370)	(1,314)
As at 30 June 2024				
Gross book value	4,157	1,541	6,503	12,201
Gross book value - ROU assets	8,845	-	-	8,845
Accumulated depreciation/ amortisation and impairment	(1,333)	(706)	(4,567)	(6,606)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,157)	-	-	(4,157)
Closing net book balance	7,512	835	1,936	10,283

Prepared on Australian Accounting Standards basis.

a)'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2023-24 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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forw ard estimate \$'000	2025-26 Forw ard estimate \$'000	2026-27 Forw ard estimate \$'000
EXPENSES					
Total expenses administered on behalf of Government	-	-	-	-	-
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
<i>Total taxation revenue</i>	-	-	-	-	-
Non-taxation revenue					
Fees and fines	5,427	14,937	14,505	14,147	14,147
<i>Total non-taxation revenue</i>	5,427	14,937	14,505	14,147	14,147
Total own-source revenue administered on behalf of Government	5,427	14,937	14,505	14,147	14,147
Gains					
Total gains administered on behalf of Government	-	-	-	-	-
Total own-sourced income administered on behalf of Government	5,427	14,937	14,505	14,147	14,147
Net (cost of)/contribution by services	5,427	14,937	14,505	14,147	14,147
Surplus/(deficit) before income tax	5,427	14,937	14,505	14,147	14,147
Income tax expense					
Surplus/(deficit) after income tax	5,427	14,937	14,505	14,147	14,147
OTHER COMPREHENSIVE INCOME					
Items not subject of subsequent reclassification to net cost of services					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	5,427	14,937	14,505	14,147	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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sales of goods and rendering of services	5,427	14,937	14,505	14,147	14,147
Total cash received	5,427	14,937	14,505	14,147	14,147
Cash used					
Total cash used	-	-	-	-	-
Net cash from/(used by) operating activities	5,427	14,937	14,505	14,147	14,147
Net increase/(decrease) in cash held	5,427	14,937	14,505	14,147	14,147
Cash and cash equivalents at end of reporting period	5,427	14,937	14,505	14,147	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 statement. Therefore, table 3.10 is not presented.

Table 3.11: Statement of administered asset movements (Budget year 2023-24)

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.

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Term	Meaning
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.

Term	Meaning
<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
HESF	Higher Education Standards Framework
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

Term	Definition
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ROU	Right of use
SEE	Skills for Education and Employment
SOETM	Services for Other Entities and Trust Moneys
STEM	Science, technology, engineering and mathematics
TEQSA	Tertiary Education Quality and Standards Agency
TRA	Trades Recognition Australia
USI	Unique Student Identifier